

State of Power 2025

GEOPOLITICS OF CAPITALISM



✉ **Subscribe to our newsletter:**
www.tni.org/en/subscribe
or scan the QR code:



AUTHORS: Ilias Alami, Iqra Anugrah, Walden Bello, Jessica DiCarlo, Tica Font, Ana Saggiaro Garcia, Kai-Hsin Hung, Juan Lovera, Husam Osman Mahjoub, Seth Schindler, Sean Starrs, Steve Rolf, Adam Tooze, Benjamin Wray, Rafeef Ziadah

REVIEWERS: Chenchen Zhang, Jordi Calvo Rufanges, Julian Germann, Kenneth Haar, Adam Hanieh, Muzan Al-Neel, Sofia Scasserra, Josephine Solanki, Lavinia Steinfort

EDITOR: Nick Buxton

COPYEDITOR: Deborah Eade

EDITORIAL ADVISORY BOARD: Gonzalo Berrón, Anuradha Chenoy, Deborah Eade, Dana Abi Ghanem, James Goodman, Nuria del Viso

ILLUSTRATOR: Shehzil Malik

INFOGRAPHIC RESEARCH: Ben Wray

DESIGN: Evan Clayburg

PUBLISHED BY:

Transnational Institute – www.TNI.org
February 2025

Contents of the report may be quoted or reproduced for non-commercial purposes, provided that the source is properly cited. TNI would appreciate receiving a copy of or link to the text in which it is used or cited. Please note that the copyright for the images remains with the photographers.

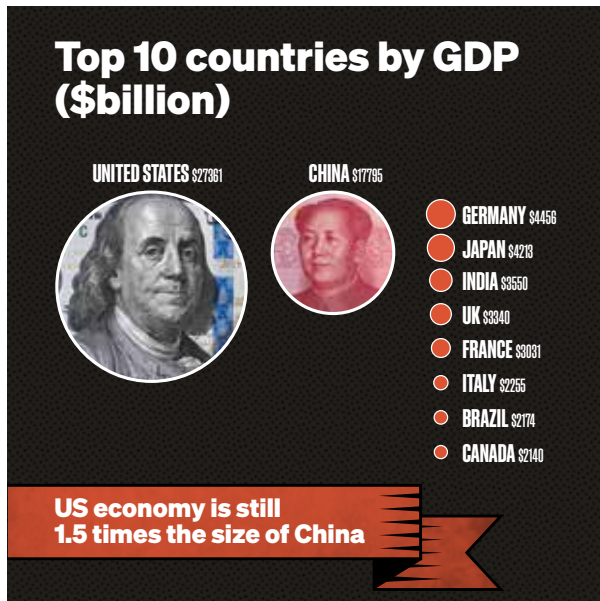
<http://www.tni.org/copyright>

CONTENTS

INFOGRAPHICS: Which country rules the world?	1
1. A Fractured World	4
Reflections on power, polarity and polycrisis <i>Conversation with Adam Tooze and Walden Bello</i>	
2. The New Frontline	17
The US-China battle for control of global networks <i>Ilias Alami, Jessica DiCarlo, Steve Rolf and Seth Schindler</i>	
3. Geopolitics of Genocide	28
<i>Interview with Rafeef Ziadah</i>	
4. Building BRICS	37
Challenges and opportunities for South-South collaboration in a multipolar world <i>Ana Saggiaro Garcia</i>	
5. AI Wars in a New Age of Great Power Rivalry	44
<i>Interview with Tica Font, Centre Delàs d'Estudis per la Pau, Barcelona</i>	
6. Can China Challenge the US Empire?	52
<i>Sean Kenji Starrs</i>	
INFOGRAPHICS: Does China pose a challenge to the US empire?	63
7. China and the Geopolitics of the Green Transition	66
<i>Ben Wray</i>	
8. The Emerging Sub-Imperial Role of the United Arab Emirates in Africa	78
<i>Husam Mahjoub</i>	
9. A Transatlantic Bargain	90
Europe's ultimate submission to US empire <i>Juan Lovera</i>	
10. Beyond Big Tech Geopolitics	100
Moving Towards Local and People-Centred Artificial Intelligence <i>Kai-Hsin Hung</i>	
11. In Search of Alternatives	109
Strategies for social movements to counter imperialism and authoritarianism <i>Iqra Anugrah</i>	
INFOGRAPHICS: In an age of great power rivalry where does that leave the rest of the world?	120
12. Illustrating Geopolitics	122
State of Power illustrator reflects on the artwork and the process <i>Shehzil Malik</i>	

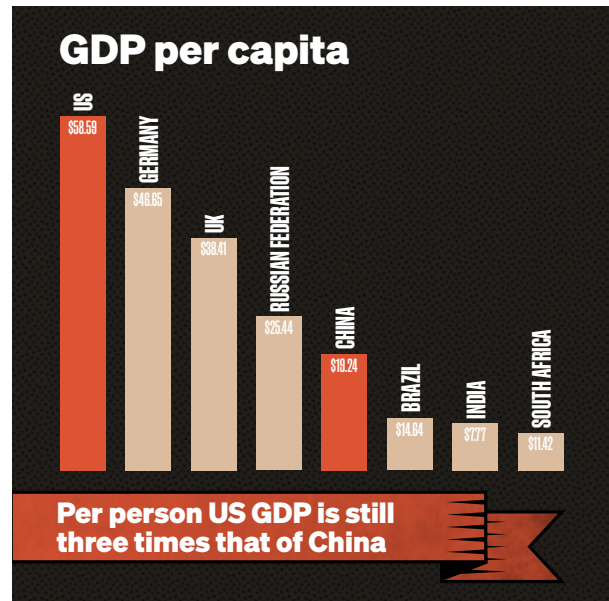
Which country rules the world?

The United States remains the largest country in GDP terms.



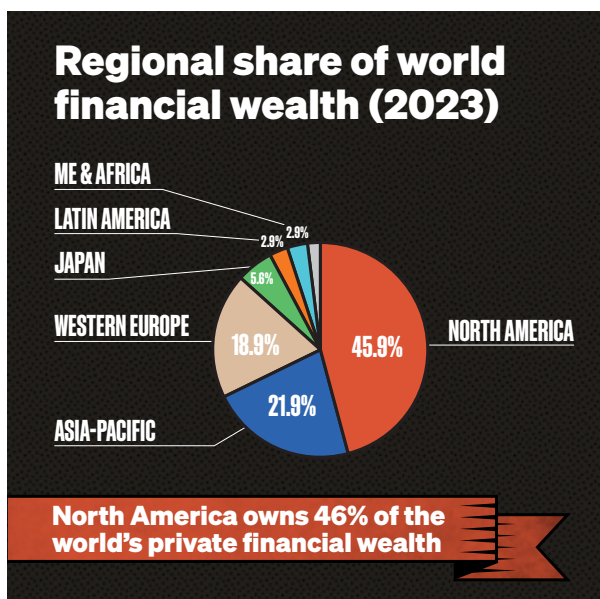
Source: TNI based on Trading Economics, December 2023.
<https://tradingeconomics.com/country-list/gdp>

And if you divide up that wealth by population, the divide is bigger.



Source: TNI based on Maddison Project database, 2022.
<https://dataverse.nl/dataset.xhtml?persistentId=doi:10.34894/INZBF2>

US also dominates financial wealth.

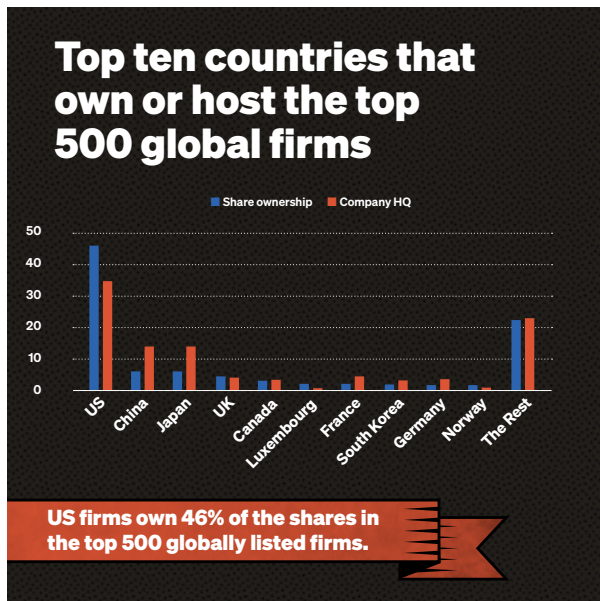


Source: Boston Consulting Group, 2023.
<https://web-assets.bcg.com/0c/b4/1e8b9a66409a8deae6fc166aa26e/2024-global-wealth-report-july-2024-edit-02.pdf>



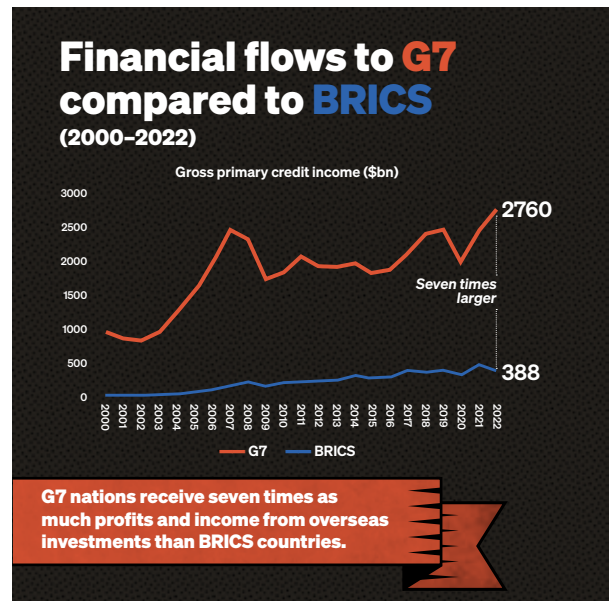
Source: Altrata, 2023. <https://altrata.com/reports/altratas-billionaire-census-2024&sa=D&source=docs&ust=1737735590282910&usg=AOvVaw0vUj4iVH-2Jh0MbzoTGVmc>

The biggest global corporations are also owned by the US.



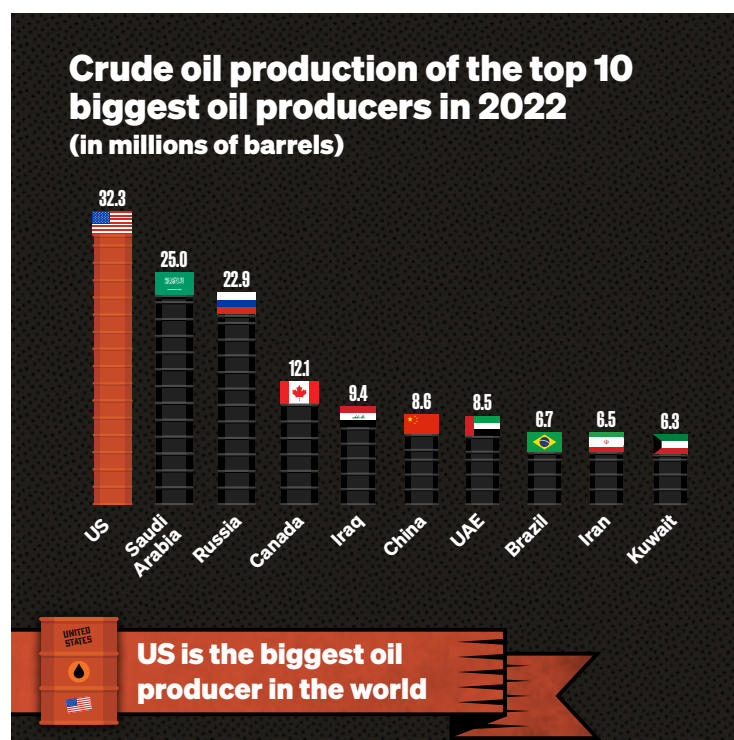
Source: Sean Kenji Starrs based on Bloomberg terminal, 2021.

And the US with the G7 sucks in much of the world's profits and income.



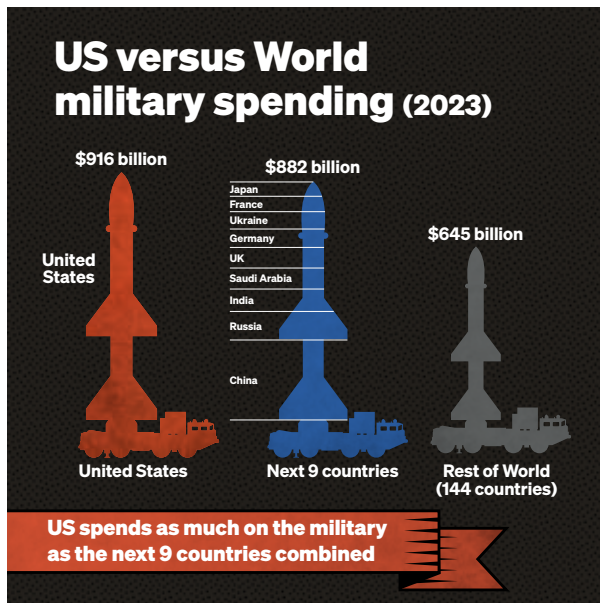
Source: Michael Roberts and Guglielmo Carchedi, 2021.
https://www.academia.edu/66353020/The_Economics_of_Modern_Imperialism

The US has become an even bigger energy superpower in the last decade.



Source: International Energy Agency, 2022.
<https://www.iea.org/data-and-statistics/data-product/monthly-oil-data-service-mods-supply-demand-balances-and-stocks>

This is all reinforced with US military spending that far exceeds any other.



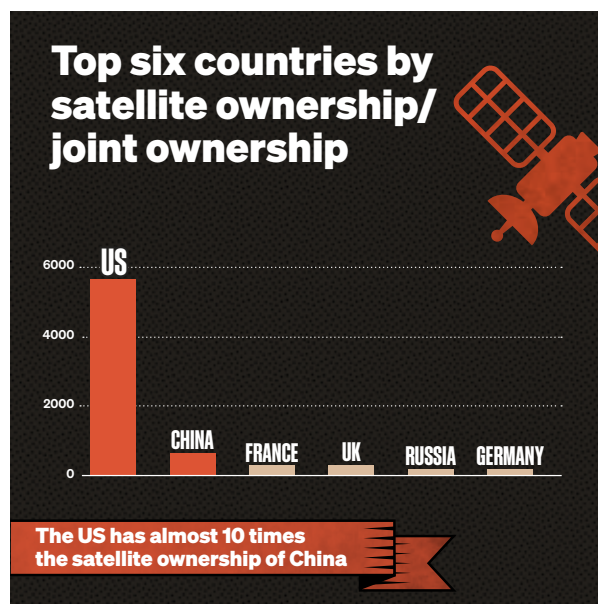
Source: SIPRI, 2024. <https://www.sipri.org/publications/2024/sipri-fact-sheets/trends-world-military-expenditure-2023>
<https://www.nationalpriorities.org/blog/2024/04/30/us-military-spends-more-next-10-countries-2023/>

And includes a military infrastructure that far outweighs any competitors.



Source: TNI based on UCS Satellite Database, May 2023. <https://www.ucsusa.org/resources/satellite-database>

The US also dominates outer space.



Source: TNI based on UCS Satellite Database, May 2023. <https://www.ucsusa.org/resources/satellite-database>

The research for these infographics was done by Benjamin Wray with the support of Nick Buxton. Sean Kenji Starrs also provided graphics based on his own calculations. The designs were done by Evan Clayburg.

A FRACTURED WORLD

Reflections on power, polarity and polycrisis

Conversation with Adam Tooze and Walden Bello



NICK: There is a real sense that we are in a moment of transition. That our familiar markers of power – most of all the unipolar world created after the collapse of the Soviet empire – are being challenged or are changing. How do you assess the geopolitics of global power today? Are we in a multipolar world?

ADAM: I'm fundamentally convinced that we're already in a multipolar world. I think it's anachronistic to cling to a different view. I think we exited the unipolar moment in the 2010s. This doesn't mean that there aren't still huge domains of US power and even US predominance. The three obvious ones are military power, global finance and certain areas of high tech.

However, in a more general sense, we've seen the fragmenting of American power. Its delegitimisation, the soft tissue of US hegemony, has suffered considerable attrition. The ability of US elites to articulate the different dimensions of power is really threadbare at this point.

This doesn't preclude the tub-thumping efforts at reasserting US dominance. Nor does it preclude the more nostalgic Atlanticist version, which is what we saw with Biden and Sullivan [US National Security Advisor 2021-2024], but they are pushing against the tide of dramatic movements.

I'm not a monocausal person analytically, but if you want to nominate one driver, it would be the scale of global economic development, which has created proliferating centres of competence and power. This means that a whole range of actors can now engage in various types of power politics that they were previously unable to do. The most dramatic case is China, but Indonesia, Türkiye, the United Arab Emirates (UAE) and Brazil are all passing certain thresholds and constitute a new kind of polycentric order.

NICK: And how do you see it, Walden? Do you think we are in a polycentric order? Where does Trump fit in?

WALDEN: First of all, let me say I feel very privileged having this dialogue with Adam, who's one of the world's leading economic historians. I definitely agree with Adam that we have been on the way to a multipolar world for quite some time. As we speak, the media has made much of Trump's wanting to make Canada the 51st state and taking over Greenland and the Panama Canal.

However, I don't think the Trump project is best conceived as a reassertion of US power globally. If there's a project that might be regarded as a reassertion of US global power, that was Biden's. The Biden and Harris project was basically the reinvigoration of liberal internationalism, which sought to make the world safe for US capital through the projection of US military and political power and free trade.

That project, which was the post-Pearl Harbor US paradigm, had been damaged during Trump's first term in office. Only in retrospect can one appreciate how radically the isolationist, anti-globalist and protectionist foreign policy of the first Trump administration broke with liberal internationalism.

Trump, among other things, tore up the neoliberal Trans-Pacific Partnership (TPP) that both Democrats and Republicans championed, considered NATO commitments a burden and threatened to leave the alliance, demanded that Japan and Korea pay more for keeping US troops in their countries or face withdrawal of the US military umbrella, trampled on the rules of the World Trade Organization (WTO), ignored the IMF [International Monetary Fund] and the World Bank, negotiated the US withdrawal from Afghanistan and stepped across the DMZ [the demilitarised zone in North Korea].

Looking at this record, one can understand the deep hostility towards Trump, not only of the Democratic Party establishment, but of all political elites – those that believe in the essential role of bilateralism and alliances in promoting US hegemony as well as the neoconservative establishment represented by Dick Cheney that prefers more unilateral methods to advance the same hegemonic project.

And what do I think is a Trump project? Well, Trump is unpredictability personified. But his instincts are basically isolationist and inward-looking, and a significant part of his base is also isolationist. This project might be labelled defensive imperialism as opposed to the expansive imperialism of the liberal internationalist project. It is rebuilding what he and his MAGA outfit consider a damaged core of the empire by putting up a wall against imports, against non-white migrants, and bringing back prodigal US capital back through reshoring via raising tariffs. The focus is on fortifying the US core of the empire, though I would add that he considers Latin America falling within the US sphere of influence. His comments on Canada, Greenland, the Panama Canal, and the Gulf of Mexico reflect this refocusing of priorities on the Americas.

The US posture in most other areas is from this perspective negotiable. Trump certainly does not believe in the new liberal international principle that compromising with or appeasing authoritarianism in one part of the world, like over the war on Ukraine, would be harmful to US interests in other parts of the world.

NICK: Adam, what do you see as the underlying causes of this moment – not just the rise of the multipolarity but also the phenomenon of Trump?

ADAM: Walden's description of the shock of the first Trump administration is very comprehensive and compelling, but I see that fraying beginning earlier.

You could go back to the unilateralism of the Bush administration in 2003, certainly on the transatlantic axis that caused considerable ruptures and dynamised the multipolar momentum, both in Beijing and in Moscow.

Beijing's increasing determination to chart its own course starts in 2008/9 with the realisation that the US is a wobbly and unreliable anchor and with an increasingly assertive position by the Chinese leadership.

2008 is also the moment at which it becomes apparent to the US leadership that the story of globalisation, which is so key to the self-confident projection of US power from the 1990s onwards, could potentially turn against them in different ways.

And we saw it in two crucial respects. One is Russia, because after all, Putin's Munich Security Conference speech comes just before 2008 [that challenged the unipolar world order] and was followed by the Russian military intervention in Georgia. And then there is Beijing's offer of climate cooperation as a new model of great power relations, which it looks as though Washington might take up, but then it disperses. Its only fruit is the Paris Agreement of [keeping global temperature rise since industrialisation to] 1.5°C. And then instead what we get is Trump. So, that would be my preface to Walden's account of the first Trump administration.

NICK: Walden, would you like to add anything and on the underlying causes of this fracturing of global power?

WALDEN: I agree with Adam. On the point of underlying causes, I would identify three major contributors: first the flight of US transnational capital to China in search of dirt-cheap labour that was less than 5% of the cost of US labour. This was a process that enjoyed the blessings of Washington from the Bush Senior to the Obama administration. Some estimate that the so-called 'China shock' cost the US some 2.4 million manufacturing jobs and destroyed that synergy between technological innovation and a dynamic manufacturing sector.

The second major contributor was financialisation, which made the financial sector the favourite for investment, owing to the massive profits that could be made from speculation. Both de-industrialisation and financialisation were key factors in the stagnation of the income and living standards of at least half of the US population and the sharp rise in inequality.

The third major factor we should not underestimate was the overextension of US military power in the Middle East under the Bush Junior administration, which became a trap from which Washington found it very difficult to extricate itself and led to its loss of credibility even with allies.

Now, the obverse of US de-industrialisation was the super-industrialisation of China, which made the fastest run in history from being a complete outsider to the global capitalist system to being at its very centre. And this was in a period of just about 30 years. This involved not just rapid industrialisation, but swift technology acquisition, so that the country's scientific and technological base is now largely self-sustaining.

NICK: Adam, how do you think the US–China relationship and geopolitical rivalry is shaping capitalism?

ADAM: I want to double down on something that Walden said about the extraordinary development that we've seen from the insertion of China into Western value and supply chains. It involved huge urbanisation of hundreds of millions of Chinese rural dwellers, but it has led in the last 10 years to a situation in which China entirely dominates global manufacturing in practically every key area or is at least a significant rival or major player alongside Western or other East Asian competitors.

As was the case of the US at its manufacturing heights, China's capacity is now dominated by China's domestic demand based on its huge market of 4 billion increasingly affluent people. And so those markets are not just dynamic, but trend-setting. We see this most dramatically in electric vehicles, where the Chinese ecosystem, the market, the demand, the pace-setting, consumer style, technology and manufacturing capacity are all located in China. Major East Asian and European competitors like Toyota and VW face a strategic choice as to whether they hang on in the Chinese market or increasingly rely on various types of protectionism to shield their local markets against Chinese competition.

And it's worth focusing on car manufacturing, because if you look at the sophisticated large-scale globalisation of supply chains, the auto industry was once the hub of global capitalism. The age of Fordism drifted out of sight in the 1970s and 1980s, but it's unambiguously one of the key drivers of at least regional development of supply chains.

And we're seeing here a historic shift of a type we've not seen before with the move in the locus of innovation to China, and it's an internal Chinese development.

So, does this change capitalism? I don't think so, not *per se*, because capitalism is a constantly evolving system. It doesn't have a single unity. It's not centred on a single technology, but it is a major shift in one of the key areas of the global division of labour.

If I may just expand on one other area, finance. What we've seen since 2008 is an increasing bipolarity. We have a US-dominated system centred around the dollar. Once upon a time it was polycentric with the Europeans and East Asian players being significant alongside Wall Street, but that's largely evaporated since 2008. So, we have a dollar system massively dominated by the key US players – the BlackRocks, the JP Morgans.

And then, separate from that, within Chinese exchange-rate and currency controls, a Chinese system, which again, given the scale of the Chinese market has scale and compares with and is even larger than the JP Morgans, yet it's not part of the same system.

Now, again, does this change capitalism? I don't think in principle it does. It changes its geographic scope. It changes its horizon of expectation with regard to globalisation.

The nationalisation tendency, the tendency towards protectionism, is a new and important development, in its aggressive form. Again, it's a bipartisan project in the United States as both the Democrats and the Republicans are on board.

So I think there is this break in America's political economy. But does that fundamentally change capitalism? No, because clearly America's capitalism developed in the 19th century under a massively protectionist system. There were many different ways in which this can manifest and develop.

It changes the direction, it changes the bargaining power of different actors, it changes the points at which bargaining power can be applied and leverage can be applied. And in the form of the Chinese system we are seeing something which doesn't neatly fit a cookie cutter definition of what capitalism is because of the role of the party and state institutions.

In any case, we're seeing a diverse, complex polycentric model in which big shifts are happening, while in others, there's a consolidation of American power within the dollar system.

WALDEN: I find much to agree with Adam but let me add a few more things here. In terms of the departure from neoliberal ideology, it has been uneven. China, has of course in the last few years touted its model of capitalism as the reason for the success of the country's development. When Trump tore up the TPP and rejected free trade, he basically accelerated the process of abandoning the neoliberal models of market-driven corporate expansion. Similarly, the Biden administration took a giant step towards industrial policy with the passage of the Inflation Reduction Act, the Chips and Science Act and the Infrastructure Investment and Jobs Act.

However, neoliberalism continues to be the ideology of the IMF and the World Bank. In many countries that have their programmes, like my own country, the Philippines, they continue to implement neoliberal policies because the Bretton Woods Institutions have pushed them to legislate these policies and even institutionalise them in their constitutions.

Nevertheless, the massive failure of neoliberal policies will inevitably create tremendous pressures to abandon these policies and force adoption of initiatives that will prioritise social welfare, re-regulation, and a leading role of the state. We saw this with the revolt against neoliberalism in 2019 in Chile, which was probably the most neoliberalised country in the Global South. This is a trend that

we will see more and more. In the post-neoliberal state, I believe that national economic goal-setting will be the trend, planning will again become legitimate, and that technocratic decision-making on such fundamental issues as consumption and investment will be more salient.

The greater role of the state in countries where authoritarian or fascist regimes come to power means that a whole host of economic privileges and incentives will be provided to the majority population, while stripping minorities of access to them. India here is a pace-setter.

In terms of relationships among governments, the era of globalisation, which saw the free flow of capital and goods across national borders, guaranteed by multilateral system, will give way to more bilateral relationships in trade, capital flows, aid, and migration. The character of these relationships will be determined by whether countries are geopolitical rivals or whether they are seen as racially or culturally compatible. What Trump calls 'shithole countries', meaning most of us in the Global South, will be marginalised from this web of bilateral relationships.

Now, one must also factor in that the institutional landscape of capitalism is changing. The Fordist corporation under managerial control is now only one of several incarnations of capital, as Melinda Cooper has shown. There has been a revival of dynastic capitalism or family-owned wealth transmitted intergenerationally through changes in inheritance laws and favourable tax treatment, with Trump being an example of this phenomenon along with the Koch brothers.

And we have also witnessed the emergence of billionaires with a Napoleonic complex, eager to use their access to the state as well as the media and civil society for their personal goals – like Trump, Elon Musk, and Jeff Bezos.

So, I would just like to sum up that we have as key elements of the current global institutional landscape: the return of the activist state, the re-regulation of the market, the return of dynastic capital, and the emergence of Napoleonic capitalists.

ADAM: On the question of neoliberalism, I find it useful to distinguish between different dimensions of the phenomenon. One is the ideological one, the doctrine, which we can all agree has become very threadbare and fundamentally disrupted and abandoned in some cases quite flagrantly, say by Jake Sullivan announcing the end of the neoliberal era and announcing a new Washington Consensus.

But then you can also think about neoliberalism as a mode of governance, a mode of government. What was really telling, for instance, about the Biden Inflation Reduction Act is the way it worked, which is essentially a public–private partnership. This wasn't the Green New Deal, nor was it the old New Deal model. It was essentially a bunch of tax breaks for private players. And so much as this was a government scheme to promote green energy, the way it worked was exactly in the manner that the World Bank or the IMF has been prescribing since the late 1980s.

If you look at the most substantial interventions that have been undertaken, they run through central banks acting on repo [repurchase agreement] markets and the balance sheets of financial actors. So, this is a more activist state fuelled by an ideology that is breaking with certain sorts of nostrums of the 1990s, and yet is using the tools quite familiar from that earlier era.

If you look at neoliberalism in a third way, it's a class project. It's a question of redistribution. It's trying to break the existing entrenched defensive structures of the working class, the institutions of the welfare state – and to tear out projects of national development. At that level, you'd have a hard time arguing that there's been any fundamental change at all. In fact, you could think of the current moment as an amplification of the existing interest structure.

Certainly, this is the reason why the US Inflation Reduction Act is not some sort of assertion of working-class power, but just a reworking of the monopoly interest groups or oligopolistic interest groups within the energy sector. And it turns out you can find green-energy interests that would also like a subsidy from the US state to make their shareholders rich and pursue projects which are environmentally transformative in various ways but are still as very much about profit as anything before. So, this will be the next era: Duke Energy and players like this in the US system. Nothing changes there.

However, if we think of neoliberalism as a cultural project, as an idea of the subjectification of human beings, not as citizens or as members of social networks, but as market actors, then the platform economies of the current moment are the most radical embodiment of precisely that model. You can see it in the self-branding, the self-fashioning, the self-promotion of literally tens of millions that aspire to be influencers, both in the US and Chinese social media system.

There certainly are ways in which US platform economies are special. But you don't have to spend very long in China to realise that its society is much more profoundly organised around platform structures than anywhere in the West. You simply can't live there without being on the WeChat system. You can't buy anything!

So, it's a much more deeply integrated system at the level of individual subjectification, which drives the process of marketisation and self-marketisation increasingly aggressively. It is also truly global in scope that reaches the Philippines and Indonesia as much as China and large parts of Africa.

There are elements of neoliberalism which are fraying, such as its relationship to US power. It wasn't called the Washington Consensus for nothing. It was centred on a certain conception of US power, which is fraying and fragile. However, most of the elements in between, which have to do with this much more pervasive paradigm – of governance, of class power, of subjectification – these are still alive and well, in some ways moving at a speed, pace, pervasiveness and global scale which fulfils the true fantasies of the 1970s and 1980s prophets of market liberalisation.

There were elements of [the neoliberal ideologues' message] which had to do with capital-account liberalisation and the details of privatisation, but in a broader sense, do we now live globally in societies which are closer to the Milton Friedman ideal of market-driven interaction? Of course we do. And on the scale of billions of people.

NICK: For a long period, there was a shift towards understanding transnational corporations as the key actors on the global stage. Is that shifting right now with the geopolitical rivalry and the return of the nation-state? How do you assess the relationship and power dynamics of corporations and nation-states?

ADAM: We're in a testing phase. We've certainly left behind the era in which one could straightforwardly and simply argue that the ultimate powers were the big global corporate players.

We've left behind the era in which it was just taken for granted that the US Treasury Secretary would be a former CEO of Goldman Sachs. The scenario in which you have a Hank Paulson, a former CEO of Goldman Sachs appointed by the Bush administration in the early 2000s to run the strategic dialogue with China over economic relations is unthinkable now. There has been a deep shift.

My own understanding of political economy, both in the domestic and the international realm, is of a contestation with variable geometry. There are clearly massive corporate powers that at all sorts of levels exercise influence and structure, both the details of regulation and the conditions of possibility of government action and the realm of what is and is not discursively thinkable.

But they stand opposite – sometimes in very close cooperation with and sometimes in antagonism with – other key players and state power and the security apparatus. And it's going to be very interesting to see how this plays out.

We have a test case in front of us. There are two key bellwethers of the US relationship with China. One is Apple and the other is Tesla and Musk. And it will be very interesting to see how the interests of particular corporations are being either challenged or actually carefully sheltered and protected.

For instance, we know that despite the announcements of heavy tariffs by the first Trump administration on all trade with China, Apple ended up, after some highly successful lobbying, with very significant carve-outs for all the key elements of its supply chain. As America's most valuable public company, the first to break the three-trillion dollar [market value] threshold, this isn't something a White House easily does, to attack the interests of an Apple, even if at some level its business and supply chain model goes deeply against US national security strategy at that moment.

And it'll be very interesting to see how Elon Musk's Tesla thing plays out. We don't know how these interests are going to be articulated.

And there are reverberating effects where Huawei, for instance, was singled out for an absolutely extraordinary campaign directed against a particular company by the US state apparatus. The consequence of that in part is that Huawei's position within the Chinese space shifts. So, while it loses global markets and is subject to this really surgical strike (rather like drone warfare), its freedom of manoeuvre and its scope for action increase both within the vast Chinese economy and the various elements of the One Belt, One Road programme.

So, it's a very complex geometry. And I don't think we know yet how this is going to play out. I know it sounds a little open-ended, but that's the only realistic account of the current moment.

NICK: And how do you see it, Walden?

WALDEN: I would like to add to this idea of a period of contestation the case of TikTok, which Trump has asked the Supreme Court to hold off on banning to let him decide.

And so there's this sort of playing around, groping to feel out the relationship between the state and foreign transnational corporations.

From my perspective in the Global South, my sense is the nation-state is likely to become an even a more powerful actor relative to the market and the private sector. This is due to the realisation that economic prosperity will depend on governments actively supporting technological advance and preventing rival countries from getting advanced technology.

Transnational corporations I fully agree will continue to be influential actors, but they will increasingly find themselves having to adapt to government policies like reshoring and transferring key parts of their value chain from rival countries.

They've also become much more defensive to attacks from populist elites. One must remember that transnational corporations were accused by [Trump Trade Advisor] Peter Navarro and others in MAGA as having betrayed the US by moving to China. So, this backlash is important in terms of assessing their relationship to the state at this point.

ADAM: At some level corporate power is aligned with the professional managerial class. Ultimately who owns it and who generates the profits is one thing, but most very large corporations are held in quite diverse ways and then run at one step removed by funds like BlackRock, which themselves embody a kind of algo-based professional managerial approach to the governance of global capitalism.

At some level, those social groups are deeply enmeshed with a structural and cultural liberalism that is toxic to the MAGA crowd. This doesn't mean that the MAGA crowd doesn't like business. It just doesn't like that version of business, which is corporate, large-scale, and dominated, as one commentator said by 'lawyers and shrinks'. They are instead attracted to a petit bourgeois model, what some analysts in the US called the American gentry. It's the car dealership, the large construction company, the small-scale retail chain, the person who has a bunch of Chick-fil-A franchises who are easily in the top 1% of the US income and wealth distribution. In other words, they are probably worth \$40 million, have a big mansion, a second home in Florida, and a motor yacht, but they do not belong among the corporate titans at Davos.

So, within the Trump camp, somebody from Wall Street has ended up in the Treasury position, but he's not a former CEO of a gigantic bank. The kind of paradigmatic big-money person around Trump are made up of private equity, hedge-fund people. Their advantage is they're wealthier than those running a big bank. Jamie Dimon [CEO of JP Morgan Chase] struggles to earn a billion dollars over the course of his career. If you're working in private equity or hedge funds, that's an annual salary in a good year for the best-paid people.

But it's above all, it's freebooting. It's easy come, easy go. You're working in a small shop with 200 to 200 to 300 employees, so you can set your own culture, you can set your own style.

I think in understanding the way in which the relationship between populist politics and capitalism has morphed over time, it's crucial to dig into these cultural differences and then spin that out to the global scale. There are all these complicated affinities between various types of patrimonial capitalism and the BJP project in India, where you have a Modi-aligned group of oligarchs who represent a certain cultural style, represent a certain mode of doing business in the country. And it's at that level that the affinity is deep, where that relationship between the mass base of the BJP and globally relevant and listed corporations becomes thinkable. Because on the face of it, it would just seem not to go together.

But if it comes in a certain shading or cultural style, it works, which is why the Musk–Trump partnership is even thinkable in the current moment. It takes an Elon Musk version of billionairehood to establish this relationship. Certain things will go together and other things won't in this time of testing. And it's not 'a one size fits all', as it's not a single cultural mode.

One of the great fallacies of US liberalism in particular is to think that one size does fit all. The best law school, the best corporate job, connections in California and Hollywood and Silicon Valley. How could a candidate like that not be electable? There's a mental failure on the part of the US liberal elite to understand how that specific combination of power, cultural privilege, economic privilege, could in fact be profoundly distasteful to a solid majority of the American population.

NICK: Walden, what responses do you have to Adam and also the increased militarism, the increasing US-China hostility, and the tension between their economic interrelations and increasing drive towards war.

WALDEN: We have seen the US–China relationship transformed from a partnership to rivalry in less than a decade. Throughout the last 10 years, we have seen the US take the lead in defining China as a rival, while China has consistently called for a return to what it calls normal relations with the US, that is to the partnership of the period between the late 1980s and 2016. China has also disclaimed its intention of replacing the US as the global hegemon and has not promoted an alternative multilateral system to the Bretton Woods system.

The new development bank and contingency reserve arrangements of the BRICS system remain purposely underdeveloped. Though it has increased defence spending, China has not made any leaps in spending with the US which is consistently spending about three times as much as Beijing over the last few years.

My sense is that Trump is likely to continue the trade and technology war with China, but I'm much less certain that he will carry out the military containment that was accelerated by the Biden administration. Trump is a synonym for unpredictability, but there's a good chance that he will largely see the Asia-Pacific as being in China's 'sphere of influence' politically and economically, while maintaining the rhetoric of continued US engagement with the region.

Now, there is an expectation among analysts as well as bureaucratic elites that a transition from one global hegemon to another is inevitable. But with the US likely to be hesitant under Trump, mainly because of realisation of constraints, to assume the old role of global hegemon and China unwilling to fill it, what we may see in the short and medium term might be a hegemonic vacuum, much like that in the interwar period in the twentieth century when Britain was too weak to perform the role of global hegemon and the US did not want to fill it.

NICK: Walden, what do you see as implications of this hegemonic vacuum and what it means for low- and middle-income countries? And how should they navigate this process, in terms of opportunities and challenges?

WALDEN: Well, I agree with Adam that we have entered an era of what he calls polycrisis where the climate crisis, geopolitical rivalry, the North–South divide and the conflict between democracy and fascism will intensify. Now, there is that enigmatic line Gramsci used to describe this era that is also appropriate for ours: 'The old world is dying and the new world struggles to be born. Now is the time of monsters'. I guess what he was trying to say was that you cannot have opportunity without crisis.

With the emergence of a hegemonic vacuum or stalemate, the US–China relationship would continue to be critical, but neither will be able to decisively manage trends, such as extreme weather events, growing protectionism, the decay of the multilateral system that the US put in place during its apogee, the resurgence of progressive movements in Latin America and the rise of authoritarian states.

Nevertheless, I view the crisis of US hegemony as offering not so much anarchy but opportunity, although there are risks and great dangers involved. It can open up the path to a world where power could be more decentralised, where there could be greater freedom of political and economic manoeuvre for small, traditionally less-privileged actors from the Global South, playing off the two superpowers against one another. A truly multilateral order could be constructed through cooperation rather than be imposed through either unilateral or liberal hegemony.

So, taking off from Gramsci's words, we may be entering an age of monsters, but like Ulysses, we cannot avoid going through the dangerous passage between Scylla and Charybdis if we are to get to the promised safe harbour.

ADAM: I'm on the record that I find the Gramsci quote that Walden has cited unhelpful for thinking about the current moment because it almost promises too much. We read it now against the backdrop of knowing what happens next, which is that this period of interregnum ends and is then superseded by the 1940s' settlement with two orders, a Western and US-dominated bloc and a Soviet-oriented bloc.

And I don't think that's promised to us in the current conjuncture. I don't think the twentieth century is going to be a good model for thinking about the twenty-first century, any more than the nineteenth century was a good model for thinking about the twentieth century.

The future, for better and for worse is going to be more complex and more polycentric. That's the world that we're actually in and adjusting to, and which has many attractive features. Apart from anything else, it realigns the balance of cultural, economic, technological weight with the distribution of humanity. It moves us out of the grotesque disproportion of those factors that dominated the nineteenth and early twentieth centuries towards a much more balanced and rational allocation of resources.

But it also comes with real risks. I'm most worried about war. I didn't think I would have to worry about war again. I'm a child of the late Cold War in Europe, and the prospect of nuclear annihilation was one that shaped my childhood but would not be one that shaped my adulthood, or of my child's future and her children's future.

I'm afraid that is the world that we're back in. And the truly terrifying thing about the current moment are the deep, powerful interests on the US side, and no doubt they're also deep and powerful on the Russian and the Chinese sides, which are increasingly committed to a tripolar nuclear arms race, as well as to control space, hypersonic [weaponry] and so on. It's not the old nuclear arms race in terms of the technologies and the fact that it's a three-player game.

We're already seeing hawkish US think tanks argue for the direct targeting, for instance, of Chinese urban areas as the way of maximising the deterrent 'bang for buck' in an increasingly unmanageable tripolar world. And we're just at the beginning, as this competition is maybe five years old.

Against that backdrop, one of the huge challenges for global progressive politics is that we have to engage with the peace question. This was core to global politics in the 1970s and 1980s. It was extremely difficult because it always opens you up to the allegation that you're basically a fifth column for external threats, then the Soviet Union and/or China.

For decades we could delegate peace to Goldman Sachs, because as long as its CEO was running the strategic, economic relationship between China and the US, you knew that war was not on the agenda because too much money was going to be made.

But one of the side effects of the re-emergence of the nation-state and core national security interests as dominating policy debate is that progressive politics around the world must now argue for peace as the essential precondition for anything else good that we want.

Now, this does not necessarily mean a surrender on every single other front. It doesn't mean turning a blind eye to flagrant human rights abuses, such as the repression of freedom of speech in Hong Kong. It's very challenging, notably for the Western left, to articulate this position, because one should not kid oneself that these are simple matters. This is the classic terrain of progressive political dilemmas going all the way back to the period of the interwar period and the question of where one stood on appeasement. But it's essential that we begin doing so because otherwise we're going to find ourselves enrolled in US power projects, which are essentially the anachronistic defence of America's Cold War era position in East Asia.

This has also to be coupled with various types of autonomous, Gaullist, non-aligned moves such as a strong assertion by progressives of the importance of independent interests for regions, collectivities, entities like the EU [European Union], ASEAN [Association of Southeast Asian Nations]. It was very telling how, for instance, the Indonesian G20 presidency, in the full flush of the hysteria in the West over the Ukraine war, nevertheless took the position of saying 'We, speaking for the rest of humanity, insist that there are other items on the agenda and we expect you, the United States, the Europeans, and China, to talk seriously about them as they are fundamental material issues to the majority of humanity'.

I'm not touting the Indonesian government as an example of radical progressive politics, but it is an indication of the leverage which major G20 players in this polycentric system can have. It's not just the corporate state relationship that's being tested. The entire power configuration is being tested in this moment.

And progressive politics has a huge stake in this how this works – at the level of trade policy, basic democratic rights, managing domestic power configurations and resisting some of these oligarchic combinations emerging in the national protectionist moment, and most fundamentally of all on the question of peace.

NICK: Thank you, Adam. Walden, perhaps you could conclude with addressing the final question, how do social movements respond to this moment globally?

WALDEN: Yes, the dangers of war, especially for those of us in East Asia and the Philippines, is right there.

Over the last few years, under Biden, the containment of China, the provocative moves with respect to ships transiting the Taiwan Straits and the way he has unleashed the Pentagon or the military at least in terms of rhetoric is very problematic.

We had the head of the US Air Force Mobility Command, General Minihan, say, "We should be looking towards war with China in 2025." During the Trump administration, it was mainly a trade and economic kind of conflict, but under Biden you had this escalation on the military front.

So, how do global social movements navigate this more complex world? Well, I fully agree that the peace question is something that we must embrace at this point, given the way that geopolitical rivalry has escalated. All sort of alliances need to be made and global coalitions need to be formed. And we must connect the climate crisis and other crises, such as the crisis of inequality.

[Groups like the] BRICS may be a largely potential rather than actual power, but it is a counterweight to the West and the multilateral order that has been very oppressive. They also offer possibilities in terms of resources that can be used for development and for countries to pursue their own development agenda. Other formations may also emerge within the Global South that do not get caught up in this triple tug of war between the West and China and Russia.

Let me end by saying I have really enjoyed this dialogue. Thank you, Adam, for the wonderful exchange, and thanks, too, Nick and the Transnational Institute for organizing it.

This is an edited excerpt of a conversation held on 10 January 2025.

BIOS

Adam Tooze is an economic historian holds the Shelby Cullom Davis chair of History at Columbia University and serves as Director of the European Institute. In 2019, Foreign Policy Magazine named him one of the top Global Thinkers of the decade. He is author of six books including *Crashed: How a Decade of Financial Crises Changed the World* (2018) and *Shutdown: How Covid Shook the World's Economy* (2021).



Walden Bello is co-chair and co-founder of Focus on the Global South, a research, analysis, and advocacy institute affiliated with the Chulalongkorn University Social Research Institute. He is senior research fellow with the sociology department of the State University of New York at Binghamton; and author of 26 books, including, most recently, *Global Battlefields: Memoir of a Legendary Public Intellectual from the Global South* (Atlanta: Clarity Press, 2025)



THE NEW FRONTLINE

The US-China battle for control of global networks

Ilias Alami, Jessica DiCarlo, Steve Rolf and Seth Schindler



Geopolitical rivalry has returned with a vengeance. What started as a geo-economic contest between the US and China has expanded to include the European Union (EU) and Russia, has become a full-blown geopolitical competition that we have termed the ‘Second Cold War’.¹

Unlike its predecessor, this new conflict centres not on ideology or territorial expansion, but on the control of strategic global networks. The former director of the Central Intelligence Agency (CIA) and US Secretary of State Mike Pompeo captured this when he declared: ‘Now, this isn’t about containment... It’s about a complex new challenge that we’ve never faced before. The USSR was closed off from the free world. Communist China is already within our borders’.² At the heart of the Second Cold War is the unyielding determination of the US to maintain global primacy, even as its power – though still formidable – gradually wanes in relation to a rising China.³

Governments worldwide are responding by expanding their roles as industrial policy actors and investor-shareholders. To exercise control over critical nodes of global economic networks, they are mobilising techno-industrial policies, wielding sovereign wealth funds (SWFs), policy banks, state enterprises, and other forms of state ownership. While this trend may not reduce global economic integration, it introduces a *realpolitik* or pragmatic logic to the transnational connections that underpin globalisation. To capture the significance of this phenomenon, we introduce the notion of *state-capitalist geopolitics*, chart its emergence, and explore key manifestations and future possibilities. State-capitalist geopolitics are transforming the structure of the global economy and reshaping the terrain of politics, with strategic opportunities for countries across the global South and progressive transnational social movements around the world.⁴

From containment to connectivity: the emergence of state-capitalist geopolitics

In 1944, as the end of World War II was in sight and Allied victory seemed imminent, Winston Churchill and Joseph Stalin met in Moscow to divide the post-war world. They had more in common than either would have liked to admit. Both relished the geopolitical wrangling and cloak-and-dagger intrigue that characterised their first face-to-face meeting. They agreed upon the percentage of control each would exercise over various countries following the war – the Soviet Union (USSR) got 90% of influence in Romania and Britain 90% in Greece, while Hungary and Yugoslavia were split 50:50. This informal agreement was later finalised at the Yalta Conference when the two met with US President Roosevelt, establishing the foundation of the post-war global order.

Any pretence of post-war cooperation among the former allies ended abruptly with the onset of the Korean War.⁵ As the Cold War set in, the spheres of influence agreed at Yalta hardened into territorial blocs. Cold War geopolitics in the following decades amounted to a renegotiation of the Yalta agreement as both the US and the USSR sought to expand their blocs. The containment of communist influence became the cornerstone of US geopolitical strategy for fear that if one country became communist, neighbouring countries could ‘fall’ like dominos in quick succession. The Soviets sought to forestall ‘capitalist encirclement’ by inhibiting the expansion of the US alliance system. Both countries courted newly decolonised countries as prospective members of their respective blocs.

By the 1980s, the strategic landscape had shifted dramatically. The USSR lagged behind the US in technological development, economic prospects, and international influence. Gorbachev’s ambitious

reform agenda to address these problems ultimately destabilised the Communist Party, leading to the dissolution of the USSR in 1991, leaving the US as the world's sole superpower. Under President Clinton, Washington expanded the scale and scope of the international institutions that integrated the former West bloc.⁶ This global neoliberal project constituted a maximalist agenda of economic, trade, and financial liberalisation alongside the insulation of markets from democratic politics. This new era saw multinational corporations (MNCs), mainly from the US, Europe and Japan, move production overseas, where labour was disempowered and cheap. They also outsourced to local producers, creating complex, multi-stage production networks that were truly global in scope.⁷

US policymakers believed that economic interdependence would reduce conflict, as states could not afford the cost of being ostracised from a globally connected economy. Countries that remained disconnected from the global networks were seen as threats to the US-led international order because they could not be subject to market discipline, which explains why Washington's primary strategic imperative was to integrate people, countries, and regions into the global economy by force if necessary. Scholars referred to this as *neoliberal geopolitics*: '[D]anger is no longer imagined as something that should be contained at a disconnected distance. Now, by way of complete counterpoint, danger is itself being defined as disconnection from the global system'.⁸ Many countries forged connections with global networks under duress. International financial institutions imposed economic structural adjustment programmes to reduce barriers to capital mobility, while states like Cuba, Iran, and Libya endured US or international sanctions. At the same time, the US-led invasion of Iraq demonstrated that the US was willing to use hard power to expand global networks. The US-led Coalition Provisional Authority passed 100 administrative orders in its first 14 months, comprehensively liberalising Iraq's battered economy.

Cracks in this system began appearing early in the 2000s, as the project of neoliberal globalisation was buffeted by a series of political and economic crises, and the so-called Washington Consensus descended into failure and acrimony.⁹ Trade and investment liberalisation stalled as the World Trade Organization (WTO) Doha Round negotiations failed in 2001 as governments in lower-income countries (confronting social pressures) were no longer willing to accept the promise that liberalising trade would 'lift all boats'. The 1997 Asian financial crisis also bred reluctance to pursue financial liberalisation, and a 'pink tide' swept left-leaning governments into power across Latin America. The 2008 global financial crisis (GFC) further eroded confidence in the neoliberal model. In its aftermath, the US and China provided the ballast that kept the global economy upright, deploying decisive statist measures to maintain global liquidity and investment in the real economy.¹⁰

The financial crisis also set in motion the return of Great Power competition, as it revealed fault lines in the US-led international economic order. Beijing's assertive response and extensive intellectual property theft further alienated MNCs that had invested significantly in China.¹¹ The US response was twofold. Geopolitically, it signalled its preparedness to use hard power to contain China's growing naval power in the South China Sea while simultaneously pursuing deeper economic integration. The Obama administration's flagship initiative, the Trans-Pacific Partnership, remained wedded to neoliberal geopolitical practices. While the trade agreement sought integration of Asia-Pacific economies, it conditionally excluded China – offering inclusion only if Beijing dismantled its statist economy (an impossible demand). The Trump administration, however, marked a decisive break with the policy of engaging China, with the 2017 US National Security Strategy officially defining China and Russia as adversaries. It was the first time in more than two decades that 'hostile states' – rather than non-state terrorist groups – were identified as the primary threat to the US, and it buried the assumption that economic engagement could turn rivals into partners.¹² As the 2017 US National Security Strategy puts it:

These competitions require the United States to rethink the policies of the past two decades—policies based on the assumption that engagement with rivals and their inclusion in international institutions and global commerce would turn them into benign actors and trustworthy partners. For the most part, this premise turned out to be false.

China responded to the Trump administration's provocations with increasingly comprehensive preparations to reduce its technological and economic dependence on the US by increasing state control of key industries and banking and focusing on strategic high-technology sectors.

Current geopolitical competition has deepened into a Second Cold War – an entrenched and society-wide conflict with little prospect of swift resolution. Yet, unlike the first Cold War, the US cannot hope to territorially 'contain' China today, which is indispensable to the global economy – in 2024, for example, it accounted for nearly 35% of global manufacturing.¹³ But with the US ruling out further economic engagement, a novel strategic orientation is required. The new battleground revolves around the *control of global networks* – from semiconductor supply chains and electric vehicle (EV) production to digital platforms, transport infrastructure, and financial payment systems. Control over these transnational networks offers the prospect of wielding power well into the current century. The US, China, and regional powers are expanding their role as economic actors as they compete to define the geography of these networks, establish rules of participation, erect barriers of entry to opponents, and control their most strategic nodes. We refer to this as *state-capitalist geopolitics*.

The new era of state-capitalist geopolitics

State-capitalist geopolitics operates not as a coherent doctrine but as an evolving set of practices. As the world adjusts to a new phase of geopolitical rivalry in the context of deep interconnection that precludes containment or connection as singular viable options, states are driven to devise new strategies to play power politics. This, of course, does not mean that territorialised geopolitics and military doctrine are no longer important, as Russia's brutal invasion of Ukraine and Israel's genocidal war in Gaza and Lebanon make painfully clear. The role of the US in fuelling these conflicts, its increasing inability or unwillingness to manage others, and the growing weight of middle powers, have collectively driven a marked increase in interstate violence during recent decades.¹⁴ But, as we shall illustrate, the structure of the economy is such that it nevertheless *de facto* forces much geopolitical competition to take a new, network-centred form.

State-capitalist geopolitics also involves a drastic expansion and reconfiguration of states' roles as industrial policy actors, as tech and innovation catalysts, controllers of key financial nodes and infrastructure, financiers of national champions and strategic sectors, investor-shareholders, and direct owners of capital and assets. Thus, in addition to trade tariffs, foreign investment restrictions, export controls, financial sanctions, and other defensive or offensive economic measures, the signature forms of state-capitalist geopolitics also include things like new forms of techno-industrial policies, SWFs, policy banks, state enterprises, state-owned venture-capital funds, and other state-controlled corporate entities.¹⁵ More than simply fostering investment and growth, these policy instruments and vehicles afford states the capacity to exercise different degrees of ownership and control over capital and assets, from full state ownership to governments owning majority or minority equity positions, using golden shares to retain veto rights, or acting as passive investors. They also allow them to forge new state-capital alliances geared towards achieving geostrategic objectives.¹⁶ In sum, what makes state-capitalist geopolitics a distinct and qualitatively different mode of geopolitical practice is both its fundamental logic (shaping and exerting control over the networks that underpin globalisation, controlling their most strategic nodes) and its tools and signature forms (the extensive mobilisation of muscular state economic interventionism and revamped state ownership).

To understand why states across the globe increasingly practise state-capitalist geopolitics, we must look at the historical development of global capitalism over the past two decades. What scholars refer to as ‘new state capitalism’ has deep roots.¹⁷ At least four factors have driven its dramatic global rise. First, financial crises have played a decisive role in developing new forms of interventionism and state ownership. The financialisation of capitalism means that shocks reverberate more rapidly through the global credit system (the COVID-19 pandemic, for example, triggered a massive financial shock that plunged many low- and middle-income countries into debt crises). Governments have had to adapt to this context of heightened vulnerability, providing massive rescue plans, bank recapitalisations, and counter-cyclical investments in the wake of financial crises, while central banks in high- and lower-income countries have developed instruments to stabilise financial markets and ensure they function properly. For instance, the US Federal Reserve’s balance sheet virtually doubled in size (relative to GDP) in response to the Covid-19 crisis.

Second, the industrial restructuring of the world economy and the formation of increasingly complex global value chains have pushed states towards muscular interventions to secure the ‘competitiveness’ of their economies. Hence, the revival over the last decade of development planning, industrial policies, and large-scale state-coordinated investment (often conducted by state enterprises, SWFs, or development banks) in energy grids, digital networks, transport infrastructure, and integrated logistics systems.¹⁸ Moreover, the accumulation of vast surpluses – resulting, for instance, from the consolidation of export-oriented models in East and Southeast Asian economies and the ‘re-primarisation’ of many Latin American and African economies – have fuelled the multiplication of SWFs and the spectacular growth of their global asset control. Sovereign funds have expanded their operations at home and abroad since the early 2000s, occasionally in partnership with state enterprises. As of 2024, there were 179 sovereign funds globally, which is a more than sevenfold increase since 2000. They control vast amounts of money and capital (worth more than \$12.4 trillion) and have become major actors in global financial markets. The International Monetary Fund (IMF) estimates that state enterprises now account for 20 percent of the world’s 2000 largest firms, which is twice as many as twenty years ago.¹⁹

Third, slowing rates of global economic growth – if not outright stagnation in some countries – have intensified competition for market share and access to strategic assets and investment opportunities across industrial sectors, from agro-chemicals to shipbuilding, aluminium, steel, coal power, solar panels, 5G technology, and more. In response, governments are implementing policies to support the international competitiveness of their companies and assist firms in developing or acquiring strategic capabilities at the cutting-edge of the technology and productivity frontier, such as advanced semiconductors, nanotechnologies, artificial intelligence (AI), quantum computing, 5G, the Internet of Things, cloud computing, and intelligent robotics, among others. Ambitious industrial policies include state subsidies, and the growing mobilisation of policy banks and state-owned investment funds to inject liquidity in the form of investment or subsidised credit. States have also ramped up trade and investment restrictions and occasionally injected state property (in the form of equity stakes) into key firms to protect critical supply chains from foreign competition, such as in the semiconductors and EV batteries sector. The US, for instance, has imposed 100% tariffs on Chinese EVs, while the EU has imposed import duties of 38.1%.

Fourth, this context led to the development of virulent forms of economic nationalism that collapse the distinction between economic interest and national security. As the definition of national security has expanded, economic competitors are portrayed as threats to the sovereignty and integrity of the nation.²⁰ To establish control over strategic sectors, renewed economic nationalism does not hesitate to mobilise state ownership through, for example, shareholdings by investment funds

and state-owned companies. Nor does it hesitate to deploy trade sanctions to penalise foreign competitors on often questionable grounds. The aforementioned EU customs duties on imported Chinese EVs illustrate this trend. These varieties of economic nationalism often have troubling undertones, mixing economic protectionism with xenophobia and racial prejudice. The mobilisation of state power to discipline foreign competitors in the name of national security is often intimately connected – discursively, ideologically, and materially – with the development of coercive and repressive forms of domestic rule around the globe.

In sum, capitalist crises, contradictions, and competitive dynamics have created the conditions for a drastic expansion of state ownership and a concomitant proliferation of muscular modalities of state interventionism.

State-capitalist geopolitics are reshaping globalisation

As the Second Cold War has intensified over the past few years, powerful states have increasingly marshalled these new state capitalist tools for geopolitical ends. This is not triggering a process of ‘deglobalisation’ – that is a reduction in global flows of finance, trade, and services. Rather, in most cases the goal is to reshape and exert control over the global economic networks that undergird globalisation. Consider, for instance, the case of infrastructure networks, where hegemons and mid-range powers compete to finance, build, and control connective infrastructure in low- and middle-income countries. Competitors in this infrastructure race have created new dedicated state-owned entities and have expanded existing ones.

Under the umbrella of the Belt and Road Initiative, for instance, China coordinates a range of government agencies (e.g. National Development and Reform Commission), development and policy banks (e.g. China Development Bank and Export-Import Bank of China), states enterprises (e.g. China Railway International and China Machinery Engineering Company), and sovereign funds (e.g. Silk Road Fund and China Africa Development Fund), blending development-oriented aid, grants, and below-market interest loans, commercially oriented export credits, and market-based funding mechanisms to pursue a staggering range of global infrastructure projects.

Japan’s Policy Program for Promotion of Overseas Infrastructure Systems similarly combines the operations of multiple state-owned agencies, including the Japan International Cooperation Agency (JICA) (official development assistance), the Japan Bank for International Cooperation (export credits), Nippon Export and Investment Insurance (trade insurance), and two state-owned infrastructure investment funds: the Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development and the Fund Corporation for the Overseas Development of Japan’s Information and Communication Technology.

The EU has also reconfigured its development finance architecture to better compete. The relationship between the European Investment Bank, the European Bank for Reconstruction and Development, national development banks, and EU member states was repurposed to align them with the Union’s geostrategic objectives with respect to infrastructural development in lower-income countries.

Similarly, Türkiye has boosted its state support (through tax credits, Türk Eximbank finance, and patronage networks) to help Turkish construction firms establish themselves not only as leading contractors but also investors in private and public infrastructure in the Middle East, the Maghreb, and sub-Saharan Africa.²¹ Even the US, often considered relatively reluctant to engage in state-owned development banking, has extended the prerogatives and budget of the recently created

US International Development Finance Corporation to compete in the infrastructure race.²² The US is also attempting to forge new state-capital alliances to compete internationally. The Emerging Markets Transition Debt is a case in point: a partnership between the US treasury and global asset managers that aims to channel private capital from institutional investors into clean infrastructure, clean technology, and decarbonization while, according to former US Treasury Secretary Janet Yellen, ‘advancing key Treasury priorities’.²³

State-capitalist geopolitics also increasingly play out in global production networks. This is seen in advanced manufacturing and digital sectors such as semiconductors and AI. Oil-exporting Gulf states, particularly the United Arab Emirates and Saudi Arabia, use their SWFs to invest in advanced manufacturing, software, and generative AI worldwide. They are also purchasing large quantities of high-performance semiconductors from Nvidia and other top chipmakers and offering generous pay packages to attract AI engineers and software developers from around the world (particularly from China) to support AI development efforts and ambitions. Many advanced capitalist economies in the West and East Asia have launched ambitious techno-industrial plans to consolidate their positions in semiconductor supply chains (a means to reindustrialise, ‘reshore’ strategic production capacities, and ensure technological sovereignty). This includes the US CHIPS and Science Act, the UK’s National Semiconductor Strategy, the European Chips Act, and Korea’s K-Chips Act. Japan has announced a vast programme of subsidies to incentivise world industry leaders (TSMC, Micron, Samsung Electronics, Rapidus, and others) to invest in new production facilities in the country. Moreover, the Japan Investment Corporation, a state-backed investment fund overseen by the Ministry of Economy, Trade and Industry, is now directly acquiring controlling interests in strategic firms, such as the Tokyo-based company JSR. This is the first time the investment fund has mobilised to effectively nationalise (albeit in a market-friendly way) a firm that controls a critical node in the global semiconductor supply chain, thereby mitigating supply chain and geopolitical risk. Likewise, the US state is currently setting up a sovereign wealth fund to inject equity and make major investments in strategic sectors and supply chains in an explicit attempt to compete with geopolitical rivals.²⁴

Cleantech and renewable energy are another set of production networks where state-capitalist geopolitics have been particularly active and contentious, with extensive mobilisation of SWFs, state-owned venture capital funds, policy banks, and state enterprises. The US IRA, the European Green Deal, and China’s vast green tech subsidy programmes underline the geopolitical stakes.²⁵ Meanwhile, the NATO Innovation Fund, launched in the aftermath of Russia’s 2022 invasion of Ukraine, is the world’s first multi-sovereign venture capital fund, with a mandate to invest EUR 1 billion in start-ups developing cutting-edge technology to address defence and security challenges, including ‘green tech’ and renewable energy.²⁶ This suggests that state ownership may become a privileged instrument for bringing together security and ‘green’ imperatives.

Developing and emerging markets are also experimenting with state capitalist tools to engage in the geopolitics of energy transition. Brazil announced new tariffs on Chinese EVs and plans to combine capital and expertise from Petrobras (its state-run oil company) and BNDES (a central Brazilian development bank) to structure a state-backed venture capital fund for renewable energy and low-carbon mobility.²⁷ A powerful state enterprise, OCP, is at the heart of Morocco’s strategy to become a leader in green hydrogen connected with Europe’s green hydrogen infrastructure. Indonesia is increasing the participation and ownership of its extensive landscape of state enterprises and state-owned development funds in the nickel sector to position itself at the heart of global steel and electric battery supply chains.

Thus, state-capitalist geopolitics are not precipitating the end of globalisation but are reshaping the global economy. Trade and capital flows remain at all-time highs. Yet these flows are increasingly reshaped and corralled by government intervention (through a mixture of ‘carrots’ and ‘sticks’) in directions that favour direct geostrategic and security objectives.

National and regional development strategies: towards polyalignment?

To the extent that it displaces neoliberal geopolitical logics, which sought to produce a liberal peace by subordinating the world economy to MNCs’ bottom lines, state-capitalist geopolitics offers potential for countries, particularly countries of the Global South, to forge new development strategies within the global political-economic order – and potentially improve their relative position within it. Two key changes are especially noteworthy.

First, MNCs’ investment and location strategies increasingly exhibit a geostrategic logic. Simply put, MNCs increasingly organise their operations with not only issues such as labour costs and customer market access in mind, but also the minimisation of geopolitical risks. Far from simply liberalising economies and courting MNCs directly, countries may capture investment by positioning themselves as secure partners by cultivating relations with superpowers. For instance, they might gain validation under initiatives like the US Chips Act’s ‘International Technology Security and Innovation’ programme or by developing ‘connectivity strategies’ to take advantage of their geostrategic assets. These could include location alongside trade routes, proximity to key markets, and possession of the strategic resources required for new and emerging production networks and decarbonisation projects, such as critical transition materials. Alternatively, ‘connector countries’, such as Hungary, Poland, Vietnam, Indonesia, and Malaysia, position themselves as conduits to bypass tariffs and sanctions, bridging networks across geopolitical rifts.²⁸ Mexico is doing this for Chinese investment in EVs in the Americas. Meanwhile, Morocco aims to attract investment in its car-production sector from Chinese, French, German and Korean companies.

Moreover, greater state intervention and control enables global South countries to avoid ‘choosing sides,’ as they aim to remain connected with multiple powers such as the US, China, EU, Russia, or regional powers – a strategy referred to as ‘polyalignment’. When asked by *The Economist* why he ‘described Singapore’s status as being neither pro-China nor pro-America’, the Deputy Prime Minister of Singapore Lawrence Wong pithily replied: ‘We are pro-Singapore’. State leaders across the developing world have expressed similar views and wish to develop business and political relations with multiple partners. For instance, governments in Indonesia and Vietnam hope to attract manufacturing investment from Chinese and US firms. Brazil’s polyalignment is characterised by federal, sub-national, and non-state actors pursuing diverse interests and relationships with China and Western powers, resulting in a multifaceted foreign policy that transcends traditional ideological boundaries and administration changes. Türkiye, similarly, navigates competing connectivity projects backed by rival powers, such as China’s Middle Corridor and the US-backed IMEC, while pursuing its own initiatives like the Zangezur Corridor and Iraq Development Road to maintain strategic autonomy. The long-term effectiveness of these strategies remains to be seen. For one, the IMF warned that failure to choose sides – which it termed ‘policy uncertainty’ – could discourage foreign direct investment (FDI) because, as research has shown, this flows more readily to geopolitically aligned states.²⁹ Besides, successfully ‘polyaligned’ states may still face familiar development constraints and bottlenecks, from risks of new ‘resource curses’ to relegation as an environmental ‘sacrifice zone’ and financial dependency.

Second, geopolitical deadlock has weakened disciplinary neoliberal institutions like the WTO, affording countries with fiscal and institutional capacity more policy space to pursue state-led development strategies with reduced fear of recrimination. New resource nationalisms are consequently on the rise in Southern economies. Indonesia, for example, is pursuing an industrial strategy for capturing value in the battery sector by banning the export of raw nickel to develop domestic processing capabilities.³⁰ While the EU won a ruling against this practice at the WTO in 2022, the body's frozen appellate court is unable to hear Indonesia's appeal and thus apply any penalty. In the meantime, Indonesia's share of global nickel extraction has soared from 5% a decade ago to 50% in 2023.

Local and regional governments also adapt alignment agendas as they reconsider prior development strategies in the face of geopolitical tension, state-capitalist practices, and geostrategic investment logics. In contrast to attempts to 'hold down' international capital in the neoliberal globalisation period, today's regions cannot ignore the increasingly central role of states and their efforts to reshape MNC investment logics, including for private and hybrid firms and those they directly control.

Two types of regional development strategies are emerging from the logic of state-capitalist geopolitics. In peripheral economies not tightly aligned with either the US or China, new 'connector regions' are emerging. In Hungary, regions combine Russian gas with European managerial coordination and Chinese battery technology. In Vietnam, regional governments vie to capture fragments of outsourced Chinese supply chains and integrate them with US-led firms to bypass or navigate US controls.

Older industrial districts within core capitalist economies are also finding new development opportunities. For example, Magdeburg in former East Germany and Ohio in the US were, until recently, viewed as deindustrialised rustbelts struggling to attract capital investment. Today, they are sites for vast new chip-fabrication complexes at the behest of Intel. Ohio Senator Sherrod Brown claimed that Intel's semiconductor manufacturing in the state means that we can 'bury the term 'Rustbelt.'³¹ While this is unlikely, it does illustrate the relationship between domestic politics, industrial policy, and national security. Germany's deputy chancellor Robert Habeck claimed that Intel's investment in Magdeburg will 'raise semiconductor production in Germany to a new level, and is an important contribution to growing European sovereignty'. Given the scale of subsidies, such regions could not simply appeal directly to MNCs for such investments. Instead, they first position themselves to national governments as strategic investment sites – typically in terms of national social cohesion, national security, or, more crudely, the electoral strategies of governing parties. In sum, the shift to state-capitalist geopolitics presents opportunities for localities and regions not previously apparent within neoliberal geopolitics.

Strategic openings and political dilemmas for progressive forces

We now turn to lesser-examined possibilities for emancipatory social change and progressive politics in view of changing modes of power amidst state capitalist geopolitics, particularly from the perspective of labour and social movements. The conjuncture created by state-capitalist geopolitics is not an easy one for progressive social forces to navigate. To be sure, there are opportunities in both ideological and material terms. This section explores potential strategies in this new landscape to advance emancipatory social change while acknowledging the complexity of this terrain.

First, state-capitalist geopolitics have already re-politicised the role of the state as an agent of economic and social transformation, as states intervene across economies and societies in ever more explicit and visible ways. This shift undermines neoliberal institutional reforms that insulated

markets from democratic politics. It is now more difficult for neoliberals and free-market ideologues to claim that states are incapable of doing meaningful things besides protecting private property rights, maintaining sound money, and waging war. State-capitalist geopolitics thus offers opportunities for social movements to push states to use their rediscovered capacities and resources for purposes that are, at the very least, less socially and environmentally destructive in ways that (1) immediately address the worsening crises of living standards and inequity in most countries worldwide; and (2) alter the balance of forces in favour of the working class. States can act on the economy in ways that do more for their citizens, notably in redressing inequalities, building working-class power, and decarbonising their economies.

State-owned policy and development banks have again become central actors with proven track records of supporting firms, sectors, and industries deemed strategic. Their burgeoning roles inevitably provoke the question: Why not massively expand their lending capacities to steer rapid decarbonisation pathways and facilitate vast transfers of financial resources from richer to poorer countries? States also now directly or indirectly own vast amounts of assets and capital via state enterprises and SWFs, which are themselves invested in a wide range of firms and sectors. Here, too, there is potential to force states to divest from carbon-intensive industries or to simply keep fossil fuels in the ground. This could also mean using state enterprises and assets as ‘activist shareholders’ to influence firms in which they hold shares towards less ecologically harmful practices. Moreover, if state interventionism can be mobilised to penalise foreign states and firms or to achieve control of key economic networks, then surely such state coercive capabilities can be directed towards enforcing environmental laws, labour regulations, and robust tax systems to discipline carbon-intensive capital and tame corporate power.

The path to harnessing state-capitalist geopolitics for progressive ends is not without obstacles, however. Decades of neoliberalism have eroded the liberal-democratic channels and mechanisms of representation through which progressive forces have pushed for past reformist projects. The powers of trade unions have been reduced by law and industrial restructuring, social democratic parties have embraced markets and turned away from their original roles as representatives of the interests of working people, and economic policymaking has become increasingly disconnected from citizens’ everyday needs. In this context, it is difficult, though not impossible, to push for a ‘greener’ and ‘more democratic’ form of state capitalism via conventional, parliamentary channels. In a way, we remain (at least partially) stuck in the neoliberal institutional straitjacket, even as neoliberal ideology may be losing ground. Furthermore, new state capitalism is increasingly enmeshed with repressive state apparatuses geared towards suppressing popular dissent, broad-based mobilisation, and other protests and demonstrations. This overlap of new state capitalism with authoritarian tendencies complicates efforts to extract its potentially progressive elements. This challenge is further exacerbated by the aggressive geopolitical and economic-nationalist stances often accompanying state capitalism, where elites increasingly portray competition over globalised economic networks as a zero-sum game.

To navigate these challenges and opportunities, we point to several areas of inquiry and possible openings. Building transnational solidarity, reframing key concepts like security and development, and leveraging the expanded role of the state offer some possibilities to achieve a more equitable future. Industrial policy has taken centre stage in the current geopolitical conjuncture. There is potential to, for example, advocate for green industrial strategies centred on decarbonisation or tie state subsidies and investments to community benefits and labour rights. The current period also offers the opportunity to re-prioritise alternatives to neoliberal economic models, such as cooperatives, solidarity economy initiatives, and universal public services. Given the network

orientations of state-capitalist geopolitics, there is a continuing need for transnational solidarity. Finally, as ‘first’ and ‘third’ world neoliberalism varied, the potential for progressive forces under state-capitalist geopolitics requires context-based social policies and regional green deals. In the face of increased competition, cross-regional solidarity can help resist divide-and-conquer tactics.

A platform to harness the powers of state capitalism for progressive ends must categorically refuse to accept that gains for workers and citizens in one country are made at the expense of populations and the natural environment elsewhere. This calls for new forms of planetary solidarity as a guiding principle for our project to repurpose the state, the assets it owns, and its planning powers. Nevertheless, articulating cogent and meaningful internationalist politics is particularly difficult at the current historical juncture. The structures and effects produced by state-capitalist geopolitics tend to foster a climate propitious for inter-imperial chauvinism, in which top-down narratives that collapse the distinction between economic interest and national security, and explicitly adopt rhetoric that portrays economic competitors as threats to national integrity, are particularly ‘sticky’. We must reject these ideas, discourses, and worldviews and prevent them from becoming accepted as ‘common sense’. This may require articulating alternative visions of public ownership and ecological planning for shared prosperity within and across national-territorial borders.

Seizing opportunities while overcoming obstacles will necessitate creative strategies of engagement within and beyond the realms of institutional politics, forging new transnational popular alliances, and producing counter-hegemonic and compelling alternative visions for a just and sustainable future.

BIOS

Ilias Alami is an Assistant Professor in the Political Economy of Development at the University of Cambridge, and a research associate at the Second Cold War Observatory. He is the author of *Money Power and Financial Capital in Emerging Markets: Facing the Liquidity Tsunami* (Routledge, 2019) and (with Adam Dixon) *The Spectre of State Capitalism* (Oxford University Press, 2024).



Jessica DiCarlo is an Assistant Professor of Human Geography in the School of Environment, Society, and Sustainability at the University of Utah. Her research contributes to debates on China’s role in shaping resource politics, development, and global capitalism. She is a co-founder of the Second Cold War Observatory, a 2023-24 Wilson China Fellow, and 2023-25 Public Intellectual Program Fellow with the National Committee on US-China Relations.



Steve Rolf is Research Fellow at the University of Sussex Business School, and a research associate at the Second Cold War Observatory. He works on the political economy of digital technologies, with a focus on US–China rivalry. He is author of *China’s Uneven and Combined Development* (Palgrave, 2021) and (with Seth Schindler) *State Platform Capitalism: The Geopolitical Economy of US-China Competition in Digital Technology* (Cambridge, forthcoming).

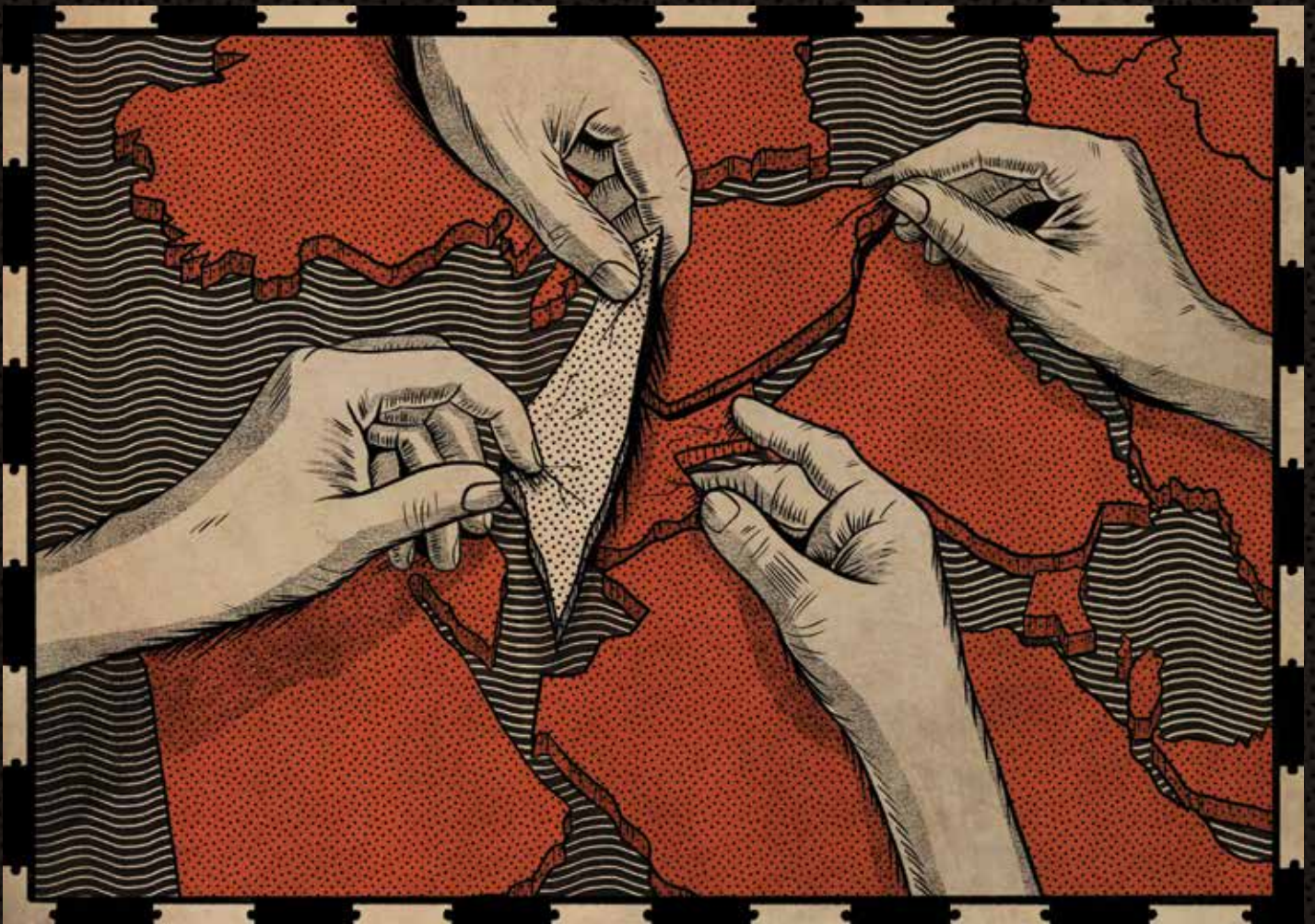


Seth Schindler is Professor of Urban Politics and Development at the Global Development Institute, University of Manchester, and a co-founder of the Second Cold War Observatory.



GEOPOLITICS OF GENOCIDE

Interview with Rafeef Ziadah



What does the genocide in Palestine reveal about the status of geopolitics today – who has power and how it is wielded?

The genocide in Gaza lays bare the harsh realities of modern geopolitics, highlighting the mechanisms of power in a world shaped by imperial ambitions and the strategic exploitation of resources. Central to this crisis is the alignment of Western power structures with settler colonialism and authoritarianism in the Middle East, in order to sustain economic dominance and geopolitical control.

The unwavering support for Israel from the US and key European powers is deeply entwined with their enduring imperial interests in the region. As a settler colony, Israel serves as a Western foothold in the Middle East.³² This settler-colonial project is not an isolated phenomenon; it is embedded in a wider architecture of control, working in concert with the oil-rich Gulf monarchies, such as Saudi Arabia and the United Arab Emirates (UAE), to uphold a regional and global system that privileges Western economic and military power.

Agreements like the normalisation deals³³ between Israel and several Gulf nations reflect a consolidation of forces that are designed to marginalise Palestinian liberation entirely and aim to secure the status quo of authoritarian rule and resource extraction at the expense of the peoples of the region. While the genocide has thrown this project into question, it is unlikely to be abandoned and will almost certainly resurface in a rebranded form.

We also need to clearly understand the bigger historical trajectory at play, especially the role of the Oslo Accords and hollow promises of a two-state solution.³⁴ The Oslo Accords sought to transform the struggle for Palestinian liberation into a restricted state-building project confined to the West Bank and Gaza, deliberately erasing the broader colonial reality of Israel as a settler state.

What does it say about US imperialism and its trajectory?

Its unwavering support for Israel reveals a great deal about the nature and trajectory of US imperialism. At its core, this relationship is not about ideological alignment or cultural ties but about the strategic importance of Israel as a settler colony in securing and projecting US power.

Israel's settler-colonial project has made it a uniquely steadfast partner in the region, one whose survival is inextricably tied to continued Western support. Unlike other allies in the Middle East, whose alliances with the US are often transactional or conditional, Israel's dependency on US backing ensures that it operates as a consistent extension of US interests.

One of the most significant ways in which Israel facilitates US imperial goals is by helping to secure control over the Middle East's critical trade corridors and energy resources. This is less about ensuring oil flows to the US or Europe, which have diversified their energy sources, and more about controlling access to these resources as a geopolitical weapon. As China emerges as a potential rival to the US, the ability of the US to influence the availability and pricing of Middle Eastern oil becomes a key tool in restricting China's economic growth and strategic options and to head off other potential challengers to its global supremacy.

The US strategy has also been to encourage a normalisation process between the Gulf states and Israel, which reflects a calculated effort to reassert its primacy in a region where its influence has seen relative decline in recent years. These US-sponsored agreements seek to reinforce Israel's role as a central pillar of US power in the region and tie the Gulf States more closely to US influence.

In essence, normalisation is not just about diplomacy; it's a strategic move to manage the shifting balance of power in the region.

This strategy has significant costs, however, particularly as Israel's increasingly genocidal actions provoke regional instability and further erode US standing in international public opinion. It risks undermining the broader system of alliances on which the US relies. While the Gulf States like the UAE have normalised ties with Israel, the region's populations remain deeply opposed to Israeli actions, creating a tension that could destabilise various regimes and, by extension, the US regional strategy.

Why is it important for social movements to understand this geopolitical picture?

The genocide in Gaza has sparked an unprecedented wave of global solidarity, with millions taking to the streets, university campus encampments, and activists blocking ports and arms factories. This surge of protest challenges not only Israel's actions but also the global systems that enable them. However, while this brought visibility to the Palestinian cause, the way Palestine is often framed can obscure the true nature of the struggle. Too often, discussions are limited to Israel's immediate human rights abuses – killings, arrests, and land theft – without addressing the underlying systems of power that make these abuses possible. Framing the issue through a human rights lens alone depoliticises the Palestinian struggle, reducing it to isolated violations rather than a systematic campaign of settler colonialism backed by Western imperialism.

In essence, this genocide has been sponsored by the US and the European Union (EU), particularly by some EU member states, giving Israel the green light at every turn to continue its attacks and starvation policies, while diplomatically shielding it and arming its military. Discussions about Israeli politics often focus narrowly on the actions of individual prime ministers, particularly Benjamin Netanyahu, as if they alone shape the state's trajectory. While these figures are significant, we need to pan back to grasp the deeper, long-term dynamics that underpin Israel's policies. This requires analysing the structural and historical forces driving its settler-colonial project and its broader role in maintaining Western hegemony.

Compounding this problem is the persistent narrative that attributes Western support for Israel solely to the influence of a 'pro-Israel lobby'. This is a dangerously simplistic view that misunderstands the deeper geopolitical relationship. The unwavering alliance between the West and Israel is not merely a matter of lobbying or influence; it is a strategic partnership rooted in shared imperial goals.

Understanding the broader geopolitical map is essential for building effective alliances and crafting a strategy that goes beyond reactive solidarity. It enables us to identify and confront the systems and actors that sustain Israel's settler-colonial project while avoiding the trap of viewing authoritarian regimes in the region as allies in the struggle for Palestinian liberation. These regimes have their own interests, often rooted in preserving power or securing economic and military benefits, and aligning with them uncritically can undermine the broader goals of justice and liberation.

Also, such an analysis allows us to target the corporations and industries that profit from and sustain Israel's colonial violence. Arms manufacturers, IT companies, and multinational corporations (MNCs) play a critical role in enabling Israel's settler-colonial project, and exposing their complicity is key to disrupting the networks of profit that underpin oppression. By identifying these actors and their connections, we can better strategise and direct interventions that strike at the economic foundations of settler-colonial domination.

Finally, a deeper understanding of the broader picture equips movements for the long haul. It ensures we remain focused and strategic, especially when confronted with initiatives like statehood discussions or diplomatic agreements that leave the situation on the ground unchanged. By maintaining clarity on the realities of occupation and dispossession, we can resist being swayed by superficial progress or symbolic gestures. Instead, we continue to expose the ongoing settler-colonial violence and work towards a genuinely anti-colonial future.

Will the fall of the regime in Syria change these dynamics?

It's too early to predict exactly what will happen in Syria, as there are many players involved, each with their own interests and agendas. We need to stay alert to the political economy of the situation, including proposed pipelines, transport routes, and reconstruction efforts. In the region, 'reconstruction' has often served as a cover for corporate control, deepened divisions, and the consolidation of power by external actors.

For now, Israel appears focused on controlling the situation – it has invaded more territory, targeted the Syrian army, and seems to prefer a federated Syria where it can exert influence. This approach aligns with its broader goals as a settler-colonial state seeking to expand territory and shape future trajectories in its favour. However, Israel's plans will depend heavily on the actions and interests of other key players.

The Assad regime carries responsibility for leaving the Syrian state in disarray. Weak and propped up by external forces, with no genuine internal support, the regime's reliance on Russia and Iran to maintain Assad's grip on power has left the situation ripe for fragmentation. This fragility has created fertile ground for competing actors to pursue their interests in Syria, both regional powers and global player. As well as Israel, Turkey, for example, is deeply invested in expanding its control while simultaneously suppressing Kurdish movements.

As always in these geopolitical constellations, the regimes and external actors involved are not concerned with freedom or democracy for ordinary Syrians. Rather, they pursue their own strategic and economic gains. Ultimately, it will be up to the Syrian people to determine their own fate, though this will be an incredibly difficult task given the current configuration of local actors and their backers.

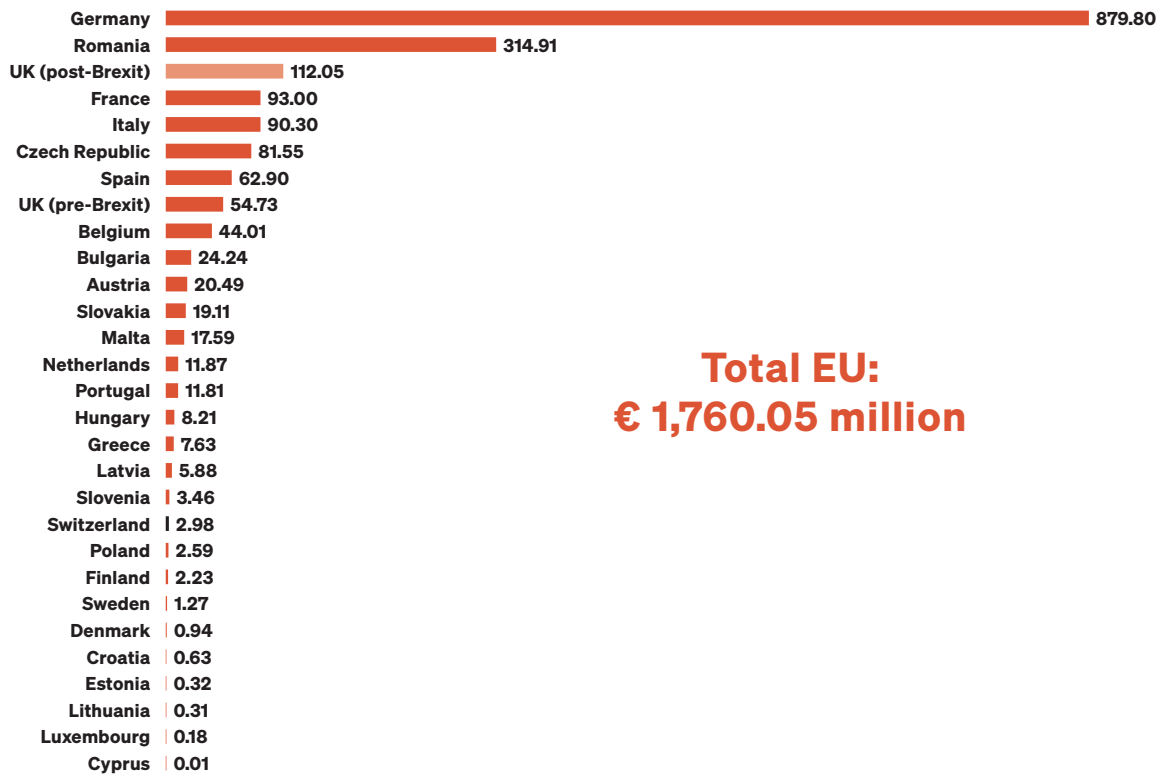
Why, bar a few muted voices such as Belgium, Ireland, Italy and Spain, has the European Union been so complicit in the Gaza genocide and so reluctant to push a position independent of the US?

The European Union's complicity in the genocide in Palestine reflects not so much subordination to the US as a convergence of interests.³⁵ While the EU often projects an image of adhering to a different framework – claiming to prioritise international law, human rights and multilateralism – it ultimately benefits from and aligns with the broader imperial project that underpins Western dominance in the Middle East. The EU's policies and relationships with Israel, including free trade agreements (FTAs), military contracts, and strategic partnerships, demonstrate that its interests are deeply entangled with maintaining the status quo.

The EU plays a strategic role in presenting itself as less overtly aggressive than the US. Even within this framework, it has failed to take meaningful steps to pressure Israel, such as suspending trade privileges or military cooperation, revealing its lack of commitment to genuine accountability.

Free trade agreements between the EU and Israel, such as the EU–Israel Association Agreement, facilitate economic cooperation and provide Israel with critical access to European markets. These agreements persist despite Israel’s clear violations. Military contracts and partnerships further cement this relationship, as some EU member states engage in arms sales and technology exchanges that directly support Israel’s military-industrial complex. These activities highlight the EU’s material stake in the systems that sustain Israeli aggression.

**TABLE 1. EU member states’ arms exports to Israel (2018–2022)
export licenses grants, in € million**



Source: TNI report, Partners in Crime – EU complicity in Israel’s genocide in Gaza (2024)

Within Europe, there is a division between countries like Germany and the UK, which provide overt support for Israel, and others such as Belgium, Ireland and Spain, which advocate for a more critical stance, often framed within the two-state solution. However, even the latter group operates within narrow constraints, focusing on softer criticism while avoiding actions that could fundamentally challenge the EU’s ties with Israel.

The EU’s alignment with the US and Israel also serves its own strategic interests in the Middle East. By supporting Israel, the EU helps to maintain a regional order that secures trade routes, stabilises energy supplies and suppresses anti-imperialist movements. Like the US, the EU has an interest in containing rival powers, particularly in the context of global competition with Russia and China. Israel’s role as a regional enforcer complements these objectives, making it a valuable ally for European states.

In essence, the EU’s approach to Palestine is not an alternative to US policy but rather a complementary one. Its dual role of alignment and differentiation allows the EU to maintain its economic and strategic benefits from the relationship while projecting an image of neutrality or moderation.

What has China done in response to the genocide? What does this say about its role as a global political player?

China's response to the genocide in Gaza has been notably restrained, characterised by calls for ceasefires and humanitarian assistance but lacking in robust action. While it has voiced support for Palestinian self-determination at the United Nations, it has not taken a leading role in directly opposing Israel or providing substantial material support to the Palestinian cause. This restrained approach reflects China's broader foreign policy, which prioritises non-intervention and maintaining relationships with a range of actors, including Israel, for economic and strategic reasons.

China's actions reveal its prioritisation of economic interests over ideological alignment with anti-imperialist movements. While it positions itself as an alternative to US hegemony, its approach often mirrors the pragmatic calculus of traditional powers. Its growing interdependencies with Gulf monarchies and broader East Asia–Middle East trade corridors suggest a focus on economic integration rather than a direct challenge to US influence in the region. This leaves China appearing to be non-committal in moments of acute crisis.

People have celebrated South Africa's taking Israel to the International Court of Justice as a sign of a rising Global South in opposition to imperialism and Zionism. How do you see it?

South Africa's decision to bring Israel before the International Court of Justice (ICJ) resonates deeply, particularly given its own history of apartheid and its solidarity with the Palestinian struggle. For Israel to be officially accused of genocide at an international level is a powerful step, highlighting the gravity of its actions and strengthening the narrative against its settler-colonial project.

However, the limitations and contradictions of international law must be recognised. Legal proceedings like those at the ICJ are protracted, often taking years, with a high bar for proving crimes such as genocide. Even when rulings favour justice, enforcement depends on the political will of powerful states and institutions. States like the US and its allies, which shield Israel diplomatically and militarily, can undermine or outright ignore ICJ rulings, making the law a tool of selective justice rather than universal accountability.

This move must also be understood within the broader context of South Africa's internal political dynamics. While the African National Congress (ANC) historically positioned itself as a champion of anti-imperialism and solidarity with Palestine, its current trajectory is fraught with contradictions. The ANC faces internal challenges, including governance failures and the promotion of neoliberal economic policies, as well as a growing disconnect with grassroots movements.

At the same time, we must remain attentive to the voices of South Africa's vibrant social movements, which have long demanded the country sever ties with Israel. These movements have led the call for concrete actions, such as ending diplomatic relations and enforcing boycotts, divestments, and sanctions (BDS). While the ICJ case is symbolically powerful, it is grassroots pressure that ensures such symbolic gestures translate into meaningful change.

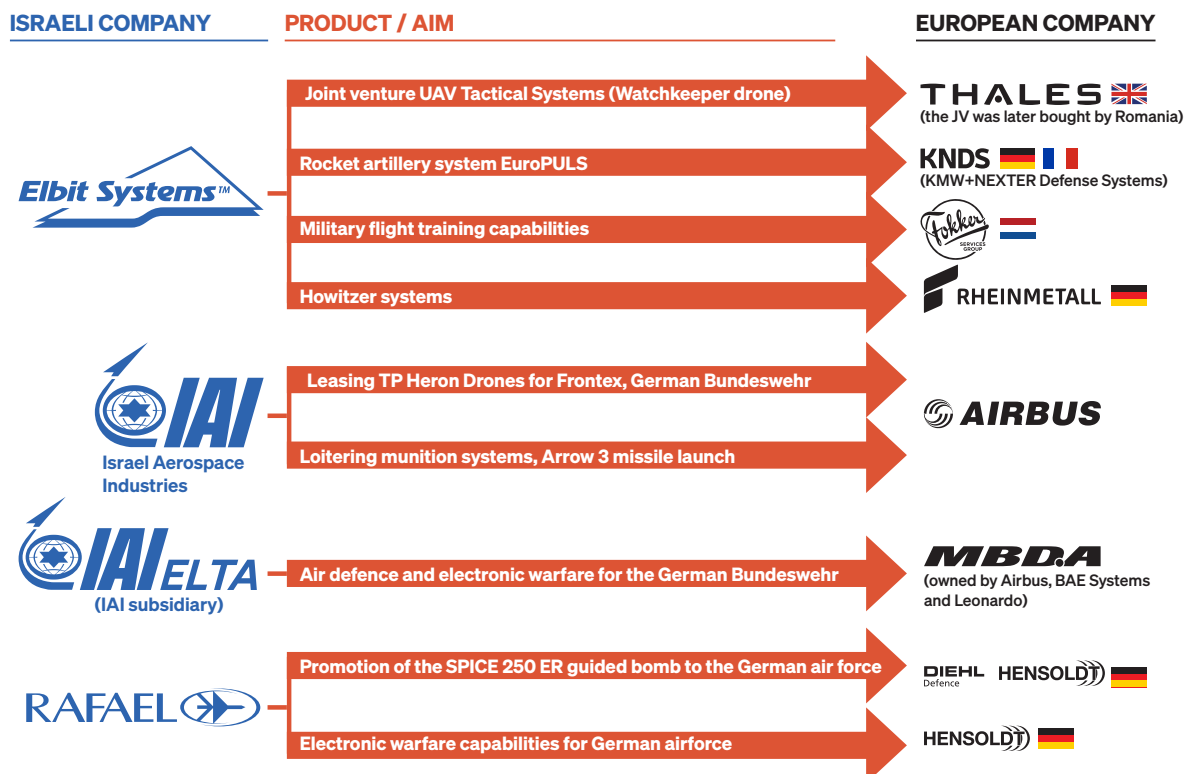
Where does corporate power fit into the picture? What corporations and from where prop up the genocide?

Unfortunately, numerous corporations across a wide range of sectors profit from and sustain Israel's actions, from consumer goods producers to IT firms³⁶ providing surveillance infrastructure. While arms and energy companies play particularly critical roles in enabling the genocide and have rightly been a focus for Palestinian trade unions and organisers, it is most effective when individuals and groups challenge complicity within their own sectors. This broad-based approach ensures the movement targets the full scope of corporate involvement, strengthening the campaign for accountability and justice.

On 16 October 2023, Palestinian trade unions and professional associations issued a powerful call to international unions³⁷, urging them to 'Stop Arming Israel'. This appeal highlighted the vast scale of military and diplomatic support provided to Israel, particularly by the US and the EU. The figures are staggering. Under the current US agreement, which runs from 2019 to 2028, \$3.8 billion in military aid is provided to Israel annually. In response to Israel's latest assault on Gaza, the US approved an additional \$14.5 billion in military aid as part of a \$106 billion national security package.

European member states also play a significant role. Germany, for instance, finalised 218 export licences for arms to Israel in 2023, with 85% issued after 7 October 2023. Meanwhile, arms manufacturers have seen immense profits. The stock value of the top five US weapons companies – Boeing, General Dynamics, Lockheed Martin, Northrop Grumman and Raytheon – has soared by \$24.7 billion since the assault began. These figures underscore the arms industry's direct complicity in genocide and highlight the potential for organised labour and grassroots campaigns to disrupt these supply chains and halt the arms trade.

Collaboration between Israeli and European arms companies



Source: TNI report, Partners in Crime – EU complicity in Israel's genocide in Gaza (2024)

The global fossil fuel industry also plays a crucial role in sustaining Israel's genocidal campaign. Energy, in the form of coal, crude oil, jet fuel, and gas, powers the military machinery used in the assault on Palestinians. Given that Israel also functions as a critical node in regional energy networks, targeting the transport of energy supplies aligns the struggles for Palestinian liberation and climate justice, exposing how fossil capitalism fuels both genocide and broader systems of exploitation.

For example, a critical development in Israel's gas strategy has been the energy agreements with the United Arab Emirates (UAE), formalised following the Abraham Accords in 2020. These gas deals reflect the deepening of economic ties between Israel and Gulf states, with significant geopolitical implications. In 2021, the UAE's Mubadala Petroleum acquired a \$1 billion stake in Israel's Tamar gas field, signalling the UAE's strategic interest in Israel's natural gas reserves. These deals enable Israel to position itself as a regional energy hub, projecting power across the region while deepening its alliances with Western-backed Gulf states. At the same time, the extraction and export of gas – often from Palestinian waters – reinforce Israel's colonial domination and resource theft, exacerbating Palestinian dispossession. Similar normalisation deals over gas have been signed with Jordan and Egypt. These partnerships strengthen Israel's regional influence, as gas exports flow through pipelines and maritime routes that are heavily securitised and militarised.

Disrupting these industries – whether through blocking weapons shipments, targeting fossil fuel flows, or challenging the financial backers of militarisation – provides a tangible path to undermining and dismantling the infrastructure of settler-colonialism and genocide.

Tracing these arms shipments and energy flows, however, is a deeply challenging task. These supply chains are intentionally opaque, and corporations often rely on complex, hidden networks to avoid accountability. It also comes with tension. There is an urgent need for swift action to halt the ongoing genocide, but meaningful and strategic interventions often require extensive research, organising and coalition-building.

The genocide has awoken a new generation to the horrors of settler-colonial violence, assisted by US imperialism. How can we sustain this movement? What are the most strategic avenues for resistance and solidarity?

International solidarity for Palestine has reached an extraordinary level of support in recent months, with mass protests erupting across cities worldwide, demonstrating a growing global recognition of the urgency of the Palestinian struggle for justice, liberation and return. Yet, while these demonstrations have been powerful, the challenge now is to channel this widespread outrage and solidarity into organised, sustained action that can create real, lasting change for Palestine. To do so, we must move beyond the surge of mass rallies (which are important in their own right) and focus on building infrastructure for long-term, strategic organising. One way to deepen this movement is by focusing on labour solidarity, particularly through organising in workplaces to ensure that every space ends all forms of complicity with Israel.

In recent calls from Palestinian unions, workers have been urged to stop arming Israel by refusing to handle goods and military equipment bound for the Israeli regime. This demand represents a key turning point in the solidarity movement, where the fight for Palestinian liberation is being linked directly to the power of labour to disrupt systems of oppression. International unions have already started to take action, from dock workers in Barcelona and Italy blocking shipments to arms factories in Canada and the UK being shut down.³⁸ These actions show that when workers take a stand, they can meaningfully challenge the industries fuelling Israel's settler-colonial project.

This worker-led approach also brings with it the potential to revitalise trade unions themselves, shifting their focus away from merely symbolic actions. For example, while motions passed in trade unions supporting Palestine are important, they seldom come with actionable demands. To truly build power, these motions must evolve into rank-and-file organising, education and outreach that can lead to workers blocking shipments, disrupting production lines, or engaging in broader boycotts of companies complicit in the Israeli genocide. It requires a shift from symbolic gestures to taking concrete steps to halt the systems supporting Israel's violence.

Building workers' power requires a deep, strategic approach, one that focuses on long-term education and solidarity. Palestinian unions have emphasised the importance of engaging rank-and-file workers in political education, helping them understand the connection between their labour and the systems of oppression that perpetuate the violence in Gaza. Many trade unionists are new to the Palestinian struggle, and not every activist is well-versed in the history of Israeli settler-colonialism. Therefore, it's crucial to create spaces for education, and solidarity-building that focus on the here and now, but also on how to build sustainable, worker-led movements that can continue to push for justice beyond the immediate moment.

The history of labour internationalism offers a valuable framework here. Just as workers around the world played a decisive role in the struggle against apartheid in South Africa or in supporting liberation movements in Chile and Ethiopia, the global trade union movement has an opportunity to build a similar legacy of solidarity with Palestine. Workers have always been at the forefront of challenging imperialism, and it's clear that they can play a transformative role in this struggle. The history of successful worker-led struggles teaches us that building lasting solidarity takes time, but it also has the potential to fundamentally shift the balance of power, not just to end Israel's military occupation but also the broader systems of oppression that sustain it.

BIO

Dr. Rafeef Ziadah is an organiser with Workers in Palestine. She is a Palestinian trade union organiser, academic and poet. She works as a Senior Lecturer in Politics and Public Policy in the Department of International Development, King's College London.



BUILDING BRICS

**Challenges and opportunities
for South-South collaboration
in a multipolar world**

Ana Saggioro Garcia



The formation of BRICS is one of the main features of globalization in the 21st century. Originally formed by Brazil, Russia, India, China and South Africa, the group has become a political and economic platform since the late 2000s.

The rise of BRICS reinforced the entrenched imaginary of ‘modernization’ and ‘development’ in the Global South³⁹, giving rise to some optimism about the ability of these countries to become an alternative to Western hegemony. Nearly two decades later, the BRICS countries continue to meet this ideal as geopolitical tensions have risen and more than 20 countries have applied to join the group.⁴⁰ These include the wealthy oil-producing and exporting countries such as Saudi Arabia, the United Arab Emirates (UAE), Egypt and Iran, as well as Ethiopia. This has led some to argue that the BRICS may shift the world’s centre of gravity.⁴¹

In this essay, I present three ways to analyse the BRICS: a top-down geopolitical perspective, a horizontal view of intra-BRICS relations, and a bottom-up examination of power asymmetries and exploitation among the current BRICS and other countries and regions in the Global South⁴². Given the complex international conjuncture, geopolitics now pervades our everyday realities, although of course geopolitical analysis alone does not provide the full picture of contemporary global capitalism. Here I introduce other elements that might help to reposition the debate and move beyond the old dichotomies of ‘North–South’ and ‘West–East’.

BRICS and international power

The BRICS grouping gradually formed during the 2000s, originating from an acronym coined by Goldman Sachs⁴³ to identify promising markets for economic and financial investment. In 2003, the IBSA Dialogue Forum⁴⁴ was established as a coalition of India, Brazil and South Africa, aimed at fostering South–South cooperation (SSC). By 2006, Brazil, China, India and Russia had begun convening on the side-lines of the United Nations General Assembly (UNGA), signalling their growing alignment. The first official BRICS summit followed in 2009, hosted in Russia, inaugurating a series of annual meetings that steadily expanded the bloc’s scope beyond its initial market-oriented conception. It was by no means the first such alignment among Global South countries. Earlier such coalitions include the Non-Aligned Movement,⁴⁵ the United Nations coalition for a New International Economic Order,⁴⁶ as well as regional integration projects, such as ALBA⁴⁷ and UNASUR in Latin America.

The first, and most common, analysis of the BRICS countries is the top-down view that regards the international system as states seeking to maintain or increase their power in an environment of competition among them. From this perspective, the BRICS seek to accumulate economic, political and military capabilities vis-à-vis the US and Europe, primarily the European Union (EU).

In the context of the 2008 global financial crisis (GFC), the BRICS sought to act in a coordinated manner in multilateral forums to demand the reform of global governance institutions. This has been a point of tension, as some Western and other powers have sought to delay or even prevent such reforms in the multilateral and financial institutions created in the post-war period, raising expectations of the BRICS’ ‘counter-hegemonic’ potential. Optimistically, Radka Desai noted that ‘not since the Non-Aligned Movement and the call for a new economic order in the 1970s has the world seen such a coordinated challenge to Western hegemony in the global economy from developing countries’.⁴⁸ Walden Bello also regards the role of the BRICS as positive for the Global South, by providing a counter-power in negotiations with Western countries and institutions.⁴⁹ Conversely,

Ray Kiely argues that the BRICS' rise has meant more – and not less – integration into globalisation: 'The rise of these countries owes less to state capitalist deviations from neoliberal prescriptions which originated in the West, and more to the embrace of globalization friendly policies'.⁵⁰

In the aftermath of the global financial crisis, the BRICS' common agenda was to reform the Bretton Woods Institutions, in particular the International Monetary Fund (IMF). Patrick Bond and I have argued, however, that the BRICS' position was neither of confrontation nor of demanding an end to neoliberal globalisation, but rather of claiming a full 'seat at the table' in order to gain a greater voice and participation in existing institutions.⁵¹ In an early article in 2013, Vijay Prashad argued that the BRICS represent a conservative attempt by the powers of the South (and East) to occupy a place commensurate with their global economic importance.⁵² In other words, BRICS countries have tried to show that there is a contradiction between their economic potential and their political role. Although reformist agenda has created tensions it is to date far from posing a geopolitical counterweight to the West.

Russia's occupation of Crimea in 2014 marked a turning point for the BRICS alliance, shifting from its focus on economic reform to being increasingly seen as a geopolitical counterweight. EU Sanctions on Russia predate 2022, and subsequent geopolitical tensions between the BRICS countries and the West have continued to escalate. With the election of Donald Trump in 2016, the US increasingly turned its attention to containing China's technological expansion. In early 2022, with Russia's invasion of Ukraine, the world was sometimes portrayed as 'West vs. East'. As BRICS shifted from being an economic bloc to an increasingly geopolitical alliance, the common priority agenda is no longer just to reform the international financial institutions (IFIs), but to build new alliances and create new institutions that can lead to a "multipolar world".⁵³ Thus, BRICS has become a magnet for countries that do not fit into the structures of the US-dominated international order and have requested to join the BRICS group.

Two issues have defined the geopolitical moment for BRICS: its expansion to include new members and the reduction of dependence on the US dollar. Expansion has always been on the Chinese agenda, as it promoted the inclusion of South Africa in BRICS in 2011, but has since been reinforced by Russia. In 2023, six countries were invited to join: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the UAE.⁵⁴ The inclusion of Saudi Arabia is noteworthy, since it is a historical US ally in the Middle East, as well as its renowned enemy Iran, which is still under US sanctions; and that China has recently acted as a broker to resolve tension between the two countries.⁵⁵ At the 2024 Kazan Summit in Russia, Türkiye, a NATO member, joined BRICS as a strategic partner, alongside Algeria, Belarus, Bolivia, Cuba, Indonesia, Malaysia, Kazakhstan, Nigeria, Uganda, Uzbekistan, Thailand and Vietnam.⁵⁶

Brazil's move to include Argentina (aiming to balance the Latin American membership of BRICS) was a risk, as the country was facing elections and the far-right candidate, now president, Javier Milei, is hostile to China and close to Trump, and thus declined the invitation to join the group. At the same time, Argentina remains deeply dependent on Chinese financial support to overcome the blockages imposed by the financial markets and to have access to credit and resources that are not calculated in US dollars. In this sense, despite the rhetoric, Milei has renewed agreements established by the previous *peronista* governments for swap exchanges in renminbi and pesos.⁵⁷

This leads to the second issue that marks the geopolitical moment: reducing the dependence on the US dollar and creating trade and credit mechanisms in local currencies. Youfen Li has pointed out that 'India has started buying Russian oil in renminbi, Saudi currency and rubles. Russia and China

traded Russian oil, coal and metals in renminbi. Russia and a group of African countries began talks on establishing settlements in national currencies, eliminating both the U.S. dollar and the euro'.⁵⁸ Brazil and China announced the creation of a clearing house to allow commercial transactions and loans in renminbi.⁵⁹ As part of the sanctions against Russia, the US has frozen its international reserves, resulting in an increase in the share of renminbi in trade between China and Russia.

Russia's presidency of the BRICS in 2024 advanced this agenda. The Kazan Declaration announced several new initiatives, in particular the creation of new infrastructure for financial transactions in local currencies: the BRICS Interbank Cooperation Mechanism (ICM) to facilitate innovative financial approaches, including the exploration of financing mechanisms in local currency; the BRICS Cross-Border Payments Initiative (BCBPI), a voluntary and non-binding initiative aimed at strengthening correspondent banking networks among the BRICS countries and enabling settlements in local currencies; BRICS Clear, designed to provide independent cross-border clearing and settlement while complementing existing financial market infrastructure; and the independent BRICS reinsurance capacity, including the BRICS (Re)Insurance Company, with voluntary participation.

Its General Strategy 2022-2026 states that the BRICS New Development Bank (NDB) aims to have 30% of its financing in its members' local currencies by 2026. Its 2021 annual report stated that by the end of that year, 23% of cumulative approved loans were in local currency, and reached 70% of China's in the same year.⁶⁰

Intra-BRICS relations

A second way of looking at the BRICS is from a horizontal (or 'sideways') perspective, by analysing intra-bloc relations and identifying their convergences and asymmetries. Over the past 15 years, the BRICS have created new institutions and expanded the scope of intra-bloc cooperation.⁶¹ Examples include annual meetings of foreign ministers on the side-lines of the United Nations General Assembly; regular meetings of sectoral working groups, such as on health; meetings of finance ministers and central bankers at the G20; and the creation of the New Development Bank (NDB) and the Reserve Contingent Arrangement (ARC). The BRICS also recognise other non-government bodies, such as the BRICS Business Council, the BRICS Think Tanks Council and Academic Forum, the Civil BRICS, and the 'Brics from below'.⁶²

However, my research conducted for the PACS Institute and ActionAid Brazil on Chinese investment in Brazil, India and South Africa found persistent economic asymmetries among the BRICS countries, due mainly to China's economic dominance.⁶³ Data from the Trade Map⁶⁴ further highlights these disparities.

Three BRICS countries, Brazil, Russia and South Africa maintain trade surpluses with China, although their exports are largely of primary agricultural and mineral commodities. For example, between 2013 and 2023, Brazil's top three exports to China – oilseeds, ores, and mineral fuels – accounted for 80.72% of its total exports. Similarly, 63.78% of South Africa's trade with China was in natural or cultured pearls, precious and semi-precious stones, precious metals, ores, slag, ash, and iron and steel. Russia's exports to China also relied heavily on raw materials, with crude oil, refined petroleum, natural gas, and coal making up 67% of its trade during the same period. India is the only BRICS nation with a trade deficit with China, and although its exports focus mainly on primary products, they are more diversified. Between 2013 and 2023, ores, fish and crustaceans, and organic chemicals accounted for 35.6% of its total exports to China.⁶⁵

In contrast, China's intra-BRICS exports are concentrated in advanced industrial goods, such as electrical machinery and equipment, audio and television recording and reproducing devices, parts and accessories for these products, as well as nuclear reactors, boilers, and other machinery and mechanical appliances. This asymmetry underscores the diverse trade dynamics among the BRICS countries, with China supplying higher-value manufactured goods while the others rely on exporting raw materials and minimally processed goods. These trade patterns mirror the traditional international division of labour, centred on China, and are further reflected in the flow of foreign direct investment (FDI) among BRICS nations, reinforcing economic imbalances within the bloc.

Other recent BRICS Policy Center research has deepened the analysis and comparison with Chinese FDI in Brazil and South Africa. China has been the major trading partner of both countries since 2009 and is one of the most important sources of loans and FDI.⁶⁶ Politically, Brazil and South Africa are now significant partners of China in their respective regions, as well as in the BRICS and other multilateral arenas, such as the Forum for China-Africa Cooperation (FOCAC) and the China-CELAC Forum.

From a historical perspective, countries across Latin America and the Caribbean (LAC) and Africa need to support the diversification of economic partnerships that could potentially counterbalance the omnipresence of the US and the EU in these regions. How far could South–South investments create new opportunities for more equitable and sustainable socio-environmental development? And to what extent do such investments reproduce the traditional international division of labour, generate the exploitation of labour and natural resources, and create new asymmetries?

Based on case studies of the Manaus Industrial Park⁶⁷ in the Brazilian Amazon and the Musina-Makhado Special Economic Zone⁶⁸ (SEZ) in the Limpopo Province of South Africa, with my colleagues we have shown that, within the capitalist mode of production, South–South investments fail to provide a positive economic alternative for local workers, communities, and the environment. For example, in our research on four Chinese factories in the Manaus Industrial Park in Brazil, workers reported worsening working conditions, as Chinese companies pay lower wages and offer fewer benefits and incentives than comparable global companies in the manufacturing sector.⁶⁹ Moreover, factories tend to centralise decision-making on staffing in their headquarters, leaving local workers little autonomy or creative capacity.

BRICS and capital accumulation in the Global South

This brings us to a third approach to analyzing the BRICS, centered on their relations with other developing countries and regions in Africa, Asia, and Latin America. This perspective adopts a bottom-up approach, seeing the way in which each BRICS member country functions as a regional power, striving to influence and amass economic power over poorer countries. It unpacks the hierarchies within the Global South, and also encompasses the antagonisms and conflicts involving social forces that resist extractive mega-projects driven by multinational corporations, as well as by financial institutions from BRICS countries.

Patrick Bond regards the BRICS as sub-imperial powers, characterised by super-exploitation of labour and collaboration (albeit with tensions) with imperial powers.⁷⁰ Bond builds on David Harvey's idea of newly developing centres of capital accumulation that need temporal-spatial fixes to dispose of their surplus capital. Harvey had argued that a flood of Chinese FDI is flowing across Africa and Latin America, putting Chinese (and Indian) companies at the centre of mineral and agricultural commodity chains, extractivism and landgrabs. Examples include the Brazilian mining company Vale's actions

in Mozambique, which have resulted in displacing communities, environmental degradation and labour violations;⁷¹ the impacts of Chinese oil and mining companies in Ecuador, Peru, and countries across Africa;⁷² and Russian mining companies in Zimbabwe.⁷³ Infrastructure projects such as oil pipelines have affected community territories, as in the case of the East African Crude Oil Pipeline (EACOP) between Tanzania and Uganda,⁷⁴ involving the French company Total and the Chinese company CNOOC. Community representatives and solidarity movements mobilised across Africa against the EACOP⁷⁵ and participated in the protests during the BRICS Summit in Johannesburg in August 2023, as part of the BRICS from below teach-in meeting.⁷⁶

Pradraig Carmody argues that South African and Chinese capital generally work together to exploit natural resources and dominate the African continent.⁷⁷ In Latin America, many left-leaning intellectuals, such as Atilio Borón, view relations with China as an alternative to US imperialism, potentially fostering more autonomous political spaces for regional integration initiatives and regional institutions free from US interference.⁷⁸ Others, however, analyse the relationship with China as unequal and dependent on trade and investment, which serves to guarantee the supply of raw materials and facilitate the opening of markets for Chinese companies' high-tech products and services.⁷⁹

More recently I have delved deeper into the issue of investment facilitation and protection agreements between countries in the Global South, taking a closer look at the BRICS investment agreements with African and Latin American countries.⁸⁰ A bilateral investment treaty (BIT) is a legal instrument to protect investments and investors in each other's territory from nationalisation, expropriation, and similar measures without adequate compensation. It is an expression of corporate power in global capitalism that represents a new *Lex Mercatoria*, as pointed by Juan Hernández Zubizarreta.⁸¹ For him, it generates a normative asymmetry that ensures that transnational corporations secure commercial rights, in the face of which international human rights law is fragile. Across the LAC region, social movements have played a major role in the debate and critical engagement on investment and free trade agreements (FTAs), leading important resistance campaigns throughout the 1990s and 2000s.

Although BITs are characterised by asymmetric agreements between wealthier and poorer countries, the number of BITs signed by the latter has increased since the 2000s. For instance, among the BITs signed by the BRICS countries, China is now the world leader: 145 treaties signed and 124 in force. In the LAC region, China has 15 BITs and four FTAs as well as 34 BITs in Africa.⁸²

In my 2023 research on BRICS agreements with African countries and Latin American countries⁸³ I found that while some BRICS countries have variously pushed for reforms of the international investment regime, with the exception of Brazil, they all use the traditional BIT model. South Africa and India have terminated old-generation treaties: South Africa has developed a new domestic law to replace BITS, and India has developed a new restrictive model; Russia has also issued new guidelines for negotiating BITs. Brazil has gone the furthest by developing an entirely new model that does not include investor-state dispute settlement (ISDS). Conversely, China has taken advantage of the existing treaty arrangements and has not developed a reformed or alternative BIT model, adapting the current model to each country with which it enters into negotiation.

And yet, despite the reformist approach with regard to their relations with Latin American and the Caribbean, as well as with African countries, the BRICS' use of the traditional BIT model – with the exception of Brazil – reinforces the rules and principles that guarantee rights to foreign investors at the expense of states' sovereign right to regulate in the public interest, on issues such as the environment, health, labour rights and macroeconomic stability. As highlighted, there are several ISDS cases involving multinationals based in BRICS countries against countries in Africa and Latin America⁸⁴.

Looking forward

These three dimensions of BRICS analysis are complementary since although each highlights a specific reality, none alone provides the full picture of current changes and conjunctures in global capitalism. Together, however, they reposition the debate beyond the tired ‘North–South’ and ‘West–East’ dichotomies.

In this sense, Walter Mignolo⁸⁵ highlights the rise of the Global South amid growing tensions between two trajectories: ‘re-Westernisation’ and ‘de-Westernisation’, both underpinned by capitalist economies. Mignolo emphasises the struggle between East and West for control over the ‘colonial matrix of power’, which encompasses knowledge, subjectivity, gender, sexuality, economy, and authority, and intersects with racism and patriarchy. Rather than offering an alternative to capitalist oppression, both operate within capitalist frameworks shaped by their distinct local histories.

Similarly, there is a need for a deeper reflection on what the ‘Global South’ means and its different uses. As Aude Darnal suggests, the ‘Global South’ is not merely a geographic, economic, or developmental category, but rather encompasses diverse states that seek to promote decentralisation and multipolarity in the global political economy and to reduce the dominance of the US and the EU.⁸⁶

Thus, although Global South is a category that helps to move things politically in the international arena, it is not necessarily always positive in terms of socio-environmental advances and human rights. While the current narrative of the Global South serves to foster a sense of common identity among lower-income or peripheral countries, it needs to be scrutinised in order to achieve a more equitable and mutually beneficial South–South agenda. This means improving the quality of South–South cooperation. For example, there is a need to improve the relationship between Brazil and South Africa through exchanges and the development of joint strategies based on development programmes that put people’s needs before profits. South–South technology transfer and effective cooperation in areas such as health, the environment, agriculture, and energy are fundamental to achieving better social and working conditions for the majority: women, Indigenous peoples, Black populations, small farmers, workers, and so on. BRICS may potentially become a multilateral space for progressive social forces to advance these agendas, but there is still a long way to go.

BIO

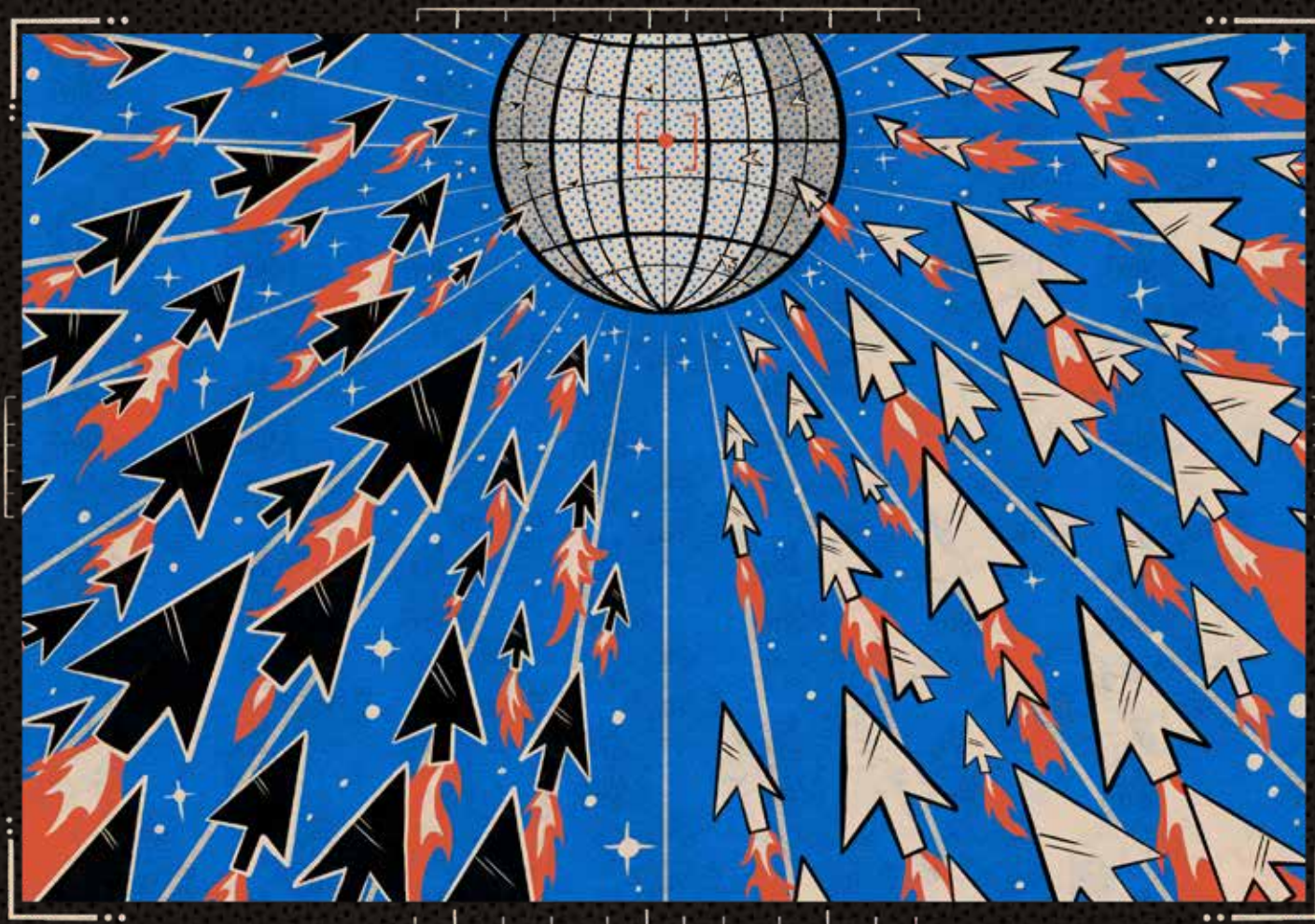
Ana Saggiaro Garcia is Associate Professor of International Relations and of the Postgraduate Program in Social Sciences at the Federal Rural University of Rio de Janeiro and of the Postgraduate Program in International Relations at the PUC-Rio, Brazil. Together with Luciana Ghiotto, she coordinates the CLACSO working group “Lex mercatoria, poder corporativo y derechos humanos”. She served as Director of the BRICS Policy Center between 2021 and 2023. She is a member of the editorial board of the Socialist Register (Canada) and was a researcher at the Institute of Alternative Policies for the Southern Cone (PACS), in Rio de Janeiro. She has published on international political economy, critical theory, Gramsci, hegemony, imperialism, multinational corporations and South–South relations



AI WARS IN A NEW AGE OF GREAT POWER RIVALRY

Interview with Tica Font

Centre Delàs d'Estudis per la Pau, Barcelona



Why do you believe the world is becoming more militarised, with the hopes for peace in the 1990s following the fall of the Berlin Wall now a distant memory? Can you describe the actors and dynamics driving this change?

The collapse of the Soviet Union brought an end to the Cold War – a bipolar world in which the West, led by the United States (US), and the Soviet Union along with its satellite states, fought for global hegemony – and we entered a unipolar period. The US, along with its allies, maintained global domination with no clear competitors.

This materialised in the so-called ‘liberal peace’ or ‘victor’s peace’, supposedly based on three pillars: a free-market economy, liberal democracy as the system of governance, and a value system based on human rights and freedoms, as encapsulated in the 1948 Universal Declaration of Human Rights. From 1990 onwards, the capitalist economic system went uncontested: virtually every country, with varying degrees of conditionality, adopted the rules of free trade, and countries in the former Soviet sphere of influence or communist countries like China opened up their economies to the free market. Corporations moved around the world with the sole objective of cutting costs and increasing profits, in an unfettered and unchallenged form of ‘globalisation’.

The response to any country with natural resources – especially hydrocarbons, or an oil and gas industry – that refused to adapt and allow transnational corporations (TNCs) to operate, or that failed to undertake reforms to meet prescribed standards, was military intervention, as in the case of Afghanistan, Iraq or Libya. Some regimes, such as Saudi Arabia, were considered allies despite being autocratic, as they allowed global capital to manage their oil resources.

The political system of ‘liberal democracy’ gradually spread, even though in some cases elections may have been a farce like Russia, Iran or Mali. It was essentially a world in which this went uncontested and unopposed, with no sign of any country or power challenging western hegemony. Conflicts during this period were largely within countries or regional in scope and did not challenge the system that arose from the end of the Cold War.

For the last ten years, China has started to rival US economic, technological and military hegemony, heralding a transition from a unipolar to a multipolar world. This is because the declining dominance of the US has opened the door to competition among other countries that aspire to be major powers and increases the risk of military confrontations. There is no other competitor to the US besides China as a global power, although Russia seeks to become a military power albeit not on the economic or technological front. Other countries are also seeking to become regional powers or are competing with others for dominance, such as India and Indonesia in the Asia-Pacific region or Iran and Saudi Arabia in the Middle East.

Regarding China, NATO's 2022 Strategic Concept⁸⁷ says:

'The People's Republic of China's (PRC) stated ambitions and coercive policies challenge our interests, security and values. The PRC employs a broad range of political, economic and military tools to increase its global footprint and project power, while remaining opaque about its strategy, intentions and military build-up. The PRC's malicious hybrid and cyber operations and its confrontational rhetoric and disinformation target Allies and harm Alliance security. The PRC seeks to control key technological and industrial sectors, critical infrastructure, and strategic materials and supply chains. It uses its economic leverage to create strategic dependencies and enhance its influence. It strives to subvert the rules-based international order, including in the space, cyber and maritime domains. The deepening strategic partnership between the People's Republic of China and the Russian Federation and their mutually reinforcing attempts to undercut the rules-based international order run counter to our values and interests'. (para. 13)

Of course, the Chinese policies that generate fear in Western economies do not differ from those that the West historically carried out. As we have already said, this contest between the US and China for global hegemony plays out in the economic, technological and military spheres, while the age of so-called disruptive new technologies is rendering existing ones obsolete.

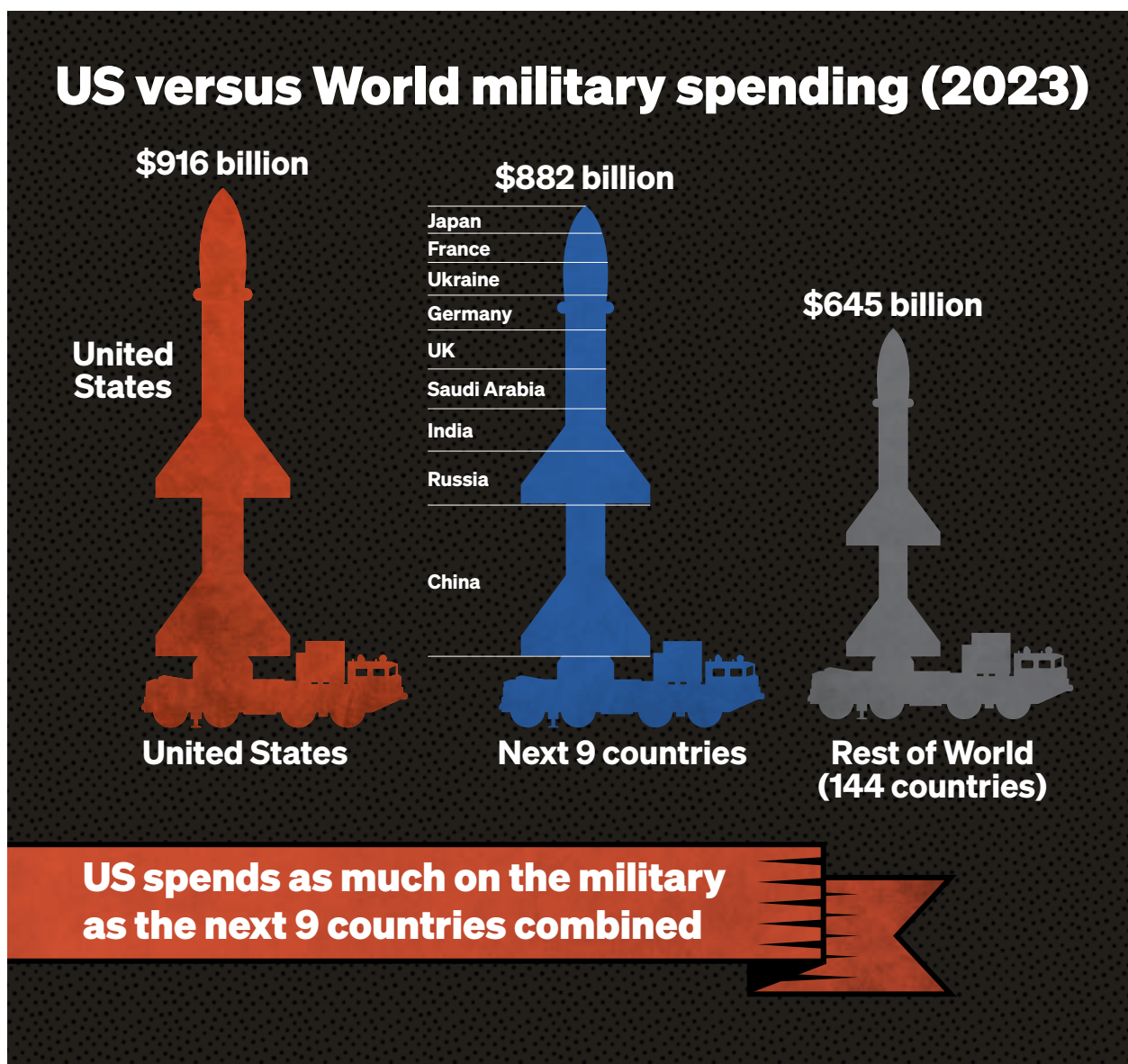
The US strategy is predicated on achieving technological superiority over its adversaries; and since the mid-twentieth century, this has been based on nuclear technology, information technologies and the technology of precision weapons. It is now thought that US technological superiority is under threat, and that new technologies, especially artificial intelligence (AI) on which its superiority is based, are within reach of other actors or soon will be. The fear is that China will overtake the US in the technology race.

In 2014, the US launched its 'Defense Innovation Initiative' and 'Third Offset Strategy', whose purpose is to keep disruptive innovation going, as the resulting technologies will enable it to maintain its military superiority over any adversary. Its priorities are technologies related to robotics, quantum computing, bio-engineering, autonomous vehicles and directed-energy weapons.

The contest for world hegemony has thus also moved into an arms race and the struggle for political influence in various countries and continents. The two major economic powers are taking a dangerous path in their struggle for global hegemony.

How is this new rivalry shaping military spending globally?

Increased competition for global hegemony, heightened tensions and numerous wars and conflicts have led to a rise in military spending. In 2023, global military expenditure reached a record \$2,440 billion, a 6.8% increase from 2022. There had not been such a steep annual rise for more than 15 years.



Source: SIPRI 2024

Military spending has shot up in the US and China, but Russia's full-scale invasion of Ukraine in February 2022 has also led to a huge rise in military expenditure in various member states of the European Union (EU) as well as other European countries such as Norway and the UK, and also Russia. European governments have fostered fear of a possible Russian invasion of some European country in order to win public support for increases in defence spending.

Military budgets are spent in two main ways. The first is to increase the quantity of conventional armaments such as tanks, missiles or munitions; the second is investment in developing and producing new types of weapons equipped with new technologies or AI. The industrialised countries are racing to develop and acquire these new weapons.

TABLE 1. Military expenditure (all in US\$ at 2022 equivalent)

	2017	2018	2019	2020	2021	2022	2023
Total World	1,894,251.40	1,949,141.27	2,023,265.59	2,099,061.45	2,123,720.4.29	2,201,715.42	2,332,719.43
USA	772,175.86	795,416.28	840,614.81	880,185.24	870,751.19	860,692.20	880,070.56
UE + UK + Norway	272,586.11	279,893.40	292,349.16	310,527.81	319,477.15	330,572.37	364,033.13
China	234,421.63	248,153.16	260,242.52	272,509.05	279,605.78	291,958.43	309,484.32
Russia	75,353.78	72,514.63	75,764.91	77,544.91	79,081.15	102,366.64	126,473.35

Source: SIPRI (2024)⁸⁸

NATO's new Strategic Concept updates its deterrence strategy to demonstrate its power to destroy any potential adversary in order to discourage any attack on NATO allies. Its deterrence is based on a mix of nuclear, conventional and missile defence capabilities, complemented by space and cyber capabilities. This focus on deterrence implies accumulating larger quantities of more destructive weaponry.

US analysts have therefore developed scenarios of what a war with China might look like, assuming it could be either a simmering conflict, or victory without a shot being fired or a lightning *fait accompli*. For each scenario they are convinced that technology will be the deciding factor. Thus researchers from the Center for Strategic and International Studies (CSIS) have identified seven critical technologies that could be the key to US success in a war against China.⁸⁹ Three of these are 'sprint' technologies, in which the advances made by the private sector are not fast enough or not tailored to military interests. These are biotechnology, secure communications networks and quantum computing. The other four are 'follow' technologies, in which the private sector is heavily investing and all the public sector has to do is to provide support. These are high-performance batteries, space-based sensors, robotics and AI/machine learning.

NATO allies share the idea that the world is in a new age of disruptive technologies, and have moved to invest in technological innovation and new military capabilities and support for the arms industry to produce them.

What impact has Russia's full-scale invasion of Ukraine and Israel's war on Gaza had on militarisation, especially in Europe?

At the 2014 NATO summit, during Obama's presidency, there was tacit agreement that its members would increase their defence budgets to 2% of gross domestic product (GDP), but until recently this had been largely ignored by European Alliance members. At the 2024 NATO summit, the Secretary General Mark Rutte warned that allocating 2% of GDP was not enough and asked citizens to 'accept to make sacrifices' such as cuts to their pensions and health and social security systems in order to boost defence spending. He called on the Alliance's governments to 'shift to a wartime mindset'.⁹⁰

The EU and its member states are slowly doing this. In 2017 the EU Foreign Affairs Council approved a document setting out the need to launch Permanent Structured Cooperation (PESCO)⁹¹ and agreed the European Defence Action Plan (EDAP)⁹², whereby for the first time the EU budget would have an allocation for security and defence. In the same year, the European Council also adopted Decision 2017/971 creating the Military Planning and Conduct Capability (MPCC) within the EU Military Staff (EUMS). The decision establishes a military command and control structure. So, the groundwork for developing and funding a European defence capability was laid in 2017, which has been followed by a series of policies along with the budgets to sustain them.

These include EU policies to: help member states to meet their commitment to increase defence spending, make military expenditure more efficient by promoting joint procurement and purchases, provide credit and financial support for the arms industry and invest in research.

The European Commission has approved the first-ever European Defence Industrial Strategy.⁹³ This sets several targets: by 2030, 40% of defence equipment should be joint purchases by member states, and the proportion of the defence procurement budget spent on products made by EU industries should be 50% by 2030 and 60% by 2050. In other words, it seeks to ensure that the increase in military expenditure across the 27 EU member states should support European rather than US industries.

To support the arms industry, the EU is seeking to increase credit and to agree multi-year contracts to secure production. It is even considering issuing Eurobonds and modifying the statutes of the European Investment Bank (EIB) so that credit lines can be provided to the arms industry.

Funding for the 'research window' on new military capabilities is provided through the European Defence Research Programme (EDRP), whose purpose is to promote new research on innovative security and defence technologies in the areas of electronics, metamaterials, encryption software, and drones or robotics. This funding proposes to finance the defence industry to conduct joint research on innovative technologies, covering up to 100% of direct costs plus 25% towards indirect costs.

As mentioned earlier, NATO's own Secretary General has said that the increase in defence spending must come at the expense of spending on pensions, health and social spending. So we are likely to see social spending either stagnate or decrease, an increase in poverty and a decline in the quality of public services. In short, we may see the dismantling of the welfare state that emerged from World War II.

What are the new industries – besides the traditional arms firms – that will benefit from this surge in military spending?

We are at the start of a new era, and can already see that there will be considerable funding available for developing products that have a military application. In Ukraine, we've also seen civilian companies putting their technologies to military service. US companies such as Capella Space, Maxar Technologies, Microsoft, Palantir, Planet Labs and SpaceX have played an important role by providing the latest technology and cyber support, and have also enabled Ukraine to upload data to the cloud and digitise the battlefield. Let's look at a few examples.

Ukraine does not have satellites of its own, but it has been able to make use of civilian and military satellite images as well as automated analysis tools, and thus anticipate and block Russian attacks. These images include high-resolution all-weather images from synthetic aperture radars (SAR) from companies such as Maxar in the US or ICEYE in Finland. These images alerted Ukraine to the likelihood of a full-scale Russian invasion in February 2022 by detecting troop movements near the border before the invasion started.

The Meta Constellation tool that Palantir has provided to Ukraine can aggregate data from commercial satellites to create a digital model of battlefields. This system can analyse information from sensors to identify enemy positions, work out which weapons are most suitable for destroying them and assess the damage following an attack, thus improving the reliability and accuracy of forecasts. The US company Primer's algorithms have been used to capture, transcribe, translate and analyse Russian military communications intercepted from insecure or unencrypted channels.

AI has also been used in Ukraine in drones, kamikaze drones, drone swarms, marauding drones, hypersonic missiles, guided torpedoes and anti-drone systems.

Another type of battlefield is already in raging in the arena of (dis)information, often using civilian technologies. The internet and social media are extensively used to publicise, justify and legitimise actions by particular actors, as well as to win converts to their cause. These media are also used for disinformation campaigns, publishing fake news or distorting the facts, in order to destroy trust in public information and institutions, sow confusion and discredit adversaries and their allies.

These civilian technologies can also be weaponised to disable key infrastructure on which citizens rely. When Russia had just embarked on its full-scale invasion of Ukraine, for example, Apple and Google deactivated the Maps function, which shows road traffic in real time. They also blocked the news channels of Russian media such as Russia Today, Sputnik and others, and withdrew the apps from their app stores. They restricted the ability of Russian banks to make payments. Microsoft has collaborated with the Ukrainian authorities to stop and mitigate cyber-attacks coming from Russia. Just hours before the invasion began, Microsoft's Threat Intelligence Center detected a new form of 'malware', called FoxBlade, aimed at Ukraine's financial institutions and ministries.

As for the use of AI in weapons systems, Israel has used its extensive database on the Palestinian population to design the Lavender system, which identifies people as members of Hamas or Islamic Jihad and draws up lists of such targets; and the Gospel system, which identifies buildings or other structures from where members of Hamas or Islamic Jihad might be operating. These two systems have played a key role in the unprecedented bombing of Palestinian civilian structures and populations, especially in the first phases of the invasion. Indeed, they had such an influence on military operations that the results produced by the AI system were essentially treated as though they were based on a decision taken by a human being. The military usually only took 20 seconds to authorise the bombing of a target generated by the system, despite knowing that is mistaken in about 10% of cases.

How do you see geopolitics shaping militarisation in the near future?

I see the future as grey. I think tensions will increase between the major global powers and between countries that aspire to become a regional power. In the short term, we can foresee tension related to trade, and tension in supply chains, as US tariffs are introduced alongside a ban on exporting certain high-tech components.

Globalisation involved the creation of lengthy and complex supply chains based only on economic criteria. This entailed major traffic in resources and merchandise, predominantly by sea. Today, half of world trade is directly related to major value chains and it is difficult to find industrial products entirely made in just one territory.

The United States argues that China could weaponise supply chains as it has a huge network of ports all over the world that will assure access to minerals, energy or food. These ports controlled by Chinese state enterprises are also equipped with Chinese cybersurveillance systems. China uses this technology to send information to buyers, sellers, regulators, financial institutions and transport firms. We should recall that China has also laid cables all over the world, so it has no need to use western cables or servers. Added to this is the significant network of ships and containers under Chinese ownership.

In short, ports and maritime transport have become a source of power and conflict: over exports and imports, economic development policies, the transport of merchandise, and the digital information needed to move merchandise through global supply chains.

With the decarbonisation of the economy we will see oil losing geopolitical importance and certain minerals that are essential to the new technologies becoming more important. The European Commission has been working on this: it produced the Critical Raw Materials Act, and in 2020 published an action plan called *Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability*, which seeks to move towards greater 'strategic autonomy' in certain

minerals.⁹⁴ The document lists the critical minerals that will be required, and maps the suppliers of these raw materials and who controls. A report entitled *Critical Raw Materials for Strategic Technologies and Sectors in the EU – A Foresight Study* was also published in September 2020.⁹⁵ It looks at nine technologies considered key for achieving EU targets on climate change and the digital transformation and defines the four key industrial sectors: renewable energy, e-mobility, defence and aerospace.

To conclude, I don't foresee a war in the classical form of military attacks between the major powers, but rather what is known as 'grey zone warfare'. This does not involve hybrid acts of war, as there is no direct military confrontation between these powers, although military deterrence will be critical. The clashes will take place by way of large TNCs, which will play a key role and set the political agenda worldwide. Internet companies may come to be seen as 'a natural resource' (user data) just as valuable as hydrocarbons and certain minerals, if not more so.

The objectives of these hostile acts will include eroding citizens' trust in their institutions or corporations, creating distrust in the democratic, political and administrative system, undermining social cohesion or the social models of states and political communities such as the EU or the United Nations, weakening the system of government or public administration so that it has fewer capabilities, and convincing the public – both the target population and the attacker's own – that the political or corporate system is in decline.

The future is not set in stone, however. Social organisations can and must engage in public debate and push for a change in direction. We may not be able to challenge technological change, but we must speak out if we want technologies to be at the service of life and the common good and to increase human dignity and help to protect the environment.

The EU has defined four industrial sectors as strategic, based on security criteria: transport, renewable energy, the military and space. We will need to engage in debate on questions such as: Whose security? That of the state, of elites, or of citizens? Security against what? What situations do we want to feel safe and protected against?

We will need to focus on the strategic sectors of food, health and the environment as they are critical to sustaining life. It is up to civil society to formulate these questions, identify our priorities and work to make them possible. Social organisations will also need to forge new alliances. The green movement and especially the movements against climate change, the pacifist and feminist movements, and the movements that defend pensions, health or housing must unite in order to fully engage in this new age of technology and militarism.

BIO

Tica Font is founder of the Centre d'Estudis per la Pau J.M. Delàs in Barcelona, and was previously a professor in non-formal education and a tutor at the Universidad Nacional a Distancia (National Distance Learning University, UNED), as well as having served as an environmental specialist in the Barcelona Provincial Council (Diputación de Barcelona). She is an expert in defence economics and defence budgets, the arms trade, the military industry, new weapons systems, and security.



CAN CHINA CHALLENGE THE US EMPIRE?

Sean Kenji Starrs



The rise of the Chinese economy since the 1990s has transformed global capitalism. Go into almost any retail store in the world and you will find ‘Made in China’ labels on the shelves.

By the 2010s this was not only cheap manufactured goods but also increasingly higher-value technologies such as electric vehicles, smartphones, social media and solar panels. Overall, China increased its world share of manufacturing from 8.6% in 2004 to 28.8% in 2023 (with a peak of 30.5% in 2021, almost twice the US share of 15.5%).⁹⁶ China is also the world’s leading consumer of BMWs, Louis Vuitton handbags, PCs, semiconductors, smartphones, and many other products as the ranks of its middle class swell to over 200 million. In 2022, China also has the world’s second-highest domestic market capitalisation of \$11.5 trillion (12.2% of the world’s total), greater than the total market capitalisations of Germany, Japan and the United Kingdom combined (\$10.4 trillion) – albeit still far from the total value of listed companies based in the United States (\$40.3 trillion, 43% of the world).⁹⁷

On the darker side, China’s rise as the world’s workshop now emits more CO₂ than the combined members of the Organisation for Economic Co-operation and Development (OECD). While China dominates the production and consumption of ‘green technology’, it also burns more than half of the world’s coal and in 2023 is building 400% more coal-power capacity than in 2019, and 1,900% more than the rest of the world.⁹⁸ In short, China’s extraordinary dynamism since the 1990s has reshaped global capitalism in many ways – and already plays a significant role in deciding its future, including sustainability.

Many think that because of China’s new-found economic weight it is now or will soon be able to challenge the structural power of the US, which has since 1945 expanded and maintained capitalism around the world. Put another way, many people think that the post-Cold War unipolar world order has now transitioned to multipolarity, with increasing conflict between a US-led West and China/Russia-led BRICS+.⁹⁹ More optimistically, many of those around the world who are against US imperialism think that China will be able to significantly push back and/or provide an alternative to the US in global capitalism. Some even imagine or hope that US power is not only relatively declining but will soon collapse, and that the US empire will be hoist on its own petard like so many others in world history as East Asia and the Global South more broadly continue to rise.

This essay exhibits more pessimism of the intellect than optimism of the will concerning such a brave new world order. In fact, in certain respects I argue that the manner of China’s capitalist development has actually strengthened US structural power at the heart of global capitalism. Certainly, China offers no serious counterweight to US military power (arguably Russia pushes back more), and for various reasons I see little prospect of Chinese leadership (let alone hegemony) in East Asia, the Global South, or even in the BRICS+. Nor do I think that China genuinely aspires to challenge US hegemony in the first place, despite Chinese elites including President Xi Jinping often declaring otherwise. Indeed, China has been one of the largest beneficiaries of US-led ‘free trade’ globalisation and since President Trump’s first term has seemingly been a greater supporter of ‘free trade’ than the US itself! I disagree, then, with the many leaders (including Presidents Putin and Xi), policymakers, think tankers, journalists, pundits, podcasters, and activists or civil society around the world that believe we are already living in a multipolar world order. Far from it, in some ways the US is more powerful today than it was in any other decade since 1945.

Why do so many people misunderstand contemporary global capitalism and world order? The reason is that too many have missed how globalisation (with the rise of China being one of its main drivers) has strengthened US power because they remain stuck in thinking about national economic power from a bygone era. That is, most observers conceptualise a state leveraging the production of goods and services in its national territory (as measured by gross domestic product (GDP) and other national accounts) to exert influence overseas – including by transforming these economic resources into military assets. In the 1970s and 1980s, when Japanese national accounts were expanding rapidly this indeed meant that Japanese corporations were increasingly competing abroad with growing profits flowing back to Japan via nationally owned production and exports. With increasing economic rivalry between Japan and the US some observers even prophesied a ‘coming war’.¹⁰⁰ But precisely because of the globalisation of production and finance led by the US state and US capital, we can no longer assume that production in any given national territory is predominantly nationally owned (whereas we could in the past for Japan and South Korea, for example). This is especially the case for China, the first major political economy to rise in the post-1990s era of ‘free trade’ globalisation significantly driven by foreign capital.

So, when observers gaze upon China’s outsized national accounts they incorrectly assume that the Chinese state and/or firms have virtually total control and ownership over all that production within its territory. Without looking at the high degree of foreign control and ownership, especially of advanced technology in China, too many overestimate Chinese power and its capacity to reshape global hierarchies. In short, we need to rethink how we measure national economic power in the age of globalisation.¹⁰¹

To aid in this endeavour, we resuscitate Susan Strange’s concept of ‘structural power’.¹⁰² In *The Persistent Myth of Lost Hegemony*, Strange was responding to an earlier period of ‘American declinism’, arguing the need to make a distinction between ‘relational and structural power’.¹⁰³ She claimed that too many exclusively focus on relational power, the daily din of inter-state relations that can change sharply in the short to medium term based on evolving current events. Sometimes the US can successfully pressure others to do something that they would not otherwise do, sometimes it fails (and other times it may succeed over a longer timeframe after initial failure). If our analyses fall into the trap of ‘presentism’, especially in the age of the 24/7 (social media) news cycle, our understanding of world order will fluctuate accordingly.

In contrast, Strange argued that structural power was deeper, more enduring, and somewhat above the daily din (though not disconnected) as it involved the power to change/shape the structures within which others must act if they want to participate in the global political economy. A quick example is the role of the US dollar in global transactions: the US doesn’t have to directly pressure China to stockpile US dollars and invest them in US Treasury Bills. China does this on its own because it wants to export a vast array of goods and services, most of which are priced in US dollars (more below). From the 1940s to 1970s the US shaped the global finance structure in which others participate in a way that makes it exceedingly difficult to seriously challenge the almighty dollar – which feeds into its enormous power, as we shall see.

Strange distinguished four components of structural power for an entity, from the family to the nation-state: security, finance, production and knowledge. She stressed that they were interrelated and there was a need for preponderance across all four components in order to achieve hegemony. She thus thought in the 1980s that neither the Soviet Union with its preponderance in security nor Japan in production were close to challenging US hegemony because the latter had preponderance across all four. Unfortunately, however, Strange never got around to working out how to systematically

measure her concept of structural power across four components before she – arguably – got swept up in the globalisation discourse of the 1990s, believing that ‘the market’ was becoming more powerful than even the US state.¹⁰⁴

In the rest of this essay, I seek to offer a methodology to measure structural power in security, finance and production, but for reasons of space I shall go into depth only on the latter.¹⁰⁵ But since they are all interrelated and symbiotic, analysing the production structure will also have relevance for security, finance and knowledge. Being armed with this new methodology will allow for much greater clarity on understanding the nature and future of world order – including prospects for human survival.

Structural Power in Security, Finance and Production

Security Structure

Usually even those who argue that we already live in a multipolar world order recognise that US military power is still dominant. There is no other nation that has ever had so many military assets around the planet, estimated between 750 and 1,000 (many are classified and involve ‘only’ a CIA or National Security Agency (NSA) listening post) in at least 80 countries.¹⁰⁶ Even at its peak the British empire had bases in around 35 countries or colonies.¹⁰⁷ There have been more than 50,000 US troops permanently stationed on both ends of Eurasia since 1945, and currently another 50,000 in the Middle East. With NATO, the US has the most expansive alliance system the world has ever seen, in addition to key non-NATO allies/proxies such as Australia, Israel, Japan, Philippines, Saudi Arabia, South Korea and Ukraine. They all purchase US weapons systems and share intelligence/security resources. Because of this alliance system, referencing only the US military budget of \$850 billion does not capture the full extent of US dominance in the security structure – even if this budget alone is larger than the next ten militaries combined and roughly quadruple China’s, greater if we include the Departments of Energy (custodian of the nuclear arsenal), Homeland Security and NASA, among others.

Many theorists of globalisation have trouble with incorporating this US empire of bases into their conceptualisations of a ‘de-nationalized world market’, or a ‘transnational capitalist class’ above nation-states.¹⁰⁸ So many take for granted the most powerful empire in human history as water to fish – yet this stunning success in shaping the ideological knowledge structure of liberalism renders invisible naked US imperialism even for many on the Left.

That said, China has had a naval base in Djibouti since 2017 (as do France, Italy, Japan, the UK and US), its first overseas base since the 1400s. It seems to be building another one in Cambodia. Since 2016 there have been military installations on various artificial islands in the South China Sea, and China and Russia now do regular joint exercises. China also has control of two key ports in the Indian Ocean (among others), Gwadar in Pakistan and Hambantota in Sri Lanka, although Pakistan still does not allow China to station military assets in Gwadar, despite much Chinese pressure.

Nevertheless, China is not militarily supporting Russia in its war against NATO-backed Ukraine; only North Korea and Iran are providing military assistance (in fact Chinese state banks have cut off Russian dollar financing). This doesn’t bode well for any potential mutual defence treaty between China and Russia, both of which are reticent to sign with others – but surely they cannot take on the US empire alone. Apart from brief conflicts in 1962 and 1967 against India and 1979 against Vietnam, China hasn’t mobilised troops since the 1950-1953 Korean War; China has never fought wars across continents or oceans. The lack of any Chinese security role in the conflagrations of the Middle East is itself revealing – whereas Russia has been deeply involved in the Syrian dirty war since 2015, and has exported missile defence systems to Iran to counter Israel.

Finance Structure

The US ensured that its currency would be the most traded in the capitalist world during the 1944 Bretton Woods conference that set up the new dollar-gold standard backed by the newly established International Monetary Fund (IMF). When President Nixon unilaterally unmoored the US dollar from gold in 1971, the US was free to balloon its balance of payments deficit, coupled with much financial de-/re-regulation as well as the emergence of the petrodollar.¹⁰⁹ Persian Gulf states committed to recycling their dollar revenues from oil exports back into US dollar-denominated assets, especially Treasury Bills (T-Bills). This ensured that any country that wants to import oil, the fundamental commodity of industrial capitalism,¹¹⁰ needs to stockpile US dollars, which can only be earned via their own exports (except for the US of course, which can just print money). As all countries that rely on export-driven growth (from China, Japan, Germany to virtually all 'emerging markets') stockpile the dollar, they need to invest in safe-haven assets to protect their value from depreciation and the volatility of other assets (such as the stock market).

In global finance the T-Bill is considered the world's safest asset in large part because the US state is believed to be the most able and willing to guarantee global capitalist interests.¹¹¹ While expressed in terms of 'market/political stability', 'democracy/rule of law', 'low risk', etc, this is essentially because of US military power (no country can invade the US and overturn its bourgeois nature) and the strength of its capitalist system (very little chance for a socialist revolution to overthrow the US capitalist class).

US military power is also important to protect the petrodollar: Iraq's Saddam Hussein and Libya's Muammar Gaddafi both wanted to sell their oil in non-dollar currencies but that didn't work out well for them. Liberal economists neglect the vital role of US military power in protecting the US dollar as the *de facto* global transactions currency.

At 2.2% in the third quarter of 2024, China's RMB can barely compete even with the Canadian dollar (2.7%) in global currency reserves, despite having a GDP more than eight times larger than Canada's.¹¹² To seriously challenge the US dollar China would have to reduce capital controls so that investors (whether foreign or domestic) can freely move RMB in and out of the country. But since its first major stock-market crash in Shanghai 2015, far from liberalising, China expanded its capital controls – thereby prioritising state control over internationalisation. From 2020 Xi also cracked down on private fintech including dramatically cancelling what would have been the world's largest IPO (initial public offering) at the time, Ant Group, when its CEO Jack Ma criticised Chinese central banking policy, after which he went into hiding for several years.¹¹³

Even if the Chinese state were to reduce capital controls and unleash private finance, it would still be a tall order to convince capitalists of the world that their interests would be better served by the Chinese Communist Party (CCP) than the thoroughly bourgeois US state. This is not to say that China is anti-capitalist in any meaningful sense, but clearly the CCP privileges political stability above capitalist class interests, whether foreign or domestic.

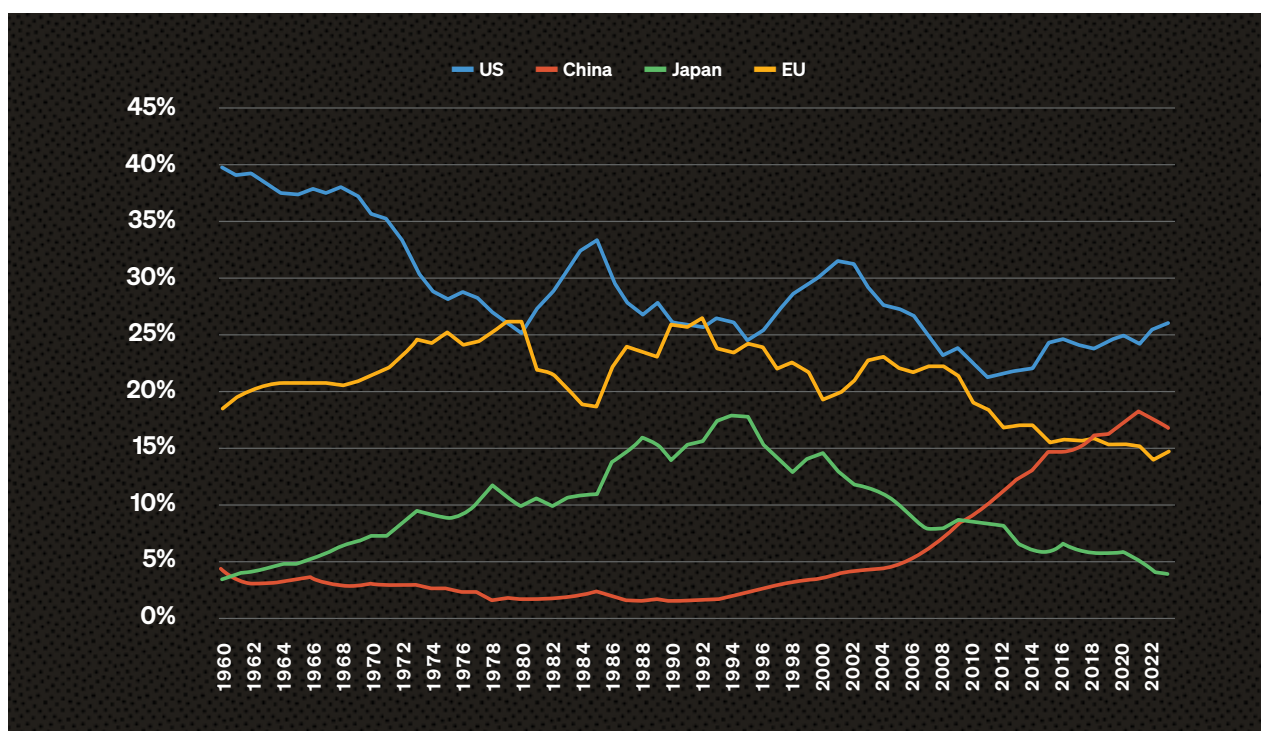
There is thus little basis for capitalists of East Asia/BRICS+ (let alone the world) to rally around any potential 'Chinese hegemony' to support the RMB dethroning the dollar.¹¹⁴ Even if there were, China would still have to face the might of US military power, as the latter would certainly not sit idly by if China made serious efforts to challenge its financial power.

Production

Where China seems to have gained most ground is in the sphere of global production. Figure 1 presents national/regional shares of world GDP from 1960 to 2023, in current US dollars.¹¹⁵ By this measure the US has clearly declined, from accounting for 40% of world GDP in 1960 to 25% by 1980, and fluctuating thereafter, reaching a 2011 nadir of 21% and rising to 26% by 2023 – a far cry from its share in the 1950s. By contrast, China's share of world GDP began to rise continuously since Deng Xiaoping's 1992 'Southern Tour' in which he doubled down on the province of Guangdong and the free-trade zone of Shenzhen in particular as a workshop and export platform for foreign capital. China's 1992 share of 1.7% (which was also its share in 1978) surged to a peak of 18.3% in 2021 before falling for the first time since 1985 to 16.9% in 2023. While significant for future growth projections, China's post-pandemic economic woes should not distract us from recognising its extraordinary rise, regaining its lead over Japan's share of world GDP in 2010 for the first time since 1961.

China's rapidly increasing international competitiveness is not the only reason that it effectively wiped out 50 years of Japan's pre-eminence in production, but it is noteworthy that Japan's decline from its 1995 peak of 17.8% occurred at the same time as China's take-off accelerated. Perhaps even more strikingly, for the first time since the 'Great Divergence' of the nineteenth century,¹¹⁶ China regained its GDP lead over Europe (more specifically the European Union, EU) in 2018. The latter used to be an economic peer competitor of the US, but as Figure 1 shows, it has still not recovered from the 2008-9 global financial and 2010-12 eurozone crises.

FIGURE 1. National share of world GDP 1960–2023 (in percentages)

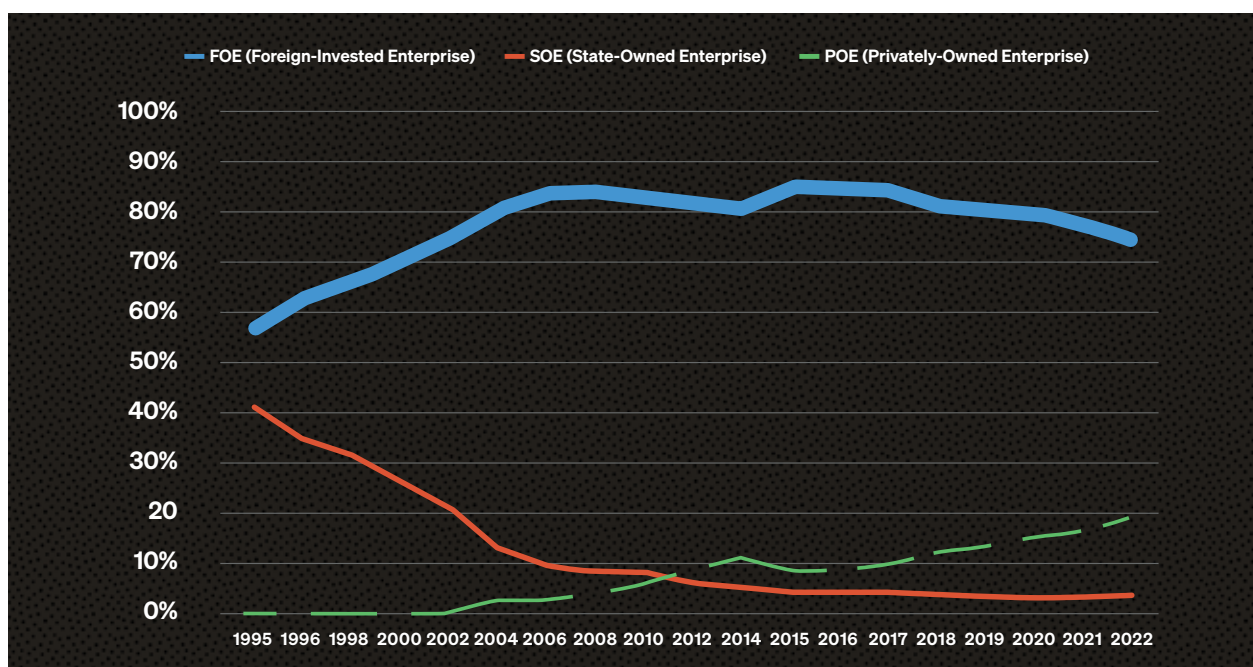


Source: S. K. Starrs' Calculations from World Bank, 2024

While the concentration of where the world's production is geographically located is still highly significant for understanding twenty-first-century global capitalism, this does not tell us the full story of the globalisation of ownership and power. For example, when smartphones are assembled in China for export we cannot assume that the bulk of the profit will return to China because those smartphones could be owned by a foreign firm, such as Apple or Samsung Electronics.

Figure 2 reveals more generally that what China Customs classifies as ‘foreign-invested enterprises’ own three-quarters of China’s most advanced hi-tech goods encompassed in ‘process with imported materials’ exports in 2022, worth \$809 billion. These include China’s voluminous electronics exports that involve importing key components, conducting final assembly in China by a foreign firm such as Foxconn, subcontracted by another foreign firm such as Sony, then exporting. While Chinese privately owned enterprises have increased their share of these crucial exports from virtually nil in the 1990s to 20% by 2022 (doubling its share since the dawn of Trump’s post-2018 trade war), this is still much smaller than most would expect from China’s huge national accounts. Hence even if China surpassed Japan in 2010, we still need to investigate who ultimately owns and therefore profits from production in China – and globally.

FIGURE 2. Enterprise type for China’s ‘Process with Imported Materials’ exports, 1995–2022

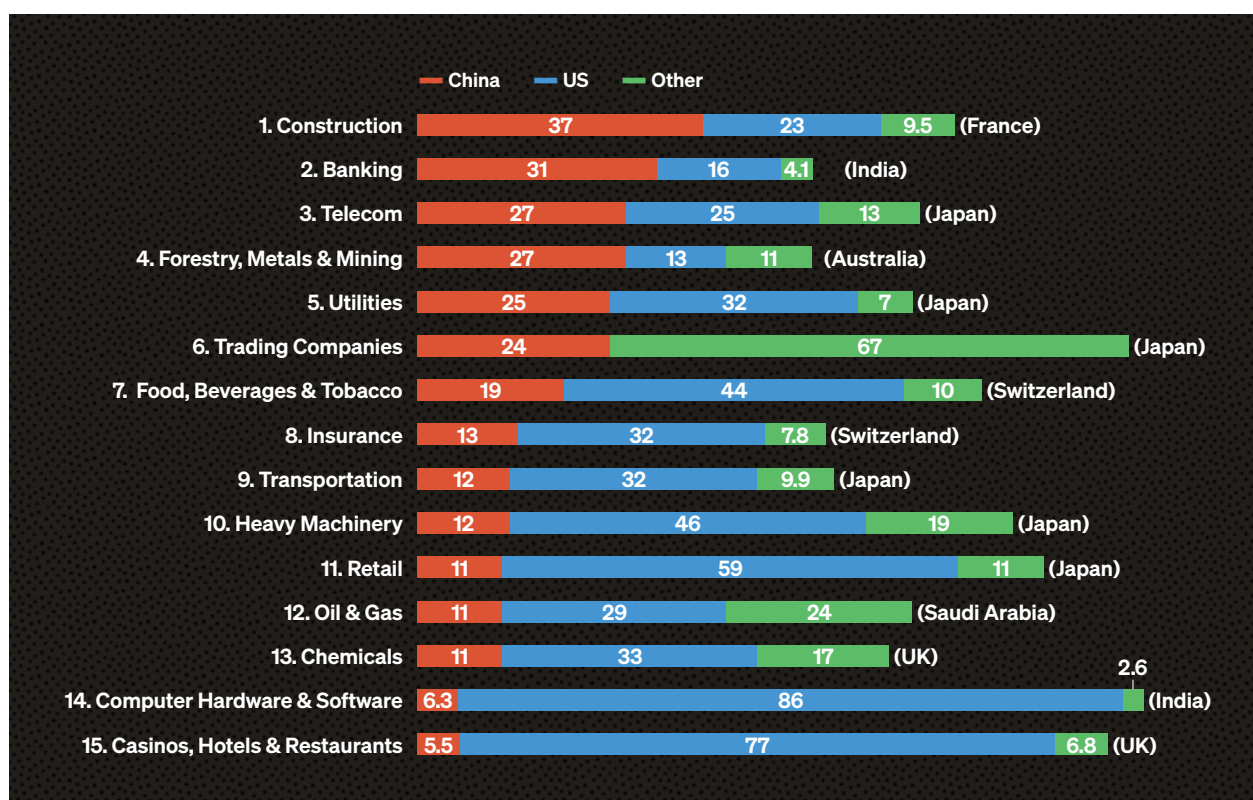


Source: Author’s calculations, based on China’s Customs Statistics 1995–2023, 2024¹⁷

To overcome this mismatch of national production with transnational ownership, a useful proxy for measuring what is essentially corporate power is aggregating the national profit-shares of the world’s top transnational corporations (TNCs), encompassing their transnational operations. The accumulation of profit, after all, is the central driving logic of capital. There are several corporate rankings but the best is the annual *Forbes Global 2000*, the world’s largest 2,000 publicly listed TNCs ranked by a composite index of assets, market value, profit and sales since 2005. Figure 3 shows the 15 sectors in which Chinese corporations have an aggregate top-three profit share in 2024. In the first four sectors, China has the world-leading share. These accord well with China’s state-directed infrastructure-driven growth since its declining exports in the aftermath of the global financial crisis (GFC) as Western imports fell. The remaining sectors represent China’s continued (even if diminished) role as the world’s workshop as well as its emerging domestic consumer market.

Thus, China is second only to the US at the pinnacle of global capitalism with the latter’s top-three presence in 24 of the 25 sectors,¹⁸ while Japan’s ten sectors have been pushed to third, trailed by the UK with five and both France and Switzerland with four each. Considering that Chinese TNCs in aggregate did not reach the top three in any sector until 2009 (when China debuted a top-three presence in Banking, Insurance, Real Estate, and Transportation), this is an extraordinarily rapid corporate rise.

FIGURE 3. *Forbes Global 2000* sectors in which China has a top-three profit share in 2024 (in percentages)

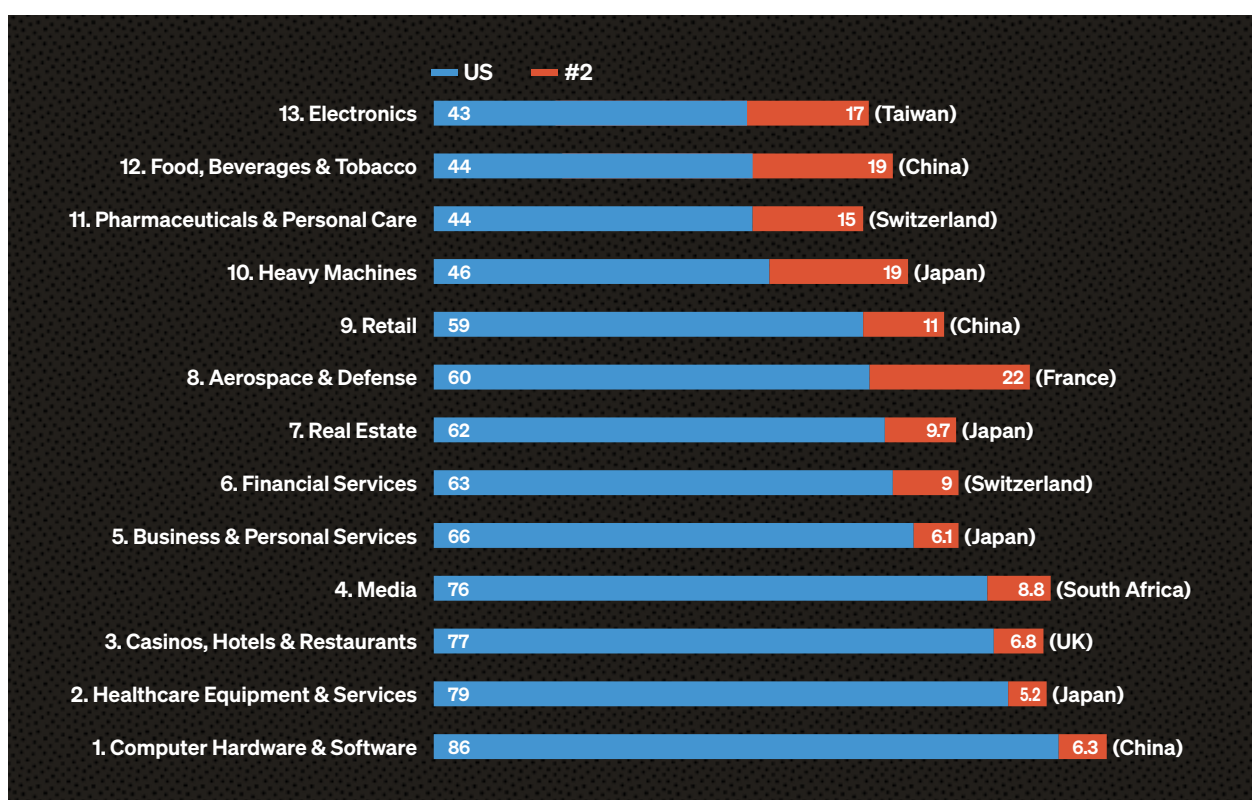


Source: Author's calculations based on Murphy and Shifrin (eds.), 2024 (with research assistance from Quoc Linh Pham and Yizhou Miao)¹¹⁹

Following from this, Figure 4 shows the 13 sectors in which the US profit share is dominant, at a level that has remained consistent over the past two decades (the US also dominated in 13, albeit slightly different, sectors in 2005).¹²⁰ It is in this figure that we really see how national accounts in the age of globalisation can lead one to grossly over- or under-estimate economic power. For example, China has been the world's largest exporter of electronics since 2004 and yet 20 years later its profit share is 'only' 11% (fourth worldwide) while the US share is 43%. This makes intuitive sense once we look at all the 'Made in China' labels on US-owned electronics sold by Apple, Amazon, Cisco, Dell, HP, Microsoft, and so on. Even starker, after the Chinese firm Lenovo acquired IBM's personal computer division in 2005, China became the world's largest consumer of computers in 2011 and eventually home to the most software developers in the world (over 7 million), yet its profit share is only 6.3% next to the US' staggering 86%.

China of course has a population more than quadruple that of the US, but the latter's wealth means that the US dominates in Food, Beverages & Tobacco, and Retail. And while China surpassed the US in Banking in 2009 and has occupied first place ever since (with a peak of 41% in 2021, falling to 31% by 2024), the US, namely Wall Street, dominates Financial Services at 63%. This is significantly higher than the three years before the 2008 Wall Street crash when the US share averaged 48% before tumbling to a 2009 low of 27%. One reason why Wall Street increased its global dominance after its crash is because US ownership of foreign capital subsequently increased. We have elsewhere called this the 'Americanization of global capital',¹²¹ as US corporate ownership has increased around the world, including of Chinese state-owned enterprises (SOEs). Finally, US dominance in global media (76%) indicates its ability to 'manufacture consent' and shape the agenda around the world – the knowledge structure *par excellence*.¹²²

**FIGURE 4. All 13 *Forbes Global 2000* sectors dominated by the US, 2024
(in percentages)**



Source: Author's calculations based on Murphy and Shifrin (eds.), 2024
(with research assistance from Quoc Linh Pham and Yizhou Miao)¹²³

Again, none of this is to deny the extraordinary capitalist rise of China since the 1990s as evidenced in Figures 1 and 3. But we can now see that this has come more at the expense of Japan and Western Europe than of the US. The latter has in fact increased its dominance over the past 20 years in a variety of core sectors despite, or perhaps because of, the rise of China.

Indeed, we are reminded of Henry Luce's (populariser of the 'American century') 1950 call for a more 'prosperous and integrated Europe' that would allow US firms to increase their profits but not threaten the US as long as the latter remained dominant.¹²⁴ A similar logic applies to a more prosperous China, while US firms continue to have access to its labour and consumers (Figure 2 shows that the post-2018 trade and tech wars have so far had only marginal effect on the dominance of foreign firms in Chinese exports). Thus, most of the decisions at the summit of the global production structure on where and what to produce in by far the most sectors are predominantly made in US boardrooms. In sum, in 2024 US-domiciled TNCs led in 19 of the 25 broad sectors of the *Forbes Global 2000*, while China led in four (and Japan in the remaining two): persistent US dominance of the global production structure is staggering and invisibilised if we only inspect national accounts.

China Will Not Save the World (While it Remains Capitalist)

In Xi's first term (2012-2017), there seemed to be momentum in fulfilling his grand strategy of re-Orienting Eurasia towards China, if one considered only relational power. The Belt and Road Initiative (BRI) was launched in 2013 with one (land) belt eventually connecting China with Duisberg on the German Rhine (which then connects to Rotterdam, Europe's busiest container port) via Russia with high-speed freight trains. The (sea) road follows Zheng He's early 1400s trade routes through Southeast Asia, the Indian Ocean to the Persian Gulf, Red Sea, and East Africa. The New Development Bank was established in Shanghai in 2015 and the Asian Infrastructure Investment Bank (AIIB) in Beijing in 2016. The UK government declared a 'Golden Age' with China in 2015, and joined the AIIB, as did Italy and other European countries, as well as South Korea, among many others.

China continued breakneck growth, even if peaking at 14% in 2007 still an envious 7.9% in 2012 to 7.0% in 2017. With giant annual export earnings, China launched tens of billions of dollars for industrial policies, namely the 'Big Fund' for semiconductors in 2014 and in 2015 'Made in China 2025' (targeting ten sectors). Scores of countries were now exporting more to China than to the US.

With the wind seemingly behind him, Xi spoke to capitalists at the World Economic Forum in January 2017 and admonished those trying to regress the 'natural outcome' of 'economic globalization' in pointed reference to Trump, and offered China as a more responsible stakeholder of the global trading system.¹²⁵ How far China has come since Mao accused Deng Xiaoping of being a 'capitalist roader'!

But Xi dramatically misjudged the likely response of the world hegemon, the US. He assumed that China could keep 'transferring' industry after industry, most of all advanced technology, freely from the US without any blowback. In his first term, President Trump disagreed, initiating a trade then tech war against China. In the process his administration began transforming the nature of globalisation itself, dismissing 'free trade' and ushering in a new era of techno-nationalism¹²⁶ upon which Biden doubled down, in which the ownership of advanced technology is geo-politicised.

The US's vast structural power was leveraged in a two-pronged approach. First, blockading some of China's top hi-tech firms (Huawei, SMIC, YMTC) with export controls (including eventually the TNCs of allies, such as the Dutch firm ASML) then entire sectors (advanced chips, Artificial Intelligence (AI), quantum and supercomputing). The US could not do this against Japan in the 1980s nor the Soviet Union during the Cold War because neither was dependent on US technology; they were much more technologically self-sufficient before 1990s globalisation.

Second, the US unleashed an unprecedented stimulus – \$5 trillion from March 2020 to March 2021 alone, more than the 1930-40 New Deal – and over \$500-billion-worth of industrial policies in the 2022 CHIPS and Science and Inflation Reduction Acts.¹²⁷ The US can distribute such unrivalled sums today (and not in decades past) partially because of the rise of China and many other exporters recycling their US dollars back into the US. In this way, China has been the first or second largest (fluctuating with Japan) foreign funder of everything the US does, including US imperialism against China. No other empire has ever constructed a financial system in which the chief geopolitical rival is structurally bound to finance its own containment.

Relatedly, the most devastating US comparative advantage is its extraordinary capacity for mass death and destruction (whether directly or via proxies) while professing the noblest of intentions and having so many people believe it (especially those who still uncritically ingest establishment news).

Without having space to evidence planning,¹²⁸ fast-forward to the beginning of 2025: Western allies (the G7, NATO) are now convinced that China is a 'systemic rival', China's BRI route through Russia is cut off by US-led sanctions essentially decoupling Russia from Western capitalism. Israel is on a regional rampage partially to clear the way for the India-Middle East-Europe Economic Corridor (IMEC) announced at the New Delhi G20 meeting in September 2023,¹²⁹ checking China's sea road and Middle East influence in general (in times of war, China has no military capacity to compete with US influence in the region, and as the Assad government has fallen in Syria, Russia's influence is diminished while also being distracted in its war on Ukraine). The EU and UK's 'Golden Age' with China less than a decade ago is now a molten mess.

Irrespective of this turn of events, understanding structural over relational power is more fruitful for analysing longer-term trends in the geopolitics of capital and this essay offers a new methodology to do so, revealing staggering US dominance across multiple structures.

What would China have to do to 'save the world' from US imperialism and capitalism itself driving exploitation, oppression, and industrial ecocide? Sign mutual defence treaties with as many around the world as possible (since 1949 China has preferred to remain unentangled), assist the industrialisation of the Global South including transferring technology and manufacturing (not just infrastructure development and/or de-industrialising resource extraction), move towards de-dollarisation by establishing an alternative international currency not corrupted by national interest (i.e. not the RMB), rapidly increase social welfare at home and abroad to boost living standards, drastically reduce fossil-fuel burning and help others do the same, to name a few.

But as long as China remains capitalist it will have no incentive to fundamentally transform global capitalism, especially when its hegemon is willing to defend its power by provoking World War III. So, Chinese workers must first initiate another socialist revolution to remove capitalism from China, perhaps in collaboration with revolutions around the world to remove the logic of endless capital accumulation via class exploitation and oppression – most of all in the US, to unshackle the global grip of its ruling class. This is of course a tall order. But if there is one country that embodies Marx's dictum 'All that is Solid Melts into Air' it is China since 1911, undergoing multiple revolutions and counter-revolutions: nightmares have become Chinese dreams before.

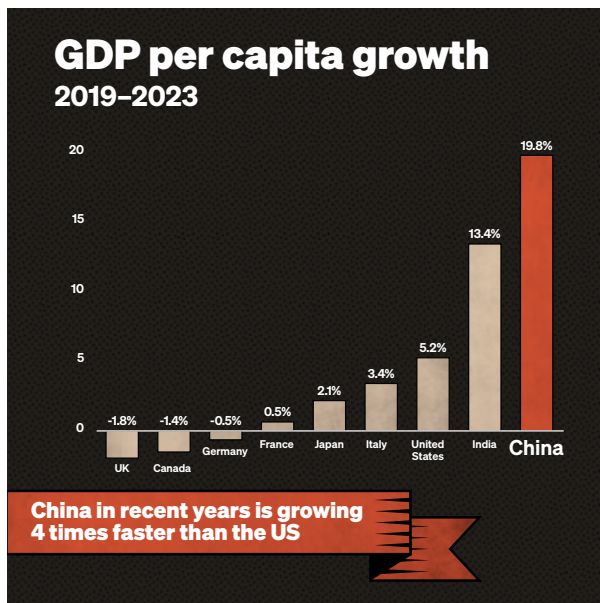
BIO

Sean Kenji Starrs is Lecturer in the Department of International Development at King's College London. From 2014-2021, he was Assistant Professor at the Department of Asian and International Studies at City University of Hong Kong, as well as research affiliate at the Massachusetts Institute of Technology with Noam Chomsky. Sean received his PhD at York University, Toronto, under the supervision of the late (and great) Leo Panitch. His 2014 New Left Review article, The Chimera of Global Convergence, was re-published in TNI's Shifting Power Working Paper Series and he also wrote for the Socialist Register 2019 on China-US.



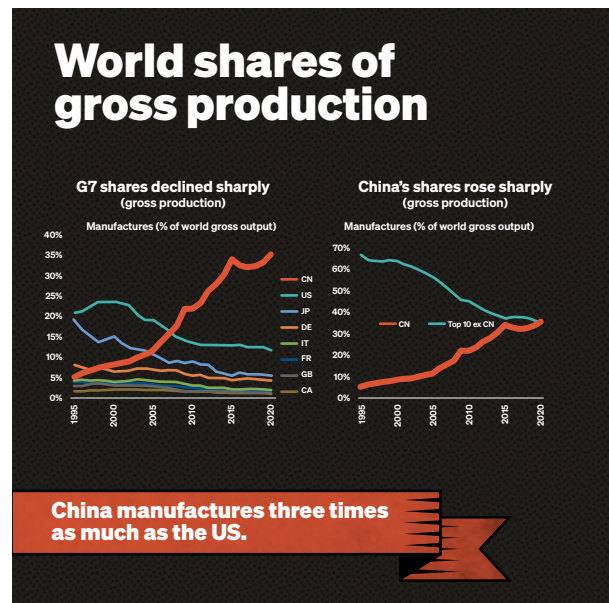
Does China pose a challenge to the US empire?

China has some significant economic strengths.



Source: Michael Roberts, 2024.
<https://thenextrecession.wordpress.com/wp-content/uploads/2024/03/picture10-1.png>

It has become the world's manufacturing super-power.



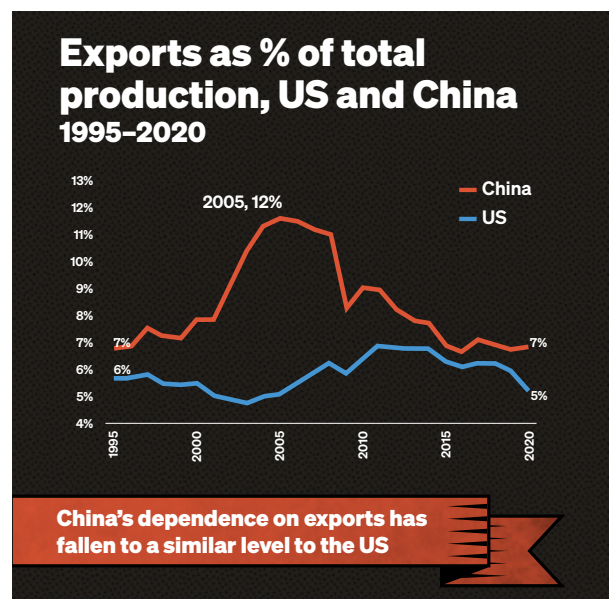
Source: Richard Baldwin based on OECD data, 2024.
https://cepr.org/sites/default/files/styles/flexible_wysiwyg/public/2024-01/baldwin17janfig2_0.png?itok=zGASago_

And has financial companies now that are bigger than those in the US.



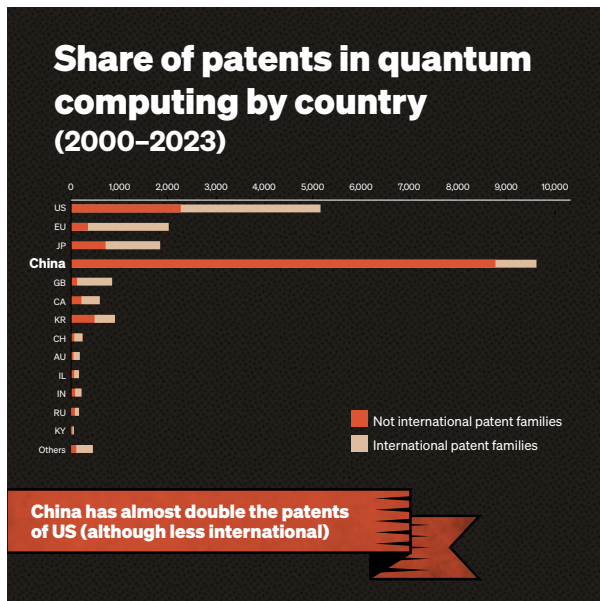
Source: TNI based on Fortune Global 500, 2024.

China is also making itself less dependent on exports and developing its internal market.

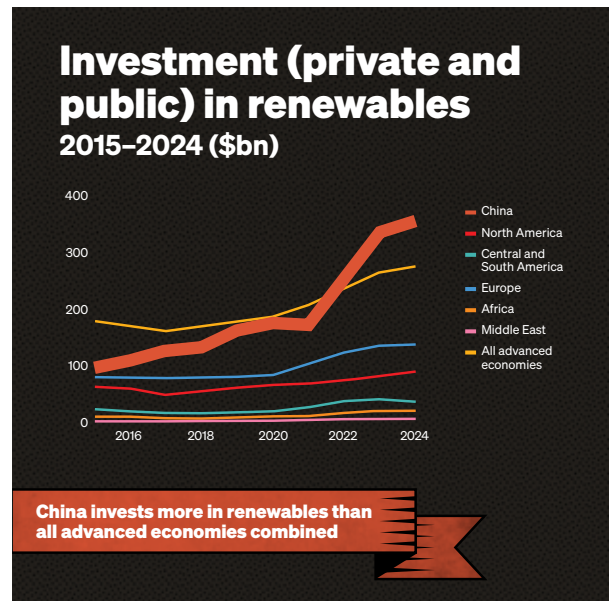


Source: Richard Baldwin based on OECD data, 2023.
<https://shorturl.at/Crbab>

China is investing significantly in key new emerging economic sectors.

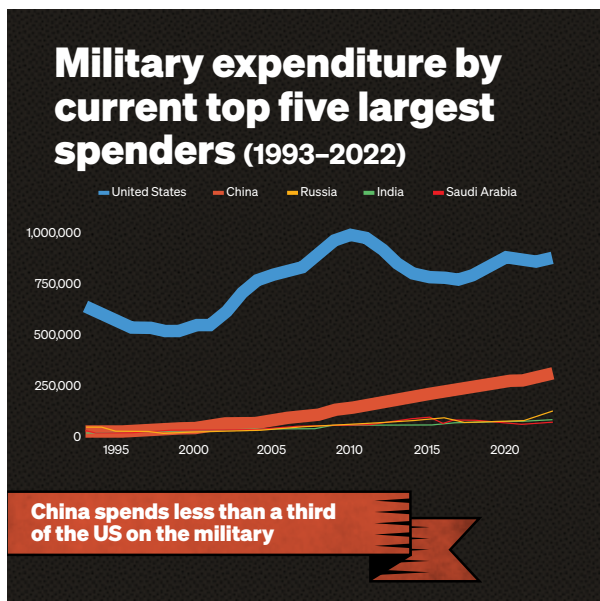


Source: European Patent Office Data Desk, 2024.
<https://www.epo.org/en/about-us/observatory-patents-and-technology/data-desk>



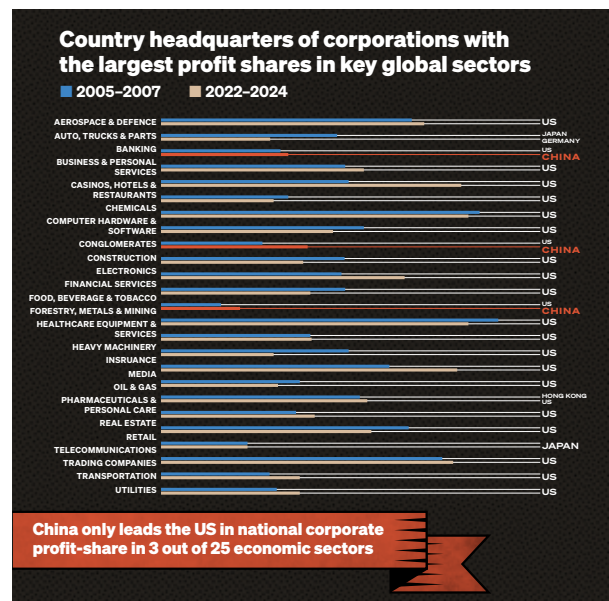
Source: TNI based on IEA World Energy Investment, 2024.
<https://www.iea.org/data-and-statistics/data-product/world-energy-investment-2024-datafile>

But it still has some way to go to pose a serious political, economic or military challenge to the US.



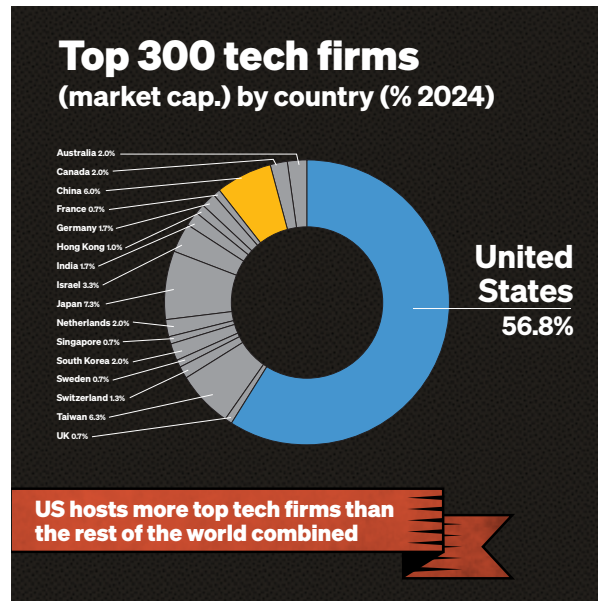
Source: TNI based on SIPRI, 2024.
<https://milex.sipri.org/sipri>

Its corporations in most sectors are still trailing the US when it comes to profits.



Source: Sean Starrs (2024) based on Forbes Global 2000 data.
<https://www.forbes.com/lists/global2000/>

US also continues to lead the world in terms of Big Tech.



Source: TNI based on Companies Market Cap, November 2024.
<https://companiesmarketcap.com>

The research for these infographics was done by Benjamin Wray with the support of Nick Buxton. Sean Kenji Starrs also provided graphics based on his own calculations. The designs were done by Evan Clayburg.

CHINA AND THE GEOPOLITICS OF THE GREEN TRANSITION

Ben Wray



The geopolitics of the green transition has been upended by China's technological transformation. China is dominant not just as a developer of zero-carbon tech and producer of zero-carbon products, but also as a processor of the critical raw materials which are needed to make these technologies work. Across the green-tech value chain, China leads the way.

Once feared to be too backwards to respond to climate change, China is now feared for being too advanced in its clean-energy technologies, threatening western hegemony. The United States (US) and the European Union (EU) are increasingly turning to protectionist measures to block Chinese solar cells, e-vehicles and other high-tech green products from dominating their markets.

The risk is that in seeking to derail China's progress in green tech, western countries are willing to sacrifice speed in their own energy transition in order to control its shape.

'Increasing reliance on China may offer the cheapest and most efficient route to meeting our decarbonisation targets', writes Mario Draghi, the former chief of the European Central Bank, in the Foreword to his landmark 2024 report on European competitiveness.¹³⁰ 'But China's state-sponsored competition also represents a threat to our productive clean tech and automotive industries.'

This essay examines how China came to dominate clean-energy manufacturing and how the western world is responding to this challenge. By understanding the geopolitical dynamics of the green transition, we can be on firmer ground in developing a climate politics that combines three crucial elements for any agenda based on social justice.

First, that decarbonisation needs to happen quickly. If CO2 emissions are not rapidly reduced the world will soon reach tipping points in climate breakdown from which there is no return. Second, that the green transition is 'just' for all workers, so that the quality and security of jobs are enhanced, not diminished, by decarbonisation. And finally, that anti-imperialism is put at the heart of climate action: not only is western domination of the Global South¹³¹ one of the key drivers of poverty and war, but it is also a roadblock to the end of the fossil fuel economy.

China's green leap forward

In the mid-2010s, it was assumed in much western-based commentary¹³² that a re-structuring of China's economy away from investment to consumption, following the capitalist pattern of economic development, was around the corner and inevitable. But by 2024, no such transformation was observable: China's ratio of investment to gross domestic product (GDP) remained stubbornly above 40%, compared to around 20% in the US and the EU.

Instead, China has re-balanced in a different way. The massive stimulus in 2008 which kept the wheels turning on China's industrial juggernaut during the Global Financial Crisis (GFC) also inflated a construction- and real-estate bubble, exemplified by the slow collapse of the property giant Evergrande from 2021 onwards. As investment drained from the real-estate sector, it found a new home in another capital-intensive industry: clean-energy manufacturing.

The data tells its own story. In 2023, 39% of all investment was in clean-energy manufacturing, while investment in real estate fell by 9%. A massive 40% of China's GDP growth came from clean-energy

sectors. ‘The major role that clean energy played in boosting growth in 2023 means the industry is now a key part of China’s wider economic and industrial development’, a CarbonBrief analysis concludes.¹³³

Behind this investment shift is the guiding hand of the Chinese Communist Party (CCP). In July 2024, the Third Plenum, a key five-yearly meeting of the Central Committee, called for officials to ‘make concerted efforts to cut carbon emissions’ and ‘actively respond to climate change’ for the first time. This was just the latest in a long line of policy signals from the CCP that the country’s economic future would rest on what Chinese media now call the ‘new three’ of solar, energy storage and e-vehicles, replacing the ‘old three’ of clothing, home appliances and furniture.

The critical announcement was in 2020 when Xi Jinping told the United Nations General Assembly that China would be carbon neutral by 2060, with emissions peaking ‘well before’ 2030. Since then, the Chinese state has acted to make these goals a reality. Local government has increased subsidies for major clean-energy projects. Central government made it easier for private-sector firms to obtain credit during the COVID-19 pandemic, with the largely private-sector-owned clean-energy sector taking advantage to expand rapidly. As if to emphasise the point that China’s economic strategy was shifting, there are now financial incentives for solar plants to be built on old construction sites that had been left derelict since the downturn in real estate.

These are only the latest developments in a much longer process of green-tech development since 2005, when China introduced its first law on renewable energy, requiring the grid to purchase clean energy at preferable prices. This initiative was given a major boost by the 2008 stimulus. While the surge in construction took the global headlines, 5% of the four-trillion-yuan investment was in renewables. This made clean-energy manufacturing a serious economic player in China, and with it emerged the prospect of an energy source which could both significantly reduce the country’s chronic air pollution and simultaneously cut its dependence on importing oil and gas.

From then on, the development of renewables has been aided by consistent policy support, including import-substitution policies which restrict the influence of foreign competitors. The twelfth five-year plan (2011–2015) required 80% of inputs to the production of solar cells to be ‘localised’. In 2015, the ‘Made in China 2025’ strategy, which helped steer China from a low- to high-productivity manufacturing giant, aimed for 70% of electric and hybrid vehicles sold in China to be built by Chinese companies by 2020, and 80% by 2025. This laid the basis for Chinese clean-energy manufacturers to become national, and then global, players.

This does not mean, however, that clean energy has displaced fossil fuels in China’s energy mix. While fossil fuels now make up less than half of the country’s installed generation capacity, compared to two-thirds a decade ago, in absolute terms the use of fossil fuels – coal, most importantly – has continued to rise, albeit at a slower rate. China’s energy shift is defined more by expansion than transition.¹³⁴

Phasing out coal is complicated by China’s energy grid, which was built for a predictable and flexible energy supply and is not well adapted to the intermittency of renewables. Whereas most Western countries rely on the less-CO₂-intensive gas for this flexibility in their energy systems, China’s gas power accounts for only 5% of installed capacity, making coal the main energy source to meet peak demand. China is investing in batteries and pumped-storage hydropower to address this challenge in the energy supply in the long term, but these are unlikely to displace the reliance on coal in the foreseeable future.

Nonetheless, the data is moving in the right direction. In June 2024, renewables capacity outstripped coal capacity in China,¹³⁵ while new authorisation of coal-fired power plants dropped by 80% in the first half of the year.¹³⁶ There is some evidence to suggest that China's carbon emissions may have already peaked, five years before Xi Jinping's target.¹³⁷

To put the East Asian country's green leap forward into perspective, it is worth contrasting the fortunes of solar manufacturing in China with that of the EU since the GFC. At the start of the 2010s, the EU produced 60% of solar panels worldwide, with the industry's development aided by generous government subsidies for installation. But when the eurozone crisis hit from 2009 and austerity programmes were introduced, the subsidies were dropped, demand collapsed and solar production declined rapidly. In Spain, for instance, solar capacity fell from 2,718MW in 2008 to just 44MW one year later.¹³⁸

While Chinese policy support has been consistent and large, the EU's has been haphazard and weak. China invested ten times more in solar supply capacity than the EU from 2011 to 2021, according to the International Energy Agency (IEA).¹³⁹ The outcome is that while China is now the dominant player, the EU is struggling to maintain any sort of solar manufacturing capacity.

"In two years, the European installed solar PV capacity has been multiplied by two," one 2024 study by researcher Thibaud Voïta finds.¹⁴⁰ "On the other hand, the remaining European manufacturers of solar PV panels are dying."

China now commands the solar supply chain, with a global share above 90% in every segment except cells (88%). The top ten companies worldwide providing solar-manufacturing equipment are Chinese. Moreover, China has the processing and refining capacity in the critical minerals (primarily copper and silicon) required for solar production, meaning it exercises control over the whole value chain. According to the IEA, '[t]he world will almost completely rely on China for the supply of key building blocks for solar panel production through 2025'.

China's success in producing solar panels is also bringing its own challenges, however. The relentless driving down of costs in all parts of the value chain has seen the price of solar panels drop by more than 80% in a decade, creating a profitability crisis for producers. A group of solar companies have even asked the Chinese government to set a minimum price for solar panels.¹⁴¹

In a dash for growth, in 2023 Chinese manufacturers produced three times more solar panels than the global economy could absorb, to the extent that in Europe some Chinese solar panels have been used for fencing.¹⁴² While the cost of solar production has fallen, the cost of installation and grid connection is rising in many countries, leaving Chinese solar producers short of buyers. CCP-controlled China may be verging on a classic capitalist crisis of overproduction.

Western politicians and regulators have depicted this 'overcapacity' problem in moral terms, arguing that China is 'unfairly' gaining market advantage through subsidies and 'dumping' its over-supply of cheap-labour produced green products on the US and Europe, undercutting Western competitors.¹⁴³ This is the argument used to justify increasing tariffs on Chinese clean-energy products.

The western case against Chinese green imports is wrought through with contradictions and hypocrisies. First, western elites had no problem with cheap Chinese imports when the products were low-down the value chain, and thus no threat to their corporations, which in any case have directly benefited from cheap Chinese labour for decades. Only now that high-value Chinese technology threatens to dominate western competitors is their concern about 'dumping'. Second,

all governments accept that climate change requires at least some degree of state intervention to hasten the advance of zero-carbon technologies. Given the urgency of climate action, concerns about ‘overcapacity’ should be seen as a red-herring. Finally, as we will discuss further below, the EU and especially the US have also rolled-out subsidies for the development of their own green tech firms, just like China, and have sought to protect their market leaders in many industry sectors, in the US case most famously in semiconductors.¹⁴⁴

In reality, the tariffs on Chinese green tech have little to do with fairness and a lot to do with geopolitical competition: western politicians and CEOs know that their companies cannot compete with cheaper and higher-quality Chinese clean-energy goods. But raising the drawbridge cuts them off from using China’s enormous, low-cost renewables capacity. The IEA has found that global emissions could be 15% lower by 2030 simply through fully deploying existing solar power and grid-connected batteries manufacturing capacity, the vast majority of which is in China.¹⁴⁵ While the EU blocks Chinese clean-energy products from being deployed in Europe, in China they are busy getting on with it.

According to Isabel Hilton, a long-standing expert on China, in 2022 the country ‘installed roughly as much solar photovoltaic capacity as the rest of the world combined, then went on in 2023 to double new solar installations’.¹⁴⁶

Sadly, China’s progress is not shaming the US or the EU into action. Indeed, since Russia’s full-scale invasion of Ukraine, the watchwords in the West have shifted from ‘climate emergency’ to ‘energy security’.

Europe caught in a web of contradictions

For decades, Germany, the EU’s economic powerhouse, combined energy reliance on Russia, by importing natural gas, with geopolitical reliance on the US, through membership of NATO and the US military presence in the country. In a post-Soviet world where US hegemony was unquestionable, Germany’s contradictory dependencies were not a problem.

But German politicians had failed to notice that, at least since 2008, when the GFC struck in Wall Street and Russia fought and won a war against Georgia in the South Caucasus, the ‘unipolar moment’ of US dominance was over.¹⁴⁷ The world in which Germany was unified after the fall of the Berlin Wall was only a temporary phase in the geopolitical balance of power. When Russian tanks rolled into western Ukraine in February 2022, the naivety of Germany’s strategic planners was undeniable.¹⁴⁸

Cut off from the country’s most important energy imports, Germany’s energy prices skyrocketed, as it bought more expensive liquefied natural gas (LNG) from the US and the Middle East to replace the cheaper Russian gas that had been lost. Coal-fired plants, scheduled for closure, were also kept going in wake of the crisis as the country’s nuclear plants had already been closed. Under a coalition government which included the Green Party, Germany turned to the dirtiest source of fuel to keep the lights on.

The higher energy costs had a major impact on the country’s export-led economy, with industrial output in May 2024 some 15% below its 2017 peak.¹⁴⁹ But in responding to this threat, Germany is once again caught in a web of contradictions. The country’s largest trade partner is China, but the US has sought to use the growing geopolitical tensions emerging from Russia’s full-scale invasion of Ukraine to swing Germany and the rest of Europe behind an anti-China trade offensive. At the centre of this tension is Germany’s most politically important industry: car manufacturing.

German cars – Mercedes-Benz, BMW, Volkswagen and Audi – are known the world over for quality and reliability. But a great history does not guarantee a great future. German car manufacturers started late and hesitantly in investing in e-vehicle technology, falling behind their Chinese rivals.

Just as in the solar industry, Chinese developmentalist policies, including huge subsidies, provided the platform for the rise of the country's car manufacturers, which previously relied on partnerships with higher-tech Western manufacturers. Now, the tables have turned. Whereas companies such as GM and BMW had become dependent on outsourcing to reduce costs, fracturing their supply chain, BYD has built low-cost, high-quality e-vehicles through vertical integration of its supply chain, right down to owning lithium mines. The results have been spectacular. In 2023, BYD sold more electric and hybrid vehicles worldwide than all German car manufacturers combined.¹⁵⁰

German car manufacturers are now at a crisis point: Volkswagen is for the first time considering closing German factories as new e-vehicle registrations have stalled in Europe's largest economy.¹⁵¹ 'Germany is at a standstill', according to Ferdinand Dudenhöffer, a former professor of Automotive Economics at the University of Duisburg-Essen.¹⁵² 'And things will get really tough after 2025 when the Chinese will be dominating the global market for electric cars.'

The European Commission's response was to hike tariffs on Chinese e-vehicles, but the German government opposed this, under pressure from the country's car manufacturers to block a tit-for-tat tariff war between the EU and China. The likes of Volkswagen and BMW know that they have more to lose from retaliatory tariffs on German cars in China, the world's largest market, than they have to gain from limiting BYD and similar companies' entry into the EU.

Indeed, far from 'de-risking' competition from China, as the European Commission President Ursula von der Leyen has urged European companies to do, German car manufacturers are doubling-down on their investment in the East Asian giant.¹⁵³ More than half of the €19 billion profits made by German car manufacturers in 2023 was invested in China. These companies know that not only do they need access to China's domestic market, but they also need to produce cars in China because that is where the cutting-edge of global e-vehicle battery technology is.

US car manufacturers are facing similar strategic dilemmas. While Tesla is one of the few US automakers which does not rely on outsourcing, Elon Musk's company uses BYD cells in its production, and Ford and GM use BYD batteries.¹⁵⁴ GM has decided to move away from the Chinese market, not because of the trade war between China and the US, but because its sales in China have slumped as it struggles to compete on the terrain of e-vehicles. German car manufacturers are desperate to avoid the same fate.

As the historian and economic commentator Adam Tooze has argued, these 'industry dynamics' are as important, if not more so, to geopolitics as the pronouncements of politicians like von der Leyen about de-risking. 'In the case of major industries like car-making, the choices themselves, the industry dynamics themselves are the geopolitical vector that matters', Tooze writes.¹⁵⁵

The EU's anti-China offensive comes as its policy commitments on the decarbonisation of transport start to ramp up. In 2019 the EU pledged to ban the production of internal combustion engine (ICE) cars by 2035, while by 2025 car manufacturers must reduce their emissions by 15% compared to a 2021 baseline – or face severe fines.

These policies are the legacy of a different era in EU politics. Von der Leyen first became European Commission President in 2019, a time when ‘Fridays for Future’ demonstrations were all over the news and there was talk on both sides of the Atlantic of a ‘Green New Deal’ (GND) that promised to combine rapid decarbonisation of infrastructure with a social transformation of the economy. Von der Leyen responded to the pressure with her ‘European Green Deal’, which stripped out the social justice aspects of the GND in favour of seed funding and incentives to nudge the private sector into action, in what the economist Daniela Gabor called ‘a politics as usual, third-way approach’ to decarbonisation.¹⁵⁶

But in the EU of 2025, the political pressure has shifted away from the green transition and towards security. Von der Leyen was re-elected in July 2024 for a second term as Commission President after a campaign in which she promised an ‘era of rearmament’ and the building of a ‘European defence shield’, and studiously avoided talk of the Green Deal. Her parliamentary group, the centre-right European People’s Party, has called for scrapping the 2035 ICE ban and Von Der Leyen signalled in her manifesto that she backed a ‘targeted amendment’ of the law to allow for ‘e-fuels’ – biofuels which still emit carbon – to be permitted. Brussels’ powerful fossil fuel lobby is pushing for climate policies to be watered down still further.¹⁵⁷

Von der Leyen’s roll-back is short-sighted. The EU’s energy vulnerabilities stem from the fact that the continent is, along with Asia, one of two major regions that are significant net importers of oil and gas. If self-sufficiency brings about security in energy terms, then renewables are the only game in town for the EU over the long term. Unless and until the EU builds its own high-quality clean-energy manufacturing capacity, its politicians cannot afford to burn their bridges with China if the green transition is to move forward.

There is some evidence to suggest that, despite the political rhetoric, European elites are aware that they cannot do without China right now. One interpretation of the EU’s tariffs on Chinese e-vehicles is less that Brussels wants to keep China out, and more that it wants to force BYG and related companies to manufacture their e-vehicles in Europe.¹⁵⁸ One study has identified 15 e-vehicle and battery-manufacturing investments made by Chinese firms in Europe, nine of which are by Chinese firms directly and six are via European companies.¹⁵⁹

But while von der Leyen is willing to play hard ball with China, she has also embraced new depths of deference to protect the US link. In the immediate aftermath of Trump’s second presidential election victory, she suggested that the EU could buy more LNG from the US as a quid pro quo for Trump not placing huge tariffs on EU exports to the US.¹⁶⁰ Given the EU’s obsequiousness to Washington, we can expect that the decisive factor in future Sino-European relations – including over the technologies which power the green transition – is not what happens in the EU, but just how far the US is willing to go in its bid to curtail China’s rise.

The US and the geoeconomics of decarbonisation

Looked at solely from the perspective of climate policy, the track record of the US appears to be a model of inconsistency. Under Obama, US diplomacy was key to the Paris Agreement, while at the same time he ushered in a shale-gas revolution which made the US once again a major exporter of oil and gas. Under Trump, the US was taken out of the Paris Agreement and a visible commitment was made to a US fossil-fuel imperialism based on shale gas and LNG exports, or what Trump called ‘energy dominance’. Under Biden, the most serious commitments to building clean-energy infrastructure were made, while at the same time licensing new oil and gas developments and applying intense pressure on OPEC (the Organization of Petroleum Exporting Countries) to increase production.

Behind these seemingly contradictory shifts lies a red, white and blue thread: US geopolitical supremacy. It is geopolitics which explains the inherent tensions within a country that is the world's single biggest producer of oil and gas, while also being a global power seeking to maintain hegemony through a period of immense change in global energy systems.¹⁶¹ When analysing Biden's climate policy, which was closely tied to an agenda for industrial renewal, this geopolitical dimension is more important than many commentators have acknowledged.

'Viewed from the halls of power, the anti-China orientation of US industrial policy is not an unfortunate by-product of the green "transition", but its motivating purpose', Grey Anderson writes.¹⁶² This is clearest in Biden's major tariff hike on China, announced in May 2024, which specifically targeted renewables products. Tariffs on Chinese e-vehicles rose from 25% to 100%, batteries for e-vehicles from 7.5% to 25% and on solar cells from 25% to 50%. The US has turned to protectionist measures specifically to block the advance of Chinese goods: Japanese, Korean and European e-vehicle firms were exempt from the tariff scheme.

Anti-China protectionism is combined with 'friendshoring' – pushing US firms to set up in countries with low labour costs other than China. US e-vehicle firms can attract tax credits only by sourcing supplies through countries which the US has a free trade agreement (FTA), such as Mexico. Tesla started building its first \$5 billion 'gigafactory' in Mexico in 2024. But Mexico is also attracting Chinese investment as a back-door route into the US market. Exports of e-vehicles from Mexico to the US have surged.¹⁶³

The centrepiece of Biden's one-term presidency was the Inflation Reduction Act (IRA). At once a historic investment in clean energy and a license to keep drilling for oil and gas for at least the next decade, from the perspective of climate policy the IRA embodies the contradictions of US 'leadership'. But from the perspective of geopolitics, the IRA is more internally consistent: the US wants to have its cake and eat it; maintain its position as a leading oil and gas producer and catch up with China in the development of its clean-energy industry.

As Kate Mackenzie and Tim Sahay have argued, the IRA was 'all carrot and no stick': it provided generous tax credits for renewables firms to set up in the US but did nothing on the regulatory side to restrict polluters.¹⁶⁴ This stands in contrast to the EU's approach, as Brussels is constitutionally not permitted to offer direct subsidies to companies, but has wide regulatory powers to restrict carbon emissions, and to offer targeted investments aimed at decarbonising infrastructure and incentivising consumers to go green.

This is not to say that the EU's climate policy does not contain a strong dose of geopolitics. Its Carbon Border Adjustment Mechanism (CBAM), which entered into force in 2023, hikes the cost of exporting goods into the EU based on the carbon emissions cost in their production, with some of the producers most affected being from among the world's poorest countries, such as Cameroon, Mozambique and Zimbabwe, where per capita carbon emissions are a fraction of those in Europe. A study undertaken by the Asian Development Bank found that the CBAM will do little to reduce emissions, while costing jobs and livelihoods in the global south.¹⁶⁵ The report proposed 'mechanisms to share emission reduction technology' as a more effective measure to get producers in lower-income countries to reduce their own emissions.

The EU's neo-colonial approach to climate policy extends to critical raw materials (CRM), for which it is highly dependent on the global south for CRM, with China the main global supplier for 34 of the 51 most important CRMs.¹⁶⁶ For the other 17 CRMs, in only four cases is a member of the OECD (Organisation for Economic Co-operation and Development) the main supplier (Australia and France once each, and the US twice).

The EU's Critical Raw Materials Act, passed in 2023, gives insight into how the EU aims to address its dependency on CRM: by 2030, it has set a benchmark of extracting 10% and processing 40% of its CRM consumption. The difference between the extraction and processing benchmarks is illuminating: just as in the colonial era, Brussels expects to use resource-rich countries across the Global South for the dirty work of extraction, while the EU does the added-value work of processing. The reality is that China already dominates the processing of CRMs that have been extracted from countries in Africa, an advantage that will be extremely difficult for Europe to claw back.

Many countries which are CRM-rich have already experienced the 'resource curse', whereby they become tied to extractivist trade relationships that 'yield[s] slower economic growth, higher propensity for corruption and rent-seeking, and increased likelihood of political violence', as Jewellord T. New Singh describes.¹⁶⁷ That these dynamics are being repeated in the green transition as capital's appetite for CRM grows is beyond question, and not only in the Global South: Serbia, on the EU's periphery, has endured a major dispute over its lithium mining in the service of German big business.¹⁶⁸ But some countries are learning from the past: Indonesia has banned the exporting of raw nickel and requires international companies to process mineral ores inside the country, thus developing its own processing capacities in the process.

Western countries are also scrapping among themselves for geo-economic advantage in the green transition. One clear motivation of Biden's IRA tax credits was to attract clean-energy firms across the Atlantic. There is indeed evidence to suggest that this manoeuvre has been successful,¹⁶⁹ leading the EU – which was sharply critical of the IRA – to respond with its own measures, which allow member states to 'match' subsidies offered by the US government, with some strings attached. These temporary measures have been combined with a Net Zero Industry Act, passed in 2024, which provides indirect incentives to European clean-energy firms: a more favourable public procurement policy and administrative support. While beggar-thy-neighbour strategies will undoubtedly improve the bottom lines of Western renewables firms (many of which are also major fossil-fuel producers), it is far from clear whether this approach is up to the task of achieving the rapid zero-carbon transition the world needs.

The US, the EU and indeed China may be spurred on by a geopolitically motivated race for green-tech supremacy, but their combined investments are still far too low in relation to the scale of the challenge. Current planned investments in clean energy are just a third of what the International Renewable Energy Agency (IREA) estimates needs to be built every year until 2030.¹⁷⁰ Although \$1.3 trillion of climate finance was invested in 2021/22, \$6 trillion is needed by 2025 and \$9 trillion by 2030, according to the Climate Policy Initiative.¹⁷¹

What's the hold up? As Brett Christophers has shown, the problem is not that renewables are too expensive for capital relative to fossil fuels: there is a strong case to say clean energy is now cheaper than dirty energy.¹⁷² The problem is that cheap energy does not necessarily produce vast profits. Fossil fuels have generally produced much bigger profits than renewables for the major energy companies, and even the large government subsidies for clean energy have not changed that calculus fundamentally.¹⁷³

'If private capital, circulating in markets, is still failing to decarbonise global electricity generation sufficiently rapidly even with all the support it has gotten and is getting from governments, and even with technology costs having fallen as far and as fast as they have, it is surely as clear a sign as possible that capital is not designed to do the job', according to Christophers.¹⁷⁴

What has bound together distinct climate strategies in Washington, Brussels and even Beijing is that the logic of capital accumulation has still prevailed, with the state limiting itself to shaping the terrain upon which profits are accumulated. What is required is an agenda for the zero-carbon transition in which the dynamics of capitalism and imperialism are subordinate to the universal interest in a future that is ecologically habitable for human life.

For a green transition that is fast, just and anti-imperialist

There is nothing pre-ordained about the working class in any country embracing the politics of a just transition or anti-imperialism. Indeed, another form of class politics, represented by the far right, is increasingly visible. Sections of capital which are invested in sustaining fossil fuels for as long as possible and pursuing an aggressive imperialist policy towards China's clean-energy revolution convinces workers that their interests lie in a toxic mix of climate denialism, corporate protectionism and ethnonationalism.

One can see this potential among workers in car manufacturing. In the US, an 'Autoworkers for Trump' representative, Brian Pannebecker, spoke at one of Trump's election rallies in August 2024, stating: 'Chrysler and GM have already gone bankrupt once, but if we allow electric vehicle mandates to be put on this industry by the federal government, they're going out of business again'. By 'electric vehicle mandate' Pannebecker was referring to the Environmental Protection Agency's proposal that two-thirds of all new vehicles produced in the US should be electric by 2032.

With Trump's return to the presidency, the 'electric vehicle mandate' will almost certainly never come to fruition, while consumer tax credits for buying e-vehicles are set to disappear. However, production tax credits are likely to remain to prevent jobs from being offshored, showing that while Trump may be anti-green he does not want to lose green jobs. As well as the ICE car manufacturers like GM and Chrysler, Tesla is also likely to benefit from Trump's policy on e-vehicles in the immediate term because unlike its rivals in the US, it does not need consumer subsidies to turn a profit on each vehicle sold.¹⁷⁵ Musk's car company will also gain from Trump ramping up Biden-era tariffs on Chinese e-vehicles. What's good for the competitive advantage of a manufacturer like Tesla is not necessarily to the benefit of the e-vehicle industry overall, and certainly not for the wider battle to reduce carbon emissions.

It's not only in the US where far-right politics is proving seductive to autoworkers. In Germany, the far-right AfD (Alternative for Germany) has sought to tie its identity to the ICE, stating that their political rivals have a 'hatred' for German car manufacturers and that 'your car would vote for AfD'. With Trump stating explicitly that he wants 'German car companies to become American car companies' through the carrot of subsidies and the stick of tariffs, German politicians of all stripes are under pressure to embrace a nationalist politics of their own which dispenses with anything which could threaten the competitiveness of their car giants, including green regulations.¹⁷⁶

A lethal cocktail of geopolitical headwinds and workers' anxiety over jobs and conditions could consolidate itself in a politics that derails the green transition indefinitely. The challenge for the left is to ensure this does not happen by offering a compelling alternative to both the doom-laden politics of fossil-fuel nationalism and the tried-and-tested failures of liberal centrism. We need to tell a persuasive story which combines class politics with rapid decarbonisation and anti-imperialism.

Key to this argument is to challenge head-on the idea that autoworkers and their bosses have the same interests. The bankruptcies to which Pannebecker alluded at Chrysler and GM (which were resolved by state bailouts) were not caused by e-vehicles or Chinese competition, but by the financialisation of the two auto manufacturers which had enriched shareholders at the expense of workers.¹⁷⁷ If the future of car workers' jobs are left in the hands of corporate bosses desperate to suck out the last profits of the ICE age, these same workers will be the first to drown when that ship inevitably sinks.

A rapid transition towards e-vehicles is in the interest of US and German workers autoworkers provided that they are involved in the manufacturing process – but they are being left behind by a lack of public investment in the e-charging infrastructure consumers need and also by poor management of their companies, which have failed to adapt to the rise of the e-battery. Furthermore, car workers in the West should have no objections to using Chinese intellectual property: they have nothing to gain from an imperialist policy that seeks to block the spread of more advanced Chinese battery technology, as more expensive and less efficient battery tech in the West means lower quality in the finished product and less consumer interest.

Part of the task for the left in the West in the green transition is a familiar one: to keep their own states off the back of Global South countries, including China. The more the US, EU and the UK invest in military spending and economic sabotage tactics towards China, the more China will invest in a militarised response. A war between the US and China over Taiwan would trigger a global disaster on various fronts, one of which would be to set back decarbonisation everywhere by years, if not decades. The best form of internationalism remains anti-imperialism.

At the same time, workers involved in the green transition should seek to build class solidarity across borders, as the need for a just transition for workers is just as important in the global south as the global north. It has been reported, for instance, that the production of polysilicon for solar manufacturing in the Xinjiang region of China has occurred under conditions 'tantamount to forcible transfer of populations and enslavement'.¹⁷⁸ The ambition should be to link up workers across borders and across global value chains in order to exert maximum pressure on corporate executives and governments to ensure that workers' rights are guaranteed in the green transition.

It is also vital to offer a vision of how the green transition could break free from the constraints of capital accumulation and market competition. What US autoworkers really need is a planned approach to the decarbonisation of transport akin to the transformation of US car factories during World War II. Whereas the state then repurposed car production for tanks and jets, this time they would be transformed to lead a shift from individual vehicles to public transport, especially in urban areas.

This would necessarily involve de-commodifying transport, a socialisation which provides efficiency gains in production as well as reducing and equalising the costs of using transport. Labour planning would ensure that workers would not have to pay the costs of any re-skilling required. Crucially, such a planned approach must also include the active suppression of fossil-fuel developments and infrastructure alongside growing clean-energy capacity: only a combination of green investment and the suppression of fossil fuels is capable of decarbonising the economy fast enough.

We have focused only on the transport sector here, but similar political and class conflicts over the green transition are raging in all the key sectors to decarbonisation, with energy, housing and agriculture being three other important areas. In all these cases, it is imperative to find a dynamic formula which combines climate and class politics.¹⁷⁹

While this is a huge undertaking given the current balance of forces, we should be alive to the opportunities that can arise from the intertwined process of the end of fossil fuels and the end of Western hegemony, neither of which is happening anything like fast enough but both of which are underway. In the conflict and chaos that will inevitably ensue from such a radical change in the world order, the possibility of a new paradigm, where profit is replaced with planning and geopolitical rivalry makes way for cooperation, may suddenly feel like a live possibility.

BIO

Benjamin Wray is a freelance journalist and researcher based in the Basque Country, Spain. He co-authored 'Scotland After Britain', published by Verso books in 2022. He was previously head of policy & research for left-wing Scottish think-tank Common Weal and a researcher for the Jimmy Reid Foundation. He co-ordinates the Gig Economy Project, a media network for gig workers in Europe.



THE EMERGING SUB-IMPERIAL ROLE OF THE UNITED ARAB EMIRATES IN AFRICA

Husam Mahjoub



Emirates Airlines'¹⁸⁰ first flight took off on 25 October 1985, flying from Dubai to the Pakistani city of Karachi, using an aircraft leased from Pakistan International Airlines. Today, Emirates has a fleet of more than 260 aircraft, serving over 136 destinations worldwide. In 2023, Dubai International Airport was ranked as the world's busiest hub for international passengers for the tenth consecutive year.

Jebel Ali Port, located off the coast of Dubai, was inaugurated in 1979, followed by the establishment of the Jebel Ali Free Zone six years later.¹⁸¹ In 2023, it was the world's tenth-busiest container port.

Despite being situated on the southern coast of the relatively small and shallow inland sea known as the Arabian Gulf – or Persian Gulf, depending on geographical, historical, or cultural perspectives – Dubai has realised its vision of becoming a central hub in what they describe as a 'trade network reaching one-third of humanity'.¹⁸²

Since the turn of the century, Dubai has achieved even more. The city's brand has become synonymous with luxury, high-end living, and economic growth. It has become a global hub for business, tourism and entertainment, serving as a development model admired and aspired to by politicians, businesspeople and citizens across the Middle East and Africa (MEA) region.

However, it is Abu Dhabi, the more affluent and influential yet less recognised sister emirate of Dubai, that has been the driving force behind the emergence of the United Arab Emirates (UAE) in recent years as a major power in the politics of the region.

The UAE has invested billions of dollars in several African countries across sectors such as mining, oil, infrastructure, logistics and agriculture, gaining control of significant portions of their national economies.

It has also played decisive roles in countries affected by the uprisings and protests collectively referred to as the 'Arab Spring', particularly Egypt, Libya, Tunisia and Yemen. Its support for the Ethiopian government has significantly influenced the outcomes of the Tigray War and developments in the Horn of Africa and the Red Sea region. Moreover, the UAE is deeply involved in the ongoing war in Sudan, backing the notorious Rapid Support Forces (RSF) militia, which has been accused of committing war crimes, crimes against humanity, ethnic cleansing and genocide.

Moreover, the UAE has worked closely with militias and employed mercenaries in various conflicts, effectively influencing who governs these countries and how they are governed, thereby positioning itself as the region's new kingmaker.

The UAE has expanded its economic footprint across Africa through investments in ports, airports and infrastructure projects. These ventures are not solely driven by business interests but also serve as strategic moves to extend its influence. The UAE has substantial investments in agricultural land, renewable energy, mining and telecommunications, as well as extensive military cooperation agreements, making it a significant player in regional geopolitics.

Using the framework of sub-imperialism,¹⁸³ a concept that was introduced by the Brazilian Marxist scholar and activist Ruy Mauro Marini,¹⁸⁴ provides valuable insights for analysing the UAE's strategies and impacts. It demonstrates how the UAE can simultaneously be both a subject of imperialism and an agent of imperialist practices within its spheres of influence while challenging traditional imperialist actors.

Sub-imperialism, in this context, refers to a phenomenon where a country, while not being a major global imperial power, acts in ways that align with or support the interests of imperial powers and behaves in an imperialist manner within its own region. It is characterised by actions that extend a nation's political, economic and military influence over other nations or regions, often on behalf of, or in collaboration with, dominant global powers.

The UAE, as a peripheral nation that engages in imperialist practices within its own region while remaining dependent on the United States (US), a core imperialist power, exemplifies the transformation into a sub-imperialist state. Other sub-imperial examples from the Middle East include Israel, Qatar and Saudi Arabia.

Throughout the 2010s, in many ways the sub-imperial ambitions of the UAE and Qatar mirrored the Israeli model.¹⁸⁵ Despite being small in both size and population and situated in a hostile regional environment, they leveraged their wealth and strategic relationships with Western powers to exert influence across the region. Both nations have supported various factions, including mercenaries and insurgents, to advance their national interests and assert regional dominance.

Saudi Arabia, by contrast, significantly larger in size and population, has exhibited features of sub-imperialism since the mid-twentieth century through direct military interventions and political, financial and religious activities that influence the region, while relying on the US for defence and aligning closely with its economy.

The UAE's regional strategy is widely recognised as being driven by ambitions of economic hegemony, political expansion and countering perceived threats from Islamic political movements and from Iran. An overlooked factor, however, is the regime's survival instinct and its fear of popular, democratic or revolutionary movements. This aspect is often neglected owing to limited awareness of political activism and movements within the UAE and the broader Gulf region.

Studying the UAE's sub-imperialist role in Africa is therefore critical to understanding its substantial influence in reshaping regional geopolitics and global capitalism. This analysis helps to shed light on pathways for resistance and justice movements to challenge these power structures effectively.

Humble Beginnings

The UAE has come a long way since its formation in December 1971. Initially composed of six emirates, with the seventh joining in 1972, the federation was established following the end of British protection treaties. At its inception, the UAE was a small, vulnerable nation with a population of just 340,000 and minimal signs of modern statehood. Surrounded by powerful neighbours like Iran, which occupied three of its islands on the eve of its formation, and Saudi Arabia, which withheld recognition until a border dispute was settled, the UAE faced significant regional challenges.

Over the next 30 years, under the leadership of its first president, Sheikh Zayed bin Sultan Al-Nahyan, the UAE adopted a low-profile diplomatic approach while embarking on rapid modernisation fuelled by its vast oil and gas reserves. Despite its considerable wealth and high per capita gross domestic product (GDP), the UAE remains an autocratic state with a highly stratified society. The current population of about 11 million includes only one million Emirati nationals, with the rest comprising a diverse mix of resident foreigners and migrants from over 200 nationalities, primarily from Bangladesh, India and Pakistan. Most of these non-citizens lack the right to permanent residency or a path to naturalisation.

The wealth and power within the UAE are concentrated in the ruling families of Abu Dhabi (Al-Nahyan) and Dubai (Al-Maktoum), along with a few closely connected business elites. Abu Dhabi, the country's capital and the wealthiest emirate, holds most of the political and economic power, while Dubai is known for its economic dynamism and global appeal. The other five emirates have limited resources and influence.¹⁸⁶

The Emiratis' social fabric is also marked by religious and ethnic divisions. Although Sunni Muslims dominate, there is a significant minority of Shiite Muslims who often feel marginalised and are viewed with suspicion due to their perceived ties to Iran. Within the Sunni community, Abu Dhabi and Dubai ruling families belong to the Maliki school of thought, while most of the Sunni population follows the Hanbali school. Ethnic distinctions further complicate the social hierarchy, with Bedouin Arab tribes traditionally holding the highest status, followed by coastal Arabs, families of recent Yemeni descent and non-Arab groups (Ajam). At the lowest position are the descendants of enslaved Africans.

The expatriate community is also divided into three main classes: a small, wealthy upper class of business elites; a broad middle class of professionals, employees and businesspeople; and a large lower class of labourers and unskilled workers, predominantly from Southeast Asia and increasingly from Africa.

Before independence, the UAE, like other Gulf states, relied heavily on British support for security against regional threats, eventually transitioning to US dominance. During the 1970s and 1980s, the UAE navigated several significant geopolitical events, including the Arab-Israeli conflict, the Iranian Revolution, the Soviet-Afghan War and the two Gulf Wars, while maintaining a low profile and aligning with Western interests. These events coincided with the emergence of small but notable socialist, Arab nationalist, communist, and Islamist movements,¹⁸⁷ including the Muslim Brotherhood, in the UAE and the broader Gulf region. Although these movements never gained substantial influence owing to the government's effective suppression and control over political life, the regime has always considered them a threat.

Overall, the UAE's transformation from a small, vulnerable state to a sub-imperialist power has been marked by strategic use of its wealth and alliances to shape the political landscape of the Middle East and Africa. Its influence is felt through economic investments, military involvement and diplomatic outreach, making it a formidable actor in regional and global affairs.

The UAE's Strategic Investments in Africa: Ports, Logistics and Sub-Imperialist Ambitions

Over the past decades, the UAE has invested close to \$60 billion in African countries, making it the fourth-largest foreign direct investor on the continent, after China, the European Union (EU) and the United States.¹⁸⁸ In the last two years alone, the UAE has pledged \$97 billion in new investments in Africa, which is three times more than China's commitments.¹⁸⁹

At the core of the UAE's geopolitical strategy is its focus on acquiring port concessions that encircle the African continent, positioning the UAE to dominate global trade routes around Africa. Along with these port developments, the UAE is building logistical hubs and supply chain infrastructures deep within Africa. The two major players in this strategy are AD Ports Group, whose majority shareholder is the Abu Dhabi Developmental Holding Company (ADQ), a sovereign wealth fund (SWF), and DP World, which is fully owned by the Dubai government through its parent company, Port and Free Zone World FZE.¹⁹⁰

These companies are currently operating or have signed agreements to build and manage ports across Africa. In Northern Africa on the Mediterranean (Algeria and Egypt); in Western and Southern Africa on the Atlantic Ocean (Angola, Congo, the Democratic Republic of Congo (DRC), Guinea and Senegal); on the Indian Ocean in Eastern Africa (Kenya, Mozambique and Tanzania); and in the Red Sea region, including the Horn of Africa, with projects in Egypt, Puntland and Somaliland. They also have a port in Djibouti, which is subject to a legal dispute with the Djibouti government, and previously had one in Eritrea that was used as a military base. A port deal was also signed in Sudan but was recently scrapped by the de facto government in the light of the ongoing conflict.

In addition to coastal ports, the UAE has invested in dry ports and container hubs in the African interior, with significant hubs located in Morocco, Nigeria, Rwanda, South Africa and Tanzania.

These ports, alongside more than 70 logistical hubs across the African continent, play various roles in the UAE's broader sub-imperialist strategy. They are positioned to not only facilitate land acquisition and resource extraction across Africa but also to serve the UAE's military ambitions.

Landgrab: UAE's African Land Acquisitions

The UAE has emerged as a significant global land investor,¹⁹¹ with countries across Africa being a key focus. In recent years, the country has increasingly acquired land in several African nations for food production and carbon-offset projects.

The UAE's ambitions go beyond producing food for its own population; it seeks to position itself as a global food trade hub.¹⁹² In 2022 its regional and international aggregate food trade amounted to more than \$27 billion. Currently, the UAE imports about 90% of its food, and after crises like the 2007–2008 global food price spike, the COVID-19 pandemic, and the Russian invasion of Ukraine, it has aggressively pursued agricultural lands to secure its food supply. These investments are part of a coordinated strategy led by the Emirati government, where the line between public and private interests is blurred. Major Emirati companies, often linked to the ruling families – particularly the Al-Nahyan family of Abu Dhabi and the Al-Maktoum family of Dubai – play key roles.

The main investors are companies owned by sovereign wealth funds,¹⁹³ such as ADQ, Mubadala, and International Holding Company (IHC). IHC, chaired by Sheikh Tahnoon Bin Zayed,¹⁹⁴ a brother of the UAE's President, is Abu Dhabi's largest listed company. Sheikh Tahnoon also chairs ADQ and the Abu Dhabi Investment Authority (ADIA), and owns Royal Group, a prominent private investment firm.

The UAE has acquired agricultural land in Egypt, Ethiopia, Kenya, Madagascar, Morocco, Namibia, Sierra Leone, Sudan, Uganda and Tanzania. These investments, often extractive in nature, have significant impacts on local populations and ecosystems. In many cases, water-intensive crops such as alfalfa are grown to feed livestock in the UAE and Saudi Arabia, illustrating that these activities constitute not only landgrabs but also water grabs. The large-scale production of crops, fruits, vegetables and livestock often results in the depletion of local resources, leading to food insecurity and environmental degradation for the host countries.¹⁹⁵ Moreover, raw materials imported to the UAE are sometimes processed and sold back to African countries at significantly higher prices.

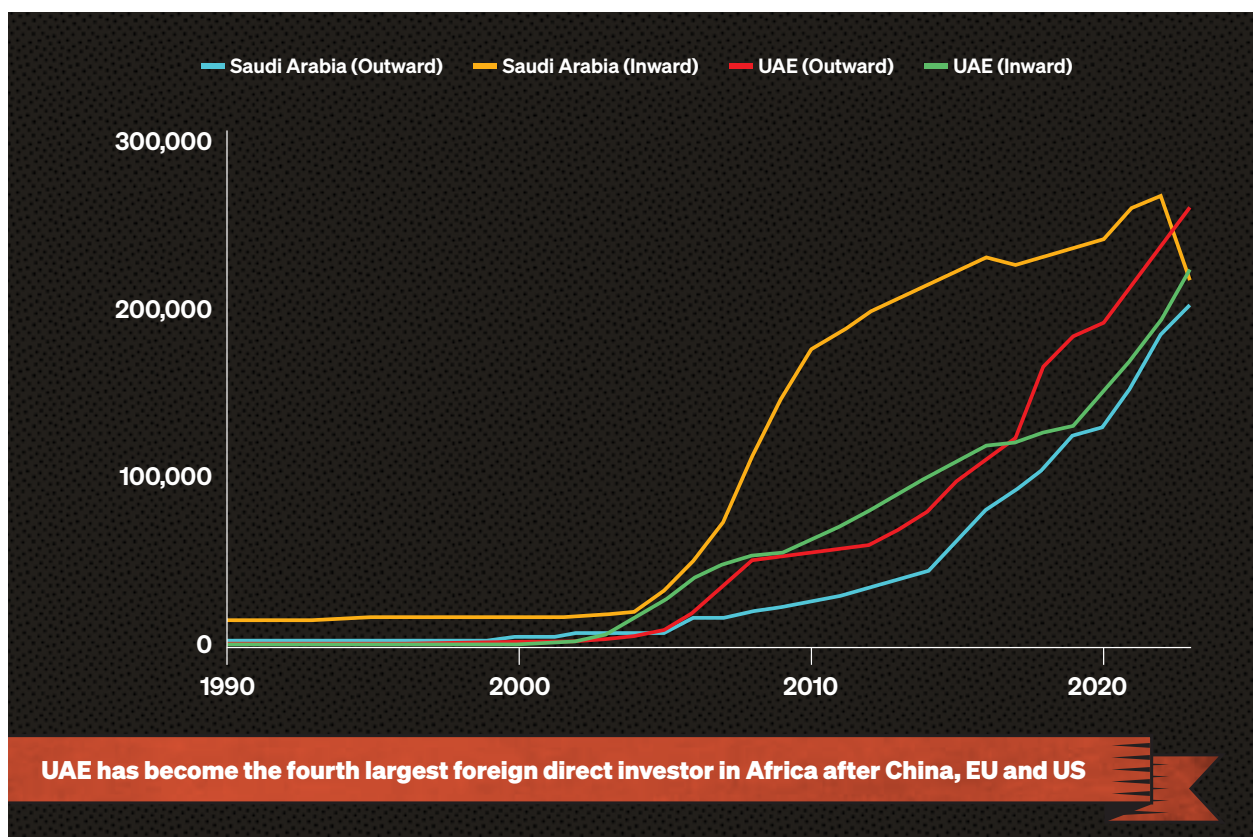
In some instances, the UAE's influence in securing food supplies has had broader social and environmental consequences. Notably, the UAE and other Gulf nations have influenced conflicts between farmers and herders in Sudan and Somalia,¹⁹⁶ facilitating the mass export of livestock at the expense of local communities and ecosystems.

The UAE has also acquired vast tracts of land in Africa for use in the emerging carbon economy. After purchasing carbon credits, ostensibly generated from preserving forests, the UAE sells these credits to companies seeking to offset their emissions. Media reports suggested that one Emirati company, owned by a member of Dubai's ruling family, has purchased significant portions of land in Liberia, Zambia, Tanzania and Zimbabwe. Carbon-offset programmes, such as those pursued by the UAE, have been criticised for being ineffective in reducing carbon emissions, but are often seen as enabling continued pollution by countries and large corporations, a practice often referred to as 'greenwashing' or 'carbon laundering'.¹⁹⁷

The UAE has positioned itself as a key player in the carbon economy by establishing carbon exchanges and financing related projects. It has leveraged platforms like the UN Climate Change conferences, particularly COP28 in Dubai in 2023, to advance policies that promote the extension of fossil fuel production while marketing its involvement in carbon offsets. The UAE is involved in all stages of the carbon-offset industry, from generating to purchasing carbon credits, becoming a central player in the global wealth extraction system that exploits African resources while engaging in greenwashing.

While the UAE and its companies often highlight the employment and training opportunities created by their investments (unlike China), in reality the UAE relies heavily on local and foreign workers, as it lacks enough qualified citizens who can work in these regions. In many instances, such as in Liberia and Kenya, the UAE's land acquisitions in Africa have been linked to human rights violations, including the forced eviction of local populations and allegations of corruption involving local officials.

Saudi Arabia and United Arab Emirates Foreign Direct Investment Stock (1990–2023)



Mining and Gold Exploitation

In recent years, the UAE has become increasingly active in securing mining deals across various African countries, particularly in Angola, DRC, Zambia and Zimbabwe. These investments have focused on critical minerals such as cobalt, copper, graphite, lithium and nickel.

The UAE's involvement in the gold trade has raised significant concerns. Dubai, in particular, serves as the world's second-largest gold importer and the main destination for gold mined in African countries. Notably, Dubai imports more gold from countries that produce relatively small amounts of the metal,¹⁹⁸ such as Rwanda and Uganda, and reports higher gold import values than are declared as exports¹⁹⁹ by these countries. This discrepancy has led to allegations that Dubai has become a hub for gold smuggling and money laundering through its gold markets and refineries.²⁰⁰

In 2022, the US Treasury Department stated that 'more than 90 percent of DRC gold is smuggled to regional states, including Uganda and Rwanda, where it is then often refined and exported to international markets, particularly the UAE'.²⁰¹ This suggests that the UAE plays a significant role in the global trade of illicit gold.

Sudan is another prominent example. Much of Sudan's gold is smuggled to the UAE, even during the ongoing war in the country.²⁰² Both the RSF and the Sudanese Armed Forces (SAF) have facilitated the production and smuggling of this gold to the UAE, a practice that dates back to when these groups were allied against civilian forces during the transitional period between 2019 and 2021.

These examples illustrate how the UAE's investments in African ports and logistics align with its broader strategy to exploit natural resources on the continent, enabling the extraction of significant economic value from African nations.

The September meeting between President Biden and the Emirati President, Sheikh Mohammed bin Zayed (MBZ) summed this up, recognising UAE's 'leadership in strategic investments globally to ensure reliable access to critical infrastructure including, ports, mines, and logistics hubs through the Abu Dhabi Investment Authority, the Abu Dhabi Developmental Holding Company, Abu Dhabi Ports, and DP World'.²⁰³

Militarised Investments

The UAE has signed a growing number of military cooperation agreements with countries where it has invested in strategic sectors such as ports, logistics hubs, agricultural lands, renewable energy, telecommunications and mining. These agreements often begin with military training and education initiatives²⁰⁴ and may later expand to include the export of UAE-manufactured arms. In some cases, the UAE has deployed soldiers and provided military equipment for active combat operations, such as those against militant Islamist groups in the Sahel region and Somalia, as well as its participation in the NATO intervention in Libya. The UAE has also supplied drones to the Ethiopian government, playing a critical role in shifting the balance of power in Prime Minister Abiy Ahmed's favour during the conflict with Tigrayan forces.

The UAE has also established military bases²⁰⁵ in countries such as Chad, Eritrea, Libya and Somalia (including the Puntland and Somaliland regions), which have been used by UAE forces and affiliated militias in ongoing conflicts, particularly in Libya, Somalia, Sudan and Yemen. In Libya, the UAE has been a key supporter of Haftar's militia since the onset of the second civil war in 2014, providing political, financial, military and logistical aid. It has violated arms embargoes by supplying Chinese and Russian weapons to the militia²⁰⁶ and recruiting mercenaries to bolster its forces.

A Sub-Imperialist in the Making

The UAE did not exist when Ruy Mauro Marini introduced the concept of sub-imperialism in the 1960s, focusing on Brazil and Latin America more broadly. In subsequent decades, Marini and other scholars touched on countries such as Egypt, Iran, Israel, Saudi Arabia and Turkey. Over the last 20 years, the region's geopolitics have shifted significantly, so it is worth analysing the evolving roles of countries like the UAE, Qatar and Saudi Arabia through the lens of the sub-imperialism framework.

In this framework, the UAE exhibits the hallmarks of a sub-imperialist state: a peripheral nation dependent on the US, a core imperialist power, while engaging in imperialist practices within its region. Marini's theory identifies how such nations concentrate and centralise domestic capital, fostering national monopolies that mirror advanced capitalist economies. These monopolies, like the UAE's Abu Dhabi National Oil Company (ADNOC) in energy, DP World in global trade and the wealthy SWFs, are emblematic of the UAE's transition to a sub-imperialist role. Furthermore, these nations actively suppress revolutionary movements, transfer value and surplus value from weaker economies (like those across the African continent), and exploit labour (locally and in dependent regions) – all traits that align with the UAE's conduct.

The UAE and Saudi Arabia viewed the mass uprisings of the 'Arab Spring', which began in late 2010, as a significant threat to their conservative monarchical regimes,²⁰⁷ particularly as they coincided with the Obama administration's pursuit of a nuclear agreement with Iran – a development the UAE perceived as an existential threat. Throughout most of the 2010s, the UAE and Saudi Arabia remained close counterrevolutionary allies in confronting the 'Arab Spring' popular movements. The UAE's response to these uprisings largely shaped its long-term geopolitical strategy, which includes economic, political, diplomatic, technological, public relations (PR) and cultural dimensions.

In addition to the UAE's role in Libya, along with Saudi Arabia it intervened militarily in Bahrain to suppress protests and provided financial aid to Oman to quell unrest. Domestically, the UAE responded to dissent with a strong crackdown, imprisoning 132 Emiratis, many of whom were Islamists, who had petitioned for reforms to the Federal National Council's electoral process. Both countries launched a devastating war in Yemen, resulting in one of the worst humanitarian catastrophes of the modern era. In Egypt and Tunisia, the UAE supported efforts to undermine democratically elected governments, contributing to coups that reversed democratic transformations.

Qatar, with its own sub-imperialist ambitions, positioned itself on the opposite side of the UAE and Saudi Arabia – not out of support for popular movements or a commitment to democratic progress, but because it backed the Muslim Brotherhood and other political Islamist movements, which in many countries were poised to gain the most from the Arab Spring.

Sub-Imperialism in Sudan: A Growing Role

The UAE's involvement in Sudan over the past decade reflects its growing sub-imperialist tendencies, particularly in regional dominance, economic exploitation and military intervention. Along with Saudi Arabia, it enlisted Sudanese soldiers from SAF and RSF to fight in the war in Yemen, providing financial support to Al-Bashir until his ousting in April 2019 following the mass protests that began in December 2018 (December Revolution).

Following Al-Bashir's fall, the UAE and Saudi Arabia, along with Egypt, promoted a liberal peace-building process between Sudan's civilian forces and military leaders resulting in the formation of a transitional government, which fell short of the aspirations of the Sudanese people. The three

countries subsequently undermined the civilian side of the government, bolstering the military leaders with financial aid, military supplies and lobbying to entrench their power. The UAE also pushed Sudan towards normalising relations with Israel through the Abraham Accords, aligning Sudan with UAE-led regional strategies.

In October 2021, the three countries supported a military coup which further consolidated military dominance in Sudan. As tensions grew, the UAE's backing shifted more decisively towards the RSF, contributing to the outbreak of war on 15 April 2023, which has since escalated into the world's worst humanitarian crisis.

The UAE has been a hub for RSF financing, logistics, media, PR and political activities. Its covert support included allies like Russia's (former) Wagner Group of mercenaries, Libya's Haftar militia, and Chad. It also recruited mercenaries from as far as Colombia²⁰⁸ to fight alongside the RSF in Sudan. Despite these actions, the UAE publicly denies involvement and claims to be working for peace in Sudan. Countries such as the US and the United Kingdom (UK) have been unwilling to confront the UAE over its role, with reports suggesting they are cautious of provoking its discontent. In April 2024, the UAE cancelled ministerial meetings with the UK²⁰⁹ reportedly in response to frustration over its reluctance to defend the UAE at a UN Security Council meeting on Sudan. US officials were also reportedly displeased²¹⁰ when envoy Tom Perriello supported the US rapper Macklemore cancelling a performance in Dubai²¹¹ to protest against the UAE's support for the RSF.

However, as the UAE's support for the RSF became widely known, Sudanese citizens began to question the true motivations behind its actions. While economic interests are a factor, the UAE could probably have secured these through collaboration with its Sudanese allies. It could not simply be because of its opposition to Islamists because the RSF leadership is filled with Islamists from Al-Bashir's regime, with which it previously collaborated. Its support appears rooted in a broader agenda to oppose popular, revolutionary and democratic movements across the region, shielding its own ruling regime.

The UAE projects an image of a modern, progressive nation, although its actions in Sudan reveal ambitions that align with imperialist practices, inflicting immense suffering on millions of Sudanese citizens without facing significant international reprisals, much as the former imperial powers behaved.

Alignment with Imperial Powers and Regional Independence

The UAE's alignment with the US underscores its dependency and intermediary status. Since the late 1960s, it has increasingly relied on the US for defence. It hosts US troops in military bases and advances US regional interests. It has participated in key events, such as supporting the Afghan Mujahideen against the former Soviets, backing Iraq in its war with Iran, opposing Iraq following Saddam's invasion of Kuwait, and assisting the US in the Balkan wars, among many other examples. In 2024, the US designated the UAE a Major Defense Partner, a title shared only with India, signalling the depth of their alignment.

At the same time, the UAE exhibits the autonomy typical of sub-imperialist states, leveraging inter-imperialist contradictions to diversify its alliances. For example, while historically investing heavily in the West, the UAE has expanded investments in China, Russia and South Korea. In 2023, a British official, commenting on Saudi Arabia, reflected these dependency dynamics saying 'We need them more than they need us'.²¹² Although the comment referred to Saudi Arabia, the sentiment captures

the shifting dynamics of power in the Gulf, including the UAE's growing leverage. This is further evidenced by the UAE's role as the largest export market for US goods in the Middle East and North Africa (MENA) region for 15 years, and its total investments in the US, which amount to \$1 trillion.²¹³

Politically and strategically, the UAE aligns with the US in its animosity towards Iran and its normalisation of relations with Israel, creating a mutual dependence between the two countries. As one of the key signatories of the Abraham Accords in 2020, the UAE plays a critical role in the US efforts to normalise relations between Israel and Arab nations, especially in the face of widespread popular opposition to US involvement in Israel's genocidal war in Gaza.

Exploiting Vulnerabilities in Global Power Structures

The UAE's ability to exploit Western institutional vulnerabilities reflects a broader decline in US strategic focus, particularly in Africa. The US State Department's Africa office and diplomatic missions have historically struggled to attract top diplomats, creating opportunities for states like the UAE, China and Russia to expand their influence.

Simultaneously, the UAE's relations with China and Russia have deepened. Bilateral trade with China has reached \$95 billion, dwarfing its \$31 billion trade with the US. A Chinese company has also built and now operates a second terminal at Abu Dhabi's main port, Khalifa Port, under a 35-year concession. The UAE also joined the BRICS bloc in 2024, an indication of its growing independence. In 2023, it sold liquified natural gas to China in yuan²¹⁴ for the first time, challenging the dominance of the US dollar in global trade. The UAE has also become a haven for Russian oligarchs and businesses²¹⁵ seeking refuge from Western sanctions following Russia's invasion of Ukraine.

Militarily, the UAE has diversified its partnerships, signing an \$18 billion deal with France for Rafale jets in 2021, acquiring Chinese drones, and collaborating with South Korea on nuclear energy projects, pledging \$30 billion in investments there.²¹⁶ China has also built a naval base near Abu Dhabi, highlighting the UAE's complex position as both a US ally and an independent actor.

Lobbying Power Play

The UAE recognised that it could wield significant influence over the policies of superpowers through borderline legal practices such as lobbying and donating to think tanks and academic institutions. Over the years, the UAE has spent millions of dollars on lobbying, public relations (PR), consultancy and legal firms in the US²¹⁷ and the UK²¹⁸ to shape foreign policy, enhance its global image, and advance its economic, political and security interests.

These efforts have focused on influencing US and UK positions on regional conflicts, such as supporting the UAE's stance in the Yemen war and countering Iran's influence. Furthermore, the UAE aims to counter negative reports about its domestic authoritarian practices, corruption and controversial regional stances, including its support for militias like Haftar's forces in Libya and the RSF in Sudan.

A significant part of the UAE's lobbying efforts is dedicated to portraying itself as a beacon of stability, development and modernity in the region. It also works to secure its global economic and trade interests. However, many of these activities straddle the line of legality, often bypassing transparency requirements for lobbying and foreign agency rules. Large sums of money have found their way into the pockets of US²¹⁹ and British²²⁰ lawmakers and officials.

The UAE has also contributed to the election campaigns of US politicians, including some presidential campaigns,²²¹ and has capitalised on the ‘revolving-door’ practice. This involves hiring key personnel from various levels of the US and UK governments, administrations and security sectors as consultants or advisors to the UAE government or Emirati companies. Some were hired after retirement, while others were appointed to key government roles after spending time on the UAE payroll – examples include former British prime ministers Tony Blair and David Cameron, and former CIA Directors David Petraeus and Leon Panetta.

The UAE cultivated strong business relationships with Donald Trump and his children, both before and after his first presidency. Similarly, it made large payments to figures like Bill and Hillary Clinton for public speaking engagements after their terms in office.

Another significant avenue of influence involves the UAE’s generous funding of think tanks, universities and non-government organisations (NGOs) that shape strategic policies in the Middle East and Africa. Institutions like Chatham House in the UK, and the Middle East Institute and Harvard University in the US, are key examples of this strategy.

Activist Strategies for UAE Accountability

The UAE is primarily a trading nation, with its brand, reputation and image being of utmost importance. In a competitive world where many countries aspire to become hubs for commerce, tourism, finance and technology, the UAE is highly sensitive to anything that could tarnish its image. Negative media coverage is a particular concern.

Numerous examples from the ongoing war in Sudan demonstrate how media scrutiny influences the UAE’s actions and responses. On 4 July 2024, just four days after a flight tracker highlighted an increase in Emirati flights to Amdjarass in Chad, the UAE announced the opening of a hospital there. Similarly, four days after a damning New York Times report²²² on 29 September 2024 revealed the UAE’s covert operation supplying weapons and drones and treating RSF fighters, the UAE’s official news agency reported a visit from the Chadian president, who praised the UAE’s humanitarian efforts. The following day, the Emirati Defense Ministry announced joint military exercises with Chad.

To challenge the UAE’s destructive, sub-imperialist role in the region, international activists and movements have several strategies at their disposal. Exposing the UAE’s actions through both mainstream and social media is crucial. Activists need to build a global, sustained campaign that links the UAE to its atrocities whenever the country is mentioned, including its violations to the rights of its people and the migrant community.

Celebrities can play an influential role by using their platforms to raise awareness about the UAE’s activities. Performers, artists and comedians can refuse to participate in events held in the UAE or sponsored by UAE companies and should publicly announce their refusal to do so, as the US rapper Macklemore did.

Shedding light on the UAE’s ‘sports washing’ practices is equally important. Big-name organisations like the Manchester City football club, owned by Emirati interests, should be called out for unethical practices. Boycotting UAE-hosted sporting events, such as the Dubai and Abu Dhabi Tennis Championships and the Dubai World Cup horse race, is essential, as is pressuring organisers of events sponsored by Emirati companies, such as the Wimbledon Tennis Championship, to cut ties. Activists should also target international sports events held in the UAE, such as the Abu Dhabi Formula 1, and push for their relocation.

To counter the UAE's lobbying efforts and its influence on policymakers in countries like the US and the UK, activists need to expose these connections and highlight their impact on public officials' decisions – especially when these decisions go against their own countries' interests. There need to be efforts also to incorporate the fight against the UAE into broader campaigns against revolving-door practices, political lobbying and foreign influence in domestic politics. Activists should continue to build momentum towards greater transparency in politics, elections and official appointments, pushing for stricter rules on officials' business activities while in office. They should at the same time pressure Western governments to halt arms sales to the UAE, which fuel conflicts like those in Sudan and Yemen, causing immense civilian suffering. Public campaigns could emphasise how these sales violate international law and democratic values, making it politically costly for governments to continue them. Activists in the US could oppose and pressure to strip the UAE from its recent designation as a Major Defense Partner of the US.

There is a need to oppose normalisation deals between Arab countries and Israel, such as the Abraham Accords, which side-line Palestinian rights and bolster authoritarian regimes. Highlighting the UAE's hypocrisy in supporting conflicts while presenting itself as a peace-broker could help rally global support against such agreements.

Activists, researchers and journalists could collaborate with independent think tanks and research centres to secure funding for dedicated investigations into abuses of power and influence peddling by the UAE, with a particular focus on documenting the impacts on communities and populations. Similarly, they might also examine the actions of other sub-imperialist powers in the region, such as Israel, Qatar and Saudi Arabia, and explore their interactions with the UAE and with each other. It is essential, however, to avoid assuming that these actors are identical in their behaviour and strategies.

Such campaigns could help activists to hold the UAE accountable and challenge its sub-imperialist actions on the international stage.

Conclusion

The UAE's transformation into a sub-imperialist power demonstrates how a peripheral state can leverage its wealth, strategic geography and alliances to exert outsized influence on regional and global affairs. Its investments in the infrastructure, agriculture and natural resources of many African nations, combined with military interventions and covert operations, have cemented its role as both a beneficiary and an agent of imperialist practices. At the same time, the UAE's alignment with dominant powers like the US and its diversification of alliances with China, Russia, and others highlight the intermediary status and strategic autonomy that tend to characterise sub-imperialist states.

Typically, the UAE's actions come at a significant cost to local populations, environmental sustainability and democratic movements. Its investments and interventions often lead to resource exploitation, human rights violations and destabilisation of the host countries. As the UAE continues to project an image of modernity and progress, it is crucial for activists, researchers and policymakers to expose its sub-imperialist practices and hold it accountable. By understanding the UAE's role within the sub-imperialism framework, the global community can better challenge its actions and advocate for justice and equity in the regions it influences.

BIO

Husam Mahjoub is a co-founder of Sudan Bukra, an independent non-profit TV channel watched by millions of Sudanese viewers. A telecom professional and activist, he holds master's degrees from the London Business School and Georgia Tech and currently lives in Austin, Texas. He has published articles on politics, human rights, the economy and international and cultural affairs.



A TRANSATLANTIC BARGAIN

Europe's ultimate submission to US empire

Juan Lovera



The Dutch firm ASML Holding is the crown jewel of Europe's semiconductor industry and an essential element in the European Union's (EU's) semiconductor strategy. ASML is one of only a handful of companies worldwide that produce the photolithography machines needed for producing computer chips.

Given its leading position in this global industry, it exports to China and the US which is exactly where the trouble for the company begins. In the context of the New Cold War – the heightened geopolitical tension between the US and China – the US will no longer accept a company in such a strategic sector that is active in the Chinese as well as the EU and US markets. After a failed first attempt in 2018, in 2023 the US pressured the Dutch government to restrict exports of chip-production equipment to China. Currently, the Dutch government does not plan to renew ASML's existing export licenses to China.

Thanks to US pressure, Europe and the Netherlands risk losing their leading position in the semiconductor industry. By cutting out China, the Netherlands will not only lose out economically but will also weaken its research capabilities. China is simply too large a market to lose.²²³ Countries with important semiconductor industries like the Netherlands, Japan, and South Korea will have to choose between their own economic interests or US political interests. As yet, none has dared rebel.

This experience illustrates a far broader phenomenon in EU foreign policy – a deliberate and voluntary subservience to the US that often goes against the economic and social interests of EU member states. Since at least since 1945, (Western) Europe has generally followed US foreign policy. While individual countries have sometimes sought greater strategic autonomy, they have always returned to subservience to US empire.

This can be explained by three main factors: economic interdependence, European dependence on the US and NATO for its defence, and the intellectual defeatism of most of the European political mainstream. These factors need to be explained and put into a historical context to understand how this relationship between the US and Europe came about.

Post-war finances and how Western Europe and the US became interdependent²²⁴

US domination in Western Europe dates from the end of World War I (1914-1918), when it played a crucial role in financing the Triple Entente powers, also known as the Allies (Britain, France, and Russia),²²⁵ shifting the global financial centre from London to New York. By lending \$ 1.7 billion to Britain and France, the US established itself as a key economic power.²²⁶

With the end of World War I, the US attempted to disengage from Europe, but then re-entered in 1941 on the side of the Allies in World War II (1939-1945), reinforcing the integration of the US and Western European economies. The Marshall Plan, which began in 1948, signalled a new phase in transatlantic economic integration. This aid programme was intended to counter Soviet influence and promote capitalist and free-trade economics. By injecting significant volumes of financial assistance, the US sought both to reconstruct the post-war European economies and create conditions favourable to its own commercial expansion. By conditioning aid on trade liberalisation, the Marshall Plan excluded alternative development paths for Western Europe and ensured the dominance of US capital. Initially boosting US commercial exports, the Plan later saw US capital focusing on direct investment in European markets.

The Marshall Plan was also a means to push for European integration. Under US influence, France moved away from its anti-German foreign policy, which resulted in its support for the proposed European Coal and Steel Community (ECSC), the first step in the process of European integration. Initially, the Marshall Plan had a universalist design that aimed at including the former Soviet Union in the global capitalist system. However, as the Cold War intensified, and as it became clear that the Soviet Union would not abandon socialism, this universalist approach was abandoned.²²⁷ In the late 1940s and early 1950s, anti-communism became a unifying factor for European and US capital. This process combined maintenance of the status quo in the (former) colonies, to placate colonial powers such as Britain and France, with anti-communism, which was rapidly becoming the main focus of US foreign policy.

Security guarantees and liberal interventionism: NATO

Parallel to economic integration, the US established a new security architecture centred on NATO. Created in 1949, it was essentially anti-communist in its intention, providing security guarantees against the former Soviet Union and a means to maintain the status quo. France was initially sceptical of NATO, and in 1966 withdrew from the NATO Military Command Structure in order to establish its strategic autonomy by developing its own nuclear weapons programme. Although France re-joined the Command Structure in 2009 and carved out its special status within NATO, this did not change the anti-communist security motivations that led to France and other countries across Western Europe to join in the first place.



In 1962, President Kennedy stated that the US 'does not regard a strong and united Europe as a rival but as a partner. To aid its progress has been the basic object of our foreign policy for 17 years'.²²⁸ NATO became the central institution binding Europe militarily to the US and was not at odds with European integration. This does not mean that there were no tensions within the alliance. The US resisted calls by European allies for greater sharing of responsibilities for nuclear defence, which was precisely one of the reasons that France decided to develop its own nuclear weapons programme. The US was also unhappy with the *Ostpolitik* of West Germany and France – their policy of seeking to

normalise relations with the Soviet bloc. There were also some flashpoints related to decolonisation and the Non-Aligned Movement. The US opposition to the intervention of Britain, France, and Israel during the 1956 Suez Crisis is one such example.

Created during the Cold War, NATO transformed after the collapse of the Soviet Union, becoming a vehicle for the global projection of US power, expanding into Eastern Europe and adopting a broader security agenda regarding transnational threats. As we have seen, NATO was crucial in binding Europe to the US. Bilateral defence agreements between European governments and the US would have amounted to their admission of being US client states. NATO's multilateral nature allowed European governments be bound to US domination without losing face. NATO thus became a vehicle for the projection of US power across the globe. Throughout this period, France again tried to acquire more strategic autonomy within the alliance, but the US kept a firm hold on the reins.

A constant issue in European–US relations was that NATO's members should devote more of their gross domestic product (GDP) to defence spending, better known as NATO burden-sharing. With the end of the Cold War, most NATO members significantly reduced their defence budgets as part of the so-called peace dividend. Since EU countries were spending a lower percentage of their GDP than the US on defence, the US government – and the defence industry – believed that they were not paying their fair share. The US started to criticise the EU's 'underspending' on defence under President Obama and this reached a fever pitch under President Trump.

The double shocks of Trump and Brexit

For many decades, Western Europe and the US have seemed committed to securing each other's leading roles in international affairs, and in their economies, which had become ever more integrated. The 2008 Global Financial Crisis (GFC) illustrated this, as the US sub-prime banking crisis reverberated almost immediately throughout Europe – and beyond – and caused a deep recession in some of the more US-leaning EU economies.²²⁹

Militarily, many European states were largely complicit in US actions through their active NATO membership. Notable examples include NATO's International Security Assistance Force (ISAF), which occupied Afghanistan for 13 years, and the 2011 military intervention in Libya.

US domination over Europe in the military and economic realms seemed secure until 2016, when the combination of the UK's narrow referendum result to leave the EU – Brexit – and the election of Donald Trump in the US exposed many cracks in European–US relations.

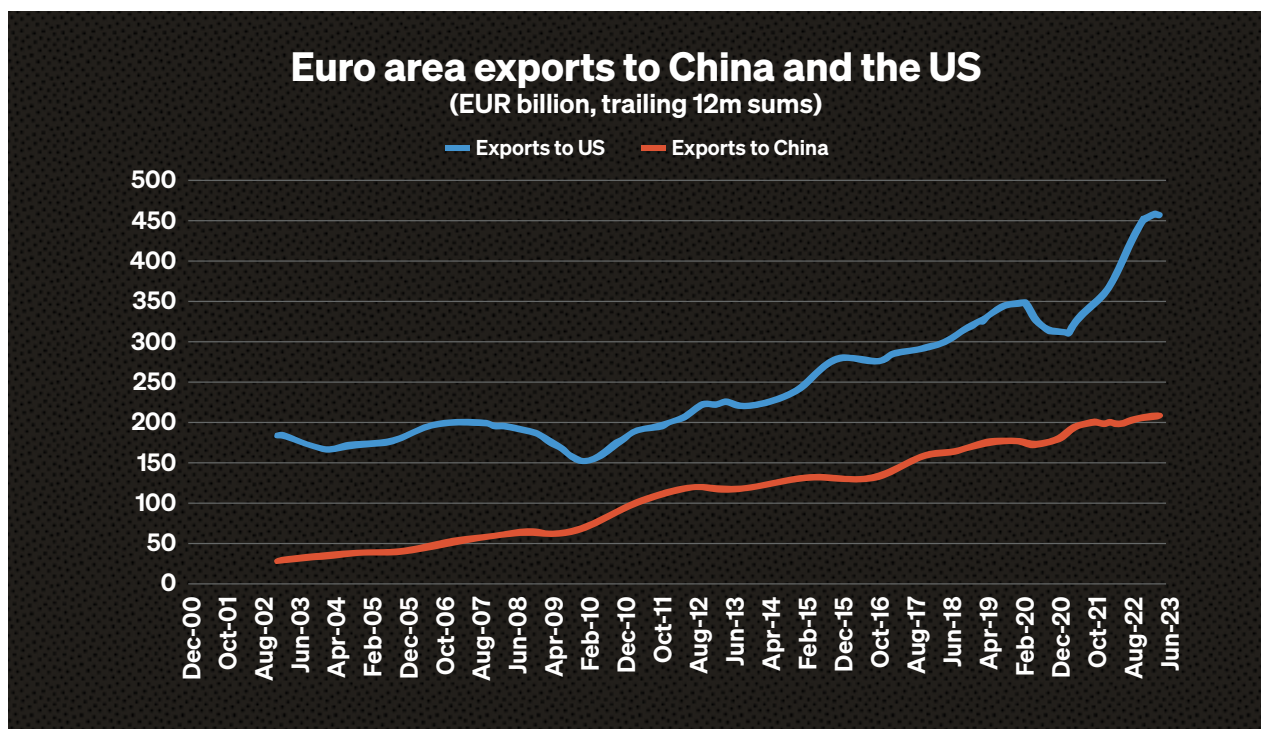
Brexit significantly affected the relationship between the EU and the US, acting as a catalyst for the EU's pursuit of greater strategic autonomy. While not the sole factor, Brexit, in conjunction with the Trump presidency spurred the EU to reassess its global role and seek greater independence from the US. An important factor was that the UK had been a key intermediary between the US and the EU and before Brexit had played this role especially in negotiations over trade policy and security cooperation.

President Trump's 'America First' agenda viewed both the EU and China as its economic competitors. This led to the 2018 tariffs on aluminium and steel products, which led the EU to retaliate with counter-tariffs. The Trump administration also rendered the World Trade Organization (WTO) dispute-settlement mechanism ineffective just when European countries would have wanted to dispute US tariffs.²³⁰ The US also withdrew unilaterally from the Iran nuclear deal and the Paris Agreement on

climate change. Both the US and China were already adopting policies that contradicted some of the WTO's key policies, which were the basis for how the EU has developed. This opened the door for new EU policies, especially concerning state support for corporations in securing raw materials.

In the sphere of security, the US withdrew troops from Germany and Afghanistan without consulting its European allies. It also threatened to pull out of NATO, mainly because the Trump administration believed that the Europeans were not paying their fair share. In 2018 Trump summarised the US position: The United States is paying close to 90% of the costs of protecting Europe. I think that is wonderful. I said to Europe, I said, “folks, NATO is better for you than it is for us.” Believe me. Small countries, big countries, all these countries we are supposed to protect them. I said, “look, it is very simple. You got to pay out. You got to pay your bill.”²³¹

It is not surprising that after decades of economic integration, the EU would also develop some form of common defence policy. All that was necessary for that to materialise were the right political conditions. The Trump presidency and Brexit created those conditions and motivated the EU to pursue greater strategic autonomy.²³² This concept remains poorly defined but can be understood as the EU's need to develop the military capacity to act independently on the world stage, especially in situations where the interests of the US and the EU diverge. Another factor influencing this search for strategic autonomy was energy. The EU became more dependent on the US for its energy, especially since 2022 when it attempted to end its dependence on Russian gas supplies following Russia's full-scale invasion of Ukraine.



Source: Brad Setser (2023)

In the years since Brexit and Trump's first administration, the EU has made several moves to strengthen its sovereignty, particularly in the areas of security and defence. It has revitalised defence initiatives such as the Permanent Structured Cooperation (PESCO), a treaty-based framework for the 26 participating member states (excluding Malta) to jointly plan, develop, and invest in collaborative capability development and enhance the operational readiness and contribution of the armed forces, and increase defence budgets.²³³ It also set up the European Defence Fund (EDF) in 2021. With a budget of €8 million, it marks a significant shift because it enables the EU to directly fund military

projects.²³⁴ The European Peace Facility (EPF), which provides funding for military operations and assistance in third countries, was also set up in 2021. It has been criticised as being a disguised subsidy for European arms exports, as it can be used to provide weapons and military training to foreign forces. Finally, the new Directorate-General for Defence Industry and Space (DG DEFIS) in the European Commission was created in 2019 and is responsible for promoting the competitiveness and innovation of the European arms industry.

Defence spending in the EU has risen steadily since 2014 and is expected to hit €326 billion in 2024.²³⁵ The defence industry was ready to profit from this increased spending, often with devastating consequences for people in non-EU countries. A TNI report established a link between weapons sold by European manufacturers and forced displacement in Democratic Republic of Congo (DRC), Iraq, Nagorno-Karabakh in Azerbaijan, and Syria. In its study of Libya, the Transnational Institute (TNI) found that European weapons are being used both as a means to displace populations and keep them from onward migration to the EU.²³⁶ But it also has major consequences European citizens. The billions of euros spent on defence are therefore not invested in health services, housing, education, infrastructure, and meeting other crucial needs.

Back together and better than ever? China, Ukraine and Gaza

The EU and US economies have become even more integrated since the GFC and are now each other's most significant trade and investment partners. Transatlantic trade accounted for € 1.2 trillion in 2021, although this is dwarfed by the investment relationship between them. The EU has € 2.1 trillion in outward foreign direct investment (FDI) stock and receives 2.3 trillion in inward FDI stock from the US. Total US investment in the EU is four times larger than its investment in the Asia-Pacific region. EU investments in the US are ten times larger than in India and China together.²³⁷ This translates into substantial affiliate sales – sales by an entity directly or indirectly controlled by a corporation – further consolidating economic interdependence. US foreign affiliate sales amounted to \$3.1 trillion in 2021, more than global US exports.

Another important indicator of the interconnected economies is the high level of intra-firm trade. In 2020, 65% of US imports from the EU and UK were intra-firm and there is a similar pattern for exports. This is significantly higher than with other regions and shows the extent to which US and EU companies' production processes are integrated.²³⁸ This economic intertwinement is the culmination of over half a century of transatlantic integration spurred on by governments of every stripe in both Europe and the US.

This economic integration significantly benefits transnational corporations, which can lobby for more liberalised trade rules, weakened regulations, and preferential access to public funds. Large financial actors, such as major banks and investment funds, also play a major role in shaping financial regulations and benefiting from an integration of financial markets. A clear example of this was ABN AMRO, which was part of an 'expert group' that shaped the liberalisation of financial markets.²³⁹ This liberalisation made financial markets in the EU more similar to those in the US, which reinforced integration. This is one of the reasons the GFC had such an impact on both sides of the Atlantic. A similar pattern is seen in the technology sector, where US companies such as Google, Microsoft and Meta (Facebook and WhatsApp) benefit from an EU Digital Markets Act that does not address their control of digital infrastructure and thus does not challenge their position.²⁴⁰

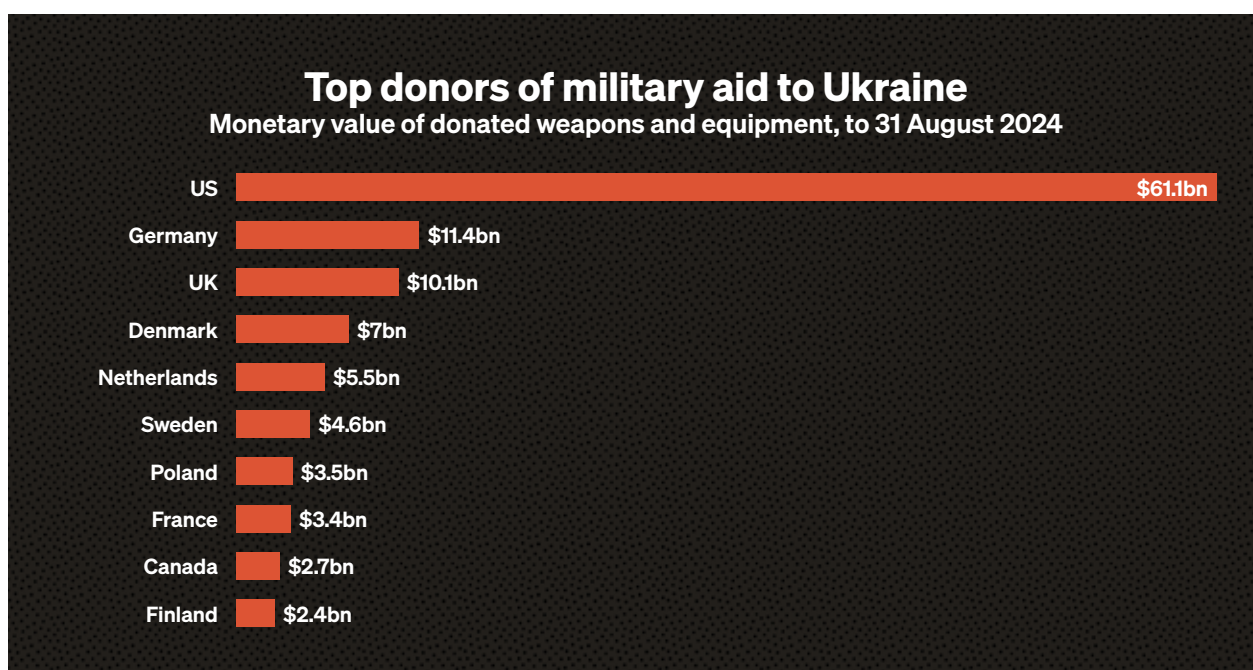
With the Biden administration restoring some normality to the White House after the first Trump presidency came a commitment to repairing the transatlantic relationship and 'restoring US global leadership'.²⁴¹ The hope was that US interventionism, supported by the EU, would once again shape the world according to its interests. However, some of Trump's legacy remained. The EU continued to attempt to assert its strategic autonomy, while the Biden administration refused to fully repeal the tariffs implemented by the Trump administration, and issues regarding burden-sharing within NATO remained unresolved. Another source of divergence was the position on China. Whereas the US took an increasingly hostile stance, the EU was initially far more cautious in view of its significant economic ties with the country. The EU was generally slower to recover from the COVID-19 crisis than the US and was also hit by an energy crisis following the imposition of further fossil fuel sanctions on Russia after its full-scale invasion of Ukraine in 2022.

However, as the New Cold War heats up, the EU has moved towards the US position by focusing on de-risking and decoupling from China.²⁴² This does not benefit capital or working people across the EU as it entails a very complex economic transformation at a time when the effects of COVID-19 and Russia's continuing war on Ukraine remain unresolved. European participation in the New Cold War is perhaps the best example of continued subservience to the US.

The EU has also continued its aggressive trade policy. Free-trade agreements (FTAs) are in effect neo-colonial arrangements that maintain the dependence of lower-income countries on supplying raw materials. In recent years, this free-trade agenda has been criticised as policymakers on the left highlighted that it often only benefited capital at the expense of the environment and working people. The competition between the US and China has put geopolitics above ideology and meant that the gap between the EU's preaching of free trade abroad while practicing the opposite at home has become ever more visible. This is most evident in the revived industrial approaches that challenge free-trade dogma and practices. Following the US Inflation Reduction Act, the EU presented its own industrial policy in an attempt to counter US industrial policy.²⁴³ Yet the EU continues to aggressively push for new free trade deals, claiming that they need to be closed for fear of 'losing' a region or country to China. Furthermore, given the need for an energy transition, the EU has employed several trade tools to secure critical raw materials.²⁴⁴

Russia's continuing war on Ukraine also increased European dependence on the US, as for many countries it meant a break with the dependence on Russian gas they had developed since the end of the Cold War. Since Germany was among the countries most dependent on Russian gas, the resulting energy crisis sent much of the EU into an economic slump – with the only beneficiaries being companies involved in the infrastructure for liquefied natural gas (LNG).²⁴⁵ Not only did this result in much higher energy bills for citizens across the EU and the UK but it also increased dependence on the US, which became a net energy exporter in 2019.²⁴⁶ The relatively high price of energy in the EU also helps to explain the different economic performance between many EU member states and the US.

Transatlantic military dependence has also been strengthened in the process. Indeed, Russia's full-scale invasion of Ukraine might have saved NATO after the mistrust sown under Trump's first presidency, and certainly aided Europe's remilitarisation, with most European members of NATO currently spending more than the 2% GDP target on defence. By mid-May 2022, EU member states had announced almost €200 billion in increased military spending for the coming years.²⁴⁷ This is a bonanza for the military-industrial complexes on both sides of the Atlantic. NATO members have donated over €100 billion in weapons to Ukraine.²⁴⁸ Moreover, the conflict caused a spike in US arms sales, which in 2023 peaked at \$238 billion.²⁴⁹



Source: Kiel Institute for the World Economy/BBC. Figures also include financial assistance for military purposes.

The EU and the US are also complicit in the genocide being perpetrated by Israel in Gaza. While the US provides 65% of all weapons imports to Israel, Germany and Italy have also actively supported Israel with weapons in spite of a majority of their population opposing this.^{250 251} The European Parliament has ritualistically condemned any criticism of unwavering support to Israel and fails to hold the country accountable. The reasons for most European governments' loyalty to Israel are varied. In Germany, the complex interplay between incomplete denazification in West Germany and the idea of 'redemption through remembrance' partially explains why support for Israel was described as the country's *Staatsräson*.²⁵² In countries like Hungary, solidarity between reactionary conservatives and shared Islamophobic values weigh heavier than antisemitism in the bond between Netanyahu and Orban.²⁵³ But a unifying reason is that for the US and most European governments, Israel is a military outpost that, together with Saudi-Arabia and the Gulf monarchies, is crucial for controlling the Middle East, its energy resources, and its shipping lanes.²⁵⁴ Furthermore, Israeli aggression towards its neighbouring countries represents a boon to their respective military-industrial complexes. This has resulted in €426 million of European taxpayers' money being used to fund companies arming Israel while members of the Israeli government have been formally accused by the International Criminal Court (ICC) of perpetrating crimes against humanity, war crimes and genocide.²⁵⁵

The EU thus seems subservient to US interest even when these are not beneficial to its capital and their political allies. Nowhere is this clearer than in the Netherlands. Even though the US has passed a law to invade The Hague should any US military personnel ever be tried at the ICC or the International Court of Justice (ICJ), the Dutch government seems keen to be the EU member state most loyal to US interests. This means that the Dutch government happily agrees to store US nuclear weapons over which it has no control.²⁵⁶ This not only cedes Dutch sovereignty, but also makes the air force base at Volkel and the rest of the Netherlands a target for any countries that possess nuclear weapons and decide to deploy them. In a similar case of putting the interests of the US over those of their own citizens, the Dutch government blocked Schiphol Airport from downsizing after being pressured by the US and the European Union, although for years residents of the cities and towns surrounding the airport had demanded it.²⁵⁷

Intellectual defeatism and daring to dream of a better future

On both sides of the Atlantic, the centre-left and centre-right have at times become almost indistinguishable in terms of political vision, economic policy and international relations. Both ends of the mainstream spectrum have, since the final years of the Soviet Union and the independence of the former Warsaw Pact countries, emphasised that there is no alternative to liberalisation and marketisation, ensuring the supremacy of private capital. Neoliberal thinking has dominated almost all mainstream political movements ever since.

This encapsulates the intellectual defeatism seen across the political spectrum in the EU, perhaps especially on the left. The European left has traditionally, more than the right, emphasised that a strong social contract with some safety nets is needed to address the constant crises of capitalism. Yet across the centre-left, it seems that there is no longer the will to address structural flaws or to dream of a better tomorrow. This is also in part why Western Europe remains in lockstep with the US regarding foreign policy. The Social Democrats were after all the prime architects of Germany's remilitarisation, a downstream effect of Russia's full-scale invasion of Ukraine. On the centre-right, capitalism has never been the subject of real discussion. Liberal and Christian Democrat parties in Western Europe were instrumental in propagating (neo)liberal thought and interventionism.

Recently, the centre-right have tended to become more explicitly nativist and xenophobic. This must also be seen in the context of the rise of the far-right. Neoliberal policies destroyed the welfare state and without it and redistributive policies, liberal and parties drifted farther right. This meant that these liberal parties, such as the VVD in the Netherlands, started to advocate for far-right policies and increased their repressive apparatus that polices working class neighbourhoods and international borders. With liberal parties drawing on far-right policies, the far-right became more mainstream. This has resulted in liberal parties and the far-right joining forces to exclude the left from institutional power. Liberal parties and the far-right have almost the same class politics and, in Western Europe and the US, there is also a high degree of consensus on maintaining US hegemony.²⁵⁸ The whole political spectrum seems to be moving rightward, with reactionary right-wing politics becoming ever more mainstream.

Some of the core US and European institutions have encouraged such defeatism. The EU and the Maastricht Treaty, for instance, are neoliberal institutions that were designed in opposition to the previous Keynesian, social democratic consensus.²⁵⁹ In relation to foreign policy, thinktanks like the Atlantic Council, the International Institute for Strategic Studies (IISS), the Center for Strategic and International Studies (CSIS), and Chatham House in the UK, tend to push the US and EU governments towards a similar foreign policy, their 'expert opinions' reinforcing the foreign policy consensus of a Europe that follows the US. Universities have also played an important role in breaking down the old consensus. In the US, Chicago University was the most notorious example but most countries in the EU and UK have at least one university fulfilling a similar role. At the annual meetings of the World Economic Forum in Davos, representatives of these institutions along with corporate leaders meet with politicians, creating a nexus where power and ideas converge. With the demise of the old Keynesian consensus, it has been replaced by a new ostensibly depoliticised consensus that is presented as pragmatic and rational.

There is simply no will and no creativity to imagine a different foreign policy across the political mainstream. European capital has internalised US exceptionalism and fails to or fears imagining a world where the US is no longer the dominant global power. This idea is also influential among

citizens in Europe and the US, who see the world as a zero-sum game where they will lose privileges if their global status diminishes. This status quo is partially the result of the participation of European governments in US empire, and the resources and influence that this hands to Europe. With the nomination of Mark Rutte as NATO's Secretary General, the loyalty of the Netherlands to US empire will be rewarded by hosting the next NATO summit scheduled for 22–25 June 2025 in The Hague.

Herbivores and carnivores

In a 2022 speech made in Madrid, Josep Borrell, Vice President of the European Commission and EU High Representative for Foreign Affairs and Security Policy, reacted to the impact of Russia's full-scale invasion of Ukraine on Europe. He stressed that the war 'is an awakening of our initial project, a peace project that put aside the struggle for power and used soft power, trade and law, as our weapons'. He concluded that 'we must become aware that this is not enough, because we Europeans cannot be herbivores in a world of carnivores'.²⁶⁰

Who are these 'carnivores' to which Borrell refers? The US and China loom large. With Trump's second presidency from January 2025, it is by no means certain that the EU will want to hitch itself to an ever more crisis-ridden US global project. Following the dual crises of Brexit and the first Trump presidency, the EU has been increasing its own capabilities as a global actor. But now the dynamic has fundamentally changed. The US focus on Asia leaves the EU to deal with the consequences of US policy in Eastern Europe and the Middle East.

But has this changed the interdependence between the EU and the US? The US–EU trade relationship is the largest of its kind, with transatlantic trade reaching € 1.2 trillion in 2021, making them the world's two most integrated economies. Joint defence interests are justified by an interventionist bloc organised in NATO and military-industrial complexes on both sides of the Atlantic are currently making record profits through the support for Ukraine against Russian aggression and the genocide in Gaza. Regarding the 'intellectual defeatism' of the European political class, politicians at both ends of the political spectrum have failed to paint a new future for Europe. Rather, they have promised a return to a mythologised past, social democratic on the left, and ethnically homogeneous on the right.

For the EU to break with US foreign policy it first needs to have the creativity to shape a new future. This is not a plea for the EU to become a 'carnivore'. An independent EU policy could be just as damaging as that of the US. Migration 'deals' and EU interventions in African countries and around the Mediterranean are evidence of this. The further militarisation will drag it into an arms race that can only produce losers. Rather, the EU should strive to be a force of solidarity, for a foreign policy based on cooperation over competition – which can happen only if it breaks free of its subservience to the US.

BIO

Juan Lovera Juan Lovera is the coordinator of Handel Anders! a Dutch alternative trade network of trade unions, civil society and farmers' organizations, and involved citizens, who work together to pursue sustainable and just trade. Previously he worked as a staffer for the Amsterdam municipal faction of the Socialist Party.

BEYOND BIG TECH GEOPOLITICS

Moving Towards Local
and People-Centred
Artificial Intelligence

Kai-Hsin Hung



In a small town near Bengaluru, Janaki and Rajesh* work for a fast-growing Indian data-processing service firm that supports high-tech clients from China and the US. Janaki races to meet her daily quota on a driverless car project to help their US client's computer-vision models better detect objects on California's roads. Rajesh focuses on annotating geospatial data for a Chinese firm's artificial intelligence (AI) applications to make agricultural mapping more precise. Their work provides critical human feedback to train AI systems as part of various global AI value chains.

Meanwhile, on the other side of the globe, the AI supercomputer Gefion, funded mainly by Novo Nordisk Foundation, one of the world's wealthiest private foundations, came online in Denmark, a country with a population of just 6 million.²⁶¹ Gefion marks a significant step towards building sovereign AI capabilities and developing models using domestically owned infrastructure.

Both of these examples are responses to an evolving planetary-scale AI architecture designed to control, capture, and consolidate digital value and ways of knowing from peripheral regions to emerging geopolitical cores.²⁶² These patterns may continue asymmetric access and production of knowledge due to structural dependencies rooted in the historically uneven distribution of resources, reviving postcolonial power dynamics. As a result, less powerful and resource-constrained actors are increasingly seeking more localised solutions.

These ongoing tech and trade wars exemplifies how Big Tech geopolitics heightens both immediate and longer-term risks. Techno-nationalism is on the rise due to ongoing human conflicts, leading to stronger demands for more sovereignty but without being digitally sovereign. This could result in a new AI Iron Curtain, splitting the world into geopolitical blocs dominated by Big Tech powers.

This essay examines how Big Tech geopolitics raises systematic and long-term risks for AI. It concludes by proposing alternative visions and approaches rooted in community-based solutions inspired by global digital justice movements. These visions and approaches offer more locally driven, people-centred AI that can help move us beyond Big Tech geopolitics.

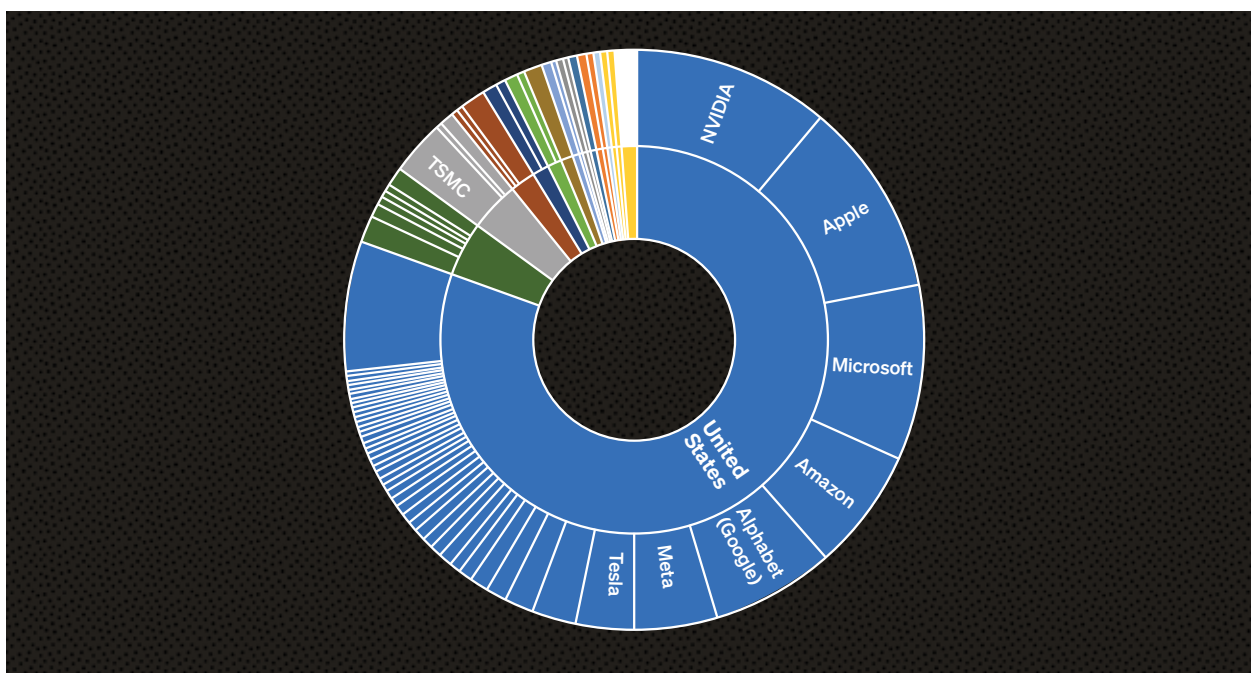
The Tit-for-Tat Tech and Trade Wars

Artificial intelligence is the ability of computers or digital tools to perform tasks commonly associated with intelligent agents that imitate how we think and act. Today's AI technologies are inspired by human neurophysiology and use computational models to process large amounts of data.²⁶³ Our current connectionist era of AI models can enhance their capabilities beyond their initial programming by employing advanced statistical learning methods. AI is prevalent in our daily lives, powering voice recognition in digital assistants like Siri and Alexa, and in generative chatbots, such as ChatGPT, which has reached 200 million weekly active users globally by mid-2024.²⁶⁴ It's also used in projects like self-driving cars, identifying individuals to add on military kill lists,²⁶⁵ and creating new life-saving drug treatments.

The expansion of AI has become a defining force in the global landscape, as AI and its underlying supply chains and infrastructure have increasingly become means for geopolitical influence and the projection of power for decades to come. The global AI divide is also dominated by a handful of American and Chinese Big Tech firms,²⁶⁶ while most others are dependent on their technologies and techniques, this is signalling the emergence of a more hostile geoeconomics regarding Big Tech.²⁶⁷

* Their names were changed to keep their anonymity.

FIGURE 1. Top 300 publicly-traded technology firms and their country of origin at the end of 2024



Source: CompaniesMarketCap²⁶⁸

Figure 1 shows the market capitalisation of the top 300 publicly traded technology firms at the end of 2024. US Big Tech, notably Alphabet (Google), Amazon, Apple, Meta (Facebook), Microsoft, NVIDIA, Tesla and others comprise \$25 trillion of the global total of \$31 trillion, or 80% of the global technology sector's valuation. Their dominance underscores the market size of US Big Tech due to their early pioneering role in defining this sector, but it is also unsustainably overvalued.²⁶⁹

Then come the Chinese Big Tech like Alibaba, Baidu, Bytedance, Pinduoduo, Tencent and Xiaomi, whose combined market valuation is \$1.4 trillion, or 4.5% of the total, followed by Taiwanese firms, like TSMC and Foxconn with 4.4%, and Japanese companies Sony and others with 2%. The Netherlands holds 1.4%, South Korea and Germany each have 1%, Canada 0.9%, and Israel and France round out the top ten players.

Contrary to the US Big Tech companies, the valuation of Chinese tech firms and their related supply chains and infrastructure manufacturers, such as China Telecom, Huawei, SMIC and ZTE has been significantly undervalued in recent years. This is due to the numerous US sanctions restricting them, such as denying access to advanced computer chips. This is further compounded by them being delisted from US stock exchanges. These measures were imposed on the grounds of national security concerns aimed at reducing the global market for Chinese technology firms and their footprints, especially in Western countries.

The US war on Chinese Big Tech has increased since 2015, with roots dating back to 2010, when Google halted operations in China after refusing to further censor content on Google.cn, following sophisticated cyberattacks linked to China.²⁷⁰

The US sanctioned the Chinese telecom giant ZTE in 2016 for exporting to Iran and North Korea and later imposed a \$1.4 billion fine. The house arrest of Huawei's Chief Financial Officer Meng Wanzhou in Vancouver on the request by the US in December 2018 and was only later released in September 2021 in exchange for two Canadians held in China.²⁷¹ In 2019, the US Department of

Commerce added Huawei and over 100 affiliates worldwide to its sanction Entity List. In 2021, US investors were prohibited from holding stocks in major Chinese Tech firms like Alibaba, Baidu and Tencent. Later that year, China Mobile, China Unicom and China Telecom were delisted from the New York Stock Exchange.²⁷²

By the end of 2021, the US had imposed more than 9,400 unilateral sanctions against China. The US justified its sanctions by claiming that China engages in unfair competition, state subsidies, and economic espionage, issues that also underpin national security concerns for some other countries.

As a sign of the Chinese state's power over its Big Tech, 33 leading Chinese tech companies, including Alibaba, ByteDance, Huawei, and Tencent, signed the Internet Platform Operators Anti-Monopoly Self-Discipline Convention at the 2021 China Internet Conference in Beijing.²⁷³ This agreement commits these firms to refrain from monopolistic practices. This signing happened after Alibaba's founder, Jack Ma, went missing for three months. He only reappeared again in late January 2021. Soon after, his company was fined a record \$2.8 billion in April 2021 for violating Chinese anti-monopoly legislation.²⁷⁴

By 2024, over 1,400 Chinese entities were placed on various US sanction lists, doubling in just four years.²⁷⁵ This aggressive crackdown has had a significant impact. In 2019, Chinese Big Tech held around 20% of the global market value. By the end of 2024,²⁷⁶ this had fallen to under 5%, almost on par with the self-governing island of Taiwan.

These actions have significantly skewed international perceptions of China's AI capabilities, particularly regarding investment, and research and development (R&D). Despite this, China continues to lead in AI research and patent outputs, demonstrating its substantial progress and technical influence.²⁷⁷

Moreover, in retaliation against US sanctions, at the end of 2024 China banned the export of critical earth minerals to the US, which are needed for manufacturing AI chips.²⁷⁸ This followed earlier actions in 2023 when China stopped the export of rare earth mineral processing technologies and banned the sale and use of Apple iPhones across government agencies. In January of 2025, China has further sanctioned 28 US entities, including US defence contractors like General Dynamics, Boeing, Lockheed Martin and Raytheon.²⁷⁹

These tit-for-tat measures are part of an intensifying tech and trade war escalation reflecting the Big Tech geopolitics.

Digital Divide: The New AI Iron Curtain and the Quest for Economic Sovereignty

Since the launch of public-facing generative AI like ChatGPT in November 2022, countries have become more interested in developing homegrown AI. A critical aspect of generative AI models is their ability to capture and codify a people's public discourse by drawing from the vast collection of material and culture published on the Internet.

The Internet, which serves as the primary source of data scraped to train generative AI models, is inherently fragmented and significantly skewed, reflecting disparities in access, representation, and the dominance of certain languages, cultures, and perspectives. For instance, at the end of 2024, 2.6 billion people still lacked internet access, representing about a third of the global population.²⁸⁰ Hence, this unconnected one-third of the global population is not represented in any generative AI model.

In other words, the digital divide is directly giving way to an emerging AI divide made up of AI haves and have-nots. Under the current Big Tech geopolitics, these divides may worsen, fuelled by raising economic and security containment and chokepoint policies, risking dividing the world into opposing sides of a new AI Iron Curtain.

Examples include but are not limited to, the US restrictions on advanced AI chips from AMD, Intel, NVIDIA, Taiwan's TSMC, and the Netherlands' ASML. These restrictions aim to limit China's high-performance computing capabilities by establishing distinct geopolitical AI ecosystems and infrastructure re-alignments.²⁸¹

Despite US export controls on advanced computing chips aimed at shutting out China from making advancements in AI, Hangzhou-based DeepSeek's R1 model, launched in early 2025, still managed to turn these restrictions into opportunities for innovation in building more efficient open models.²⁸² R1 competes with models like OpenAI's GPT-4o, achieving benchmark performance while using significantly less compute power, financial, and energy resources.

This advancement has caused concern in Washington and Silicon Valley, undermining US dominance in AI and the geopolitics of Big Tech. It has led to a strategic re-evaluation of policies focused on export controls and maintaining its competitiveness. As the competition between the US and China over AI heats up, other countries are becoming more interested in and are investing in their sovereign AI infrastructure, like Gefion, Denmark's first AI supercomputer that came online at the end of 2024. India is also poised to launch its own foundational AI model this year supported by a new line up of homegrown affordable computer facilities.²⁸³

We are also seeing more techno-nationalism in calls to strengthen industrial policies and build out national AI stack architecture.²⁸⁴ This is not necessarily a bad thing – to have local hardware for local users to address local needs. A domestic or national AI stack embodies homegrown efforts to establish a self-reliant and controlled technology and AI ecosystem, reflecting broader trends in digital sovereignty through localizing standards, infrastructure and hardware control and more restrictive data governance.²⁸⁵

Another way these competitions are reviving calls for digital sovereignty is by implementing local content requirements to boost domestic manufacturing and reduce reliance on imported technology. For example, Indonesia, the world's fourth-most populous country with over 280 million people, has banned Apple's iPhone 16 and Google's Pixel smartphones for failing to meet its 40% locally sourced component requirement. In response to the ban, Apple proposed a \$100 million investment to build an accessory and component plant in the Southeast Asian country.²⁸⁶

Nevertheless, these tensions and changing Big Tech geopolitics may serve to divert critical resources and capital towards renewed geopolitical competition, prioritizing winning the global AI race and dominance over knowledge. They also threaten to erode any semblance of a rules-based international order toward erecting a new AI Iron Curtain, marked by new restrictions on people's movements, technology transfers, scientific collaborations, and data flows.

These trends may re-align national AI ecosystems' value chains, supply chains, and their underlying digital and social infrastructure. They may also lock us into costly duplications and fragmented AI and technology ecosystems, diverting much-needed resources and scientific enquiry that could otherwise address shared challenges, such as climate action and public health.

This is made more explicit in the competition over undersea cables connecting Southeast Asia to Europe. China's Belt and Road Initiative (BRI), launched in 2013,²⁸⁷ for example, has a Digital Silk Road (DSR) component involving 40 countries, which is funded by state-owned banks and financial institutions like the China Development Bank and the Export-Import Bank of China, and Chinese tech giants such as Alibaba, Huawei, Tencent and ZTE. One of its notable projects is the completed Pakistan & East Africa Connecting Europe (PEACE) undersea cable, a 21,500 km network connecting France, Pakistan, and Singapore by Huawei Marine's successor, HMN Technologies, to the tune of \$425 million.²⁸⁸

To rival China's BRI, the G7 Partnership for Global Infrastructure and Investment (PGII) was launched, with the aim to raise \$600 billion by 2027, especially from the US, the European Union (EU) and Japan.²⁸⁹ The initiative seeks to strengthen and diversify global supply chains and support shared security interests. PGII is being funded by multilateral development banks (MDBs), sovereign wealth funds (SWFs), and private capital sources, such as BlackRock and Brookfield global investment corporations. A flagship project awarded a \$600 million contract to the US company SubCom to build the 17,000 km Southeast Asia-Middle East-West Europe 6 (SMW6) undersea cable, connecting Singapore to France via Egypt after HMN Technologies was dropped as the preferred supplier.²⁹⁰

Furthermore, on university campuses in the United States, the United Kingdom, Canada, Australia, Germany, and elsewhere, there is growing concern and scrutiny that scholars may have unintentionally cooperated with Chinese military scientists, particularly those from the National University of Defence Technology (NUDT).²⁹¹ Concerns about national security have been raised about the possible transfer of sensitive and key technologies, like AI and quantum, to the Chinese military, as well as Chinese interference in the scientific research ecosystems, stoking anti-Chinese sentiments.²⁹²

On the other hand, these trends are not without contradictions. For example, Microsoft has contributed significantly to China's AI capabilities through collaborations with Chinese institutions, such as Microsoft Research Asia's (MSRA) AI lab in Beijing and has partnered with NUDT.²⁹³ Indeed, the AI Iron Curtain have many gaps as these openings and links are essential, if not inevitable.

Likewise, the role and place of military science is also not new to the discovery and development of advanced technologies. It is also militarising Big Tech.²⁹⁴ We see this in the origins of the university-industry-defense triple helix model of innovation that gave rise and continues to support Silicon Valley.²⁹⁵

Looking ahead, the AI Iron Curtain appears likely to extend into space. For instance, China's Chang'e 6 Lunar Exploration Mission returned first-ever samples from the far side of the moon in June 2024, but US research scientists cannot view the samples because of the restrictive 2011 Wolf Amendment, which forbids NASA from collaborating directly with China without security approval.²⁹⁶ Although China invited international scientists to study the samples, the US has erected a self-imposed barrier, stifling beneficial cooperation and hindering progress in this and other critical areas of common interests.

Local and People-Centred AI from Digital Justice Communities

Global digital justice communities offer alternative visions to the Big Tech status quo by promoting cooperation on data and investing in building public digital infrastructure. They treat data and AI as public goods, focusing on local, people-centered solutions. By aligning themselves with ethical and equitable principles, these communities aim to ensure that technological advancements meet local needs and empower people and communities.²⁹⁷

They advocate for open-source AI models and more inclusive and localized ecosystems, challenging Big Tech’s geopolitical ambitions of their dominance over knowledge. Under this likely scenario of Big Tech geopolitics, it will further reinforce regional blocs and rising techno-nationalism, potentially leading us toward a riskier world divided by a new AI Iron Curtain.

It puts the focus back on how we could ensure AI tangibly improves people’s lives, including data workers like Janaki and Rajesh in the Majority World, and the health of the planet.

Box 1 lists six people-centred and digital justice communities and others that make five broad recommendations and strategies for re-aligning AI systems toward serving people’s needs.²⁹⁸

BOX 1. Recommendations and strategies for re-aligning AI towards local and people needs

1

IT for Change, The Balanced Economy Project, and People vs. Big Tech, a global coalition of civil society and academics 2024 white paper *Beyond Big Tech: A Framework for Building a New and Fair Digital Economy*.

2

United Nations and International Labour Organization (ILO) 2024 report *Mind the AI Divide: Shaping a Global Perspective on the Future of Work*.

3

Association for Progressive Communication (APC) 2024 report *Communal Internet Infrastructure: An Alternative, Self-Managed Approach to Digital Spaces Built Upon Values of Community, Autonomy, and Collaboration*.

4

T20 Brazil 2024 Policy Brief *Governing Computational Infrastructure for Strong and Just AI Economies* and other papers by the Inclusive Digital Transformation.

5

Tierra Común Network’s 2023 book, *Resisting Data Colonialism: A Practical Intervention*.

6

Democratic and Ecological Digital Sovereignty Coalition 2024 proposal *Reclaiming Digital Sovereignty: A roadmap to build a digital stack for people and the planet*.

We end with five key recommendations for building more local and people-centered AI:

1. Promote open and decentralised Public Digital Infrastructure (PDI)

Investing in open-source platforms and decentralised and public-led digital stacks is crucial to counteracting the dominance of Big Tech. Public digital infrastructure and its supporting layers should operate as digital commons, supported by community ownership and accountable governance frameworks that prevent resource chokepoints and structural lock-ins. These systems need to be aligned with human rights standards to ensure equitable access and usage.

Initiatives like guifi.net in Spain and Rhizomatica in Mexico, for example, empower local communities to build and manage their internet infrastructure, ensuring connectivity in underserved regions. MTLWifi in Montreal offers free Wi-Fi access in 275 public spaces such as libraries and parks. There are many other examples of municipal Wi-Fi across Europe.

2. Break up monopolies

Strong antitrust laws and competition regulations, particularly in the US, need to be strictly enforced to better balance Big Tech's structural dominance, regulatory capture, human capital, and financial strength. Key measures include breaking up monopolies, mandating interoperability (which ensures that products and services from different providers can interact and work together), fostering competition across AI value chains, increasing public investment and ownership of AI infrastructure and related resource inputs, and using taxation to redistribute the gains of dominant tech firms.

Doing so would level the playing field and open markets to new entrants. For instance, there are various proposals to separate Amazon's roles as a cloud provider, and as a retailer from its function as a marketplace for third-party sellers,²⁹⁹ to address its self-preferential treatment whereby Amazon competes with businesses on its e-commerce platform.

3. Build a digital Non-Aligned Movement

The movement is inspired by the political Non-Aligned Movement, which currently numbers 120 countries, many of which historically sought independence by breaking away from their structural dependence on major powers, while enhancing digital equity and resilience against fragmentation. This approach involves nations and regions developing policies, technologies, and collaborations that avoid overly aligning with dominant AI and innovation ecosystems like those of the US and China.

For instance, Brazil's digital transformation focuses on leveraging technology to promote social inclusion, improve public services and build an equitable digital economy, including developing public software. Central to this transformation is its strong emphasis on favouring free, libre, and open-source software (FLOSS) and locally tailored solutions that reduce dependency on foreign Big Tech and encourage national and homegrown innovation, such as community-based Mumbuca – a people's fintech.³⁰⁰

4. Prioritise people-centred and locally inclusive innovation

Policies should prioritise people-driven technological and AI innovation, emphasising fairness, better working conditions, equity and environmental sustainability across global and local AI value chains. They should encourage the development of smaller-scale, context-specific AI models while reducing dependency on concentrated AI value chains and supply chains. This is done to ensure that innovations and their associated infrastructure like the availability of ample electricity supply continue to serve diverse local needs and contexts.

For example, MobileNet is the name of a frugal AI model design. Its lightweight neural networks are designed to operate efficiently on mobile devices. By requiring minimal computing power, data and energy, MobileNet offers effective and more affordable solutions without compromising performance, making it ideal for resource-constrained environments and applications.

5. Strengthen civil society advocacy

Civil society organisations (CSOs) and researchers need to be resourced and equipped to advocate for more robust data-protection laws, and ethical and people-centred AI practices and governance. Empowering and partnering with local communities to find alternatives to exploitative practices and harms and to demand equitable resource distribution is critical for driving systemic change and holding governments and Big Tech accountable.

These five recommendations and strategies highlight a dual approach: breaking down Big Tech's monopolistic power while actively re-aligning them to build responsible, local, and inclusive innovation ecosystems.³⁰¹ In this, it is critical to strengthen the 'right to science' and its associated benefits for people and the planet as guaranteed in Article 27 of the 1948 United Nations' Universal Declaration of Human Rights (UDHR) and Article 15 of the International Covenant on Economic, Social and Cultural Rights (ICESCR).³⁰²

This aligns with the 2024 report by the Special Rapporteur on cultural rights,³⁰³ which emphasised the need for more inclusive access to and participation in scientific advancements.

Digital justice communities and their human right defenders play an essential role in their immediate local communities, in both the Majority World, as well as the Minority World. Their mobilisation and coalition-building efforts across all sectors and partners can galvanise much-needed awareness and resources for public debate and investment in public digital infrastructure needed in developing and deploying more locally driven, people-centred AI.

To close the digital and AI divides, the road ahead is challenging. Fostering stronger local and open ecosystems could help ensure that technology and science benefit more people, not just the powerful few in moving us beyond Big Tech geopolitics.

BIO

Kai-Hsin Hung is a PhD candidate at HEC Montréal specializing in the quality of work in data value chains. He is a Marie Jahoda Visiting Fellow with the Digital Futures of Work Research Centre (Digit), where he is working to include quality of work in responsible and human-centric AI conversations. He has undertaken research, policy, and practice at the International Development Research Centre (IDRC), the training arm of the International Labour Organization (ILO), and Global Affairs Canada (GAC).



IN SEARCH OF ALTERNATIVES

Strategies for social movements
to counter imperialism and
authoritarianism

Iqra Anugrah



In May 2024, seven months after Israel's war on Gaza began, students at the University of Amsterdam (UvA) built the first Gaza solidarity camp in the Netherlands, following the lead of their distant comrades at Columbia University and other universities across Europe and the US.

The UvA's board, backed by the Mayor of Amsterdam, Femke Halsema, saw the police evict the camp. But the movement did not stop. The student protesters quickly and effectively built a second, bigger encampment,³⁰⁴ which became a trigger for a nationwide encampment and protest movement for Palestine supported by students at other Dutch universities, various social movements, the Palestinian diaspora, and including members of the working-class, especially those with a migrant background. A new anti-imperialist politics was born.

While the war on Gaza and the Palestinian Occupied Territories on the West Bank has rejuvenated anti-imperialist politics, it builds on many recent social movements in the Global South that have been at the forefront of resisting capitalist-induced authoritarianism and imperialist/expansionist politics. This includes the anti-authoritarian Milk Tea Alliance (MTA) in East and Southeast Asia, left-wing political formations and governments in a number of countries across Latin America and Europe, Black Lives Matter protests in the US and beyond, and various local and national struggles against extractive industries, capitalist exploitation, oligarchic power, and state repression.

Understanding the nature of imperialism today and the creative ways through which social movements and popular resistance push back against it is pivotal to making sense of the ravages of contemporary global capitalism and authoritarianism and offering alternative solutions.

Imperialism: A Return of a Forgotten Concept

The political and economic tensions between the US and China or other middle-level powers such as Brazil, Russia, India, and South Africa (the original BRICS countries), have become common talking points in academic, media, and public discourses. Along with the BRICS bloc, other middle-power countries, such as Qatar and Türkiye have also gained global attention for presenting a diplomatic challenge to Western hegemony.

These accounts, however, fail to situate the shifting landscape of global power within the historical development of capitalism, a political-economic system based on the private ownership of the means of production, exploitation of labour, and the profit motive. As a result, we are left with fearmongering and pseudo-moralistic accounts of the world, seeing rising major and middle powers as either 'threats to liberty, democracy, and rule-based order' or 'saviour vanguards' against centuries of Western colonialism and hypocrisy.

This false dichotomy is reproduced in political discourses. Many liberal³⁰⁵ and conservative³⁰⁶ accounts see the rise of China as a threat to freedom, ironically at the same time the so-called 'Free World' has been actively engaging in mass surveillance, interventions of democratic processes to safeguard its political and economic interests, and support for repression of the Yemenis and the genocide of Palestinians. Meanwhile, some sections of the left and progressives more broadly hold an idealised notion of Third World or Global South anti-imperialism³⁰⁷ as inherently and eternally progressive, neglecting the contradictions inherent in these anti-imperialist political projects (or rather, states) and their frequent degeneration into mere authoritarianism.

This is why a contextual, political economy-informed reading of imperialism remains relevant. It allows us to comprehend the intersecting realms of state and corporate power, the role of the West, especially the US, in maintaining capitalism and the current form of international relations, the complicity of domestic political and economic elites in perpetuating this unjust power structure, and popular resistance against such global dominance, especially from social movements and grassroots resistance in the Global South.

A major element of imperialism, according to Lenin, is the expansion of capital and its accompanying social and political relations from the rich countries – what then became colonial metropolises and post-1945 global powers such as the US and Japan – to peripheral and underdeveloped areas³⁰⁸ – what then became collectively known as the Third World, and later ‘the Global South’.

In its current form, imperialism relies on several mechanisms of profit extraction³⁰⁹ and coercion for national subjugation,³¹⁰ namely transnational corporations (TNCs) relying on cheap labour for profit, political elites using authoritarian and military methods to discipline working people and their progressive politics in the name of political stability and smooth investments, and continuing alliances with old imperialist powers.

Imperialism, then, is not merely the expansion of capital and exploitation of labour by TNCs on a global scale, but rather a *political* project of the ruling class in imperial metropolises to constrain and undermine the sovereignty of nation-states in the Global South³¹¹ and to maintain their domination through economic, political, and even military means.

While economic imperialism, strengthened by domestic rule of capital in contemporary capitalist societies,³¹² continues to be the dominant feature of contemporary imperialism, it is its more vulgar, militaristic aspect that often disturbs public conscience. This military power ensures not only economic imperialism but has also cemented the power of US imperialism – along with its strategic allies – during and particularly after the Cold War.

This politico-military dimension of imperialism has been pursued even at an astronomical military and human cost. The US-led invasion and subsequent occupation of Iraq from 2003 to 2011, foreign meddling in the chaotic Libyan civil war, and Israel’s opportunistic invasion of Syria after the collapse of the Assad regime in December 2024 are just a few examples.

Strangely, some activists, organisations, and scholars on the left, especially those residing in the West, can be so preoccupied with the domestic politics of their respective countries that they overlook the challenges faced by anti-imperialist movements in the Global South³¹³ and the bleak realities of imperialist encirclement.³¹⁴

A recent cross-national study has vindicated the continuing relevance of classical insights on imperialism. It shows that rich countries benefit from a large scale ‘appropriation of resources and labour from the global South’ in the post-Cold War period (1990-2015), totalling approximately \$242 trillion in market prices for the whole period.³¹⁵

The economic rise of non-Western countries and regions and the performance of high-growth economies such as the Asian Tigers and Tiger Cub economies (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) does not spell the end of imperialist power structures. If anything, imperialism is continually reinforced by TNCs and governments in the US and former colonial powers. For instance, Intan Suwandi’s in-depth case study of Indonesia demonstrates that economic imperialism continues to operate via supplier companies and TNCs from the Global North profiting from global labour

arbitrage³¹⁶ – wage differentials between workers in the Global North and the Global South. Workers in Indonesia and other growing economies continue to be exploited, while the TNCs make a killing.

This continuing economic plunder and military adventurism naturally engenders collective resistance. Various social movements have mounted significant challenges to global imperialism, including the so-called ‘Battle of Seattle’ protests against the World Trade Organization (WTO), the Zapatista national liberation army (EZLN) in Mexico, opposition to Western-backed authoritarian governments in many countries across Latin America and East and Southeast Asia, mass demonstrations against the US-led invasion and subsequent occupation of Iraq, and numerous local social movements against land-grabbing, resource exploitation, privatisation, and corporate expansion. The heydays of armed national liberation movements might have passed, but the spirit of anti-imperialism continues.

Imperialism, Authoritarian Capitalism, and the Fog of Conceptual Fallacies

These imperialist dynamics overlap with the global turn towards a more authoritarian form of capitalism and electoral governance sustaining it – reactionary³¹⁷ or illiberal populism.³¹⁸ Figures like Donald Trump, Viktor Orban, Jair Bolsonaro, and Narendra Modi have won elections and right-wing populist movements of various stripes, ranging from anti-immigrant far-right political parties in Europe to Hindutva and Islamist currents in India and Türkiye respectively, have made significant political inroads.

Contrary to the conventional wisdom which blames this malaise on the deficit of democratic culture and the breakdown of elite consensus, this latest wave of authoritarian tendencies matured as a result of the unchecked power of capital, the hollowing out of participatory democratic institutions, oligarchic control of politics, and assaults on many forms of redistributive or social welfare.

Authoritarian capitalism, then, can be seen as a product of capital’s expansion from the metropole through an imperialist arrangement. Authoritarian capitalism consolidates as postcolonial states in the Global South become increasingly integrated into the global capitalist circuit. This process intensified after the slow death of social democratic and national liberation projects.

What has been at play here is not only the dismantling of post-1945 welfare state and institutions by neoliberal, free-market radicals, but also, to quote Margaret Somers, the institutional and political attacks on the *predistributive* power of the state and the concept of social citizenship. That is, even the very ideas that the state should prevent incipient inequalities in the first place and guarantee social rights as part of its social contract with its citizens and residents.³¹⁹

As a result, the economic and social gains made in the ‘golden age’ of welfare state and policies have been eroded or reversed and the democratic demand for such arrangements tamed and labelled as ‘irresponsible spending’. Moreover, the state has been refashioned according to the neoliberal imagination as a facilitator of balanced budgets (for citizens, but not for corporations and political elites), including austerity, privatisation, free trade, and a reliance on the ready supply of cheap labour.

This necessitates an outward expansion of capital and its disciplinary institutions and apparatus and the decline of the politics of solidarity with progressive political experiments in the Global South. Consequently, this changing configuration swings the geopolitical and economic pendulum in favour of imperialist interests.

This development has also led to the declining welfare of working people and the rise of authoritarian populism. In the US, for example, decades of trade liberalisation and de-industrialisation for the sake of 'global competitiveness' had impoverished rural communities and provided a receptive breeding ground for Trump-style authoritarian-leaning populism.³²⁰ Similarly, unrestrained globalisation has facilitated the success of reactionary politics of multiple strands such as Hindutva in India,³²¹ oligarchy-backed Islamist populism in Indonesia,³²² and antidemocratic libertarianism in Latin America.³²³ Despite their 'anti-elite' rhetoric, these currents effectively serve as vessels for authoritarian neoliberal policies.

This economic warfare on labour has a corrosive effect on popular democracy. In European democracies, political parties including social democratic ones, have become disconnected from the wider public³²⁴ – politicians are increasingly a professional political class with their own self-interests and divorced from their constituencies. Intellectuals, backed by big corporate lobbies, have concocted analytical justifications for deeper neoliberalism and oligarchic interests at the expense of democratic procedures, as can be seen in the US,³²⁵ Latin America,³²⁶ and Indonesia.³²⁷

When this elusive control of democracy is insufficient to deter popular resistance, then political and economic elites will resort to repressive measures to save their neoliberal design and their interests.³²⁸ This is what authoritarian capitalism looks like.

Being aware of these intersecting historical processes of imperialism and authoritarian capitalism can help working people and progressive social movements to avoid two types of fallacies. First is the fallacy of vulgar anti-imperialism or 'campism', seeing the world through a simplistic, romanticised binary of the imperialist First World versus the eternally progressive Third World, where factors such as domestic politics, the state of democracy, and class composition and relations within these two blocs are glossed over. The consequences of this fallacy can be fatal: in the name of anti-imperialism, it is possible to provide uncritical support for 'anti-Western' authoritarian states, such as Russia and Syria, and even worse dismiss popular struggles, social movements, and those campaigning for socialism, greater democracy, and social rights in these states. This includes the Russian Marxist intellectual Boris Kagarlitsky,³²⁹ a noted critic of the far right and Putin's authoritarianism, and Kurdish forces who fought the totalitarian Daesh terrorists and launched the Rojava revolution.³³⁰

The second fallacy is that of inter-imperialist rivalry.³³¹ This thesis argues that the current contour of international politics is a reflection of inter-imperialist rivalry between the West and China and Russia. This is also a form of simplistic thinking since it equates political and economic expansion of rising and middle-level powers, whether democratic or authoritarian, with past experiences of imperialist powers. Acknowledging the human costs of such expansionism should not make us lose sight of the horrifying records of Western imperialism and colonialism.³³² Moreover, it shows a lack of understanding of what the integration into the global capital circuit and international order means for a major economic power such as China and maverick authoritarian middle powers such as Türkiye and Qatar, which includes strategic restraint, the need for new markets, international legitimacy for their *domestic* populations, and preserving the self-interests of the ruling elites.

Opening up the Fractures of Antagonistic Cooperation

Building on diverse socialist traditions, the activist-scholar Promise Li describe this simultaneous process of confluence and conflict of interests between the US-led Western imperialism and an assortment of expansionist, sub-imperial, and emerging powers as ‘antagonistic cooperation’.³³³ While acknowledging the enduring influence of Western imperialism, Li and his interlocutor Federico Fuentes also point out the contradictions within the loose coalition of challengers to the US-led international order and the many social antagonisms that this coalition engenders, such as political repression at home and the environmental and social costs of its foreign investments.

This reading of contemporary imperialism is innovative and much-needed for analytical and activist reflections. However, social movements and activists on the ground do not always have the luxury to wait. Sometimes, they need to act at critical moments and in less-than-ideal geopolitical conjunctures.³³⁴ This includes seizing opportunities presented by rifts within this antagonistic cooperation and using resources from states which compete against US and Western dominance.

Take the examples of China and Qatar. China has abandoned its policy of supporting revolutionary movements, benefitted extensively from its integration into global capitalism, and introduced an extensive mechanism of internal repression of dissent and minorities³³⁵ in the name of domestic political and economic stability. Yet it has never engaged in foreign colonial adventures, military interventions, and ‘state-building’ projects practised by several of the former colonial powers and the US. Walden Bello notes that China largely maintains a strategic defensive military posture, avoids an arms race and only has one foreign military base – that is, in Djibouti.³³⁶

Moreover, the negative impacts of China’s foreign economic investments, especially on labour rights, local community wellbeing, and the environment, are not the outcome of state-backed corporate expansion and militaristic/authoritarian control in the classical mode of imperialism.

First, despite its recent technological advancements, China’s geo-economic rise remains dependent on foreign capital via ‘the globalization of production via Western TNCs’.³³⁷ This shows the limits of China’s economic ambition and expansion and differentiates its development with that of existing imperialist powers in the Global North. To call China ‘imperialist’ in a Leninist sense is, therefore, a misnomer.

Second, China’s foreign investment and hunger for resources are an outcome of state-led outsourcing of domestic economic development involving varied state and private actors and companies³³⁸ with different levels of compliance with labour and environmental regulations.

In other words, the preference for domestic stability, the presence of competing development actors with different interests, and the relative dependence of post-Mao Chinese governments on foreign capital put a significant limit on capitalist, state, and party elites with imperialist interests in China. The lasting legacy of Maoist/leftist moral economy and political ethos in China’s labour and social movements³³⁹ also puts a brake on the expansionist drive of some sections of the Chinese elites.

Another curious example is Qatar, which occupies a different position than China in its dialectics of antagonistic cooperation with the West – Qatar is a maverick middle-level power while China is a rising dominant power with a socialist history. Yet, just like China, Qatar has its own share of antagonisms with US imperialism and global capital.

While it can be seen as just another petrodollar Gulf State with an authoritarian government and a problematic human rights record, with the largest US military base in the Middle East, Qatar's support for Al-Jazeera has also broadened the scope of political debates in the Arab world and beyond, and provided an alternative media channel³⁴⁰ through which social movements and anti-imperialist causes can voice their aspirations. The importance of this role can be seen by the channel's coverage of the Arab Spring and Israel's war on Gaza and the creation of its US subsidiary, AJ+, a social media-based news channel with a left-leaning slant.³⁴¹

Qatar's past diplomatic crisis with other US-allied Arab states such as Saudi Arabia, the United Arab Emirates (UAE), Bahrain, and Egypt also suggests its own geopolitical and foreign policy preferences, which were used by Islamist and popular movements during the Arab Spring.³⁴²

In short, Qatar's self-interested moves do not represent a break from contemporary imperialism, but they can mitigate its excesses. Qatar's decision to prohibit the US from using its military base to attack Iran³⁴³ is a telling example of such restraint. Moreover, its role as an active broker in the ongoing ceasefire process between Israel and Hamas³⁴⁴ has proven its salience as a tactical alternative to imperialist geopolitics.

These states' geopolitical manoeuvring effectively serves to check contemporary imperialism. The geopolitical rivalry between them and the West offers opportunities for progressive social movements and their constituencies. This should not be controversial; for decades, these movements have strategically used funding from Western donors channelled through non-governmental organisations (NGOs) in the Global South. This strategic engagement can also be applied in tactical working relations with these 'buffer states' and their resources to challenge Western imperialism without becoming apologists for 'anti-Western' authoritarianism.

Strategies for Social Movements

The following sections highlight the creative ways social movements across three regions use in advancing their goals amidst this new contour of imperialism.

CASE STUDY 1: Unexpected Alliances and Networks in the Palestine Solidarity Movements

Let us begin with the latest case of anti-imperialist social movements: the Palestine solidarity movements. In response to the genocide, a broad, popular pro-Palestine and pro-peace alliance was immediately formed and consolidated, comprising a wide range of groups: leftist political organisations, progressive social movements, unions and workers from different sectors including students, anti-Zionist Jews, LGBTQ+, Muslim communities, ordinary citizens, and Palestinian organisations and diaspora. The movement has followed a multi-pronged strategy pushing for a permanent ceasefire and Palestinian liberation, including mass mobilisation, diplomatic efforts, and media operations. These elements, in an ad hoc manner, support and reinforce each other and create unexpected, uncoordinated alliances between different groups, states, and networks. It has involved street demonstrations but also institutions of symbolic, intellectual, and material importance for Israel and its Western backers: the universities.³⁴⁵ This tactic has shifted public opinion, delegitimising the myth of Israel as a bastion of liberal and intellectual freedom, and severing institutional, financial, and military ties supporting its occupation and war crimes.

Just like the pulling out of US troops from Vietnam and the boycott of apartheid South Africa, this pressure from below has pushed key countries such as South Africa and Colombia to express strong support for the Palestinian cause, as shown in the former's historic genocide case against Israel at the International Court of Justice (ICJ).³⁴⁶ It has even pushed several European countries such as Spain, Norway, Ireland, and Belgium to speak up for Palestinian human rights.

One could argue that this is a repeat of the anti-WTO protests, when radical anti-capitalist and anti-imperialist movements momentarily joined force with Global South states and succeeded in stopping the advance of a neoliberal trade agenda. International condemnation of Israel at the United Nations General Assembly is supported by almost every Global South nation.

Here, some diplomatic manoeuvres of China and Qatar also played a role. China maintains consistent support for the two-state solution and recently brokered a unity deal between Hamas, Fatah, and 12 other Palestinian factions for national reconciliation and Palestinian statehood.³⁴⁷ Meanwhile, Qatar has served as a mediator in the ceasefire negotiations, and the release of Israeli hostages in return for the release of Palestinians detained in Israel, with a specific leverage as it has provided refuge to some of the Hamas leadership. Needless to say, we should be aware of the limits of Chinese and Qatari foreign policies. China has deepening economic and military ties with Israel,³⁴⁸ while Qatar hosts the US Al-Udeid Air Base.

Effectively, there is sometimes a convergence of interests, if not visions, between the grassroots movements for Palestine and peace in the Middle East with the more progressive sections of state elites in key Global South and several European countries, China, and Qatar. This, coupled with the popular support in the Middle East for Palestine and even the guerrilla operations of many armed groups fighting Israeli and US forces, consolidates a broad alliance of social movement and state actors, albeit in an uncoordinated fashion.

Aiding this is the collective media resistance against Western imperialist narratives and the Hasbara propaganda. Despite the blatant pro-Israel bias in major Western news outlets and lavish funding for the Hasbara campaign whitewashing Israel's war crimes, Al-Jazeera's coverage of the genocide in Gaza has been an important counterbalance in this information battle as a media giant that can match the coverage and resources of its Western rivals.

CASE STUDY 2: Anti-Authoritarian Movements in East and Southeast Asia

In East and Southeast Asia, we see an example of how social movements confront authoritarian capitalism and its transnational expansion. The most recent wave is the Milk Tea Alliance (MTA), a loose network of anti-authoritarian/pro-democracy movements in Hong Kong, Taiwan, Thailand, and Myanmar, which was active from 2020 to 2021. Youth-driven, this alliance combined mass mobilisation and massive online presence to defy different types of authoritarianism:³⁴⁹ Chinese party-state authoritarianism in Hong Kong and Taiwan, military-backed royalist despotism in Thailand, and the military junta in Myanmar. There is a strong transnational dimension and exchange of norms and practices within this alliance.

But there is also a longer history of anti-authoritarian movements in East and Southeast Asia, whose narratives have a long-lasting influence and have been committed to counter authoritarian capitalism/developmentalism and the imperialist power structure supporting it. Consider, for example, anti-Marcos and anti-Suharto movements in the Philippines and Indonesia, the Gwangju Uprising

in South Korea, and the many cases of agrarian justice, land rights, and anti-dam protests, labour strikes and struggles, pro-democracy activism, and even progressive religious mobilisation in the region. These movements highlighted the complicity of international capital and its support from the West as well as the international financial institutions in propping up authoritarian rule and its domestic capitalist supporters in the Philippines³⁵⁰ and Indonesia.³⁵¹ Though implicit, the spirit of anti-imperialism was present in these past anti-authoritarian and social movement mobilisations.

Today's anti-authoritarian movements in the region used various political strategies from mass mobilisation to online campaigns and pop culture. They also innovated new tactics. Hong Kong's protesters, for example³⁵² used black umbrellas and shields to 'block rubber bullets and police batons', organised roving rather than stationed occupations of targeted areas, and experimented with counter-surveillance of police informants, and coded communications.

The MTA's demand for greater democratisation posed a serious challenge to authoritarianism in East and Southeast Asian states, including China. By doing so, it disrupted these governments' antagonistic cooperation with Western imperialism and opened the way to push for a more progressive politics beyond electoral democracy, such as the popular control of capital.

Sadly, in the face of the repressive apparatus of the Chinese government, this movement was crushed and its leaders were recently jailed or went into exile. Nevertheless, its creative tactics in confronting police violence could be applicable and more effective for social movements operating in less repressive environments.

The limitations of these movements have also been rooted in their poor awareness of the role of international capital and imperialist dynamics in perpetuating authoritarianism in the region, which has allowed them to be hijacked by opportunistic Western elites and simplified as an affirmation for the (neo)liberal project. It is unfortunate, for instance, that some Hong Kong dissidents, in their opposition to Chinese party-state authoritarianism, seek inspiration from a sanitised version of 'the liberal West', even to the point where they embrace the Trumpist reactionary project.³⁵³ This historical and analytical myopia weakens the dissidents' capacity to challenge a major pillar of the authoritarian development model in East and Southeast Asia, namely the complicity of Western imperialist and capitalist interest in maintaining such model.

In addition, four years after the alliance burst onto the regional political scene, its major demands continue to be centred around electoral democracy and human rights protection.³⁵⁴ While important, the packaging of these demands can be detached from labour and the broader call for social justice and democratic class struggle.

CASE-STUDY 3: The Latin American Left's Strategic Engagement with China

Finally, the left in Latin America shows an example of how progressive social movements can strategically seize opportunities from geopolitical competition, in this case US–China rivalry. Looking towards China for alternative sources of foreign investment reduces Latin American countries' dependence on US political and economic power, delinks the region from the US imperialist grip, and could be used to fund broadly socialist-inspired economic programmes.

The option to pursue Chinese foreign investment facilitated the electoral path pursued by leftist movements in Latin America, famously known as the 'Pink Tide'. Combining left-wing populism with

different degrees of socialist and social democratic economic policies, this political articulation pushed for a range of anti-neoliberal, anti-imperialist economic projects, ranging from extensive social welfare programmes, attempted the nationalisation of major economic enterprises, and alternative financial institutions such as Bank of the Bolivarian Alliance for the Peoples of Our America (ALBA) and BRICS's New Development Bank.³⁵⁵

The implementation of these schemes has clearly been a complex and tough political and technocratic process and faced considerable criticism, but delinking and improving the *productive force* of the economy was nevertheless a necessity for left-wing forces to seek to advance a socialist programme and democratisation in a region dominated by Washington and with a history of US-backed dictatorships. As noted by Ivo Ganchev, Chinese trade, investment and loan deals provided alternatives to US-led financial institutions for Ecuador and Bolivia, marking a visible break with US-led economic imperialism.³⁵⁶ It also contributed to a revitalisation of the spirit of South-South cooperation during the high tide of the decolonisation period.

Obviously, not all types of Chinese investments can be seen as fundamentally benign. Records have shown that Chinese capitalist enterprises have questionable labour and environmental rights records. Nor does Chinese capital guarantee a greater democratisation of the economy, especially the means of the production, by labour. There is a need to critically assess and ensure how relationships with China benefit working people, while acknowledging that the task of building non-capitalist, humane alternatives is a gruelling one.

Since the first wave of the 'pink tide' governments, there have been setbacks such as the victory of reactionary forces in Argentina and Ecuador and the crisis in Venezuela that has trapped popular sectors between Nicolás Maduro's authoritarianism and US imperialist coup plots.³⁵⁷ There are, however, still important lessons to learn and new opportunities in the second wave of the 'pink tide', notably in Brazil and Mexico.³⁵⁸

Concluding Thoughts

The story of today's geopolitics is still a story of a US-led, Western international order, but one that increasingly faces challenges from other contending states and popular movements. Recent shifts in global politics, economy, and military power, marked most recently by the broad popular opposition to the Western-backed Israel's war in Gaza, seem to confirm this assessment.

The rise of potential state challengers to US dominance does not necessarily mean the ushering in of a new progressive era. Nevertheless, it represents opportunities for social movements to challenge Western imperialism. These varied sub-imperial, emerging, and expansionist states may in practice be tied into the dialectic relations of antagonistic cooperation with the old imperial centre and authoritarian rule, but under certain circumstances, they might share the same interests as the working people's.

This is a convergence of interest, if not values, between their *foreign policy orientation* and the anti-imperialist, anti-neoliberal goals of many social movements in the Global South. Without having to become apologists for authoritarianism, these are exactly the opportunities that social movements should seize to advance their goals and effectively confront imperialism.

The Palestine Solidarity Movement, the East and Southeast Asian Anti-Authoritarian Movements, and the Latin American Left have all resisted authoritarian capitalism and/or imperialism. Some

of their strategies and tactics are still in their infancy and full of contradictions, but they provide reference points for future actions and policies. Equally important, these movements have shown, with varying degrees of clarity and success, the links between domestic despotism and imperialism or the rule of international capital.

The current conjunctures of global geopolitics might also open up opportunities for a broader transnational solidarity, as exemplified in the solidarity statement of anti-Putinist Ukrainian activists with the Palestinian people.³⁵⁹

The major challenge ahead, however, remains the task of dismantling economic imperialism. The three examples of social movements we have highlighted have mainly focused on opposing the *political* power of imperialism and authoritarian capitalism. What is more difficult is to challenge and provide alternatives to the *economic* power of imperialism, especially in increasing the productive force of Global South economies, establishing alternative international development financing schemes, and democratising workplaces in large-scale enterprises. These must be some of the future tasks for any progressive social movements with an anti-imperialist orientation.

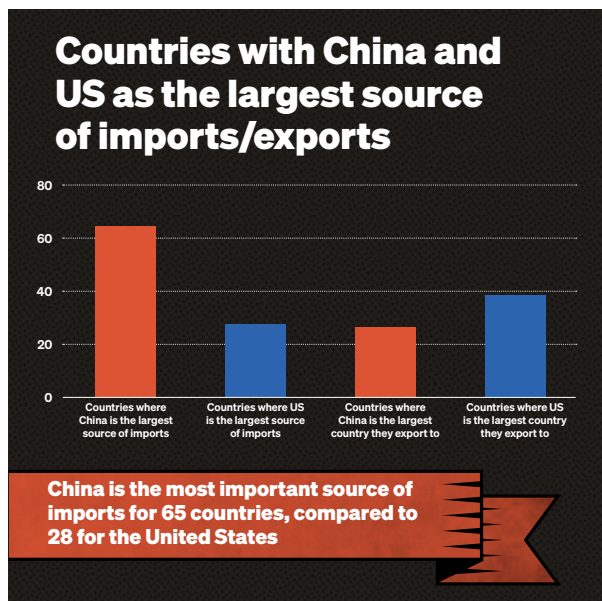
BIO

Iqra Anugrah is a Research Fellow at International Institute for Asian Studies (IIAS) at Leiden University. He is also a Research Associate at the Institute for Economic and Social Research, Education, and Information (LP3ES) in Jakarta. He has published widely on politics of development and social movements and is currently working the political theory of conservatism in modern Indonesia and the history of Asian communes. He is also active in several popular organisations and coalitions in Indonesia, such as networks of religious progressives and agrarian and labour activists.



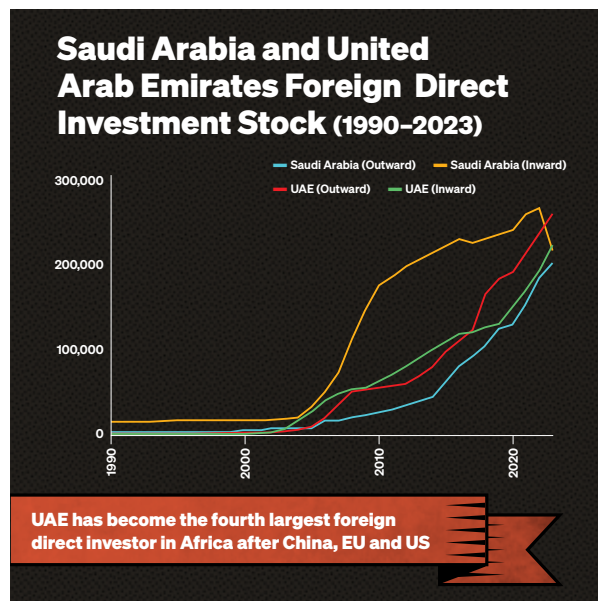
In an age of great power rivalry where does that leave the rest of the world?

China has become the major trade partner for more and more countries giving countries more trade and investment options



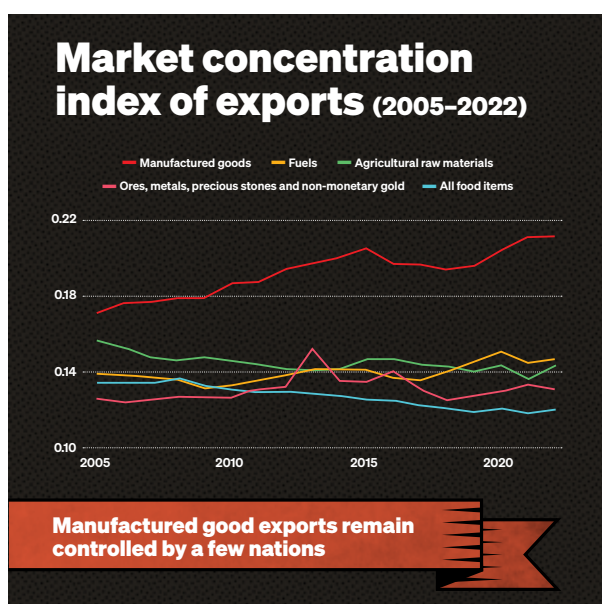
Source: TNI based on World Bank data, 2022.
<https://wits.worldbank.org/Default.aspx?lang=en>

Although much smaller than China and the US, middle Powers, especially oil-producing countries, are becoming more significant global players.



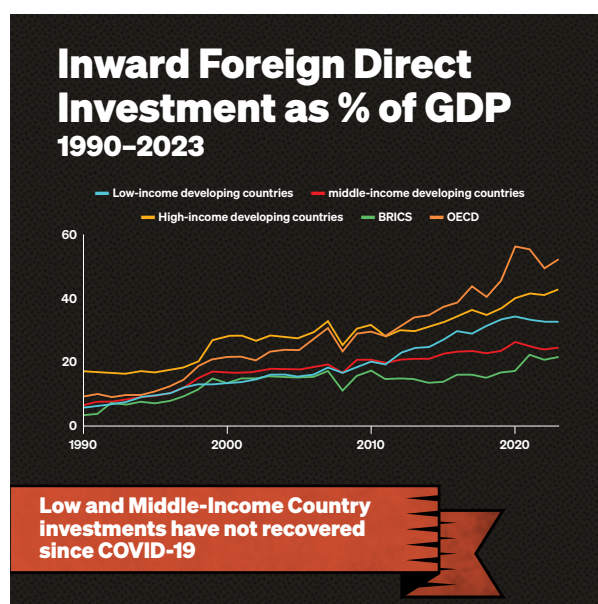
Source: TNI based on UNCTAD database, 2024.
<https://unctadstat.unctad.org/datacentre/>

But developing countries still mainly have access to primary commodity export markets.



Source: UNCTAD database, 2023.
<https://unctadstat.unctad.org/insights/theme/12#metadata>

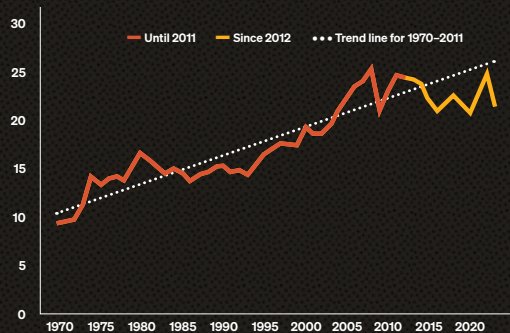
Overall foreign direct investment in low and middle-income countries has also fallen since 2020.



Source: UNCTAD database, 2024.
<https://unctadstat.unctad.org/datacentre/>

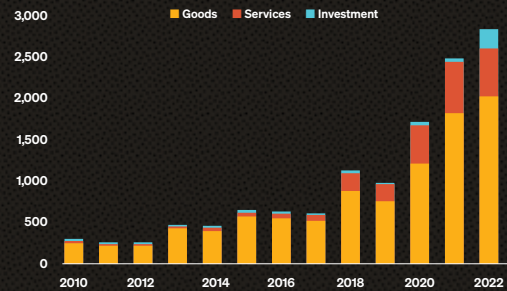
With growing protectionism hitting world trade /
globalisation even before Trump took office.

World trade as % share of GDP 1970–2023



Source: UNCTAD, 2024. <https://unctad.org/news/reshaping-global-trade-how-developing-countries-can-strategize>

Number of trade restrictions imposed annually worldwide (2010–2022)

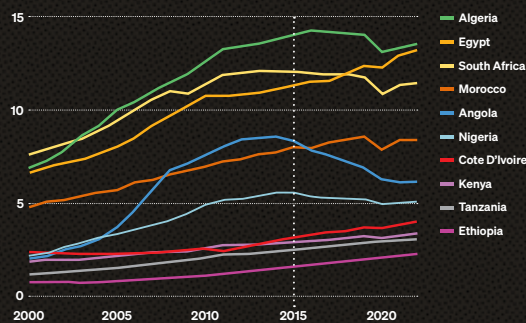


**New trade barriers almost
tripled from 2019 to 2022**

Source: IMF, 2023. <https://www.imf.org/en/Blogs/Articles/2023/08/28/the-high-cost-of-global-economic-fragmentation>

Countries across Africa have failed
to recover from the global economic
crisis and pandemic.

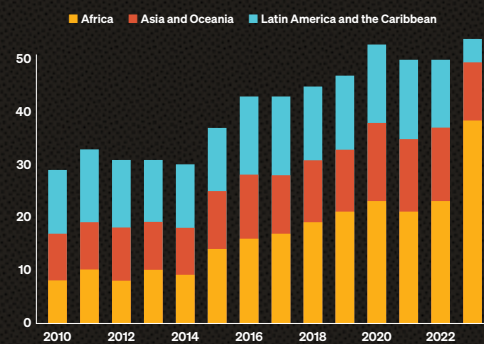
GDP per capita of 10 largest African economies (2000–2022)



**GDP per capita in Africa has
flatlined or fallen since 2015**

Source: TNI based on Maddison Project Database, 2023.
<https://dataverse.nl/dataset.xhtml?persistentId=doi:10.34894/INZBF2>

Number of developing countries with net interest payments exceeding 10% of revenues (2023)



**54 countries now spend more than
10% of revenues on debt repayments**

Source: UN GCRG based on IMF World Economic Outlook, 2024.
<https://unctad.org/publication/world-of-debt>

The research for these infographics was done by Benjamin Wray with the support of Nick Buxton. Sean Kenji Starrs also provided graphics based on his own calculations. The designs were done by Evan Clayburg.

ILLUSTRATING GEOPOLITICS

For the 13th edition of State of Power, TNI worked with Pakistani illustrator Shehzil Malik, who shared a reflections on the artwork and the process.



I really enjoyed working on this project on the current geopolitics of capitalism! It was helpful to read academics making sense of wide-ranging topics like climate change, technology and the many systemic inequalities we see worldwide.

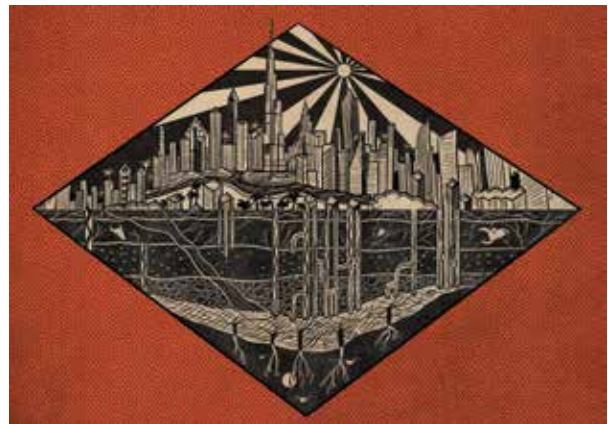
As a Pakistani who has lived in the US and now in Europe, it was personally illuminating to zoom out and try to understand how these societies are responding to our rapidly changing world. I am currently in Berlin, where state repression is rife when it comes to Palestine, but I am also exposed to a migrant-rich leftwing discourse that challenges the dominant narrative.

These essays are similarly written by a range of writers from different backgrounds, each one bringing their own analysis to migration, technological advancements, ecological degradation and the rise of right-wing extremism. It's reassuring to know that these voices are out there, sounding the alarm and speaking up against imperialisms, the re-articulation of colonial exploitation, and against violence. They also offer ideas and responses that leverage people-led movements and principles of cooperation, while having the humility to accept that the future remains unknown.

It was also a great exercise to think about how to visually depict these complex ideas where there are no 'good guys' and 'bad guys' but a confluence of actors and their interests. I tried to play with cartographic forms and textures to connect the past colonial order to the new restructurings of our world. The old ruling order tries to recreate itself, but is undergoing seismic shifts.

The topics raised are also interconnected – the rise of AI is connected to military responses, which is connected to US strategic interests, which is connected to the reason for the BRICS formation, which is connected to controlling economic networks, which is connected to the squashing of dissent. So I chose a limited color palette and set of symbols to represent these connections. The world, and our lives, remain more connected than ever.

It was also a pleasure to work with Nick Buxton, who gave me full artistic freedom as well as thoughtful feedback to think through concepts. Reading the essays and looking at the artwork, it feels like things are a bit grim right now, but the first step is to articulate what we're seeing happen in our world, and the next step is to try to imagine something different and better.



Shehzil Malik is a designer/ illustrator with a focus on socio-political topics, women's narratives and feminism. She works on social impact projects through digital art, publications, textile and public art. She was a contributing artist and panellist at the Oslo Freedom Forum 2019 and has previously worked as an art director at Ogilvy & Mather, Lahore. Her commercial practice includes clients like Penguin Random House, Oxfam, Malala Fund, Marvel, New York Times, GlZ and Google. www.shehzil.com

Endnotes

- 1 Schindler, S., Alami, I., DiCarlo, J., Jepson, N., Rolf, S., Bayırbağ, M. K., ... and Zhao, Y. (2024) The second cold war: US-China competition for centrality in infrastructure, digital, production, and finance networks. *Geopolitics*, 29(4):1083-1120. <https://doi.org/10.1080/14650045.2023.2253432>
- 2 The speech is available here: <https://mn.usembassy.gov/speech-secretary-pompeo-07-23-2020/>
- 3 See Lieven, A. (2022). Biden's National Security Strategy Uses Fear as a Cover for Reckless Ambition. *Time Magazine*. Accessible here: <https://time.com/6230122/bidens-national-security-strategy-uses-fear/>
- 4 We use the term Global South to emphasize that we live in an unevenly developed world system, where poverty in the majority world sits in relation with the wealth of a handful of advanced capitalist economies.
- 5 Radchenko, S. (2024) *To Run the World: The Kremlin's Cold War Bid for Global Power*. Cambridge: Cambridge University Press.
- 6 Achcar, G. (2023) *The New Cold War: The United States, Russia, and China from Kosovo to Ukraine*. Chicago, IL: Haymarket Books.
- 7 Coe, N. M., Hess, M., Yeung, H. W. C., Dicken, P. and Henderson, J. (2004) Globalizing regional development: a global production networks perspective. *Transactions of the Institute of British Geographers* NS 29, 468-84. <https://doi.org/10.1111/j.0020-2754.2004.00142.x>
- 8 Roberts, S., Secor, A. and Sparke, M. (2003) Neoliberal geopolitics. *Antipode*, 35(5): 886-897. <https://doi.org/10.1111/j.1467-8330.2003.00363.x>
- 9 Rodrik, D. (2006) Goodbye Washington Consensus, hello Washington confusion? A review of the World Bank's economic growth in the 1990s: Learning from a decade of reform. *Journal of Economic Literature*, 44(4): 973-987.
- 10 Tooze, A. (2018) *Crashed: How a Decade of Financial Crises Changed the World*. London: Penguin.
- 11 Hung, H. F. (2022). *Clash of Empires: From 'Chimerica' to the 'New Cold War'*. Cambridge: Cambridge University Press.
- 12 The full document is available here: <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>
- 13 Norton, B. (2024) China is 'world's sole manufacturing superpower', with 35% of global output. *Geopolitical Economy*, 31 January. <https://geopoliticaconomy.com/2024/01/31/china-world-manufacturing-superpower-production/>
- 14 Shidore, S. (2023) The return of the global South: Realism, not moralism, drives a new critique of Western power. *Foreign Affairs*, 31 August. <https://www.foreignaffairs.com/world/return-global-south-critique-western-power>; Vision of Humanity (2024) Editorial: 'Focus on Ukraine and Gaza leaves other conflicts at risk'. <https://www.visionofhumanity.org/focus-on-ukraine-and-gaza-leaves-other-conflicts-at-risk/>
- 15 Techno-industrial policies are government interventions to stimulate innovation, accelerate technological change, and promote selected industries.
- 16 Barbesgaard, M., Zhang, H., Hertanti, R., Gagyi, A. and Vervest, P. (2024) The 'new Darwinian world' of the energy transition CATL, capitalist strategies and emerging state-capital alliances. Amsterdam: Transnational Institute. <https://www.tni.org/en/article/the-new-darwinian-world-of-the-energy-transition>
- 17 Alami, I. and Dixon, A. D. (2024) *The Spectre of State Capitalism*. Oxford: Oxford University Press.
- 18 Schindler, S. and DiCarlo, J. (eds.) (2023) *The Rise of the Infrastructure State: How US-China rivalry shapes politics and place worldwide*. Bristol: Policy Press.
- 19 International Monetary Fund (2020). *State-owned enterprises: The other government*. In *Fiscal monitor*, ed. IMF, 47-74. Washington, DC: IMF.
- 20 Drezner, D. W. (2024) How everything became national security: And national security became everything. *Foreign Affairs*, 103: 122. <https://www.foreignaffairs.com/united-states/how-everything-became-national-security-drezner>
- 21 Calabrese, J. (2022) Building in Africa: Turkey's 'third way' in China's shadow. *Middle East Institute*. <https://www.mei.edu/publications/building-africa-turkeys-third-way-chinas-shadow>
- 22 United States Department of State (2024) U.S., Zambia, AFC Host PGI Forum to strengthen investment in Lobito Corridor. Office of the Spokesperson media note. <https://www.state.gov/u-s-zambia-afc-host-pgi-forum-to-strengthen-investment-in-lobito-corridor/>
- 23 Yellen, J. (2024) Remarks by Secretary of the Treasury Janet L. Yellen Announcing the Emerging Markets Transition Debt Initiative. US Department of the Treasury. <https://home.treasury.gov/news/press-releases/jy2497>

- 24 Politi, J. (2024) Biden administration looking at setting up a US sovereign wealth fund. *Financial Times*, 7 September. <https://www.ft.com/content/38bc9cf4-f820-444e-88e3-7b96a20b6591>
- 25 Bickenbach, F., Dohse, D., Langhammer, R. J. and Liu, W. H. (2024) Foul play? On the scale and scope of industrial subsidies in China (No. 173). Kiel Policy Brief. Berlin: Kiel Institute for the World Economy. <https://www.ifw-kiel.de/publications/foul-play-on-the-scale-and-scope-of-industrial-subsidies-in-china-32738/>
- 26 NATO Innovation Fund (2024) <https://www.nif.fund/>. See Alami, I. (2024). State property, venture capital and the urbanisation of state capitalism. *Dialogues in Human Geography*, 20438206241253590.
- 27 Morais, L. (2024) Petrobras, BNDES structure USD 100m fund for low-carbon businesses. *Renewables Now*. <https://renewablesnow.com/news/petrobras-bndes-structure-usd-100m-fund-for-low-carbon-businesses-849263/>
- 28 Gopinath, G., Gourinchas, P.-O., Presbitero, A. and Topalova, P. B. (2024) Changing Global Linkages: A New Cold War? IMF Working Paper. Washington, DC: International Monetary Fund. <https://www.imf.org/en/Publications/WP/Issues/2024/04/05/Changing-Global-Linkages-A-New-Cold-War-547357>
- 29 International Monetary Fund (2023) *Regional Economic Outlook Sub-Saharan Africa: The Big Funding Squeeze*. Washington, DC: International Monetary Fund. <https://www.imf.org/en/Publications/REO/SSA/Issues/2023/04/14/regional-economic-outlook-for-sub-saharan-africa-april-2023>; Aiyar, S., Malacrino, D. and Presbitero, A. F. (2024) Investing in friends: The role of geopolitical alignment in FDI flows. *European Journal of Political Economy*, 83, 102508. <https://doi.org/10.1016/j.ejpoleco.2024.102508>
- 30 Warburton, E. (2023) *Resource Nationalism in Indonesia: Booms, Big Business, and the State*. Ithaca, NY: Cornell University Press.
- 31 The speech is available here: <https://www.brown.senate.gov/newsroom/newsletters/burying-the-term-rust-belt>
- 32 Hanieh, A. (2024), Framing Palestine – Israel, the Gulf states, and American power in the Middle East, Transnational Institute, 13 June 2024: <https://www.tni.org/en/article/framing-palestine>
- 33 The Abraham Accords, formalised in 2020, are a series of normalisation agreements brokered by the United States between Israel and several Arab states, including the United Arab Emirates, Bahrain, Morocco, and later Sudan. Framed as a step toward regional peace, the accords aim to integrate Israel into the Middle East's political and economic frameworks while sidelining the Palestinian cause. By prioritising economic cooperation and security alliances—particularly against perceived regional adversaries like Iran—the accords represent a geopolitical reconfiguration that legitimises Israel's settler-colonial project. They further entrench systems of domination by normalising Israel's occupation and erasing Palestinian rights from the regional agenda.
- 34 The Oslo Accords, signed in 1993 and 1995 and officially known as the Declaration of Principles on Interim Self-Government Arrangements, were a set of agreements between Israel and the Palestine Liberation Organization (PLO). They created the Palestinian Authority (PA) to administer parts of the West Bank and Gaza and set out a phased approach toward a two-state solution. In practice, the Oslo Accords entrenched Israeli control by fragmenting Palestinian territories, deepening economic dependency, and deferring key issues such as the right of return of Palestinian refugees, borders, and illegal settlements to an indefinite “final status” negotiation. The Oslo Accords functioned primarily as a mechanism to manage the Palestinian population by delegating day-to-day administrative responsibilities and security to the Palestinian Authority. This arrangement allowed Israel to maintain control over critical aspects of Palestinian life—such as borders, security, and resources—while sidestepping any meaningful recognition of Palestinian rights or self-determination.
- 35 Ni Bhriain, N. & Akkerman, M. (2024), Partners in Crime: EU complicity in Israel's genocide in Gaza, Transnational Institute: <https://www.tni.org/en/publication/partners-in-crime-EU-complicity-Israel-genocide-Gaza>
- 36 <http://www.notechforapartheid.com/>
- 37 <https://www.workersinpalestine.org/the-calls-languages/english>
- 38 Ziadah, R. & Fox-Hodess, K. (2023), Unionists Around the World Block Weapons Bound for Israel, LaborNotes, 13 December 2023: <https://labornotes.org/2023/12/unionists-around-world-block-weapons-bound-israel>
- 39 BRICS is seen largely as a coalition of the Global South, without much debate about this category, how to define it, and what its political implications are. Some discussion on this topic has been advanced by Waisbich, Roychoudhury and Haug (2021) in a special issue of *Third World Quarterly*. Much more discussion is needed, however, as noted at the end of this essay.
- 40 BBC (2023) *BRICS summit 2023 highlights*: <https://www.bbc.com/news/world-66525474>
- 41 Prashad, V. (2023), On 1 January 2024, the World's Centre of Gravity Will Shift: The Thirty-Fifth Newsletter, Tricontinental Institute: <https://thetricontinental.org/newsletterissue/brics-expansion/?output=pdf>
- 42 A previous version of this essay has been presented and published at the program “Pathways from Neoliberalism: voices from NEMA” at the American University in Cairo. See <https://gapp.aucegypt.edu/research-hub/pathways-beyond-neoliberalism-voices-from-mena>. Patrick Bond and I have been working for the past few years with a

division of ideological positions on BRICS, which we call “BRICS from above”, “BRICS from the middle” and “BRICS from below”. These indicate political alliances and ideological views on BRICS. What I will now present here is a methodology for analyzing BRICS from different levels of analysis, which are complementary to each other.

- 43 Goldman Sachs (2003) *The BRICS Dream*:
<https://www.goldmansachs.com/insights/goldman-sachs-research/brics-dream>
- 44 IBSA Dialogue Forum (n.d.) *Trilateral Cooperation*. <https://www.ibsa-trilateral.org/>
- 45 Non-Aligned Movement (n.d.) *History of NAM*. <https://nam.go.ug/history>
- 46 United Nations General Assembly (1974), Resolution 3201 (s-vi): Declaration on the establishment of a new international economic order, May 1974: <https://investmentpolicy.unctad.org/international-investment-agreements/treaty-files/2775/download>
- 47 ALBA-TCP (n.d.) *Official Website*. <https://www.albatcp.org/en/>.
- 48 Desai, R. (2013) *BRICS Challenge to Western Supremacy*, *The Guardian* 2 April.
<https://www.theguardian.com/commentisfree/2013/apr/02/brics-challenge-western-supremacy>.
- 49 Bello, W. (2014) The BRICS: Challengers to the global status-quo. *Foreign Policy in Focus*, 29 August. At the time of Bello's writing, BRICS was still seen as a coalition of the Global South, without much debate about this category, how to define it, and what its political implications are. There has been some discussion on this topic in Waisbich, L., Roychoudhury, S. and Haug, S. 'Beyond the single story: Global South polyphonies', *Third World Quarterly*, 42(9): 2086-2095. <https://doi.org/10.1080/01436597.2021.1948832>. This is the concluding paper in a special issue on 'The Global South in the study of world politics'. There is a need for far more discussion on this, as noted at the end of this essay.
- 50 Kiely, R. (2015) *The BRICS, U.S. 'Decline' and Global Transformations*. New York: Palgrave Macmillan, pp. 2-3.
- 51 Bond, P. and Garcia, A. (eds.) (2015) 'Introduction', in *BRICS, An Anti-Capitalist Critique*. Johannesburg: Jacana Media.
- 52 Prashad, V. () *Vijay Prashad on BRICS*, Rosa Luxemburg Stiftung.
https://www.rosalux.de/fileadmin/rls_uploads/pdfs/sonst_publicationen/prashad_brics.pdf
- 53 China Daily HK (2024), *Putin: BRICS could be key regulatory institution in multipolar world*, 14 June.
<https://www.chinadailyhk.com/hk/article/585718>
- 54 University of Toronto (2023), XV BRICS Summit Johannesburg II Declaration, August 23.
<http://www.brics.utoronto.ca/docs/230823-declaration.html>
- 55 Al Jazeera (2023) *China-Brokered Saudi-Iran Deal*, 21 August. <https://www.aljazeera.com/news/2023/8/21/china-brokered-saudi-iran-deal-driving-wave-of-reconciliation-says-wang>
- 56 BRICS Russia (2024) *Kazan Declaration*, Official website,
https://cdn.brics-russia2024.ru/upload/docs/Kazan_Declaration_FINAL.pdf?1729693488349783.
- 57 The first swap agreement between Argentina and China was in 2009 and has been ongoing since then. See <https://www.globaltimes.cn/page/202306/1292321.shtml>
- 58 Li, Y. (2023) *Trends, reasons, and prospects of de-dollarization*. Geneva: The South Centre, p. 9.
- 59 BBC Portuguese (2024), *Como Brasil e China pretendem fechar negócios sem usar dólar americano*, 29 March.
<https://www.bbc.com/portuguese/articles/c0Wqqe0zk2o>.
- 60 New Development Bank (2021) *Annual Report 2021. Expanding our reach and impact*. Shanghai.
<https://www.ndb.int/annual-report-2021/>
- 61 Ramos, L., Garcia, A., Pautasso, D., Rodrigues, F. (2018), *A Decade of Emergence: The BRICS' Institutional Densification Process*, *Journal of China and International Relations*: <https://doi.org/10.5278/ojs.jcir.v0i0.2262>
- 62 Bond, P. and Garcia, A. (2021) 'BRICS from above, coming from below', in S. A. Hamed Hosseini, J. Goodman, S.C. Motta and B. Gills (eds), *The Routledge Handbook of Transformative Global Studies*. Abingdon & New York: Routledge, pp. 165-180.
- 63 Garcia, A. (2018), *Investimento da China no Brasil, Africa do Sul e India*, PACS/ActionAid Brasil:
https://biblioteca.pacs.org.br/wp-content/uploads/2019/02/1549884367Actionaind_PACs_18JAN.pdf
- 64 <https://www.trademap.org>
- 65 I would like to thank my research assistants, Luma Gaspar, Bruno Peixoto and Camilla Souza, International Relations students at the UFRRJ, for their support in researching the trade-stock data between the BRICS countries.
- 66 Garcia, A., Thompson, L. Brito, C., Rodriguez, M. (2023), *The political economy of south-south relations: A comparative analysis of China's investments in Brazil and South Africa*, BRICS Policy Center.

- 67 Ibid
- 68 Thompson, L., Tsolekile de Wet, P., Shirinda, H., Bawden, E., (2023), Chinese investment loans and foreign direct investment in South Africa between 2012 and 2022, Brics policy center
- 69 Garcia, A., Thompson, L., & Brito, C. (2024). South-South Investments: Driver for Alternative Globalization? Examining China-Led Special Economic Zones in Brazil and South Africa. *Critical Sociology*, 0(0).
- 70 Bond, P. (2016) BRICS banking and the debate over sub-imperialism. *Third World Quarterly*, 37(4): 611-629. <https://doi.org/10.1080/01436597.2015.1128816>
- 71 Marshall, J. (2015) 'Behind the image of South-South solidarity in Brazil's Vale', in P. Bond and A. Garcia (eds.), op. cit.
- 72 Lee, C. (2017) *The Specter of Global China: Politics, Labor and Foreign Investment in Africa*. Chicago, IL: University of Chicago Press.
- 73 Amsi, B., Bond, P., Kamidza, R., Maguwu, F. and Peek, B. (2015) 'BRICS corporate snapshots during African extractivism', in P. Bond and A. Garcia (eds.), op. cit.
- 74 Human Rights Watch (2023), "Our Trust is Broken" Loss of Land and Livelihoods for Oil Development in Uganda. https://www.hrw.org/sites/default/files/media_2023/07/uganda0723web.pdf
- 75 <https://www.stopeacop.net/>
- 76 <https://www.bricsfrombelow.org/>
- 77 Carmody, P. (2015), The New Scramble for Africa, Jacobin: <https://jacobin.com/2015/12/china-south-africa-imperialism-zambia-brics-globalization>
- 78 Cited in Svampa, M. and Slipak, A. (2015) China en América Latina: Del consenso de los commodities al consenso de Beijing. *Revista Ensamblés* 2(3): 34-63. https://www.memoria.fahce.unlp.edu.ar/art_revistas/pr.13251/pr.13251.pdf
- 79 Garcia, A., Misra M., Lannes, D. (2023), Os tratados bilaterais de investimento do BRICS com países africanos : uma análise comparativa com o ACFI brasileiro. Rio de Janeiro: Ipea: <http://dx.doi.org/10.38116/td2923-port>
- 80 Garcia, A. and Rodriguez, M.E. (2024) Economia política das relações Sul-Sul. Uma análise dos acordos de proteção de investimentos dos BRICS na América Latina e Caribe. In L. Ghiotto and R. Pascual (eds.). *Estudios críticos sobre tratados de comercio e inversión en América Latina y el Caribe*. Buenos Aires: CLACSO.
- 81 Zubizarreta, J., Ramiro, P.(2016), Against the "lex mercatoria". Proposals and alternatives for controlling transnational corporations, OMAL
- 82 UNCTAD, International Investment Agreements Navigator Database: <https://investmentpolicy.unctad.org/international-investment-agreements/countries/42/china>
- 83 I have written elsewhere about the Brazilian model of Cooperation and Investment Facilitation Agreements with African countries. See Garcia, A. and Torres, G. (2021) *As relações Brasil-África e o regime internacional de investimentos: uma análise do ACFI do Brasil com Angola e Moçambique*. Brasília. Texto para Discussão, n. 2671. Rio de Janeiro: Ipea.
- 84 As I have discussed elsewhere, China is an interesting case because it is the country in the world today with the largest number of BITs (124) that reproduce the traditional model of investment protection rules. However, despite having the largest number of BITs, it has relatively few ISDS cases (29 in total, including 20 cases as a claimant state). Chinese multinationals have initiated 5 cases against Latin American and Caribbean countries, and 4 in Africa. This represents a dual approach: On the one hand, China is integrated into investment treaty regimes and liberal investor-state arbitration provisions; at the same time, it uses domestic institutional configurations to avoid engaging in international investment arbitration. Lin (2024) calls this an "imbalance" in investor-state dispute settlement that can be explained by China's instrumental and selective adoption of international norms and the neoliberal order. See Lin, Yalting. 2024. 'China's Disequilibrium' in ISDS: an interplay of China's trade-offs and domestic institutions to investment treaty policy. *Journal of International Dispute Settlement*, 2024, 00, 1–36. I have discussed Chinese investment treaties with Latin American countries in a forthcoming CLACSO book resulting from the working group "Lex Mercatoria, Poder Corporativo y Derechos Humanos" coordinated by Luciana Ghiotto and myself.
- 85 Mignolo, W (2011). The Global South and the World Dis/Order. *Journal of Anthropological Research*, vol. 67, nr. 2, pp. 165-188.
- 86 Darnal, A. (2023), The 'Global South' Is Real. Deal With It, *World Politics Review*, 28 September. <https://www.worldpoliticsreview.com/global-south-countries-term-brics/>
- 87 NATO (2022), NATO Strategic Concept: https://www.nato.int/cps/en/natohq/topics_210907.htm

- 88 SIPRI (2024), Trends in World Military Expenditure: <https://www.sipri.org/publications/2023/sipri-fact-sheets/trends-world-military-expenditure-2022>
- 89 Harding, E., Ghoorhoo, H. (2023), Seven Critical Technologies for Winning the Next War, Center for Strategic and International Studies, 23 April. <https://www.csis.org/analysis/seven-critical-technologies-winning-next-war>
- 90 Tidey, A., Soler, P., (2024), NATO chief asks European citizens to 'make sacrifices' to boost defence spending, 12 December, Euronews: <https://www.euronews.com/my-europe/2024/12/12/nato-chief-asks-european-citizens-to-make-sacrifices-to-boost-defence-spending>
- 91 EUR-Lex (n.d.) *Military Planning and Conduct Capability (MPCC)*. <https://eur-lex.europa.eu/legal-content/ES/TXT/?uri=LEGISSUM%3A4304095>.
- 92 EUR-Lex, European Defence Action Plan. <https://eur-lex.europa.eu/EN/legal-content/summary/european-defence-action-plan.html>
- 93 European Commission (2024) *First-ever European Defence Industrial Strategy to enhance Europe's readiness and security*. https://commission.europa.eu/news/first-ever-european-defence-industrial-strategy-enhance-europes-readiness-and-security-2024-03-05_es.
- 94 European Commission, (2020), Commission communication to the European Parliament – Resilience of key raw materials: charting the way to greater security and sustainability, Brussels, 3 September. <https://eur-lex.europa.eu/legal-content/ES/TXT/PDF/?uri=CELEX:52020DC0474&from=EN>
- 95 European Commission (2020) *Critical Raw Materials for Strategic Technologies and Sectors in the EU – A Foresight Study*. https://rmis.jrc.ec.europa.eu/uploads/CRMs_for_Strategic_Technologies_and_Sectors_in_the_EU_2020.pdf
- 96 Author's calculations from World Bank (2024) *Databank: World Development Indicators* (15 December). <https://databank.worldbank.org/source/world-development-indicators>
- 97 Ibid.
- 98 This is after Xi Jinping in 2021 promised to 'strictly control coal consumption'. See Lempriere, M. (2024) 'China responsible for 95% of new coal power construction in 2023, report says', in *Carbon Brief*, 11 April. <https://www.carbonbrief.org/china-responsible-for-95-of-new-coal-power-construction-in-2023-report-says/#:~:text=Molly%20Lempriere,-11.04.2024%20%7C%201&text=China%20accounted%20for%2095%25%20of,the%20lowest%20level%20since%202011>
- 99 By 2025, the BRICS international organization has 10 members: the original Brazil, Russia, India, China, South Africa plus Egypt, Ethiopia, Indonesia, Iran, United Arab Emirates.
- 100 Friedman, G. and LeBard, M. (1991) *The Coming War with Japan*. New York: St. Martin's Press.
- 101 Starrs, S. K. (2013) 'American economic power hasn't declined – it globalized! Summoning the data and taking globalization seriously'. in *International Studies Quarterly*, Vol. 57(, No. 4):, 817-830; Starrs, S.K. (2014) The chimera of global convergence'. in *New Left Review*, Vol. 87(, No. 1):, 81-96; Starrs, S.K. (2018a) 'Can China unmake the American making of global capitalism?' in *The Socialist Register 2019: A World Turned Upside Down?*, Vol. 55:, 173-200.
- 102 Germain, R. (Randall, ed.) (2016) *Susan Strange and the Future of Global Political Economy: Power, Control and Transformation*. Abingdon, UK: Routledge.
- 103 Strange, S. (1987) '. in *International Organization*, Vol. 41(, No. 4):, 551-574.
- 104 Strange, S. (1996) *The Retreat of the State: The Diffusion of Power in the World Economy* Cambridge, UK: Cambridge University Press.
- 105 Unfortunately, for reasons of space I do not conceptualise the measurement of the knowledge structure, partially because it is more nebulous and difficult to subject to quantitative analysis than the others. For Strange's narrower conception, power in knowledge was indicated by dominance in advanced technology, which overlaps with the production structure, as we shall see.
- 106 Vine, D. (2020) *The United States of War: A Global History of America's Endless Conflicts, from Columbus to the Islamic State*. Berkeley, CA: University of California Press.
- 107 Harkavy, R. (1982) *Great Power Competition for Overseas Bases: The Geopolitics of Access Diplomacy*. New York: Pergamon Press.
- 108 Robinson, W. (2014) *Global Capitalism and the Crisis of Humanity*. Cambridge, UK: Cambridge University Press. As WikiLeaks and Edward Snowden revealed, the US state has no problem with leveraging its global military-security apparatus against ally and foe alike to serve US national (ruling class) interest above a generalised global capitalist interest. See Assange, J. (2015) *The WikiLeaks Files: The World According to US Empire*. London: Verso; Greenwald, G. (2014) *No Place to Hide: Edward Snowden, the NSA & the Surveillance State*. London: Penguin Books.

- 109 Gowan, P. (1999) *The Global Gamble: Washington's Faustian Bid for World Dominance* London: Verso; Panitch, L. and Konings, M. (eds.) (2008) *American Empire and the Political Economy of Global Finance*. Basingstoke: Palgrave Macmillan.
- 110 Hanieh, A. (2024) *Crude Capitalism: Oil, Corporate Power, and the Making of the World Market* London: Verso.
- 111 Even if the US is prepared to trample over the interests of others, because the US state 'made global capitalism' (Panitch and Gindin, 2012), since 1945 its interests are usually aligned with foreign capitalists to protect and promote global capitalism generally: the basis of US hegemony in the Gramscian sense of both consent and coercion. Panitch, L. and Gindin, S. (2012) *The Making of Global Capitalism: The Political Economy of American Empire*. London: Verso. See also Cox, R. (1983) 'Gramsci, hegemony and international relations: An essay in method'. *Millennium: Journal of International Studies*, 12(2): 162-175.
- 112 IMF, IMF Data Portal – Currency Composition of Official Foreign Exchange Reserves: <https://data.imf.org/?sk=e6a5f467-c14b-4aa8-9f6d-5a09ec4e62a4>
- 113 Yong, N. (2023), Jack Ma: Alibaba founder seen in China after long absence, BBC News, 27 March: <https://www.bbc.com/news/world-asia-china-65084344>
- 114 Indeed, Putin at the 2024 Kazan BRICS Summit expressed desire for a 'BRICS currency', not an internationalised RMB, which would be subject to Chinese interests. But if the CCP would not internationalise its own currency for fear of losing state control, it is unlikely to support a 'BRICS currency'. The decades-long failure of the euro to mount any serious challenge to the dollar reveals how unified such an effort would need to be (e.g. the EU refuses to establish common fiscal policy due to competing national interests); BRICS+ is far less geopolitically unified than the EU.
- 115 Some analysts use GDP calculated by purchasing power parity (PPP), and by this measure China already surpassed the US in 2014. I reject PPP for reasons both theoretical (I reject its underlying assumption of the neoclassical theory of the 'law of one price' given perfect competition and information) and empirical (there are no 'PPP dollars' in real life, only trade in US dollars).
- 116 Pomeranz, K. (2000) *The Great Divergence: China, Europe, and the Making of the Modern World Economy*. Princeton, NJ: Princeton University Press.
- 117 China's Customs Statistics (2024) *Exports by Type Enterprise and by Customs Regime, 1-12.2023 in General Administration of Customs, People's Republic of China*. <http://english.customs.gov.cn/Statics/c202c809-5ac8-4726-8c97-53ff92db45d3.html>
- 118 In all except Trading Companies, a sector that largely accommodates an enterprise type from Japan, *sogo shosha* (US TNCs have never been classified in this sector).
- 119 Murphy, A. and Shifrin, M. (eds.) *Forbes Global 2000 (2024) The World's Largest Public Companies in Forbes*. <https://www.forbes.com/lists/global2000/>
- 120 Determining 'dominance' is somewhat subjective. To be precise, we consider any leading share that is 37.5% or above and double the second largest share as 'dominance'. This is because most would agree that the US was economically 'dominant' in 1950; and estimates of the US share of world GDP at that time range from 25-50%: 37.5% is the median.
- 121 Starrs, S.K. (2017) 'The global capitalism school tested in Asia: Transnational capitalist class vs taking the state seriously'. in *Journal of Contemporary Asia*, Vol. 47(, No. 4):, 641-658; Tooze, A. (2017) 'The Americanization of global capital', in *Notes on the Global Condition Blog* (30 March). Available at: <https://adamtooze.com/2017/03/30/notes-global-condition-americanization-global-capital/>
- 122 Herman, E. & Chomsky, N. (1988) *Manufacturing Consent: The Political Economy of the Mass Media*. New York: Pantheon Books.
- 123 Murphy and Shifrin (2024), op. cit.
- 124 Starrs, S. K. (2018b) 'The rise of emerging markets signifies the end of the beginning of the American Century: Henry Luce and the emergence of global capitalism', in S. Santino Regilme Jr and J. Parisot (eds.), *American Hegemony and the Rise of Emerging Powers*, Abingdon, UK: Routledge.
- 125 CGTN (2017), Full Text of Xi Jinping at the World Economic Forum, 17 January: <https://america.cgtn.com/2017/01/17/full-text-of-xi-jinping-keynote-at-the-world-economic-forum>
- 126 Starrs, S. K. and Germann, J. (2021) 'Responding to the China challenge in techno-nationalism: Divergence Between Germany and the United States'. in *Development and Change*, Vol. 52(, No. 5):, 1122-1146.
- 127 Fowers A., Long, H., Schaul, K. (2021), How big is the Biden stimulus bill? And who gets the most help?, *Washington Post*, 11 March: <https://www.washingtonpost.com/business/2021/03/10/how-big-is-biden-stimulus/>
- 128 Briefly, the overall US foreign policy goal since WWI is, according to the Congressional Research Service, 'preventing the emergence of regional hegemony' especially in Eurasia. See O'Rourke, R. (2024)

Defense Primer: Geography, Strategy, and U.S. Force Design, Congressional Research Service (12 December). <https://crsreports.congress.gov/product/pdf/IF/IF10485/34>; and on the various ways in which the US can weaken Russia with implications for China, see RAND's report commissioned by the Pentagon: Dobbins, J., Cohen, R., Chandler, N. et al. (2019) 'Extending Russia: Competing from advantageous ground'. RAND (24 April). https://www.rand.org/pubs/research_reports/RR3063.html

- 129 In his September 2024 address at the UN General Assembly, Israeli Prime Minister Netanyahu characterised IMEC as 'the blessing' for which resistance from 'the curse' (Palestine, Lebanon, Syria, and Iran) would need to be eliminated in order to achieve (Netanyahu, B. (2024) Prime Minister Benjamin Netanyahu's Speech at the UN General Assembly in New York (27 September). https://gadebate.un.org/sites/default/files/gastatements/79/il_fl.pdf
- 130 Mario Draghi (2024) 'Foreword', in *The future of European competitiveness: Part A*. Brussels: The European Commission. https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en
- 131 We use 'western' in this context rather than the term 'global north' because we are referring specifically to the US-led imperialist bloc which can be roughly correlates to the countries which are members of NATO.
- 132 Sperber, N. (2023) 'Forecasting China'. *New Left Review: Sidecar*, 8 September. <https://newleftreview.org/sidecar/posts/forecasting-china>
- 133 Myllyvirta, L., Qin, Q., Dai, J., Shen, X. and Qui, C. (2023) 'Analysis: Clean energy was top driver of China's economic growth in 2023'. *CarbonBrief*, 25 January. <https://www.carbonbrief.org/analysis-clean-energy-was-top-driver-of-chinas-economic-growth-in-2023/>
- 134 Sean Sweeney, John Treat and Daniel Chávez have argued compellingly in *Energy transition or expansion? That expansion rather than transition is the general trend in global energy systems*. <https://www.tni.org/en/publication/energy-transition-or-energy-expansion>
- 135 Tisheva, P. (2024) 'China's total wind and solar capacity outstrips coal, Rystad says'. *RenewablesNow*, 1 August. <https://renewablesnow.com/news/chinas-total-wind-and-solar-capacity-outstrips-coal-rystad-says-865106/>
- 136 Moritsugu, K. (2024) 'China is backing off coal power plant approvals after a 2022-23 surge that alarmed climate experts'. *Associated Press*, 20 August. <https://www.ap.org/news-highlights/spotlights/2024/china-is-backing-off-coal-power-plant-approvals-after-a-2022-23-surge-that-alarmed-climate-experts/>
- 137 Myllyvirta, L. (2024) 'Analysis: Monthly drop hints that China's CO2 emissions may have peaked in 2023'. *CarbonBrief*, 28 May. <https://www.carbonbrief.org/analysis-monthly-drop-hints-that-chinas-co2-emissions-may-have-peaked-in-2023/>
- 138 Spain's solar industry has also face unprecedented investment arbitration lawsuits, more than any other country, as shown by Lucia Bárcena and Fabian Flues (2022) 'From solar dream to legal nightmare'. <https://www.tni.org/en/publication/from-solar-dream-to-legal-nightmare>
- 139 Bahar, H. (ed.) (2022) *Special Report on Solar PV Global Supply Chains*. International Energy Agency. <https://www.iea.org/events/special-report-on-solar-pv-global-supply-chains>
- 140 Voita, T. (2024) *European Solar PV Manufacturing: Terminal Decline or Hope for a Rebirth?*. Paris: French Institute of Industrial Relations (IFRI). <https://www.ifri.org/en/memos/european-solar-pv-manufacturing-terminal-decline-or-hope-rebirth>
- 141 Owen, C. 'China solar manufacturers seek government help with pricing'. *Solar & StorageXtra*, 13 June. <https://solarstoragextra.com/china-solar-manufacturers-seek-government-help-with-pricing/>
- 142 Bryan, B., Mnyanda, L. and Chu, A. (2024) 'Global glut turns solar panels into garden fencing option'. *Financial Times*, 1 April. <https://www.ft.com/content/2ea6bf6d-04e9-453b-a35f-cd6431cfc7bf>
- 143 Roberts, M. (2024) 'China's unfair "overcapacity"'. *MROnline Blog*, 18 April. <https://mronline.org/2024/04/18/chinas-unfair-overcapacity/>
- 144 Wray, B. (2023) 'The battle to control microchip supplies will define the twenty-first century'. *Jacobin*, 26 June. <https://jacobin.com/2023/02/chip-war-chris-miller-book-review-semiconductor-manufacturing-us-china-competition>
- 145 International Energy Agency (2023) *World Energy Outlook 2023*. Paris: IEA. <https://www.iea.org/reports/world-energy-outlook-2023>
- 146 Hilton, I. (2024) 'How China became the world's leader on renewable energy'. *Yale Environment 360*, 13 March. <https://e360.yale.edu/features/china-renewable-energy>
- 147 Layne, C. (2012) This time it's real: The end of unipolarity and the Pax Americana. *International Studies Quarterly*, 56(1):203-213. <https://doi.org/10.1111/j.1468-2478.2011.00704.x>
- 148 Streeck, W. (2023) 'Virtuous Germany'. *Brave New Europe*. <https://braveneweuropa.com/wolfgang-streeck-germany-on-a-one-way-street>

- 149 Martinez, M. (2024) 'Fears of German 'de-industrialisation' may be overblown – for now'. Reuters. <https://www.reuters.com/markets/europe/s-fears-german-de-industrialisation-may-be-overblown-now-2024-05-16/>
- 150 Irle, R. (2024) 'Global EV Sales for 2023'. EV Volumes, 22 January. <https://ev-volumes.com/news/ev/global-ev-sales-for-2023/>
- 151 Jolly, J. (2024) Volkswagen considers German plant closures to save billions in costs'. The Guardian, 2 September. <https://www.theguardian.com/business/article/2024/sep/02/volkswagen-vw-germany-plant-closures-cars-electric-vehicles>; Lahiri, I. (2024) 'EU electric car sales stall as Germany lifts its foot off the pedal'. EuroNews, 30 August. <https://www.euronews.com/business/2024/08/30/eu-electric-car-sales-stall-as-germany-lifts-its-foot-off-the-pedal>
- 152 Kaufmann, D. (2023) 'German auto industry: Will 2024 mark a turning point?'. DW News, 29 December. <https://www.dw.com/en/german-auto-industry-will-2024-mark-a-turning-point/a-67718435>
- 153 Chazan, G. (2024) 'German investment in China soars despite Berlin's diversification drive'. Financial Times, 12 August. <https://www.ft.com/content/339ac2c7-f570-4ec0-8753-54f431c6aa10>
- 154 Mackenzie, K. and Sahay, T. (2024) 'Great Green Wall'. Phenomenal World. <https://www.phenomenalworld.org/analysis/an-introduction/>
- 155 Tooze, A. (2024) 'Chartbook 309 Can Western carmakers derisk in China? The unreality of geoeconomic realism'. Chartbook Substack, 14 August. <https://adamtooze.substack.com/p/chartbook-309-can-western-carmakers>
- 156 Gabor, D. (2000) 'The European Green Deal will bypass the poor and go straight to the rich'. The Guardian, 19 February. <https://www.theguardian.com/commentisfree/2020/feb/19/european-green-deal-polish-miners>
- 157 Maggiore, M. (2020) 'The (in)visible hand of the gas lobby in Brussels'. Investigate Europe, 23 October. <https://www.investigate-europe.eu/posts/the-hand-of-the-gas-lobby>
- 158 Mackenzie and Sahay (2024), op. cit.
- 159 Funk Kirkegaard, J. (2024) 'Europe is taking a constructive approach to the influx of Chinese electric vehicles'. Washington, DC: Peterson Institute for International Economics.
- 160 Moens, B., Gavin, G. and Caulcutt, C. (2024) 'EU's opening bid to avoid Trump's tariffs: We could buy more American gas'. Politico, 11 October. <https://www.eenews.net/articles/eus-opening-bid-to-avoid-trumps-tariffs-we-could-buy-more-american-gas/>
- 161 US Energy Information Administration (2024) 'United States produces more crude oil than any country, ever'. <https://www.eia.gov/todayinenergy/detail.php?id=61545>
- 162 Anderson, G. (2023) 'Strategies of denial'. New Left Review: Sidecar, 15 June. <https://newleftreview.org/sidecar/posts/strategies-of-denial>
- 163 Mexico News Daily (2024) 'Mexico likely to become world's No. 1 EV exporter to US in 2024', 27 August. <https://mexiconewsdaily.com/business/mexico-evs-exports-us/>
- 164 Mackenzie, K. and Sahay, T. (2023) 'The EU and the IRA'. Phenomenal World. <https://www.phenomenalworld.org/analysis/the-eu-and-the-ira/>
- 165 Asian Development Bank (2024) Asian Economic Integration Report 2024: Decarbonizing Global Value Chains. Metro Manila: Asian Development Bank.
- 166 European Commission: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Grohol, M., & Veeh, C. (2023). Study on the critical raw materials for the EU 2023: final report. Luxembourg: Publications Office of the European Union. <https://data.europa.eu/doi/10.2873/725585>
- 167 Nem Singh, J.T. (2022) 'Geographies in Transition'. Phenomenal. <https://www.phenomenalworld.org/analysis/geographies-in-transition/>
- 168 Matković, A. (2024) 'Open letter regarding Rio Tinto and the "mining colony that Serbia is turning into"'. <https://www.tni.org/en/article/open-letter-regarding-rio-tinto-and-the-mining-colony-that-serbia-is-turning-into>
- 169 Espinoza, J. and Fleming, S. (2023) 'EU opens subsidy race with US to fight exodus of green projects'. Financial Times, 9 March. <https://www.ft.com/content/a7438c5a-41da-42ab-845f-25176205a5c7>
- 170 Collier, U. and Gorini, R. (eds.) (2023) World Energy Transitions Outlook 2023. Masdar City, UAE. International Renewable Energy Agency (IRENA). <http://www.indiaenvironmentportal.org.in/files/file/wet%20outlook%20vol%202.pdf>
- 171 Buchner, B., Naran, B., Padmanabhi, R.... and Marini, N. (2023) 'Global Landscape of Climate Finance in 2023'. Climate Policy Initiative. <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/>

- 172 Christophers, B. (2024) *The Price is Wrong: Why Capitalism Won't Save the Planet*. London & New York: Verso Books.
- 173 Steinfourt, L. and Angel, J. (2023) 'Energy Transition Mythbusters: Myth #3'. Amsterdam: Transnational Institute. <https://www.tni.org/en/article/energy-transition-mythbusters-myth-3>
- 174 Christophers (2024), op. cit., p. 376.
- 175 Bushey, C. (2024) 'Donald Trump's shake-up of EV rules would be 'huge positive' for Tesla'. *Financial Times*, 14 November. <https://www.ft.com/content/a8799b8e-d84d-4a1b-bcea-31920ca7c94f>
- 176 Martin, N. (2024) 'German car giants alarmed by Donald Trump's trade threats'. *DW*, 23 October. <https://www.dw.com/en/donald-trumps-trade-threats-alarm-german-car-giants-vw-bmw-mercedesv2/a-70530326>
- 177 do Carmo, M.J., Sacomano Neto, M. and Donadone, J.C. (2022) *Financialisation in the Automotive Industry: Capital and Labour in Contemporary Society*. Abingdon: Routledge.
- 178 Murphy, L. T. and Elimá, N. (2021) 'In Broad Daylight: Uyghur forced labour and global solar supply chains'. Helena Kennedy Centre, Sheffield Hallam University. <https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/in-broad-daylight>
- 179 We cannot expand on this here but the Transnational Institute has published widely on a leftist vision for decarbonisation, see here: <https://www.tni.org/en/publication/energy-transition-mythbusters> and here: <https://www.tni.org/en/publication/green-multinationals-exposed>
- 180 The Emirates Group (2025) *About Us*. <https://www.emirates.com/us/english/about-us/>
- 181 Jebel Ali Free Zone (JAFZA) (2025) *About*. <https://www.jafza.ae/about/>
- 182 DP World (n.d.) *About Us*. <https://www.dpworld.com/en/uae/about-us>
- 183 Valencia, A.S. (2018) *Sub-Imperialism Revisited*. Chicago, IL: Haymarket Books.
- 184 Marini, R.M. (2023) 'World Capitalist Accumulation and Sub-imperialism', *Cosmonaut Magazine*, 1 May. <https://cosmonautmag.com/2023/05/world-capitalist-accumulation-and-sub-imperialism-by-ruy-mauro-marini/>
- 185 Naeem, M. (2023) 'And what about the nightmare of Abu Dhabi and Dubai?', *Almanassa platform*, 19 October. <https://almanassa.com/stories/13961>
- 186 Hanieh, A. (2018) *Money, Markets, and Monarchies*. Cambridge: Cambridge University Press.
- 187 Halliday, F. (2001) *Arabia without sultans*. London: Saqi Books.
- 188 Munyati, C. (28 April 2024) 'A new economic partnership is emerging between Africa and the Gulf states', *World Economic Forum*. <https://www.weforum.org/agenda/2024/04/africa-gcc-gulf-economy-partnership-emerging/>
- 189 Pilling, D., Cornish, C. and Schipani, A. (2024) 'The UAE's rising influence in Africa', *Financial Times*, 29 May. <https://www.ft.com/content/388e1690-223f-41a8-a5f2-0c971dbfe6f0>
- 190 Barbuscia, D. (2020) 'Exclusive: Dubai signs up banks for \$9 billion DP World debt deal - sources', *Reuters*, 19 March. <https://www.reuters.com/article/world/exclusive-dubai-signs-up-banks-for-9-billion-dp-world-debt-deal-sources-idUSKBN2161XN/>
- 191 The Land Matrix Initiative (13 September 2024) *Data*. <https://landmatrix.org/list/investors/>
- 192 Grain (3 July 2024) 'From land to logistics: UAE's growing power in the global food system'. <https://grain.org/en/article/7170-from-land-to-logistics-uae-s-growing-power-in-the-global-food-system>
- 193 Ibid.
- 194 Bloomberg News (2023) 'Abu Dhabi's Trillion Dollar Man', *Bloomberg*, 11 September. <https://www.bloomberg.com/news/newsletters/2023-09-11/abu-dhabi-s-trillion-dollar-man-sheikh-tahnoon-turkey-cheer-egypt-inflation>
- 195 Henderson, C. (4 September 2024) 'Extractive agribusinesses—guaranteeing food security in the Gulf', *Farmlandgrab.org*. <https://farmlandgrab.org/post/32403-extractive-agribusinesses-guaranteeing-food-security-in-the-gulf>
- 196 Duffield, M. and Stockton, N. (2023) 'Capitalism, war and plunder in the Horn of Africa', *Review of African Political Economy*, 23 November. <https://roape.net/2023/11/23/capitalism-war-and-plunder-in-the-horn-of-africa/>
- 197 Hanieh, A. (12 August 2024) 'Laundering carbon—The Gulf's 'new scramble for Africa'', *Farmlandgrab.org*. <https://farmlandgrab.org/post/32355-laundering-carbon-the-gulf-s-new-scramble-for-africa>
- 198 Wilson, T. and Schipani, A. (2023) 'DRC says Rwandan mineral smuggling costs it almost \$1bn a year'. *Financial Times*, 21 March. <https://www.ft.com/content/ecf89818-949b-4de7-9e8a-89f119c23a69>
- 199 McNeill, R. (n.d.) 'UAE and Africa's gold', *Reuters Graphics*. <https://www.reuters.com/graphics/GOLD-AFRICA-SMUGGLING/010091H626J/>

- 200 Al Jazeera Investigative Unit (2023) 'What draws the gold mafia to Dubai?', *Aljazeera*, 6 April. <https://www.aljazeera.com/news/2023/4/6/what-draws-the-gold-mafia-to-dubai-dubai>
- 201 US Department of the Treasury (17 March 2023) 'Treasury Sanctions Alain Goetz and a Network of Companies Involved in the Illicit Gold Trade'. <https://home.treasury.gov/news/press-releases/jy0664>
- 202 Walsh, D. (2024) 'The Gold Rush at the Heart of a Civil War', *The New York Times*, 11 December. <https://www.nytimes.com/2024/12/11/world/africa/sudan-gold-rush-heart-civil-war.html>
- 203 U.S. Government Publishing Office (23 September 2024) 'Joint Statement by President Biden and President Mohamed bin Zayed Al Nahyan of the United Arab Emirates—Dynamic Strategic Partners'. <https://www.govinfo.gov/content/pkg/DCPD-202400812/html/DCPD-202400812.htm>
- 204 Ardemagni, E. (22 October 2020) 'The UAE's Military Training-Focused Foreign Policy', *Sada, Carnegie Endowment for International Peace*. <https://carnegieendowment.org/sada/2020/10/the-uaes-military-training-focused-foreign-policy?lang=en>
- 205 Ardemagni, E. (30 April 2024) 'Flexible Outposts: The Emirati Approach to Military Bases Abroad', *Sada, Carnegie Endowment for International Peace*. <https://carnegieendowment.org/sada/2024/04/flexible-outposts-the-emirati-approach-to-military-bases-abroad?lang=en>
- 206 Malsin, J. (2020) 'U.A.E. Boosted Arms Transfers to Libya to Salvage Warlord's Campaign, U.N. Panel Finds', *The Wall Street Journal*, 29 September. <https://www.wsj.com/articles/u-a-e-boosted-arms-transfers-to-libya-to-salvage-warlords-campaign-u-n-panel-finds-11601412059>
- 207 Mahjoub, H. (2024) 'Exposing the murderers – the UAE involvement in the war in Sudan', *Review of African Political Economy*, 10 January. <https://roape.net/2024/01/10/exposing-the-murderers-the-uae-and-saudi-arabia-in-the-war-in-sudan/>
- 208 Marks, S. (2024) 'Colombians in Sudan Show Rise of Military Contractors in Africa', *BNN Bloomberg*, 2 December. <https://www.bnnbloomberg.ca/business/company-news/2024/12/02/colombians-in-sudan-show-rise-of-military-contractors-in-africa/>
- 209 Swinford, S. and Harter, F. (2024) 'UAE cancels meetings with Britain in row over Sudan', *The Times*, 28 April. <https://www.thetimes.com/uk/politics/article/uae-cancels-meetings-britain-row-sudan-civil-war-sxlhxwhtw?region=global>
- 210 Walsh, D. and Koettl, C. (2024) 'How a U.S. Ally Uses Aid as a Cover in War', *The New York Times*, 21 September. <https://www.nytimes.com/2024/09/21/world/africa/uae-sudan-civil-war.html>
- 211 Sandeman, G. (2024) 'Will more stars boycott Dubai after rapper Macklemore?', *BBC*, 1 September. <https://www.bbc.com/news/articles/c39kwmm3x94o>
- 212 England, A. and Pickard, J. (2023) 'Prince Mohammed bin Salman invited to visit UK in autumn', *Financial Times*, 13 July. <https://www.ft.com/content/c8d104f0-09d3-4df9-a3a0-d7fac8a77c0d>
- 213 Embassy of the United Arab Emirates – Washington DC (June 2024) 'Pioneering Prosperity – The Strategic UAE-US Economic Alliance'. https://www.uae-embassy.org/sites/default/files/inline-files/Economic%20Alliance_White%20Paper_06.20.2024_V2.pdf
- 214 The International Institute for Strategic Studies (July 2023) 'The state of de-dollarisation in the Gulf region', *Strategic Comments*. <https://www.iiss.org/en/publications/strategic-comments/2023/the-state-of-de-dollarisation-in-the-gulf-region/>
- 215 Moore, M. and Cornish, C. (2024) 'Russia sanctions are ineffective, says Dubai trade hub chief', *Financial Times*, 28 May. <https://www.ft.com/content/5183dd85-87f0-4f6f-a655-1abc78f084ad>
- 216 Kim, J. (2024) 'UAE president visits South Korea with defence and energy on agenda', *Reuters*, 28 May. <https://www.reuters.com/world/uae-president-visits-south-korea-with-defence-energy-agenda-2024-05-28/>
- 217 Casey, M. (February 2024) 'Infiltrating America - How the United Arab Emirates Launched an Unprecedented Political Interference Campaign in the United States', *Human Rights Foundation*. <https://hrf.org/reports/infiltrating-america-how-the-united-arab-emirates-launched-an-unprecedented-political-interference-campaign-in-the-united-states/>
- 218 Delmar-Morgan, A. and Miller, D. (2018) 'The UAE Lobby: Subverting British democracy?', *Spinwatch, Public Interest Investigations*. https://thecordobafoundation.com/wp-content/uploads/2019/01/Spinwatch-UAE_lobby_report.pdf
- 219 Freeman, B. (5 December 2022) 'The Emirati Lobby in America', *Quincy Institute for Responsible Statecraft*. <https://quincyinst.org/research/the-emirati-lobby-in-america/>
- 220 Delmar-Morgan, 'The UAE Lobby'

- 221 Cole, M. (2022) 'UAE Adviser Illegally Funneled Foreign Cash Into Hillary Clinton's 2016 Campaign', *The Intercept*, 16 January. <https://theintercept.com/2022/01/16/uae-2016-election-trump-clinton-george-nader/>
- 222 Walsh, D., Koettl, K. and Schmitt, E. (2023) 'Talking Peace in Sudan, the U.A.E. Secretly Fuels the Fight', *The New York Times*, 29 September. https://www.nytimes.com/2023/09/29/world/africa/sudan-war-united-arab-emirates-chad.html?unlocked_article_code=1.M04.6ZAT.WF01CCIOBqs6&smid=url-share
- 223 Globaltimes.cn. (2024). *ASML risks losing Chinese market permanently if it complies with US restrictions* – *Global Times*. [online] Available at: <https://www.globaltimes.cn/page/202409/1319035.shtml>
- 224 For those interested in a more extensive overview of how this relationship developed: J Adam Tooze (2015). *The deluge : the Great War, America and the remaking of the global order, 1916-1931*. New York, New York: Penguin Books ; Kees van der Pijl (1984). *The Making of an Atlantic Ruling Class*. Verso Books. are recommended.
- 225 Also known as the 'Allies', principally France, UK and Russia that fought against the Central Powers of Germany, Austria-Hungary, the Ottoman empire and Bulgaria.
- 226 *The Making of an Atlantic Ruling Class*, 42.
- 227 Ibid., p 156.
- 228 'President Kennedy offers historic July 4th "Declaration of Interdependence"' (1962) *Bulletin from the European Community*, 55, August. Available at: <https://aei.pitt.edu/43697/1/A7440.pdf>
- 229 Varoufakis, Y. (2011) *The Global Minotaur: America, the true origins of the financial crisis and the future of the world economy*. London & New York: Zed Books, p. 204.
- 230 Roos, M. and Schade, D. (2023) *The EU under Strain?* Berlin: de Gruyter.
- 231 Benitez, J. (2018) 'Trump confirms he threatened to withdraw from NATO'. Atlantic Council. Available at: <https://www.atlanticcouncil.org/blogs/natosource/trump-confirms-he-threatened-to-withdraw-from-nato/>
- 232 Schade, D. 'A strained partnership?'; Blanc, E. (2024) 'Crisis in EU-US relations under Trump: an emotional contemptuous double game of misrecognition'. *Journal of European Integration*, 46(5):685-705; Knutsen, B.O. (2022) 'A weakening transatlantic relationship? redefining the EU-US security and defence cooperation'. *Politics and Governance*, 10(2): 165–175. <https://doi.org/10.17645/pag.v10i2.5024>
- 233 <https://www.pesco.europa.eu/>
- 234 Ruiz, A., Vranken, B., Vignarca, F., Calvo, J., Sédou, L. and de Vries, W. (2021) *Rosa-Luxemburg-Stiftung Brussels Office | A militarised Union*. Available at: <https://rosalux.eu/en/2021/import-1981/58>
- 235 Dell'Anna, A. (2024) *Defence spending boost: Which EU countries are investing the most?* euronews. <https://www.euronews.com/my-europe/2024/12/06/eu-military-spending-surges-as-uncertain-geopolitical-future-drives-investment>
- 236 Apostolis F. and Ni Bhriain, N. (2021) *Smoking Guns*. Amsterdam: Transnational Institute. <https://www.tni.org/en/publication/smoking-guns>, p.14.
- 237 European Commission (2022). *EU trade relations with United States*. [online] [policy.trade.ec.europa.eu](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/united-states_en). Available at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/united-states_en
- 238 Daniel S. Hamilton. (n.d.). *Transatlantic Economy 2023*. [online] Available at: <https://transatlanticrelations.org/publications/transatlantic-economy-2023/> 9.
- 239 Haar, K. (n.d.). *A Europe of capital*. [online] Available at: https://rosalux.eu/wp-content/uploads/2024/04/A-Europe-of-Capital_ENG.pdf 82.
- 240 Ibidem 199.
- 241 Varma, J.B.-D., Susi Dennison, Anthony Dworkin, Ellie Geranmayeh, Mark Leonard, Theodore Murphy, Janka Oertel, Nicu Popescu, Tara (2020). *A new transatlantic bargain: An action plan for transformation, not restoration*. ECFR. Available at: <https://ecfr.eu/publication/a-new-transatlantic-bargain-an-action-plan-for-transformation-not-restoration/>
- 242 Brinza, A., Aleksandra Bērziņa-Čerenkova, U., Le Corre, P., Seaman, J., Turcsányi, R. and Vladislavljiev, S. (2024). *EU-China relations: De-risking or de-coupling – the future of the EU strategy towards China*. [online] *European Parliament*. Available at: [https://www.europarl.europa.eu/RegData/etudes/STUD/2024/754446/EXPO_STU\(2024\)754446_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2024/754446/EXPO_STU(2024)754446_EN.pdf)
- 243 Swanson, A., Smialek, J., Rappeport, A. and Nelson, E. (2023). *U.S. Spending on Clean Energy and Tech Spurs Allies to Compete*. *The New York Times*. <https://www.nytimes.com/2023/12/07/business/economy/clean-energy-us-europe.html>

- 244 Müller, B., Ghiotto, L. and Bárcena, L. (2024) *The Raw Materials Rush*. Amsterdam: Transnational Institute.
<https://www.tni.org/en/publication/the-raw-materials-rush>
- 245 Haar, K. *A Europe of capital* 275.
- 246 U.S. Energy Information Administration (2016) *U.S. energy facts – imports and exports – U.S. Energy Information Administration (EIA)*. <https://www.eia.gov/energyexplained/us-energy-facts/imports-and-exports.php>
- 247 Akkerman, M. Nih Bhriain, N. (2024). *Smoke Screen*. Transnational Institute.
<https://www.tni.org/en/publication/smoke-screen>, p. 11.
- 248 Ibid., p. 4.
- 249 Matza, M. (2024) 'US weapons sales abroad hit record high in 2023, boosted by Ukraine war', BBC, 30 January.
<https://www.bbc.com/news/world-us-canada-68136840>
- 250 Middle East Monitor. "60% of Germans Oppose Military Support for Israel: Survey." Middle East Monitor, October 22, 2024. <https://www.middleeastmonitor.com/20241022-60-of-germans-oppose-military-support-for-israel-survey/>
- 251 Gritten, D. (2024) Gaza war: Where Does Israel Get Its weapons? BBC, 3 September.
<https://www.bbc.com/news/world-middle-east-68737412>
- 252 Marwecki, D. (2024) *Israel and the German Raison D'Etat – Rosa-Luxemburg-Stiftung*.
<https://www.rosalux.de/en/news/id/51786/israel-and-the-german-raison-detat>
- 253 Zsurzsán, A. (2024) *Hungary's Support for Israel Exposes Its Fake Pacifism*.
<https://jacobin.com/2024/03/orban-israel-rafah-ukraine-hypocrisy>
- 254 Hanieh, Adam. 2024. "Framing Palestine | Transnational Institute." Transnational Institute. October 3, 2024.
<https://www.tni.org/en/article/framing-palestine>
- 255 Akkerman, M. Nih Bhriain, N. (2024). *Partners in Crime*. Amsterdam: Transnational Institute.
<https://www.tni.org/en/publication/partners-in-crime-EU-complicity-Israel-genocide-Gaza>
- 256 nos.nl (2019) *Publiek geheim na blunder zwart-op-wit: kernwapens in Volkel*.
<https://nos.nl/artikel/2293723-publiek-geheim-na-blunder-zwart-op-wit-kernwapens-in-volkel>
- 257 nos.nl (2023) *Krimpplan Schiphol voorlopig van de baan na druk VS en EU*. <https://nos.nl/l/2497812>
- 258 Prashad, V. Tricontinental: Institute for Social Research. (2024). *Ten Theses on the Far Right of a Special Type: The Thirty-Third Newsletter* (2024). <https://thetricontinental.org/newsletterissue/ten-theses-on-the-far-right-of-a-special-type/>
- 259 *A Europe of Capital* 18.
- 260 González, E. (2022) Borrell: 'Europe cannot be a herbivore in a world of carnivores'.
<https://thediplotainSpain.com/en/2022/10/12/borrell-europe-cannot-be-a-herbivore-in-a-world-of-carnivores/>
- 261 Novo Nordisk Foundation (2024) Denmark's first supercomputer is now operational.
<https://novonordiskfonden.dk/en/news/denmarks-first-ai-supercomputer-is-now-operational/>
- 262 Hung, K. (2024) 'Artificial intelligence as planetary assemblages of coloniality: The new power architecture driving a tiered global data economy.' *Big Data & Society*.
<https://journals.sagepub.com/doi/pdf/10.1177/20539517241289443>
- 263 LeCun, Y., Bengio, Y. and Hinton, G. (2015) 'Deep learning'. *Nature*, 521: 436-444.
<https://www.nature.com/articles/nature14539>
- 264 Edwards, B. (2024) 'ChatGPT hits 200 million active weekly users, but how many will admit using it?' *Ars Technica*. <https://arstechnica.com/information-technology/2024/08/chatgpt-hits-200-million-active-weekly-users-but-how-many-will-admit-using-it/>
- 265 Abraham, Y. (2024) 'Lavender': The AI machine directing Israel's bombing spree in Gaza. +972 Magazine and Local Call, 3 April. <https://www.972mag.com/lavender-ai-israeli-army-gaza/>
- 266 Transnational Institute (2024) *Big Tech – The rise of GAFAAMT*.
<https://www.tni.org/en/big-tech-the-rise-of-gafaamt>
- 267 Lynch III, T.F. (2024) 'The future of great power competition: Trajectories, transitions, and prospects for catastrophic war'. *Joint Force Quarterly*, 114(2): 3-23.
https://digitalcommons.ndu.edu/joint-force-quarterly/vol114/iss2/4/?utm_source=chatgpt.com
- 268 CompaniesMarketCap (2024). Largest tech companies by market cap. 18 November.
<https://companiesmarketcap.com/cad/tech/largest-tech-companies-by-market-cap/>

- 269 Ward, K., Galler, T., Toschi, M. P. et al. (2024) 'AI investing: More broadening than bubble'. J.P. Morgan Asset Management, 19 November. <https://am.jpmorgan.com/se/en/asset-management/per/insights/market-insights/investment-outlook/ai-investment/>
- 270 Chinese Ministry of Commerce (2023) https://m-mofcom-gov-cn.translate.goog/article/zwgk/gkzcfb/202302/20230203391289.shtml?_x_tr_sch=http&_x_tr_sl=zh-TW&_x_tr_tl=en&_x_tr_hl=en-US&_x_tr_pto=wapp
- 271 Freifeld, K. and Li, K. (2021) 'Huawei CFO Meng Wanzhou and U.S. reach agreement to resolve bank fraud charges, sources say'. Reuters, 24 September. <https://financialpost.com/technology/huawei-cfo-meng-expected-to-resolve-u-s-charges-in-brooklyn-federal-court-source-2>
- 272 Goujon, R., Bouchaud, J. and Qi, C. (2024) 'The urge to merge: Streamlining US sanction lists targeting China'. Rhodium Group, 27 August. <https://rhg.com/wp-content/uploads/2024/08/The-Urge-to-Merge-Streamlining-US-Sanction-Lists-Targeting-China-.pdf>
- 273 Borak, M. (2021) 'Alibaba, Tencent, ByteDance and 30 other Big Tech firms sign voluntary antitrust 'self-discipline' pledge at event'. South China Morning Post, 15 July. <https://www.scmp.com/tech/policy/article/3141245/alibaba-tencent-bytedance-and-30-other-big-tech-firms-sign-voluntary>
- 274 Moore, E. (2021) 'China Fines Alibaba \$2.8 Billion for Breaking Anti-Monopoly Law'. NPR, 10 April. <https://www.npr.org/2021/04/10/986112628/china-fines-alibaba-2-8-billion-for-breaking-anti-monopoly-law>
- 275 Goujon et al. (2024), op.cit.
- 276 UNCTAD (2019) *Digital Economy Report 2019*. <https://unctad.org/publication/digital-economy-report-2019>
- 277 Center for Security and Emerging Technology (2024) Emerging Technology Observatory. <https://cat.eto.tech/?countries=China+%28mainland%29%2CUnited+States&countryGroups=&dataset=Patent&expanded=Summary-metrics>
- 278 Lawal, S. (2024) 'Tech wars: Why has China banned exports of rare minerals to US?', Al Jazeera, 4 December. <https://www.aljazeera.com/news/2024/12/4/tech-wars-why-has-china-banned-exports-of-rare-minerals-to-us>
- 279 Reuters. 'China adds 28 US entities to export control list' Reuters, 2 January. <https://www.reuters.com/business/aerospace-defense/china-adds-28-us-entities-export-control-list-2025-01-02/>
- 280 International Telecommunications Union (2024) 'Global Internet use continues to rise but disparities remain, especially in low-income regions'. Press release, 27 November. Geneva: International Telecommunication Union. <https://www.itu.int/en/mediacentre/Pages/PR-2024-11-27-facts-and-figures.aspx>
- 281 Swain, G. (2024) 'US orders TSMC to halt advanced chip exports to China'. ComputerWorld, 11 November. <https://www.computerworld.com/article/3602389/us-orders-tsmc-to-halt-advanced-chip-exports-to-china.html>
- 282 Chen, C. (2025) 'How a top Chinese AI model overcame US sanctions'. MIT Technology Review, January 24. <https://www.technologyreview.com/2025/01/24/1110526/china-deepseek-top-ai-despite-sanctions/>
- 283 Dasgupta, D. 'India Join Global Race to Develop AI Models'. The Straits Times, 31 January. <https://www.straitstimes.com/asia/south-asia/india-joins-global-race-to-develop-ai-models>
- 284 Glickman, S. 'AI and Tech Industrial Policy: From Post-Cold War Post-Industrialism to Post-Neoliberal Re-Industrialization' in AI Nationalism(s). AI Now Institute, 12 March. <https://ainowinstitute.org/publication/ai-and-tech-industrial-policy-from-post-cold-war-post-industrialism-to-post-neoliberal-re-industrialization>
- 285 Komaitis, K., Ponce de León, E., Ray, K., Thibaut, T. and Klyman, K. (2024) 'The sovereignty trap: how the promise of sovereign AI obscures its pitfalls'. Digital Forensic Research Lab (DFRLab), 17 July. <https://dfrlab.org/2024/07/17/the-sovereignty-trap/>
- 286 Llewellyn, A. (2025) 'Indonesia's Apple and Google bans frustrate country's tech fans'. Al Jazeera, 1 January. <https://www.aljazeera.com/economy/2025/1/1/indonesias-apple-and-google-bans-frustrate-countrys-tech-fans>
- 287 Ambassador Zheng Zeguangu (2023) 'Tenth Anniversary: A New Start and New Opportunity for China-UK Cooperation', Embassy of the People's Republic of China in the United Kingdom of Great Britain and Northern Ireland, London. http://gb.china-embassy.gov.cn/eng/dshdjhh/202306/t20230622_11102294.htm
- 288 Submarine Cable Network (2024) PEACE. <https://www.submarinenetworks.com/en/systems/asia-europe-africa/peace>
- 289 White House (2022) 'FACT SHEET: President Biden and G7 Leaders Formally Launch the Partnership for Global Infrastructure and Investment', 26 June. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/26/fact-sheet-president-biden-and-g7-leaders-formally-launch-the-partnership-for-global-infrastructure-and-investment/>
- 290 Brock, J. (2023) 'U.S. and China wage war beneath the waves – over internet cables'. Reuters, 24 March. <https://www.reuters.com/investigates/special-report/us-china-tech-cables/>

- 291 Joske, A. (2019). 'The China Defence Universities Tracker: Exploring the military and security links of China's universities.' Australian Strategic Policy Institute.
<https://www.aspi.org.au/report/china-defence-universities-tracker>
- 292 Longfield, L. (2024). 'The Security of Research Partnerships Between Canadian Universities, Research Institutions and Entities Connected to the People's Republic of China.' Report of the Standing Committee on Science and Research. House of Commons, 44th Parliament of Canada, 1st Session, May.
https://publications.gc.ca/collections/collection_2024/parl/x79-1/XC79-1-1-441-10-eng.pdf
- 293 Dent, A. (2023). 'Microsoft, China, and the Future of Artificial Intelligence.' The Dispatch, 23 February.
<https://thedispatch.com/article/microsoft-china-and-the-future-of-artificial-intelligence/>
- 294 Gonzalez, R. (2023), Militarising Big Tech: the Rise of Silicon Valley's Digital Defence Industry, Transnational Institute: <https://www.tni.org/en/article/militarising-big-tech>
- 295 Etzkowitz, H. (2018) 'Innovation Governance: From the "Endless Frontier" to the Triple Helix,' in *Geographies of the University*. Springer. Open Access. https://link.springer.com/chapter/10.1007/978-3-319-75593-9_8
- 296 Tangermann, V. (2023) 'There's an extremely stupid reason NASA scientists can't study China's amazing new moon rocks.' *Futurism*, 30 June. <https://futurism.com/reason-nasa-scientists-cant-study-china-rocks>
- 297 Bioni, B. and Sarma, A. (2024) 'Task Force 5 – Inclusive Digital Transformation. T20 Brazil'.
<https://drive.google.com/file/d/1kgFndNBWPex38338zocaOT2pv3ZO7aJ/view>
- 298 Doctorow, C. (2023) 'Seizing the means of computation – how popular movements can topple Big Tech monopolies', Interview with Cory Doctorow. *State of Digital Power*. Amsterdam: Transnational Institute.
<https://www.tni.org/en/article/seizing-the-means-of-computation-how-popular-movements-can-topple-big-tech-monopolies>
- 299 Lomas (June 2024) Amazon hit with fresh class action-style suit in UK — \$3.4B in competition damages sought for 200,000+ sellers. Tech Crunch: <https://techcrunch.com/2024/06/27/amazon-hit-with-fresh-class-action-style-suit-in-uk-3-4bn-in-competition-damages-sought-for-200000-sellers/>
- 300 Bateman, M., Teixeira, F. (2022), Mumbuca – a people's fintech in Brazil, Transnational Institute: <https://www.tni.org/en/article/mumbuca-a-peoples-fintech-in-brazil>
- 301 Hung, K.-H. (2023) 'Responsible AI's inherent trade-offs: Let's talk about resources, rights and power'. Bot Populi.
<https://botpopuli.net/responsible-ais-inherent-trade-offs-lets-talk-about-resources-rights-and-power/>
- 302 Boggio, A. (2023) 'How science became a human right'. The Conversation, PBS News.
<https://www.pbs.org/newshour/science/how-science-became-a-human-right>
- 303 United Nations Human Rights Council. Report by Special Rapporteur Alexandra Xanthaki in the field of cultural rights (21 February 2024) 'Right to participate in science'. UN Doc en/A/HRC/55/44.
<https://docs.un.org/en/A/HRC/55/44>
- 304 Barış, E. (5 July 2024) 'Palestine solidarity encampments at UvA: experiences and reflections', *Standplaats Wereld*. <https://standplaatswereld.nl/palestine-solidarity-encampments-at-uva-experiences-and-reflections/>
- 305 Beckley, M. and Brands, H. (2022) 'China's Threat to Global Democracy'. *Journal of Democracy*. 2 December
<https://www.journalofdemocracy.org/chinas-threat-to-global-democracy/>
- 306 Skinner, K. K. (2023) 'Department of State'. In Paul Dans and Steven Groves (Eds.) *Mandate for Leadership: The Conservative Promise* (pp. 171–199). Washington DC: Project 2025 and the Heritage Foundation.
- 307 La Botz, D. (Winter 2022) 'Internationalism, Anti-Imperialism, And the Origins of Campism'. *New Politics*.
https://newpol.org/issue_post/internationalism-anti-imperialism-and-the-origins-of-campism/
- 308 Lenin, V. I. (1970) *Imperialism, the Highest Stage of Capitalism*. Beijing: Foreign Language Press.
- 309 Smith, J. (2016) *Imperialism in the Twenty-First Century: Globalization, Super-Exploitation, and Capitalism's Final Crisis*. New York: Monthly Review Press.
- 310 Amin, S. (1 July 2015) 'Contemporary Imperialism'. *Monthly Review*.
<https://monthlyreview.org/2015/07/01/contemporary-imperialism/>
- 311 Chibber, V. (16 October 2022) 'To Fight Imperialism Abroad, Build Class Struggle at Home'. *Jacobin*.
<https://jacobin.com/2022/10/vivek-chibber-imperialism-lenin-marx-class-struggle-labor-aristocracy>
- 312 Mau, S. (2023) *Mute Compulsion: A Marxist Theory of the Economic Power of Capital*. New York and London: Verso Books.
- 313 W, Cristina, J, Ron, and T, Andrew (17 April 2024) 'Cuban Links: No Tolerance for Disorganizing Chauvinism'. *Red Star Caucus*. <https://redstarcaucus.org/cuban-links/>

- 314 Ness, Immanuel (26 December 2022) 'The Oxford Handbook of Economic Imperialism: Interview with Immanuel Ness'. *Anti-Imperialist Network*. <https://anti-imperialist.net/blog/2022/12/26/the-oxford-handbook-of-economic-imperialism-interview-with-immanuel-ness/>
- 315 Hickel, J., Dorninger, C., Wieland, H., and Suwandi, I (2022) 'Imperialist appropriation in the world economy: Drain from the global South through unequal exchange, 1990–2015'. *Global Environmental Change* 73 (102467), <https://doi.org/10.1016/j.gloenvcha.2022.102467>
- 316 Suwandi, I. (2019) *Value Chains: The New Economic Imperialism*. New York: Monthly Review Press.
- 317 Hadiz, V. R. and Chrysosgelos, A. (2017) 'Populism in world politics: A comparative cross-regional perspective'. *International Political Science Review* 38(4): 399–411.
- 318 Mudde, C. (2021) 'Populism in Europe: An Illiberal Democratic Response to Undemocratic Liberalism (The Government and Opposition/Leonard Schapiro Lecture 2019)'. *Government and Opposition* (56)4: 577–597.
- 319 Somers, M. R. (2022) 'Dedemocratizing citizenship: how neoliberalism used market justice to move from welfare queening to authoritarianism in 25 short years'. *Citizenship Studies* 26(4–5): 661–674.
- 320 Edelman, M. (2021) 'Hollowed out Heartland, USA: How capital sacrificed communities and paved the way for authoritarian populism', *Journal of Rural Studies* 82: 505–517.
- 321 Nanda, M. (2011) *The God Market: How Globalization is Making India More Hindu*. New York: Monthly Review Press.
- 322 Hadiz, V. R. (23 May 2017) 'The Indonesian Oligarchy's Islamic Turn?'. *Australian Institute of International Affairs*. <https://www.internationalaffairs.org.au/australianoutlook/indonesian-oligarchys-islamic-turn/>
- 323 Fang, L. (9 August 2017) 'Sphere of influence: How American Libertarians are remaking Latin American politics'. *The Intercept*. <https://theintercept.com/2017/08/09/atlas-network-alejandro-chafuen-libertarian-think-tank-latin-america-brazil/>
- 324 Mair, P. (2013) *Ruling the Void: The Hollowing of Western Democracy*. London and New York: Verso.
- 325 MacLean, N. (2017) *Democracy in Chains: The Deep History of the Radical Right's Stealth Plan for America*. New York: Viking Press.
- 326 Fang, L. (9 August 2017) 'Sphere of influence: How American Libertarians are remaking Latin American politics'. *The Intercept*. <https://theintercept.com/2017/08/09/atlas-network-alejandro-chafuen-libertarian-think-tank-latin-america-brazil/>
- 327 Hermawan, A. (23 August 2024) 'Indonesia's intelligentsia is complicit in decimating our fragile democracy'. *Project Multatuli*. <https://projectmultatuli.org/en/indonesias-intelligentsia-is-complicit-in-decimating-our-fragile-democracy/>
- 328 Swyngedouw, E. (2022) 'Illiberalism and the democratic paradox: The infernal dialectic of neoliberal emancipation', *European Journal of Social Theory* 25(1): 53–74. See also Zafirovski, M. (2021) *Capitalist Dictatorship: A Study of its Social Systems, Dimensions, Forms and Indicators*. Leiden: Brill – Thanks to Coen Husain Pontoh for sharing this reference.
- 329 Transnational Institute. (2024) 'Boris Kagarlitsky and the challenges of the left today'. *Transnational Institute*. <https://www.tni.org/en/event/boris-kagarlitsky-and-the-challenges-of-the-left-today>
- 330 Hoffmann, C. and Matin, K. (2021) 'Beyond Anarchy and Capital? The Geopolitics of the Rojava Revolution in Syria'. *Geopolitics* 26(4): 967–972.
- 331 Hung, H. (7 November 2020) 'The US-China Rivalry is About Capitalist Competition'. *Jacobin*. <https://jacobin.com/2020/07/us-china-competition-capitalism-rivalry>
- 332 Sullivan, D. and Hickel, J. (2 December 2022) 'How British colonialism killed 100 million Indians in 40 years'. *Al-Jazeera*. <https://www.aljazeera.com/opinions/2022/12/2/how-british-colonial-policy-killed-100-million-indians>
- 333 Li, P. and Fuentes, F. (14 September 2023) 'US-China rivalry, 'antagonistic cooperation' and anti-imperialism in the 21st century: Interview with Promise Li' *Links: International Journal of Socialist Renewal*. <https://links.org.au/us-china-rivalry-antagonistic-cooperation-and-anti-imperialism-21st-century-interview-promise-li>
- 334 Even the Rojava revolutionaries, perhaps one of the most idealistic social movements in recent years, have had to reconcile their visions of direct democracy and libertarian socialism with the difficult realities of running a war economy and promoting direct participation from a tired population. On some recent updates on the Rojava revolution, see Wimmer, C. (2024) 'Decentralization of power? Council democracy and the social contract in north and east Syria'. *Transcience: A Journal of Global Studies*, 15(2): 1–24.
- 335 Byler, D. (May 2021) 'From Xinjiang to Mississippi: Terror Capitalism, Labour and Surveillance'. *TNI Long Reads*. <https://longreads.tni.org/stateofpower/from-xinjiang-to-mississippi-terror-capitalism-labour-and-surveillance>

- 336 Bello, W. (2023) 'From Partnership to Rivalry: China and the USA in the Early Twenty-First Century', *Journal of Contemporary Asia* 53(5): 828-851.
- 337 Starrs, S. K. (2019) 'Can China Unmake the American Making of Global Capitalism'. *Socialist Register* 55: 173-200.
- 338 Hofman, I. and Ho, P. (2012) 'China's 'Developmental Outsourcing': A critical examination of Chinese global 'land grabs' discourse'. *Journal of Peasant Studies* 39(1): 1-48.
- 339 China Labour Bulletin (24 August 2018) 'Police raid student group as support for Shenzhen Jasic workers grows' *China Labour Bulletin*. <https://clb.org.hk/en/content/police-raid-student-group-support-shenzhen-jasic-workers-grows>
- 340 Miles, H. (2006) *Al-Jazeera: The Inside Story of the Arab News Channel that is Challenging the West*. New York: Grove Press.
- 341 On the left-leaning orientation AJ+, see its media profile <https://www.ajplus.net/about>
- 342 Ulrichsen, K. C. (2014) *Qatar and the Arab Spring*. New York: Oxford University Press.
- 343 Middle East Monitor (24 June 2024) 'Qatar has banned the US from using its military base against Iran' *Middle East Monitor*. <https://www.middleeastmonitor.com/20240624-qatar-has-banned-the-us-from-using-its-military-base-against-iran/>
- 344 Schaer, C. (16 January 2025) 'Israel-Hamas ceasefire: Why Qatar is such a good negotiator' *Deutsche Welle*. <https://www.dw.com/en/israel-hamas-ceasefire-why-qatar-is-such-a-good-negotiator/a-69995458>
- 345 Wind, M. (2024) *Towers of Ivory and Steel: How Israeli Universities Deny Palestinian Freedom*. New York: Verso Books.
- 346 International Court of Justice (2024) 'Application of the Convention on the Prevention and Punishment of the Crime of Genocide in the Gaza Strip (South Africa v. Israel)' <https://www.icj-cij.org/case/192>
- 347 Al-Jazeera (23 July 2024) 'Hamas and Fatah sign unity deal in Beijing aimed at Gaza'. *Al-Jazeera*. <https://www.aljazeera.com/news/2024/7/23/palestinian-rivals-hamas-and-fatah-sign-unity-deal-brokered-by-china>
- 348 Li, P. (21 October 2023) 'China and Israel Have a Long History of Cooperating in Repression' *Jacobin*. <https://jacobin.com/2023/10/china-israel-repression-military-trade-palestine-technology>
- 349 Khor, Y. L. (2024). 'Mapping the Transnationalisation of Social Movements Through Online Media: The Case of the Milk Tea Alliance'. In G. Facal, E. L. de Micheaux and A. Noren-Nilson (Eds.) *The Palgrave Handbook of Political Norms in Southeast Asia* (pp. 121-136). Singapore: Palgrave Macmillan.
- 350 Bello, W., Kinley, D. and Elinson, E. (1982) *Development Debacle: The World Bank in the Philippines*. San Francisco: Institute for Food and Development and Policy.
- 351 Aditjondro, G. J. (1998). 'Large dam victims and their defenders: The emergence of an anti-dam movement in Indonesia'. In Philip Hirsch and Carol Warren (Eds.) *The Politics of Environment in Southeast Asia* (pp. 29-54). London and New York: Routledge.
- 352 Gavroche, J. (17 August 2019). 'The Hong Kong insurrection: Reading the shape of things to come from tactics'. *Autonomies*. <https://autonomies.org/2019/08/the-hong-kong-insurrection-reading-the-shape-of-things-to-come-from-tactics/>
- 353 Li, P. and Fuentes, F. (14 September 2023) 'US-China rivalry, 'antagonistic cooperation' and anti-imperialism in the 21st century: Interview with Promise Li' *Links: International Journal of Socialist Renewal*. <https://links.org.au/us-china-rivalry-antagonistic-cooperation-and-anti-imperialism-21st-century-interview-promise-li>
- 354 Phattharathanasut, T. and Teeratanabodee (8 April 2024) 'The Fourth Year of the Milk Tea Alliance' *E-International Relations*. <https://www.e-ir.info/2024/04/08/the-fourth-year-of-the-milk-tea-alliance/>
- 355 Patterson, T. (23 July 2024). 'How Latin America Can Delink from Imperialism'. *Tricontinental*. <https://thetricontinental.org/dossier-how-latin-america-can-delink-from-imperialism/>
- 356 Ganchev, I. (2020). 'China Pushed the Pink Tide and the Pink Tide Pulled China: Intertwining Economic Interests and Ideology in Ecuador and Bolivia'. *World Affairs* 183(4): 359-388.
- 357 Kappeler, A. (2024). 'Tropical Leninism or the Eighteenth Brumaire of Nicolás Maduro?' *Dialectical Anthropology* 48: 459-474.
- 358 Singer, A. and Rugitsky, F. (8 January 2024). 'Slow Motion Lulismo' *Sidecar*. <https://newleftreview.org/sidecar/posts/slow-motion-lulismo>
- 359 Ukraine-Palestine Solidarity Group (2 November 2023) 'Ukrainian Letter of Solidarity with Palestinian People', Commons. <https://commons.com.ua/en/ukrayinskij-list-solidarnosti/>

State of Power 2025

Geopolitical rivalry is reshaping our planet as reactionary nationalists take power. Our 13th State of Power report explores whether this is the end of US imperialism and the beginning of a Chinese empire, the way nationalism is reshaping neoliberal globalisation, and the implications of a shifting global order for the vast majority of the world and for social movements fighting for justice.



The Transnational Institute (TNI) is an international research and advocacy institute committed to building a just, democratic and sustainable planet. Since 1974, TNI has served as a unique nexus between social movements, engaged scholars and policy makers.

www.TNI.org