

GLOBAL ACTORS FIFTEEN MONTHS AFTER THE INVASION IN UKRAINE

Rosendo Fraga

Director of CARI's Foreign Relations and Armed Forces Committee

In the United States, the economy is struggling, politics is polarizing, and the war in Ukraine is starting to create differences. The growth decline and financial uncertainty appear as the two central economic issues. Growth has slowed and is beginning to be projected at less than 2% for the current year. The weakness of the regional banks projects the risk of a more widespread crisis, prompting mergers to prevent more financial entities from failing. The monetary authorities will continue to increase the interest rate, seeking protection against higher inflation. It is not a good scenario for the ruling party in the face of the presidential election of November 2024. In this regard, Biden's candidacies for the Democrats and Trump's for the Republicans have already been launched. This is the binomial that on average has the oldest age in all of American history. From a political point of view, there is a competition between a moderate from the Democratic Party and an extremist from the Republican Party. The campaign begins by further polarizing ideologically between progressive and conservative values. But until now, the fragmentation of the political structure that is already manifesting itself in Europe and Latin America has not occurred. As for the war in Ukraine, a critical attitude is advancing in the Republican Party against unrestricted support for the Ukrainian military effort. This leads to the suggestion that an eventual Republican victory could modify the military support for the Zelensky government to confront Russia. Strategically, Washington appears waging a war with Russia through Ukraine and increasing tension with China on issues such as Taiwan.

As for China, it has a more positive economic outlook, the government has dominated the protests against the measures against Covid and the military spending rate is not increasing. A 5% increase in GDP is projected for 2023, much higher than that of the United States. The Asian power recovers its growth rate as an emerging country compared to the Western powers, whose economic activity is lower. The financial and real estate market crisis seems to have been left behind. Technological companies have made an adjustment that has resulted in a lower economic cost than that of the United States. Covid restrictions have been lifted and this has contributed to a return to higher growth rates. Social

protests against these restrictions have been contained by the regime. Regarding the military, the SIPRI report presented in April on military spending shows that the United States allocates three times more to defense than China and a percentage of GDP that is double. The American predominance in the military is indisputable. But China is closing the gap, albeit slowly. It intends to be the regional military power at the end of this decade, reach the status of continental power -in all of Asia- at the end of the 2030s, and become a global military power with the capacity to challenge that role to the United States around 2050. This would take place to commemorate the 100th anniversary of the creation of the People's Republic of China. Regarding Ukraine, Beijing has been able to obtain economic advantages, such as a principle of de-dollarization in Asia, and a role as a diplomatic actor between Russia and Ukraine.

As for Russia, it does not seem to have the capacity to define the war in its favor, but it does not face a scenario of defeat either, when the economy is expected to grow 1% this year. At the end of April, the Ukrainian president pointed to the need to prepare for the war to last “years or decades”. As the head of the US Joint Chiefs of Staff, General Mark Milley, has said, neither side is in a military position to win the war in the coming months. The phone conversation between Zelensky and Xi was a gesture of independence from the former against the NATO powers, which disqualified the Chinese proposal for peace. The drop in Russian GDP during the first year of the war was 2%, but this year it is already positive and reaches 1%. The productive structure has adapted to economic sanctions, developing a capacity for autonomous development, especially in the industrial field. Strategically, as the war drags on, the dependence on China becomes greater. That this country and India have not joined the economic sanctions imposed by Western countries is key to the functioning of the Russian economy. Putin's leadership seems firm, fifteen months after the invasion of Ukraine. The population's tolerance for the prolongation of the war will probably not change in the coming months. Restrictions on access to technology come at a cost, particularly in the future.

As for the European Union, it maintains firm support for Ukraine, although some dissent is beginning to appear, while the economy would grow only 0.4%. Formally, most of the NATO countries belong to the European Union at the same time, such as Germany, France, Italy and Spain. So is the UK, which is no longer part of the EU. The economy is slowing down and growth would be very

low, even less than in Russia. The first European economy, which is Germany, could have negative growth during the current year. The party systems in the continent suffer at the same time an increase in polarization, with a fractionation of the political structures. The French president, who sees himself threatened by social protests against raising the retirement age, has assumed a different public attitude from the United States. During the visit to China in April, he publicly argued that Europe does not have to be a 'vassal' in Washington's conflict with Beijing. He did so at the same time that he stressed the need for Europe to develop its own defense system, outside of NATO and in parallel with it. France is the only country in the European Union that has a nuclear weapon. It has its own interests in Africa, where in the past it had a vast colonial empire and it supplies itself with uranium for its atomic industry, in countries like Mali and Niger. This continent is an area in which Europe maintains a certain capacity to dispute regional influence with the United States, China and Russia.

In conclusion, the US remains strong in NATO support for Ukraine, but the economy is slowing and the Biden-Trump political polarization is beginning to raise governance issues. The Chinese economy has begun to recover and the government managed to dominate the protests against the Covid restrictions, while the war in Ukraine has generated economic and diplomatic advantages. Russia is facing a prolonged war, with no possibility of defining it in the short term, but also without the risk of losing it, with an economy that is beginning to grow despite the economic sanctions it is suffering. Finally, Europe remains aligned with the United States in the war in Ukraine, but France has begun to draw an independent line, while the European economy slows and may hit recession.