

Europe-Asia Review III

PROJECT CARRIED OUT BY THE CENTRE FOR INTERNATIONAL RELATIONS AND KONRAD-ADENAUER-STIFTUNG IN POLAND

www.csm.org.pl/en/europe-asia-review





War in Ukraine and the world food crisis





Russia's invasion of Ukraine has deepened the global food crisis which has already hit hard due to the Covid-19 pandemic and resulting supply chains disruptions. There was a sharp spike in grain and fertilizers prices and their shortages on African and Middle East markets. Both Ukraine and Russia are leading producers and exporters of these products. The long-term blockade of Ukrainian Black Sea ports as well as difficulties in handling food sales have increased areas of malnutrition or even hunger on the world map, in particular in those countries which also previously coped poorly with providing food to their citizens. Early 2022, 276 million people were suffering from severe hunger in 81 countries where the World Food Program (WFP) works. That's an increase of 126 million people from before the Covid-19 pandemic. The WFP predicts that if the conflict in Ukraine continues, severe hunger will increase by a gigantic number of 47 million people in the countries where the UN agency operates. The effort of the United Nations, many countries and organizations is now focused on preventing a major humanitarian catastrophe.

According to FAO (Food and Agriculture Organization) data, in 2021, Russia and Ukraine were among top three world exporters of wheat, barley, maize, rapeseed and rapeseed oil, as well as sunflower seeds and sunflower oil. The Russian Federation is also the world's largest exporter of nitrogen fertilizers, the second leading supplier of potassium fertilizers and the third largest exporter of phosphate fertilizers. Likewise, Belarus plays an important role in global fertilizer supply chains.

The Black Sea ports blockade, devastation of Ukrainian agricultural infrastructure and restrictions on grain exports imposed by Russia will have a negative impact on the global grain market also in the years to come. The shortages can only be partially offset by supplies from alternative sources. Also in the long run, the ability of other countries to increase production and exports will be limited by the necessity of high investments which are not feasible in the times of crisis. The FAO estimates that food prices in global markets may rise by 8-22 percent.

The <u>UN warns</u> that the cost of food is already 42 percent higher than in 2014-2016. Meanwhile, after the outbreak of the war in Ukraine, the <u>FAO food price index</u> exceeded the level of the fuel crisis in 1973 and rose to the highest level since 1961. This means a drastic increase in the number of people in need of humanitarian aid while international organizations experience difficulties in purchasing food. <u>According to UN estimates</u>, 1.7 billion people worldwide, or one fifth of the world's population, are exposed to at least one of the three effects of the war in Ukraine: rising food prices, rising energy prices or a severe financial crisis.

IMPACT OF THE UKRAINIAN WAR ON THE MIDDLE EAST

<u>World Bank research</u> shows that although only 6 percent of the world's population lives in the Middle East and North Africa, as much as 20 percent of the region's population is at risk of suffering from food shortages. Of these countries, Lebanon, Syria and Yemen are the most vulnerable, with only a small supply of grain stocks and severe economic crisis or civil war. Before Russia's invasion of Ukraine, <u>Lebanon imported</u> as much as 75 percent of all wheat from that country and from Russia.

The outbreak of the war and the blockade of the Black Sea ports have left thousands of low-income residents of Lebanon malnourished, and the plight of the country hit by the economic catastrophe has been exacerbated by a sharp rise in fuel prices. It is worth noting that food prices in Lebanon in soared already before the war by 400 percent compared to 2019, and according to UN data, as many as 80 percent of Lebanese live in poverty. Unfortunately, this number is constantly increasing. Another nation in a very difficult situation is Syria. Data obtained by the international humanitarian organization Mercy Corps shows how the energy crisis is adversely affecting the availability of bread in Syria, with prices in private bakeries having increased by almost 100 percent.

Another Arab country, Jordan, although it used to import almost 40 percent of wheat from Russia and Ukraine (FAO data) it managed to secure grain stocks for about 15-18 months ahead

WAR IN UKRAINE AND THE WORLD FOOD CRISIS

Author: Dr. Bruno Surdel

3

of the outbreak of war. Gulf nations such as Oman and Saudi Arabia are heavily dependent on grain purchases in Russia and Ukraine (Oman – 48 percent, Saudi Arabia – 54 percent), but the economic potential of both countries allows them for purchases even at a higher price from other suppliers. They are also trying to deal with food supply issues by renting farmland in other countries and by investing in the regeneration of local semi deserts.

Another Middle Eastern nation – Pakistan – has been struggling with a huge economic crisis for many years. At the same time – due to competitive prices – it has been purchasing about 73 percent of wheat from Ukraine (1.2 million tons) and Russia (0.92 million tons). Food import costs during the pandemic accounted for 16% of Pakistan's total import expenditure. After Russia's invasion of Ukraine, the share of food increased to over 20% and the import of wheat (and cooking oil) from Ukraine was put at risk. Local crops production have suffered severely due to rising fertilizer prices, heat waves, drought, and – in some provinces – floods. The government in Islamabad is trying to improve the food situation through open international tenders but soaring grain prices on the world markets hinder its efforts. The food crisis might cause malnutrition for hundreds of thousands of the country's inhabitants.

THREAT OF HUNGER IN SUB-SAHARAN AFRICA

The food security of as many as 17 Sub-Saharan African countries depends on imports from Russia and Ukraine. Before the war, the scale of imports ranged between 35 percent (Kenya, Sudan), 55 percent (Cameroon, Senegal, Djibouti), up to 93-100 percent (Somalia, Eritrea). Local farmers are unable to increase food production, in particular wheat, due to the more frequent natural disasters affecting Sub-Saharan Africa as a result of climate change (desertification of farmlands) as well as a sharp increase of artificial fertilizers prices (from 250 to 300 percent) in the region.

Globally, <u>prices of artificial fertilizers</u> have increased by 80 percent already in 2021. This was due to a break in supply chains caused directly by the armed conflict in Ukraine but also by decisions of other producers. <u>China has limited fertilizer exports</u> to protect its own farmers in a crisis caused by the soaring of gas and coal prices. Both fossil fuels are the basic raw material for ammonia needed to produce nitrogen fertilizers. Similar problems apply to potash fertilizers produced with the use of potash.

WAR IN UKRAINE AND THE WORLD FOOD CRISIS

Author: Dr. Bruno Surdel

4

According to World Bank assessments, shortages of potash supplies, and thus the prices of potash fertilizers, increased after new sanctions against Belarus and Russia imposed after Russia's invasion of Ukraine. The availability of artificial fertilizers is currently at its lowest since the 2008 global food crisis, contributing to a reduction in cultivated land. Above all, however, the food crisis worsened due to the blockade of the Ukrainian Black Sea ports by Russia and restrictions of grain exports imposed by Moscow. This resulted in a drastic reduction in the supply of grain and thus a surge in food prices. The countries most affected are: Ghana (122 percent increase), Senegal (110 percent), Uganda (107 percent), Nigeria (106.5 percent), Kenya (104 percent) and South Africa (102 percent). A special case is Nigeria, where the effects of the war in Ukraine hit consumers as a result of the global energy crisis. The West African nation is one of the world's largest oil producers and the largest in Africa, with a daily production of 1.42 million barrels. The problem, however, is that Nigeria has only four oil refineries, so almost all of its fuel needs are met by imports. The huge jump in world prices for fossil fuels has had an impact on their price in Nigeria (an increase of more than 100 percent) and has led to a big shortage of these products which affects the costs of transportation and food production.

Therefore, the war in Ukraine has had a very negative impact on the level of both food and resource security in Africa, which was already low before the conflict. It is worth noting that, according to the <u>calculations of the International Monetary Fund</u>, 40 percent of all household expenditure in sub-Saharan Africa is spent on food, while the <u>World Bank estimates</u> that poor families in this region spend as much as 75 percent of their income on food. In Western countries, the share is 10-17 percent. The current crisis is exacerbating an already difficult situation. In 2020, as a result of the pandemic, drought, floods and internal conflicts, <u>malnutrition and hunger in that region</u> of the world was suffered by 21 percent of population, which in absolute numbers means as much as 282 million people. This is an increase by 46 million affected persons compared to the pre-2019 period. Particularly difficult situation is in the Horn of Africa region (Djibouti, Somalia, Sudan, South Sudan, Ethiopia, Uganda and Kenya), where – according to <u>UN figures</u> – more than 37 million people suffer from severe hunger, including seven million severely malnourished children.

WAR IN UKRAINE AND THE WORLD FOOD CRISIS

Author: Dr. Bruno Surdel

5

THE BLACK SEA GRAIN INITIATIVE

Certain hope was brought by the so-called <u>Black Sea Grain Initiative</u>, i.e. the agreement concluded on July 27, 2022 in Istanbul with Russia and Ukraine, thanks to the efforts of the UN and Turkey. It assumed the resumption of Ukrainian grain exports from three ports: Odessa, Chornomorsk and Yuzhne. A total of 20 million tons of grain were blocked by Russia in Black Sea ports. However, that agreement has not been fully implemented as the ports mentioned can only use about 25-30 percent of their capacity, and the Ukrainian side accused Russia of deliberately blocking its implementation. The controversy also concerned 150 grain ships that stuck in the Sea of Marmara in October due to prolonged Russian inspections. Moscow, on the other hand, accused Kyiv that about half of grain shipments are directed via Ukraine to Europe, and not to the poorest countries. The deal was subsequently suspended but thanks to the Turkish Government's efforts the Kremlin has revoked that decision. Despite the difficulties Russia has made, <u>Ukraine has so far managed to export</u> more than 9 million tons of grain and other foodstuffs on board 379 ships via the Black Sea under the July agreement.

Author: Bruno Surdel, PhD, analyst, Centre for International Relations

The war in Ukraine from the Japanese perspective





Russia's invasion of Ukraine has opened a new chapter in the history of the post-Cold War world. It has shaken the political and economic foundations of Europe and, on the other hand, has brought the confrontation between the global 'East' and 'West' back to the fore in international politics. In this conflict, Japan is on the side of Europe and the United States, concerned not only with Russia's revisionism, but above all with the expansionism of China – a growing Asian superpower. These two factors have changed Japan's perception of its own security and Russia became a threat.

The war in Ukraine is for Japan – just like for Germany – a kind of "Zeitenwende" that is, a reversal of the main assumptions of foreign policy. For over a decade, Japan has tried to build its relations with Russia both in the diplomatic and economic fields. Japanese companies have carried out 200 projects in the partnership with Russian firms. Investments in Russian energy industry ("Sakhalin" 1 and 2), greater bilateral trade and the construction of Japanese car factories in Russia did not only have an economic aspect for late Shinzo Abe – the former Prime Minister. It was also an act of goodwill to persuade the Kremlin to conclude a peace treaty and to make concessions on the so-called Northern Territories, i.e. the Kuril Islands which Russia has occupied since the end of World War II. However, the efforts of the Japanese government in which the current prime minister, Fumio Kishida, was also the foreign minister for some time, have not brought substantial results. Russia's attack on Ukraine on February 24, 2022 brought an end to the "soft" policy towards the Kremlin that was particularly visible after the annexation of Crimea in 2014, when Tokyo, only under pressure from Washington, decided to impose symbolic sanctions against the aggressor.

NEW POLICY TOWARDS THE KREMLIN

The "Blue Book" published in 2022 by the Japanese Foreign Ministry on the international situation states that "Aggression against Ukraine not only fundamentally destroys the security structure in Europe, but also threatens the world order after the Cold War and can be called an important turning point in history". Japanese authorities also state that Tokyo will act jointly with the international community, including the G7, demanding that Russia withdraw its troops and cease all activities in violation of international law. Japan has also made it clear that Moscow will pay a high price for its aggression against Ukraine through the sanctions Tokyo is implementing against Russia in cooperation with its Western partners. Hence, immediately after the outbreak of the war, the Japanese government took decisive diplomatic, financial and trade steps.

As part of the package of sanctions, Tokyo has withdrawn the "most favored nation" status in relation to Russia under the WTO (World Trade Organization) system. At the same time, Japan introduced a ban on the import of machinery, wood, vodka and gold from that country. In the energy sector, Japan has decided to reduce its dependence on Russia which means a gradual phasing out and a ban on imports of Russian coal and oil. In terms of exports, the Japanese government has imposed sanctions on the export of goods to Russian military-related entities as well as the export of dual-use goods to Russia, such as semiconductors, high-tech products, oil refining equipment, goods that may contribute to increasing Russian industrial capabilities and the products that could be used for the production of chemical and biological weapons.

<u>In financial terms</u>, the Japanese government decided to reduce transactions with the Russian central bank, freeze the assets of people associated with the Russian government, including President Putin himself and the so-called oligarchs. The assets of eleven Russian banks (including Sberbank, Alfa-Bank, VEB.RF, Promsvyazbank, Bank Rossiji, VTB Bank and Sovcombank) were also frozen. Tokyo has also made efforts – along with other G7 countries –

Author: Dr. Bruno Surdel

3

to cut Russia off from the international financial system, including the exclusion of selected Russian banks from the SWIFT messaging system.

Japanese sanctions also affected President Lukashenka's regime in Belarus. The assets of four major Belarusian banks (Belagroprombank, Bank Dabrabyt, Development Bank of the Republic of Belarus and Belinvestbank) were frozen and sanctions were imposed, including freezing the assets of designated persons and entities associated with Belarus, including President Lukashenka. In addition, as in the case of Russia, there has been a ban on the export of goods to Belarusian military-related entities, as well as civil and military dual-use items such as semiconductors.

It is worth noting that the sanctions against Russia have been met with a strong support by the Japanese public. In a public opinion survey by Nikkei Inc. and TV Tokyo shortly after the start of the Russian invasion of Ukraine, 61% of respondents were in favor of imposing severe sanctions on Russia. Moscow's reaction came soon after. On March 7, Japan, along with the member states of the European Union, as well as, among others, South Korea and Australia, was entered on the Kremlin's list of "unfriendly countries".

Diplomatic relations between Tokyo and Moscow deteriorated significantly during the following months of the Russo-Ukrainian war. In March 2022, Moscow broke off the peace treaty talks with Tokyo. And on September 20, 2022, the Prime Minister of Japan, Fumio Kishida, in his speech at the UN General Assembly stated: "We are standing at a historic turning point. Russian aggression against Ukraine is an act that suppresses the vision and principles of the United Nations Charter. It is crucial that all countries are subject to the rule of law and not the rule of force which we absolutely cannot allow". A few days later, on September 26, 2022, the Russian FSB security service detained a Japanese diplomat in Vladivostok on suspicion of espionage. The Consul Motoki Tatsunori was designated by the Russian government as "persona non grata" and had to leave Russia. In response, the Japanese authorities took similar diplomatic measures against the Russian consul in Sapporo.

Author: Dr. Bruno Surdel

4

SUPPORT FOR UKRAINE

The Japanese government has not restricted its actions to sanctions against Russia and Belarus but provided <u>significant aid</u> to war-torn Ukraine. It included financial assistance of USD 1.1 billion. Japan has also strengthened Ukraine's defense potential by sending Kiev, among others, drones, bulletproof vests, helmets, winter combat uniforms, tents, food rations, binoculars, medical supplies and civilian vehicles.

Prime Minister Fumio Kishida also offered Japan's assistance in the future reconstruction of Ukraine. The Ukrainians themselves consider as particularly valuable the unique experience of Japan in the reconstruction of cities and infrastructure after the great earthquake and tsunami of 2011. Of particular importance is the technology used by the Japanese for sorting and recycling rubble which could also be used in Ukraine.

The President of Ukraine – Volodymyr Zelensky was invited to speak (via video-link) in the Japanese parliament, and his speech was received warmly by the Japanese media and society. The concerns of Ukrainians related to the Russian attacks on the areas where nuclear power plants are located resonate well with the sentiments of the Japanese affected by the 2011 disaster at the Fukushima nuclear power plant. Japan – traditionally reluctant to receive migrants – has accepted over 2,000 refugees from Ukraine and has assisted them in re-settling and finding jobs. Public opinion polls show that Japanese society unequivocally supports such actions. Private Japanese companies, including such giants as Rakuten, have provided aid to the Ukrainians. The upcoming winter may mean for Ukraine both a Russian counteroffensive and huge energy problems, including heating the population cut off from electricity and gas. A certain relief may be the "winter assistance" announced by Prime Minister Kishida, i.e. the supply by Japan to Ukraine of heating systems for displaced persons and other equipment to help them survive the cold winter.

REPERCUSIONS OF THE UKRAINIAN WAR FOR THE SECURITY OF JAPAN

<u>In the aforementioned "Blue Book"</u>, the Japanese Foreign Ministry notes that the impact of Russia's war with Ukraine extends far beyond Europe: "Russia's aggression against Ukraine constitutes a serious violation of international law prohibiting the use of force, and is an

Author: Dr. Bruno Surdel

5

outrageous act that shocks the very foundations of the international order, not only in Europe but also in Asia."

The most dangerous consequences of the Ukrainian war for the Indo-Pacific and Japan itself are related to the impact this armed conflict may have on the regional political and military strategy of Moscow's ally, Beijing. For the Japanese the biggest concern is China's continuous increase in its defense budget, and above all, of the dynamic strengthening and modernization of the Chinese armed forces. Tokyo is particularly concerned about China's pursuit of a competitive advantage in new security domains such as space and cyberspace.

In addition, Japan is watching with concern the Chinese attempts to unilaterally change the status quo at sea and in the air in waters such as the East China and South China Seas. Since Russia's invasion of Ukraine, there has also been an increase in Chinese political and military pressure on Taiwan, which Beijing sees as its "renegade province" and insists on the "unification" of the island with the People's Republic of China.

These actions threaten the idea of an "Free and Open Indo-Pacific" (FOIP), advocated by late Prime Minister Shinzo Abe during his visit to Kenya in 2016. The vision includes ensuring peace and prosperity in the Indo-Pacific region by establishing a free and open order based on shared values and principles, such as the rule of law. The Japanese recognize the United States, Australia, India, ASEAN and the European Union as allies in implementing that idea. One of the instruments of FOIP's implementation is QUAD – a forum for dialogue and cooperation in the field of regional security, initiated in 2007 also by Prime Minister Shinzo Abe. Tokyo is working in this format with Australia, India and the US who are also concerned about China's assertiveness in the Indo-Pacific and the increasing tensions in the Taiwan Strait.

For Japan, the status quo with respect to Taiwan and the de facto independence of the island from Beijing are essential to its own security. These factors limit the strategic possibilities of Chinese troops in the East China Sea and thus are key to the defense of the Japanese islands in the event of a conflict involving China. However, "reunification" of Taiwan with the PRC is the most important goal of the third term of the chairman of the Chinese Communist Party, Xi Jinping, and has been written into the Party Constitution. All the more disturbing were the largest so far Chinese military exercises in the Taiwan Strait following the visit to Taipei of the Speaker of the US House of Representatives Nancy Pelosi in early August 2022. The Japanese Ministry of Defense reported that five ballistic missiles launched by China's armed forces

Author: Dr. Bruno Surdel

6

landed in Japan's Exclusive Economic Zone (EEZ). In the event of a possible Chinese invasion of Taiwan, there is a danger that Japan could be drawn into the war.

Tokyo administers the archipelago of Senkaku islets (in Chinese nomenclature: Diaoyu) located in the East China Sea, to which claims are made not only by Beijing but also by Taipei. Thus, China could try to invade both Taiwan and the archipelago Taipei considers its own. The Japanese authorities report regular violations of their territorial waters by the Chinese in the region. On the other hand, the United States has repeatedly emphasized that in the event of an attack on Senkaku, it will defend the islands along with the Japanese. This U.S. commitment was reaffirmed by President Joe Biden to Fumio Kishida after he took office as Prime Minister of Japan in October 2021.

author: Bruno Surdel, PhD, analyst, Centre for International Relations

War in Ukraine and China's expansion – challenges for Southeast Asia





The meetings of the Association of Southeast Asian Countries (ASEAN) in Cambodia, Bali and Bangkok (to be held on November 8-13, 2022) are taking place in the shadow of the European conflict in Ukraine. In recent weeks, China has activated its diplomacy, taking advantage of the favorable situation, especially in Asia. Beijing's goal is to gain control of the Indo-Pacific. This is what their adversaries, in particular the US and Russia, are striving for.

China effectively takes advantage of the European conflict, strengthening its relations with ASEAN, the most dynamic area of economic development in the world, rich in fossil fuels and other natural resources, and with well-educated high-tech professionals. On the other hand, the Western world is also interested in the innovations created there.

China wants to integrate with the economies of ASEAN countries that already have become their most important trading partners. Therefore, it is no coincidence that the slogans of the three summit meetings coincided with the actions of Chinese diplomacy. During the meetings, joint initiatives were emphasized for the reconstruction of the ASEAN nations after the Covid-19 pandemic. Those countries are currently also affected by the effects of the Russian aggression on Ukraine.

The current war in Ukraine is a military operation whose far-reaching goals consist in gaining control over the area of Eurasia with huge economic and raw material potential, through which new routes of road, rail and air communication are already being marked out. They are leading to the Indo-Pacific.

UKRAINE AS A GATEWAY TO EURASIA

China's two most serious adversaries, the United States and Russia, have become embroiled in the Ukrainian conflict as Ukraine stands in their way to Eurasia. The causes of the conflict are too complex to be analyzed ad hoc. The war broke out because Russia believed in the effectiveness and invariability of its current policy based on brute force that it has been conducting for centuries in the areas of its colonization. The control over those areas has grown into their imperial policy, hence the attack on the hitherto sovereign Ukraine, over which the United States has also been trying to extend its influence since at least 2014 and the famous Kiev Maidan. Therefore, the resistance on the part of Ukraine and the relatively united response of the West caused considerable consternation in the Kremlin.

The conflict in Ukraine has already activated some countries in the region, such as Kazakhstan that is currently seeking to open new routes for the export of its oil because dependence on Russian pipelines hinders the free flow of that raw material to many foreign recipients. Georgia, Armenia and Uzbekistan are also planning to join new raw material routes.

Land routes leading to the oceans of East Asia via Ukraine may in the future, after the end of the conflict, be as lucrative as sea routes, so it is understandable that gaining control over Eurasia is the key to gaining influence also over the future directions of economic development of the world.

Author: Dr. Tomasz Gerlach

3

ASEAN AND THE UKRAINIAN WAR

The Ukrainian issue was emphasized on the ASEAN debates in Phnom Penh, thanks to the Cambodian Prime Minister Hun Sen, who was the chairman of this Summit. For Hun Sen, it was an opportunity to stand up for the fate of small states bordering on powerful neighbors that threaten their sovereignty, and in this context to also condemn Russian aggression, which was underlined by Ukraine's accession to the Treaty of Amity and Cooperation (TAC). Cambodian Prime Minister spoke out against any aggression and territorial annexation by any state. His statements on Ukraine contrasted with the relatively cautious and vague stance of ASEAN countries on the conflict.

Caution in expressing unequivocal opinions or calls the ASEAN forum is comes, among others, from Russia's presence among the states parties to the Treaty of Amity and Cooperation (TAC) that also includes the USA and China. This also due to the ASEAN's strategic partnerships with Australia, India, New Zealand, South Korea, Japan, USA and EU along with China. Although the attack on Ukraine created the basis for the exclusion of the Russian Federation from the group, ASEAN limited its reaction only to calling on to all parties for a peaceful solution to the conflict in accordance with the rules of the Association contained in the TAC. On the other hand, ASEAN's reserve towards the conflict is also a result of serious economic losses incurred from the effects of military operations. There have already been changes in supply chains, difficulties in accessing raw materials imported from Russia to Asian countries, perturbations in international trade, and disruptions in cooperation between companies. The anti-Russian sanctions of the West are not in the interests of the countries of the Association, because, among other things, apart from energy resources, they also import space technologies from Russia that are increasingly needed not only for defense purposes.

In this context, as a failure can be seen ASEAN's previous plans to "count on" Russia as one of the strategic forces that could be resorted to in the event that China tries to establish itself as the regional hegemonic power. This is also true since Russia's trade with ASEAN has now decreased to just USD 1 billion in 2021.

Author: Dr. Tomasz Gerlach

4

SOUTH EAST ASIA BETWEEN CHINA AND USA

During the meetings in Phnom Penh, Bali and Bangkok, China promoted an increased dynamics of its economy's integration with the ASEAN countries. The instruments China constantly uses to achieve its goals of an 'integration diplomacy' with the region include: building the Regional Comprehensive Economic Partnership (RCEP), currently the world's largest trade bloc, building economic land-sea corridors to ensure the supply of raw materials to China and the export of Chinese goods. This is, for example, the China-Pakistan Economic Corridor that threatens India's interests in its close vicinity, or the continuation of the already initiated railway lines from southern China to Malaysia and Singapore, the first section of which – through Laos – is already in operation.

Meanwhile, the U.S.-Russian talks in Turkey have caused uneasiness on the Ukrainian side as Kiev fears that a possible agreement between Washington and Moscow could jeopardize the unity of the state and undermine the current power structure. On the basis of talks in Turkey, the Chinese president called for a peaceful solution, and above all, for nuclear weapons not to be used as it would lead to a mass loss of human life in the world's most developed areas and the regression of the global economy. Similar appeals for peace come from various opinion-forming centers around the world.

The situation may become increasingly tense as evidenced, for example, by accidental tragic rocket explosions on Polish territory. This can be explained in various ways, also as a sign of the Ukraine's determination as it employed its air defense against Russian attacks but – unfortunately – it hit a completely different target. Kiev is expecting a more active and stronger involvement of Warsaw in the Ukrainian issue, including the sphere of propaganda, to finally get the desired reaction in the West.

China's activity at the recent ASEAN Summit is not surprising, as China has entered into a "strategic partnership" with the Association in 2021 and is implementing its own Belt and Road (BRI) projects, binding it to the region. Therefore, on the ASEAN forum China calmly played its part in the great game for global influence.

In its dealings with the states in its immediate neighbourhood, China follows the eastern tactics of the friendship hierarchy. In response, it expects from its partners at least neutrality and respect for the Chinese values. This attitude was demonstrated, for example, by Vietnam, whose

Author: Dr. Tomasz Gerlach

5

president paid a visit to Beijing immediately after the end of the Chinese Communist Party congress. China expects similar signs of friendship from Singapore, which is a hub for ASEAN's financial and technological cooperation. China has recently signed several agreements with Singapore on high-tech exchanges.

Meanwhile, opponents of Chinese penetration into the Asian region and Beijing's building and strengthening of influence among the maritime states are not staying idle. Various Anglo-Saxon initiatives (UK and US) launched in recent years with the participation of France and India are aimed at pushing China away and containing its territorial and political ambitions. However, both AUKUS and the QUAD format have, so far, an illusory impact on the situation in the region. Nevertheless, the situation in the Pacific is dynamic, because many countries, not only the USA and China, have already entered into competition in all spheres of international relations, especially military and technological ones.

Countries that do not enter into any alliances will not gain access to the latest technologies, especially defense ones, and will become defenseless prey for others. In today's world, there is not much space for those who hesitate or are unable to defend their own sovereignty.

China is not deterred by anti-Chinese games in the Indo-Pacific area and acts as if they did not exist, knowing that their adversaries are not uniform and constant in their views, and their diplomacy is changeable, because it expresses different interests of the members of the emerging coalition resulting from the needs of a given moment, which is temporary and unstable.

The fact that China does not waste time to strengthen its influence can be seen in its approach to seemingly insignificant countries such as Laos and Cambodia. Their strategic location in the center of the Indochina peninsula was appreciated by China during bilateral Sino-Lao and Sino-Cambodian talks at the Lancang-Mekong Commission forum in Pagan, Myanmar in April 2022. China's strengthening of ties with both nations had an immediate impact on their relations with the US, which, as the host of the meeting, did not invite representatives of Laos and Cambodia to the conference on the framework of future ASEAN economic cooperation in the Indo-Pacific region, despite the efforts of both countries to be included in the new initiative.

The neighborhood diplomacy currently conducted by China encourages countries in the region to cooperate more closely under the aegis of Beijing. Chinese signals are so general and

Author: Dr. Tomasz Gerlach

6

ideologically unobtrusive that they can be perceived positively, even as a desired vision of getting out of poverty, which still plagues societies of that region. Aid efforts are now helping China better disguise the neo-colonial nature of its policies. In particular, since Beijing is increasingly emphasizing its dominant role in Asian relations, as expressed by the Chinese security initiative announced by President Xi in April this year during the Shanghai Cooperation Organization's Summit.

China enjoys a strong position in the historical memory of the inhabitants of the region also thanks to the cultural factors it has created over the centuries. The Chinese diasporas existing in individual countries create additional fields of mutual understanding. Therefore, back in 2013, President Xi Jinping recalled China's former ties with the region with remarkable words, saying that the inhabitants of various countries located along the ancient silk routes have written together for millennia the cards of friendship that lasts until today, and that now is the high time to establish closer economic relations, deepening cooperation and expanding development in the Eurasian region, so that a new area of economic community will be set up along the former silk route. Probably, during the Summit, the leaders of the ASEAN countries had these Chinese political enunciations well in mind.

LESSONS FOR EUROPE AND POLAND

Meetings during the last ASEAN Summit did not bring any major surprises. The leaders of the participating countries did not reach a unified position on the issues raised, both in terms of the way to recover from the damage suffered as a result of the Covid-19 pandemic as well as the policy on climate change, digitization of life nor responsible and fair economic and social growth of individual societies. The ASEAN has not yet developed a strong leadership that could give the Association a more pronounced dynamism. On the contrary, one could get the impression that the Association is subject to similar manipulations as elsewhere and oscillates towards the goals imposed by the propagators of globalism.

The ongoing war has also shaken the ideas of ASEAN, and now the bloc must look more realistically at its principles (the so-called ASEAN way), such as respect for territorial integrity or non-interference in the internal affairs of other countries. So how should member states behave in a situation where they are forced to support one or another contender for hegemony,

Author: Dr. Tomasz Gerlach

7

be it the United States, China, India or Russia? According to the Indonesian Defense Minister Delfin Lorenzan, ASEAN countries have no interest in interfering in the European conflict. They also do not want to irritate China, so as not to cause an escalation of the conflict in the South China Sea that is much closer to the countries of the region.

The Summit debates have shown that any new initiatives to create economic blocs, regardless of whether they are against the interests of the main players, whether in Asia or Europe, can be destroyed by political pressure, and ultimately also military reactions from the globalists. The Ukrainian conflict exposed many elements of that game. This may also apply to the Three Seas Initiative that is assumed to be a plan for a central-eastern-southern European economic community, comparable to ASEAN, and the conflict in Ukraine may be a counterattack by the same parties involved in the conflict in Ukraine — acting against the growing economic competition, whether in Asian or European region.

Author: Tomasz Gerlach, PhD, expert, Center for International Relations

The G20 summit in the shadow of the Ukraine-Russia war





The G-20 nations produce over 80 percent of the global gross product, are responsible for 75 percent of trade and their meetings are closely watched around the world not only by politicians but also by business community. The summit that took place on November 15-16 this year in Nusa Dua, Bali in Indonesia, was dominated by two events: the pre-summit meeting between US President Joe Biden and President Xi Jinping and the war in Ukraine. Russian President Putin decided not to participate, and Indonesia, which hosted the G-20, had an almost impossible task: to convince the richest countries to contribute more both to the "inclusive recovery" of the world after the pandemic and the fight against climate change in a situation where we are facing a global recession.

Indonesian President Joko Widodo opened the G20 summit with a dramatic call: "To save the world, we have no choice but to work together." These words flow from the motto of this year's meeting: "Recover Together, Recover Stronger". However, it is becoming increasingly difficult to cooperate in a polarizing world, where conflicts are becoming more frequent and animosities between the world's two largest economies: the US and China – are becoming sharper. In addition, the Covid-19 pandemic, the Ukrainian war and the energy crisis contributed to a dynamic spike of inflation on a global scale. The cost of living (including heating) is increasing dramatically in both developing and developed countries. Fear of winter is therefore visible not only in war-torn Ukraine. In addition, the effects of climate change, somewhat overshadowed by the pandemic and Russia's invasion of Ukraine, are becoming even more acute in the countries of the Global South and require immediate action. All this is accompanied by a food crisis, which affects the poorest countries the hardest.

BIDEN AND XI: REJECTION OF NUCLEAR THREATS

The problems facing the world cannot be solved without cooperation between the world's two most powerful nations: the US and China. This is true now more than ever before because of the war in Ukraine and many complex crises of supra-regional scale that also affect China itself. The Chinese authorities are currently experiencing the effects of their "zero Covid" policy and months-long harsh lockdown measures in the country's multi-million metropolises. The protests in Shanghai, Beijing and Urumqi – the capital of the Xinjiang Autonomous Region – have demonstrated a social pressure that could bring unpredictable consequences.

The three-hour meeting between the leaders of the US, Joe Biden and China – Xi Jinping just before the onset of the G-20 summit was necessary due to the ongoing trade war between Washington and Beijing, tensions around Taiwan, North Korea and threats related to the Ukrainian war. Of particular concern are, of course, suggestions coming from the Kremlin about a possibility of Russia using nuclear weapons. In this respect, the talks between the two leaders produced the expected, firm statement: "Nuclear war should never be fought and can never be won." Biden and Xi stressed their opposition to the possible use or threat of using nuclear weapons in Ukraine.

Their first meeting since the Covid-19 pandemic began, did not bring any breakthrough in relations between Washington and Beijing, which, however, no one expected. The US president made it clear that "the United States will continue to compete vigorously with the PRC, including by investing in sources of strength at home and pooling efforts with allies and partners around the world." Xi, for his part, called Taiwan the "first red line" that must not be crossed in relations between the two countries.

The remark is of particular importance in the context of this year's visits by high-level American authorities to Taipei, including, above all, Nancy Pelosi – Speaker of the House of Representatives, who arrived in Taiwan in early August. Despite both sides maintaining hard positions, Joe Biden's statement that "competition should not turn into conflict, and that the US

Author: Dr. Bruno Surdel

3

and China must manage each other's competition responsibly and keep lines of communication open" is noteworthy. Following this announcement, early next year, the US Secretary of State Antony Blinken will pay a visit to Beijing in order to help implement the new model of relations between the two superpowers. However, this does not mean that the dynamics of Sino-American relations have a chance to change. Unless there is a radical systemic transformation in China – and the recent protests, while remarkable, should not be overestimated – Washington and Beijing will remain on a collision course, but simultaneously will cooperate where it is possible and feasible, for example on issues related to climate change and global health.

THE WAR IN UKRAINE AND THE FOOD CRISIS

In terms of international politics, the Indonesian presidency of the G-20 was based on the country's traditional foreign policy of "non-alignment" when it comes to armed conflicts and rivalry of political blocs. That approach dates back to the famous Afro-Asian conference in Bandung in 1955.

The Indonesian authorities, contrary to the suggestions of the West and Ukraine, invited Russian President Vladimir Putin to participate in the Bali summit. On the other hand, the Ukrainian president, Volodymyr Zelensky, was invited, although Ukraine is not a member of the G-20. Ultimately, however, the Russian leader did not come to Indonesia, but was represented by his Foreign Minister Sergej Lavrov. Zelensky attended the summit via video link and offered a 10-point "peace formula" for Ukraine that includes both the withdrawal of the Russian troops from all occupied territories and "radiation safety" at the Zaporizhia nuclear power plant. The Ukrainian president called for an end to the war "justly and on the basis of the United Nations Charter and international law." He referred to Russia as a "terrorist state" referring to a missile that fell on the Polish territory in Przewodów in the eastern Lublin region, killing two people. Investigations are still underway to establish the circumstances of the incident. Polish President Andrzej Duda said that "it was a tragic accident and Russia is to be blamed for it."

The issue of the Ukraine-Russia war was not approached consistently by the participants of the G-20 summit. Indonesia, which hosted the summit, took a pragmatic and ambivalent stance, calling for unity and focusing on the consequences of the war related to the <u>food and energy crisis</u>. Just before the G-20 Summit, the <u>Food Security Forum</u> was held in Nusa Dua, also

Author: Dr. Bruno Surdel

4

attended by President Joko Widodo. In the opinion of the participants of the Forum, the food crisis results both from Russia's invasion of Ukraine and from other military conflicts that have affected the world in the last decade – from Syria to Iraq to the war on terror in Nigeria. These are not the only causes of food problems that are increasingly plaguing the international community, especially in the developing countries of the global South. The problem is multifaceted and, as noted by Cary Fowler, the U.S. Administration's Special Envoy for Global Food Security, includes phenomena such as "climate change, severe droughts, COVID-19 disruptions, high fertilizer and fuel prices, recent trade restrictions and conflicts. All of these factors contribute to the situation we have today, and that is what makes this particular global food crisis unique."

Indian Prime Minister Narendra Modi who also attended the G-20 summit, presented a position consistent with was has been represented by this country from the onset of the war, calling for a ceasefire and diplomatic solutions. India has avoided condemning Russia's attack on Ukraine, both because of New Delhi's traditional foreign policy and its decades-long strategic and economic ties with Moscow. Similarly, the Chinese leader Xi Jinping, who did not refer to the war in Ukraine in his message to the meeting participants, instead called for "increasing global solidarity" taking into account the "common future of humanity." This was not a surprise, as Beijing and Moscow are linked by an alliance aimed at the United States, although, on the other hand, China has not provided the Kremlin with such assistance that could violate the sanctions imposed on Russia by the West.

The issue of the war in Ukraine was – according to the <u>statement of Indonesian President Joko Widodo</u> – the most controversial and discussed part of the joint declaration of the G-20 leaders. The <u>wording finally agreed</u> read that "The war in Ukraine was strongly condemned by most Member States and participants stressed that it causes immense human suffering and exacerbates the existing vulnerabilities of the global economy." However, at the same time, the declaration contains the passage that "There were different views and different assessments of the situation and sanctions."

The leaders agreed, however, in favor of actions that were in the center of interest of the Indonesian presidency and related to the aforementioned food crisis. The final declaration of the G20 Summit states: "We pledge to take urgent action to save lives, prevent hunger and malnutrition, in particular to address the greatest challenges facing developing countries, and to

Author: Dr. Bruno Surdel

5

call for an accelerated transition towards sustainable and resilient agriculture and food systems and supply chains".

The most urgent task resulting from the declaration adopted by the leaders of the world's richest countries is to maintain and, where necessary, unblock food supply chains. The war in Ukraine, and specifically the blockade imposed on Ukrainian Black Sea ports by Moscow, contributed to the disruption of supply chains and a dramatic increase in food prices in the poorest countries from Lebanon to the Horn of Africa. Summit participants supported the <u>UN and Turkey's diplomatic efforts</u> to fully unlock the Ukrainian grain exports by launching a safe humanitarian corridor over the Black Sea. The success of these efforts, however, will depend on the Russia's actions as Moscow under various pretexts, has hindered the transport of Ukrainian grain since July this year when an agreement on grain exports was concluded thanks to the mediation of the United Nations and Ankara.

On the other hand, apart from the declaration, the summit did not bring any new solutions or ideas in terms of a systematic solution of the growing problem of the global hunger. The impression is that nothing has changed for years, and that the club of countries that themselves include 60 percent of the world's population, does not really have much to offer Africa and other regions of the global South.

CLIMATE CHANGE

Little else has been achieved in terms of combating climate change. It is remarkable, however, that the <u>G20 leaders agreed</u> to continue efforts to limit the temperature increase to 1.5 degrees Celsius. This means upholding the goal set back in the 2015 Paris Climate Agreement. This made the negotiations at the concurrent <u>United Nations Climate Change Conference (COP27) in Egypt</u> more fruitful, where the same commitment was repeated, and above all an agreement was reached to provide "loss and damage" funding to countries most vulnerable to climate disasters.

For Indonesia and its energy and climate problems, the meeting in Bali was consequential as <u>Japan and the United States came up with an initiative</u> to raise 20 billion dollars to enable the country's energy transition, including to phase out its coal-fired power plants and accelerating by seven years the peak of greenhouse gas emissions, which is currently planned for 2030. This

Author: Dr. Bruno Surdel

6

project will be implemented under the "Global Infrastructure and Investment Partnership" (PGII) that aims to "speed up investment in high-quality infrastructure in low- and middle income countries around the world, and strengthening the global economy. It is worth noting that the European Union is also involved in PGII projects, and the initiative was launched in June 2022 at the summit of the G-7 leaders.

DOES THE G20 HAVE A FUTURE?

Joko Widodo – the president of Indonesia and the host of the G-20 summit was fully aware of the geopolitical conditions and limitations of this year's meeting. <u>He himself stated</u>: "I understand that we need a huge effort to be able to sit together in this room."

Russia's invasion of Ukraine and the geostrategic Sino-American rivalry pose a serious obstacle to the effectiveness of the forum in its attempts to solve global, long-term problems. One of the key ones is climate warming that increases inequalities between rich and poor countries, is a <u>factor that is increasingly stimulating migration</u>, and also destabilizes the internal situation, e.g. in sub-Saharan African countries.

The hopes of the hosts of the G-20 summit that took place in mid-November 2022 in Indonesia, for going beyond geopolitical limitations, turned out to be in vain. The same – or even more difficult – challenge is facing India. The <u>next meeting of G-20 leaders</u> will take place in September 2023 in Pragati Maidan, New Delhi.

author: Bruno Surdel, PhD, analyst, Centre for International Relations

Global Sino-American rivalry in the context of the war in Ukraine





The Russia-Ukraine war fits into the broader context of the new rivalry between the superpowers in the multipolar world that has been developing for over a decade. Despite Moscow's challenge to the West, the date of February 24 does not mark the beginning of a new "cold war" as we know it from the time of the US-Soviet competition. Russia is not a superpower outside of its arsenal of nuclear weapons, and its economy is smaller than Canada's. The greatest strategic challenge to the lasting supremacy of the United States in the international arena is the dramatic rise of China as it is an ally of Russia.

Indonesian President Joko Widodo opened the G20 summit with a <u>dramatic call</u>: "To save the Washington's rivalry with Beijing is multifaceted and takes place, among others, in the military and new technologies sphere, in space, and in geostrategic terms, both in Asia and in the Middle East and Africa. It also reaches Europe and Latin America. Many countries do not want to side with any of the rival powers. A more favorable position seems to be the diversification of alliances and thus an attempt to strengthen one's own strategic position or to obtain economic benefits.

Nations of Asia, the Middle East and Africa are also aware that Russia, bound by an informal alliance with China, is still a trans-regional power with the ability to project power not only in its immediate neighborhood – what is currently taking place during the armed confrontation between Moscow and Kiev. The Kremlin is also able to carry out military interventions outside its region, as evidenced by Russia's participation in the Syrian war on the side of Bashar al-Assad. In addition to purely military aspects, this is possible thanks to the rich resources of raw materials, especially gas and oil. The global energy crisis that erupted during the Covid-19 pandemic has been further exacerbated by Russia's invasion of Ukraine. Despite harsh sanctions, high gas and oil prices fuel the Russian war machine financially which is also boosted by Russia's participation in the OPEC+ club that regulates oil production so as to maintain oil prices favorable for producers. All these circumstances affect the calculations of developing countries, countries of the global South, but also political and economic decisions of regional powers.

ASIAN INTERESTS OF WASHINGTON AND BEIJING

Since the Barack Obama administration, there has been a shift in Washington's long-term focus towards its interests in the Western Pacific. The key element of the implementation of this strategy was the idea of the Trans-Pacific Partnership (TPP), i.e. an intercontinental trade deal between 12 countries of the Pacific Ocean, the driving force of which was to be the United States. One of the goals of the TPP was to outflank China and thus hinder the expansion of that Asian power. However, US President Donald Trump withdrew his country from the agreement, and – as a result – it lost its significance. Meanwhile, China pursued its own global expansion projects, with the Belt and Road Initiative (BRI) playing a leading role until the outbreak of the Covid-19 pandemic. At the regional level, Beijing uses its membership in the Regional Comprehensive Economic Partnership (RCEP) that was initiated by ASEAN (Association of Southeast Asian Countries) and also includes Japan, India, South Korea, Australia and New Zealand. China's partnership with these countries is not easy due to both sea and land border disputes (with some ASEAN countries, Japan and India) and the network of alliances that Washington has been building in the region for decades.

After the trade war broke out between the US and China in 2018, the Indo-Pacific nations have been trying to navigate between the regional interests of the two powers, which is becoming increasingly difficult as the systemic rivalry between Washington and Beijing intensifies and efforts from first – the Donald Trump administration, and then Joe Biden aimed at decoupling

Author: Dr. Bruno Surdel

3

the world's two largest economies. However, economic warfare is only one dimension of the long-term competition between the US and China. In a situation where maintaining or losing the hegemonic status (USA) or significantly increasing influence (China) is at stake, both Washington and Beijing are trying to strengthen old and build new alliances in key regions of the world.

"XIPLOMACY" AND THE GREAT GAME FOR INFLUENCE IN THE MIDDLE EAST

The war in Ukraine also demonstrated the complex nature of the geopolitical setting in the Middle East as there too the rivalry between the United States and China is increasingly visible. Beijing is not an alternative to the Gulf monarchies able to replace lasting partnership with Washington. However, Saudi Arabia and the United Arab Emirates see China as a new global source of power and, above all, a key economic partner in the energy sector. Therefore, for Saudi authorities the recent visit of Chinese leader Xi Jinping and the first China-Arab summit (December 7-10, 2022) was an opportunity to show that their country remains a "trustworthy and credible" partner for Beijing.

Xi Jinping announced a "new era" in China's relations with Arab nations, indirectly referring to the ties that connect this region with Washington. In his speech at the Riyadh summit, the Chinese leader stated that the Arab countries "should remain independent and defend their common interests. China supports the Arab states in finding their own paths of development independently, adapting them to local conditions". This is a kind of Beijing's commentary on the position of Saudi Arabia in particular but also the United Arab Emirates towards the Kremlin, and of China itself too, after Russia's invasion of Ukraine. Washington has unsuccessfully pressured those countries to side with the West and break their cooperation with Moscow within OPEC+. The very visit of President Joe Biden to Saudi Arabia in July this year not only did not bring any constructive effects for Washington's strategic interests but also with its modest setting strongly contrasted with how the Chinese leader Xi Jinping was received in Riyadh. Relations between the two leaders: Joe Biden and the Saudi crown prince, Mohammed bin Salman, are not easy due to the conflicting energy interests of both countries (especially since the outbreak of the Ukrainian war), because while Washington is seeking to increase oil production and lower its price, the Saudis – just like Moscow – want to keep hydrocarbons'

Author: Dr. Bruno Surdel

4

prices high. The second factor contributing to the colder ties between the two nations compared to the previous – Donald Trump – administration is the <u>criticism voiced by Joe Biden</u> towards the crown prince in connection with the death of journalist Jamal Khashoggi at the Saudi consulate in Istanbul in 2018.

It seems that Saudi Arabia finds in Beijing a promising partner, and most importantly, the second and perhaps soon the largest economy in the world, and an emerging superpower with which it can boost its regional and global standing. Warmer relations with Beijing are also a way for the Saudis to increase their bargaining power in relations with the US administration.

In the Chinese narrative, the Arab states and Beijing share not just economic interests, but also a similar approach to international relations. This applies to their commitment to and the principle of "non-interference in the internal affairs of other states". In this context, remarkable was the fact that President Xi stated that both sides "will strongly support each other in protecting sovereignty and territorial integrity." This expression – quite common for the official Chinese phraseology – has acquired a special meaning after Russia's attack on Ukraine. On the one hand, Beijing emphasized its attachment to the principle of equal sovereignty of UN member states and their territorial integrity contained in the UN Charter, and – on the other hand – openly proclaimed that the alliance with Moscow "has no limits".

The Belt and Road Initiative, launched in 2013 and slowing down somewhat as a result of the Covid-19 pandemic, also extends to the Middle Eastern region. However, this is not the only project of the Chinese leader in which Arab countries participate. They were also invited by Beijing to participate in two other flagship projects of Xi Jinping: the Global Development Initiative (GDI) and the Global Security Initiative (GSI). Both were discussed at the Riyadh summit. The GDI was first announced by Xi Jinping at the UN General Assembly in September 2021 and includes, among others: cooperation projects on poverty reduction, food security and industrialization. However, both projects offer an alternative to the US-dominated economic and strategic world system. Xi Jinping himself described the GDI in the specific phraseology of the Chinese diplomacy as "an alternative model for achieving sustainable, coordinated and inclusive growth while meeting the UN Sustainable Development Agenda by 2030."

On the other hand, the Global Security Initiative (GSI) was proposed also by Xi already after Russia's invasion of Ukraine – in April 2022, during the annual Boao Forum for Asia, and can be interpreted as a challenge to the current security architecture and international order with the

Author: Dr. Bruno Surdel

5

United States as the only superpower. The very concept of the GSI is still vague, apart from Beijing's characteristic references to the United Nations Charter, the peaceful resolution of disputes between countries in dispute, and the maintenance of common, comprehensive and lasting security based on cooperation. However, the timing of the announcement was remarkable, as were Beijing's efforts to include the rich countries of the Gulf and other Arab League nations into the GSI format.

The region is important to China both in economic and strategic terms. The <u>value of China's trade with the Arab world</u> amounted to approximately USD 330 billion in 2021, an increase of 37 percent compared to 2020. <u>Trade with Saudi Arabia</u> alone reached USD 87.31 billion during the same period. Deals on cooperation under the Belt and Road were signed with Beijing by both the Arab League and 20 Arab states, which – according to <u>Chinese data</u> – led to the joint implementation of 200 projects, including in the field of energy and infrastructure. It is worth noting that one of them is the Lusail Stadium in Qatar's capital Doha, with a capacity of 80,000 seats, famous for this year's football world cup.

All the mentioned initiatives and projects are described by the Chinese government as elements of "Xiplomacy" – Xi Jinping's original style and program of cultivating relations with other countries. The double summit that took place during the Chinese leader's visit to Saudi Arabia on December 7-10, 2022, also fits into this context. The talks brought investment deals worth USD 50 billion. Most of all, however, Beijing is pushing for oil and gas trade to take place in yuan – the Chinese currency. This is a long-term Chinese strategy related to the rivalry with Washington, aimed at strengthening the global standing of China and its currency, and thus weakening not only the dominant role of the US dollar, but also that of the United States itself. Of course, this works also for Moscow because in the long run it would make it easier for Russia to trade with the world, even with the persistence of Western sanctions.

COMPETITION FOR AFRICA

The US response – almost immediately after the Sino-Arab Summit – was the <u>US-Africa Leaders' Summit</u>, held in Washington, D.C. December 13-15, 2022. The last such meeting took place during the presidency of Barack Obama in 2014. The initiative was then skipped by the previous US administration of Donald Trump. China, on the other hand, has developed a format

Author: Dr. Bruno Surdel

6

of regular meetings, which is FOCAC, i.e. the Forum for China-Africa Cooperation. The United States, concerned about Beijing's diplomatic and investment expansion in Africa, is trying to convince the countries of this continent that now they are a priority for Washington. 49 African leaders attended the meeting with President Joe Biden. An important issue raised at the Washington Summit was food security that has become extremely pressing since the disruption of supply chains as a result of the Covid-19 pandemic, and then the Russian invasion of Ukraine has exacerbated the problem even more. A large number of African nations depends on grain and fertilizer imports from Russia and Ukraine. The Russian blockade of the Black Sea ports has cut off the supplies for the most needy African countries, leading to shortages and huge price increases, which also threatens the region's internal stability.

This situation may further increase Africa's dependence on China that for more than a decade has been investing on the continent on a large scale and providing significant loans to African countries, although in recent years a downward trend can be observed in this respect. China's "expansion" in Africa is criticized by the American authorities who accuse Beijing of driving the poorest countries of the region into a "debt trap". Beijing rejects these allegations, pointing out that "China has financed over the years the construction of more than 10,000 kilometers of railways, nearly 100,000 kilometers of highways, 1,000 bridges and 100 ports, as well as countless large energy facilities, hospitals and schools in Africa." All this, according to the Chinese authorities, "contributed significantly to the continent's development and benefited the local population." As for China's financing of infrastructure investments in Africa and loans, there are also arguments – also in Africa itself – that they help to deal with the financing deficit by Western countries and international institutions. Undoubtedly, President Biden – unlike the Chinese leader – cannot offer Africa large state investments and loans because he is dependent on Congress in this respect. First of all, investing is not done by the government, but by private American companies. The president can encourage American businesses to become more involved in Africa while offering assistance in key areas: new technologies to better deal with the climate challenges that are increasingly plaguing the African continent and its agriculture, and health solutions, necessary in times of pandemic and regularly recurring local epidemics. It is worth noting that the United States – unlike China – considers the promotion of democracy, human rights and civil society as one of its priorities in Africa. The Joe Biden administration gives these values a special importance, and in Africa it is a big challenge due to the weakness of state institutions that results both from the colonial past and decades of economic hardship.

Author: Dr. Bruno Surdel

7

EFFECTS OF THE GLOBAL SINO-US COMPETITION. OPPORTUNITIES FOR EUROPE.

For developing countries, a bigger involvement of great powers may be a single positive result of the global rivalry between Washington and Beijing. This has been evidenced by the recent Africa-US summit, brought back to life after almost a decade. Xi Jinping's meeting with leaders of the Arab nations seems to follow the same trend. In addition to the rich Gulf countries with which Beijing conducts extensive trade and investment projects, less wealthy Arab nations were also present there. However, it is hard to assess to what extent those developing countries, both in Africa and the Middle East, can benefit from the increased involvement of the USA and China. There is a question mark whether they do not just bring the necessity of an "exclusive" relationship with one of the two superpowers, or even larger debt or difficulties with receiving loans from international institutions. However, this is an opportunity for the European Union. Smart development cooperation – with Africa in particular – may in the long term contribute to the construction of stable, transparent institutions necessary for an inclusive economic growth there. At the same time, it is a necessity for Europe, given the demographic potential of Africa and the directions of possible mass migrations.

author: Bruno Surdel, PhD, analyst, Centre for International Relations





Konrad-Adenauer-Stiftung

The Konrad-Adenauer-Stiftung (KAS) is a political foundation. In Germany, 16 regional offices offer a wide variety of civic education conferences and events. Its offices abroad are in charge of over 200 projects in more than 120 countries. The foundation's headquarters are situated in Sankt Augustin near Bonn, and also in Berlin. There, an additional conference center, named "The Academy", was opened in 1998. As a think-tank and consulting agency, its soundly researched scientific fundamental concepts and current analyses are meant to offer a basis for possible political action. The Berlin Academy is the national forum of dialogue between the spheres of politics, economy, science, and society.

Centre for International Relations (CIR)

is an independent, non-government analytical centre established in 1996 which deals with Polish foreign policy and the most important issues of international politics. CIR is active in research, education and publishing, organises conferences and meetings, and participates in international projects in collaboration with similar institutions in many countries. CIR creates a forum for debate and exchange of ideas in matters of international politics, relations between states and challenges in the global world. CIR's activities are addressed above all to local-government officials and to entrepreneurs, as well as to officials of the central administration, politicians, diplomats, political scientists and the media.