Background

L-WOCs and AWACs

The current global political situation has so many moving parts that it is easy to feel one's head spin. The level of global tension is at highs not seen since the coldest period of the cold war – and this time there is not just one Soviet Union to be contained by the Western World. Russia, China, Iran, Belarus, North Korea, Hungary, Venezuela and maybe India are all aggressively promoting "their way", seemingly in several different ways.

At the GRM Group we refer to the capitalist, Western, liberal countries as the Liberal World Order Countries (L-WOCs) and the others spearheaded by China and Russia as the Autocratic and would-be autocratic countries (AWACs), courtesy of their mostly communist past. We are aware that there are several countries in between.

There is an enormous difference between two groupings. It is all about ideas of power and who has the right to exercise that power. The AWACs are not at all mincing their words about what is going on. They are fighting L-WOCs because of the very idea that the people can choose their own leaders and have rights that they can only lose after due process in an independent judicial system.

That kind of idea is a threat to autocratic leaders everywhere, and the AWACs are doing what it can to push back liberal values everywhere. Unfortunately, it appears that the AWACs are on a roll, and the recent elections to the European Parliament appeared to confirm this.

Our explanation for this is that the AWACs have friends inside the L-WOCs, willing to do their bidding. Some are directly financed by the AWACs (Putin's "loans" to French right-wing Rassemblement National, who just won the largest share of votes in France), some using targeted misinformation for political purposes (US Republicans using fake documents produced by Russia to attempt prosecution of Biden and his family), some who just like "strong leaders" (Trump). Some are in a close relationship with Russia (Hungary's Orban). Everywhere, right-wing parties are popping up, using emotional issues (most often immigrants).

Which values are we talking about? The Chinese have a list

Already in September 2013, the Chinese Communist Party (CCP) issued a document aptly titled "Communiqué on the Current State of the Ideological Sphere". Among connoisseurs, the document is referred to as "Document 9". The document lays out 7 dangerous ideas that threaten the power monopoly of the CCP (we have edited them to remove party newspeak):

1. Constitutional Democracy: the separation of powers, the multi-party system, general elections, independent judiciaries, national armies
2. "Universal Values" such as democracy, freedom, equality, justice, rule of law

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3. A civil society: People can organise to promote their ideas, reaching from sports clubs, book circles, to gardening societies and political parties.
4. Liberalism, meaning that individuals have the right to exercise lawful economic activities and profit from them free of government intervention.
5. A free press.
6. A fact-based historical narrative.
7. Open debates about central political questions**.**

Those values are clearly all dangerous for the leaders of AWACs.

What happened to Hongkong exactly follows the above. Putin has systematically dismantled all those pesky ideas. He has even transformed the Russian Orthodox Church to be an instrument of the state. Iran does all of them and has added religion to the apparatus of suppressing the civil society.

Countries of the AWACs agree that now is the time to challenge L-WOCs. The political divisions on the blue planet are a boon to the AWACs.

The leaders of the AWACs, dictators and autocrats have been preparing their actions for a long time. CCP's Document 9 contains an almost prescient section:

"They penetrate China through the Internet and underground channels, and they are disseminated on domestic Internet forums, blogs, and microblogs, they also appear in public lectures, seminars, university classrooms, class discussion forums, civilian study groups, and individual publications. If we allow any of these ideas to spread, they will disturb people's existing consensus on important issues like which flag to raise, which road to take, which goals to pursue, etc., and this will disrupt our nation's stable progress on reform and development".

Of course, the Chinese decided that they could do to the West, what they claim the West was doing to them.

Russia knows, too

Meanwhile, in Russia, the current Chief of Staff Valerij Gerasimov in 2013 published an article with the innocuous title "The Value of Science is in the Foresight" in VPK News. It contained what has become known as the "Gerasimov Doctrine". It has the following elements:

- Hybrid Warfare, which combines military, political, economic, informational, and cyber strategies. This approach aims to achieve political objectives without necessarily engaging in direct military conflict.
- Non-Military means to be used extensively to achieve strategic goals. This includes cyberattacks, disinformation campaigns, and the manipulation of social and political movements to destabilise adversaries from within.
- Integration of conventional military power with unconventional tactics. This might involve using special forces, covert operations, and local insurgents together with regular armed forces.

- Information Warfare: A significant focus is placed on information warfare, including the use of propaganda and psychological operations to influence public opinion and erode the morale of the adversary.
- Strategic Deterrence, meaning the use threats of military force or limited military actions to achieve political objectives and prevent escalation into full-scale war.
- Flexible and Adaptive Strategies are necessary in the face of changing circumstances. This includes being able to switch between different types of warfare and adjust tactics as needed.

https://www.armyupress.army.mil/Portals/7/military-review/Archives/English/MilitaryReview_20160228_art009.pdf

On a meeting of the Russian Security Council in February 2016, Putin approved the use of the first two elements to support Trump's election.

So yes, the AWACs is attacking the L-WOCs with all means short of kinetic warfare, aiming at undermining exactly the values we, the L-WOC'ers share.

And so does Iran…

Iran's leadership has quite obviously "weaponised" Shia Islam to become a weapon of mass control.

In 1979, at the time of the Islamic revolution, the Iranian Population was at same time one of the best educated and one of the most westernised among the larger Muslim countries. The clerics immediately began their war on the liberal values and habits that were entrenched in the larger cities of Iran.

The history of the Islamic Nation has since 1979 been marred by repeated campaigns against the civil population, most recently in 2023.

The ideological drive has focused on USA as the big Satan. The idea is that just like Satan, USA whispers in the ear of the true believers to tempt them into leaving the narrow moral path and lead them into personal indulgence.

Who is the 'Great Satan'? | Opinions | Al Jazeera

Unseating the dollar as the world's reserve currency

China and Russia, along with a group of allied countries, aim to undermine the US dollar's dominant position as the global reserve currency for several reasons. First, they view the dollar's dominance as a tool of American geopolitical power. The global reliance on the dollar enables the United States to impose sanctions, exert control over international financial systems, and maintain significant influence in global trade. This is particularly problematic for nations that find themselves frequently targeted by US sanctions, such as Russia and Iran, as they are vulnerable to economic disruption due to their reliance on the dollar-based system.

Another key concern is the risk associated with holding reserves in US dollars. These countries are exposed to decisions made by the US Federal Reserve, which could include inflationary policies or measures to manage US debt. Such actions can have significant adverse effects on their economies. Furthermore, challenging the dollar aligns with the broader geopolitical strategy of reducing Western influence and asserting greater independence in the global financial system.

To achieve this, these countries are developing alternative payment systems and mechanisms to reduce reliance on the dollar. China has established the Cross-Border Interbank Payment System (CIPS) to facilitate transactions in yuan, offering an alternative to the SWIFT network. Both China and Russia are also working on agreements to trade in their national currencies, bypassing the dollar entirely. Additionally, these countries are increasing their gold reserves as a hedge against the dollar and promoting the use of regional currencies in trade agreements within blocs like BRICS.

Their ultimate goal is not to replace the dollar with a single new global currency but to create a multipolar system where multiple currencies, including the yuan, euro, and possibly a new BRICS-backed currency, share global influence. This approach aims to decentralise the financial system, reducing the dominance of any one currency and insulating themselves from the political and economic leverage that comes with dollar dependence.

Balkanisation of global trade

The "balkanisation" of global trade refers to the fragmentation of the global trading system into regional or ideological blocs. Instead of a unified global market where goods, services, and capital flow freely, trade would become concentrated within smaller, self-contained regions or alliances, often aligned with geopolitical or strategic interests. This trend is driven by geopolitical tensions, such as the growing rivalry between the United States and China, as well as concerns over supply chain resilience, national security, and economic independence.

Whether this balkanisation will fully materialise depends on the continuation of current trends. Countries are increasingly looking to "decouple" from adversaries by reshoring or nearshoring production, imposing trade restrictions, and fostering regional agreements. For example, the United States has pursued "friendshoring," which promotes economic ties with allies, while China has sought to deepen ties with partners in Asia and the Global South. However, the deeply integrated nature of modern supply chains, technological interdependence, and the economic benefits of global trade create strong counterforces to complete fragmentation.

If balkanisation accelerates, it could have both negative and positive consequences. On the negative side, it would likely reduce economic efficiency. Global trade allows for specialisation and economies of scale, which keep production costs low. Fragmenting these systems could raise costs, disrupt supply chains, and lead to slower economic growth. Developing nations reliant on trade with major economies could find themselves caught in geopolitical crossfire, forced to align with one bloc or face exclusion from key markets. It

might also increase economic inequality, as smaller economies could struggle to compete within fragmented systems.

On the positive side, balkanisation could enhance resilience in the face of global shocks. By creating more self-sufficient regional trade networks, countries might be better insulated from supply chain disruptions like those experienced during the COVID-19 pandemic. For some nations, it could also reduce vulnerability to over-dependence on a single dominant country or bloc. Additionally, regional trade agreements could promote deeper cooperation among aligned nations and foster innovation tailored to local needs.

The likelihood of full balkanisation remains uncertain, as economic interdependence often acts as a counterweight to political divides. However, the movement towards partial fragmentation is already evident, and its effects on the global economy will likely depend on how far the process goes and how countries adapt to the emerging landscape.

Fighting sanctions

The undermining of the U.S. dollar's status as the international reserve currency can significantly impact how countries evade sanctions. As nations seek to reduce their reliance on the dollar, they may turn to alternative currencies for international trade, such as the euro, yuan, or even cryptocurrencies. This shift allows them to conduct transactions without involving the dollar, effectively avoiding the reach of U.S. sanctions.

Additionally, countries can establish bilateral trade agreements that bypass the dollar entirely. For instance, Russia and China have increasingly engaged in trade using their own currencies, facilitating transactions while diminishing the impact of U.S. sanctions, which are often enforced through dollar-denominated transactions.

Moreover, the creation of alternative financial systems plays a crucial role. Countries are developing their own payment networks that operate independently of the U.S.-dominated SWIFT system. An example is China's Cross-Border Interbank Payment System (CIPS), which facilitates yuan transactions and allows countries to evade sanctions by not relying on the dollar.

The increased use of non-traditional reserve currencies is another factor. As the dollar's dominance gradually declines, countries are diversifying their reserves to include currencies like the Chinese renminbi. This diversification helps mitigate the risks associated with holding dollars, especially in the context of sanctions.

Some nations are also turning to gold and other commodities as a hedge against sanctions. By holding physical assets that are not tied to the dollar, they can maintain economic stability and trade without relying on dollar transactions.

Finally, countries facing sanctions often form geopolitical alliances with others that share similar interests. These alliances facilitate trade and economic cooperation outside the dollar system, further undermining its status as the primary reserve currency.

In summary, the erosion of the dollar's status can empower countries to evade sanctions more effectively, leading to a potential shift in the geopolitical landscape and a more multipolar world economy. If you have more questions or want to explore any specific aspect further, feel free to ask!