

CONTESTED HEGEMONY: RUSSIA'S APPROACH TO THE MILITARY AND ECONOMIC PREDOMINANCE OF THE US IN WORLD AFFAIRS

*HEGEMONIA CONTESTADA: A ABORDAGEM RUSSA
QUANTO À PREDOMINÂNCIA MILITAR E ECONÔMICA
GLOBAL DOS EUA*

Valdir da Silva Bezerra¹

St. Petersburg University – RU

Abstract

This paper discusses the Russian approach, from a rhetorical and practical viewpoint, regarding the military and economic predominance of the United States in the International System. The research method adopted was based on the compilation of statements by Russian authorities about the US position on the global stage, as well as on the presentation of the main initiatives and actions taken by the Kremlin, particularly from the 2000s onwards, in opposition to US interests both in the military and economic spheres. The first section initially deals with Russia's intervention in Syria and Moscow's actions *vis-a-vis* the dismantling of bilateral nuclear-force treaties signed between the US and the Soviet Union during the Cold War. The second section brings the Russian articulation within the BRICS group as a criticism to American (and Western) privileges within institutions such as the IMF and the World Bank, posteriorly pointing out to the steps taken by Moscow in its quest to make the Russian economy less dependent on the dollar. We conclude by observing that in both military and economic aspects Moscow has obtained moderate results in view of its aspirations regarding the role of counterweight to the American power in International Relations.

Keywords

Russian Foreign Policy. American Hegemony. Nuclear Forces. BRICS. International Economy.

Resumo

O presente artigo visa discutir a abordagem russa, do ponto de vista retórico e prático, quanto à predominância militar e econômica global dos Estados Unidos. O método de pesquisa aqui

¹ Mestrando em Relações Internacionais pela Universidade Estatal de São Petersburgo (Rússia).

adotado baseia-se na compilação de declarações por parte de autoridades russas a respeito da posição americana no cenário global, bem como na apresentação das principais iniciativas e ações tomadas pelo Kremlin, sobretudo a partir dos anos 2000, no intuito de contrapor-se aos interesses e poderio dos EUA nos âmbitos militar e econômico. A primeira seção tratara inicialmente da intervenção russa na Síria e das ações de Moscou frente ao desmonte dos tratados bilaterais sobre forças nucleares assinados entre os EUA e a URSS durante a Guerra Fria. A segunda seção faz mencao da articulação russa dentro do grupo BRICS como crítica aos privilégios americanos (e Ocidentais) dentro de instituições como o FMI e o Banco Mundial, apontando, posteriormente, para as medidas tomadas por Moscou em sua busca por tornar a economia russa menos dependente do dólar. Conclui-se por observar que em ambos os aspectos (militar e econômico) Moscou obteve de certo modo resultados moderados em vista de suas aspirações quanto ao papel de contrapeso ao poderio americano nas Relações Internacionais.

Palavras-chaves

Política Externa Russa. Hegemonia Americana. Forças Nucleares. BRICS. Economia Internacional.

INTRODUCTION

Some aspects may help explain why Washington currently acts in a negative way towards two of its most vocal contenders in world affairs today: Russia and China. Regarding the former, following the events of the Russo-Georgian War of 2008 and the incorporation of Crimea in 2014, Russia began to be seen by American (as well as Western) authorities as country in “open confrontation” with the West. For the current US administration Russia represents a threat not only in a military sense but also when it comes to operations supposedly orchestrated by the Kremlin in order to exert influence on political outcomes in Western States and in the US itself (MITCHELL, 2018)². In the case of China, its particularly rapid economic growth during the last decades places the country as a possible candidate to the post of future world Superpower, something of great concern to American authorities. The Asian country, while becoming the 2nd largest global economy in

² A clear example being the recent accusations of Russia’s meddling in the last US presidential elections of 2016

terms of GDP, experienced the largest and fastest rise of a State to world-power status in history (ZAKARIAS, 2008).

Notwithstanding, the current strategic partnership between Russia and China while advocates of Multipolarity in world affairs poses yet another challenge to American Unilateralism, despite the fact that both powers are deeply integrated into the existing order³. That helps explain why in 2017 the National Security Strategy of the United States mentioned Russia and China as challengers to the American power, influence and interests around the world, attempting to “*erode American security and prosperity*” (NSS, 2017, p.2). For the American administration, both countries are revisionist powers seeking to shape the international system according to values contrary to those of the US (*ibidem*). Moreover, speaking to the US Congress during the traditional State of the Union in 2018, Trump named Russia and China as “rival” States that defy the US interests and values internationally, whilst representing “*serious competitors that are building up the material and ideological wherewithal to contest U.S. primacy and leadership in the 21st Century*” (MITCHELL, 2018, p. 1).⁴

Taking the US view of Russia into consideration and their long history of ideological confrontation dating back to the Cold War era, one might not feel surprised to observe the poor state of affairs in today’s Washington-Moscow relations. In fact, although both countries enjoyed a somewhat stable and friendly relation during the 1990s (when the Russian economy was in

³ As demonstrated by their participation in important Global Governance mechanisms such as the UN Security Council, the World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank and forums such as the G-20 and others.

⁴ On that note, it is important to remember that just over two decades ago, former US National Security Adviser Zbigniew Brzezinski (1997) opined that the most dangerous scenario for the US leadership in world affairs would be a major coalition of China, Russia (and perhaps Iran) working as an ‘anti-hegemonic’ group united not by ideology but by complementary grievances.

shambles and Boris Yeltsin moved ever closer to the West), not long after the 2000s, when Vladimir Putin became president (and the Russian economy started to recover from the crisis of the previous years) Moscow set out to voice its dissatisfaction with the “Unipolar moment” experienced after the fall of the Soviet Union, while regarding the military and economic predominance of the US in world affairs as undesirable and even harmful to the system. From this starting point, we set out to analyze Russia’s rhetorical, as well as practical, approach to the US hegemony in terms of America’s military and economic position *vis-à-vis* other countries, while discussing the possible implications of this new political confrontation between Washington and Moscow within the system.

1. MILITARY CONTESTATION OF THE US HEGEMONY: SYRIA AND THE ANNOUNCEMENT OF RUSSIA’S “INVINCIBLE” WEAPONS

According to some interpretations, a Hegemonic State must possess an overwhelming military and economic force in order to keep the international system stable. The system’s stability, in that case, stems from the observation that: whenever a single State has enormous military and economic capabilities, then it becomes practically impossible (and useless) for other powers to counterbalance such a State; in short, whenever a situation of Unipolarity is based on large superiority of military and economic factors, the importance of “Balance of Power” politics is dramatically reduced, once the material disparity between the leading State and the rest is practically unsurmountable (WOHLFORTH, 1999). It is argued for instance that even if there was an “open dispute for global influence” among Great Powers in today’s world, the aggregate military capability that the Washington-led alliance system possess by far outweighs any combination that, let’s say, Russia and China could achieve in this field (IKENBERRY, 2014).

In such a scenario adherents of the so-called *Hegemonic stability theory* would naturally expect other powers to be satisfied

with their respective positions in the system, once there is “no use” in manifesting one’s criticism about this whole state of affairs, since the Hegemonic State holds all the assets of power. In today’s world, however, Great Powers are far from satisfied with the situation described above, and Russia in recent years has repeatedly come to the forefront to demonstrate it. Differently from Yeltsin’s period of alignment with the West, Putin’s foreign policy is strategically oriented to oppose the concept – as well as the realization – of a Unipolar world based on American hegemony (DUGIN, 2016). Putin himself, while discoursing at the Munich Conference on Security Policy in 2007, defined Unipolarity in the following manner

What is a Unipolar world? No matter how this term is embellished, at the end of the day it refers to one type of situation, namely *one center of authority, one center of force, one center of decision-making*. It represents a world in which there is [only] *one master, one Sovereign*. [...] this is pernicious not only for all those who live within this system, but also for the Sovereign itself because it destroys him from within. [...] *I consider that the Unipolar model is not only unacceptable but also impossible in today’s world* [...] the model itself is flawed because at its basis there is not and there can’t be no moral foundations (PUTIN, 2007, our translation and emphasis)⁵.

⁵ Chto zhe takoye odnopolyarnyy mir? Kak by ni ukrashali etot termin, on v konechnom itoge oznachayet na praktike tol’ko odno: eto odin tsentr vlasti, odin tsentr sily, odin tsentr priyatiya resheniya. Eto mir odnogo khozyaina, odnogo suverena. I eto v konechnom itoge gubitel’no ne tol’ko dlya vsek, kto nakhoditsya v ramkakh etoy sistemy, no i dlya samogo suverena, potomu chto razrushayet yego iznutri. [...] Schitayu, chto dlya sovremennogo mira odnopolyarnaya model’ ne tol’ko nepriyemlema, no i voobshche nevozmozhna. [...] sama model’ yavlyayetsya nerabotayushchey, tak kak v yeye osnove net i ne mozhet byt’ moral’no-nravstvennoy bazy sovremennoy tsivilizatsii (original in Russian)

Positioning itself as an advocate for Multipolarity in world affairs, since the 2000s Russia's strategy consists in "*avoiding the consolidation of a unipolar world under US domination, based on the redistribution of world power by new emerging poles*" (FREIRE, 2008, p.6; our translation)⁶. Right at the beginning of the century, Russian official documents warned about attempts to create an International Relations structure "*under US leadership and designed for unilateral solutions (primarily by the use of military force) to key issues in world politics in circumvention of the fundamental rules of international law*" (NATIONAL SECURITY CONCEPT OF THE RUSSIAN FEDERATION, 2000). Concerning the mentioned use of military force to solve acute international issues, Russian authorities frequently mention the US decision to invade Iraq in 2003 without a United Nations Security Council approval (to which Russia is part and with right of veto)⁷ and the North Atlantic Treaty Organization (NATO) bombardment (under US leadership) of Serbia in 1999, in complete disregard for Moscow's opinion.

Nevertheless, however successful they were at late 1990s and early 2000s, in more recent years the US and its Western allies were incapable of achieving their political goals in regards to Syria, when the country's President Bashar Al-Assad was expected to be displaced from power as a result of the Syrian crisis. In 2015, when Assad was actually about to lose its full control of the Syrian territory, mostly due to the growing power of the Islamic State (ISIS), Russia's air force military operations brought a new breath to Assad's regime. Today, 4 years after Russia's intervention, the Syrian government reestablished control over more than 90% of

⁶ *Evitar a consolidação de um mundo unipolar, sob domínio norte-americano, baseando-se na redistribuição do poder mundial por novos polos emergentes* (original in portuguese)

⁷ Finnemore (2009) observes that by being militarily superior in relation to other actors in the system, an Hegemonic State frequently makes judicious use of hypocrisy, meaning the circumvention of rules embedded within international institutions to which the Hegemon is itself a member, whenever it feels that those same rules become an obstacle for achieving its political goals (FINNEMORE, 2009).

the country's territory. Having aided Bashar Al-Assad in Syria⁸, Russia objectively opposed the US/Western designs to the Arab country, demonstrating Moscow's capability to also project military might in order to defend its interests, much to the West's discontent.

However, if the political outcomes worked in Moscow's favor in the Middle East, the same could not be said about the US-Russia relations in terms of nuclear forces' limitation treaties signed during the Cold War era. In that regard, Russia witnessed the gradual disassembling of previously agreed upon treaties, which, much to Moscow's discontent, can now provide ground for a new "arms race" between two capitals, the likes of which we shall discuss in the next section.

1.1 THE DISASSEMBLY OF THE COLD WAR ERA NUCLEAR TREATIES

1.1.1 BRIEF HISTORICAL BACKGROUND

Just over 74 years ago (in August 1945), the United States tested its first nuclear bomb on the cities of Hiroshima and Nagasaki to expedite the surrender of the Japanese Empire (which continued to fight months after the German surrender in May 1945), while demonstrating to the world the results of the research the US had been conducting for years on the creation of the deadliest weapon ever devised by mankind. The nuclear bombing of Japanese cities, also considered by some to be a "signal" to the Soviet leader Josef Stalin about the destructive capability held by the

⁸ It is important to note that Russia's interests in the Syria's stability dates to the mid-1970s, when an agreement was reached between the Soviet Union and Syria, allowing the former to use a naval base in Tartus with access to the strategic Mediterranean Sea. The Soviet Union has disappeared in 1991, but Russia now still holds the right to Tartus as a naval base, capable of receiving even the largest Russian nuclear ships.

Americans, significantly changed the landscape of international security in the decades to come, helping to shape the atmosphere of the Cold War period (1947-1991).

Stalin, by its turn, shortly after the end of World War II (1939-1945), instructed Lavrenti Beria (by then head of the Soviet secret police) to assemble, organize and coordinate the best scientists in the USSR in order to achieve nuclear parity with the US. The plan eventually worked, and the successful development of the nuclear bomb by the Soviets in 1949, just four years after its first use by the United States, transformed the political dynamic between the two Superpowers. In fact, no other achievement could have increased Soviet capacity and Superpower status as the end of the American nuclear monopoly in 1949 (KISSINGER, 2015).

Later, it became clear that the military development manifested by the acquisition of nuclear power became a *sine qua non* condition for a State to be recognized as a political power in the postwar international system (BULL, 1977), with nuclear bombs being devised by other Great Powers such as France, Great Britain, India, China etc. On the level of the Superpower confrontation, from the 1950s onwards both the US and the USSR increased their defense spending significantly, investing in new offensive / defensive nuclear technology apparatus, initiating a dispute that later became known as the “arms race,” described by the renowned French thinker Raymond Aron as

The result of the pursuit of security by force, *it symbolizes the dialectic of hostility in peacetime* [...] *Each rival arms because the other arms*, and neither is capable of arresting this progression. This situation, obviously absurd for anyone who refuses to enter into the logic of the actors, may actually be *created less by the suspicions each entertains toward the other than by the arms the latter acquires*, less by the intentions each attributes to his rival than by the means of destruction he knows him to possess (ARON, 1966, p. 662; our emphasis).

At that time, governments worldwide were apprehensive with the possibility of a nuclear war between the two Superpowers. However, despite the fact that the nuclear arms race gave *“an important contribution to tension between the [two] adversaries”* (ARBATOV, 2006, p. 45), contrary to what many believed direct conflict between the US and the Soviet Union was in fact contained, once the threat of mutual assured annihilation (MAD) *“stimulated both sides in [...] controlling the competition and in achieving a necessary degree of stability, order, and predictability in world politics”*. (NOVIKOVA and BODROV, 2017, pp.83-84).

Figure I
Gorbachev and Reagan sign the INF Treaty



SOURCE: Foreign Policy

This level of stability, order and predictability, on the one hand, was achieved through the signing of several treaties regarding nuclear forces between the United States and the Soviet Union, such as: the Non-Proliferation Treaty (NPT) signed in 1968

and aimed at the containment of nuclear proliferation to other countries, the Treaty on the Limitation of Antiballistic Missile Systems (ABM Treaty) signed in 1972 in which the Parties undertook to limit their ABM systems and to not deploy them on a large scale for their own defense⁹; the Strategic Arms Limitation Talks (or SALT I and II); the Intermediate-Range Nuclear Forces Treaty (INF) Treaty, signed in 1987 between Mikhail Gorbachev and Ronald Reagan with unlimited duration and aimed at the elimination of ground ballistic and cruise missiles (which could contain nuclear warheads) with a range between 500-5500 km previously stationed in Europe (NTI, 2019) and etc.

In addition to those treaties, during the Cold War neither Superpower had the ability to simultaneously destroy all means of retaliation of the opponent, a situation that helped avoid direct war between them, demonstrating that the approximate equality of attack and retaliation increases the unlikelihood of a total war (ARON, 1966). Moreover, after the fateful demise of the Soviet Union in 1991, political relations between the United States and Russia changed significantly, so that they no longer saw themselves as "enemies" despite maintaining their military and defense systems obtained throughout the Cold War (ARBATOV, 2006). In fact, during the 1990s *"nuclear deterrence, at least between Russia and the United States, became less important"* (*ibidem*, p.38), with *"the proliferation of nuclear weapons and of other weapons of mass destruction (WMDs) and missile technologies then moved to the fore"* (*ibidem*). Today, however, that condition of stability and relative predictability arduously reached during the Cold War through numerous treaties is at risk, amidst a serious deterioration of political relations between the US and Russia and mutual accusations from both sides of "cheating" and "non-compliance" with the limitations and prohibitions embedded in previous agreements.

1.1.2 UPSETTING THE "BALANCE"

⁹ Albeit those systems were allowed to be installed in their respective capitals

In 2002, after the September 11th terrorist attacks on the World Trade Center, the US announced its unilateral withdraw from the ABM Treaty signed in 1972, which, alongside the enlargement of NATO to the East between 1999 and 2004 (by adding Eastern European countries, mainly the former Soviet satellites), became a significant threat to Moscow, bringing Western military infrastructure ever closer to the Russian borders followed by the installation of anti-ballistic missiles in countries such as Poland and Romania¹⁰. Those ABMs, according to Moscow, could be easily turned into offensive military launching apparatus directed against Russia, motivating authorities in the Kremlin to believe that Washington is in fact disrupting the “Balance of Power” (or Strategic Parity) that existed between the West and Russia during the Cold War. Following suit, Russia then sought to sharpen its own nuclear deterrence capabilities by expanding the operating range of its intercontinental ballistic missiles, or ICBMs, now with multiple coupled nuclear warheads (ARBATOV, 2006).

Moving forward in time, in July 2014 the US accused Russia of developing missiles banned under the Intermediate-Range Nuclear Forces Treaty (the INF Treaty signed in 1987). That same month, Russia claimed that the American missile launchers MK-41 was in fact in violation of the treaty¹¹. Now, in October 2018, President Donald Trump announced that the US intended to withdraw from the INF Treaty. In December of that same year, the Americans began a 60-day suspension of the treaty, waiting for a response from the Russian side. Finally, in February 2019 negotia-

¹⁰ This also explains why NATO (while dominated by US strategic interests) is viewed by Moscow as “*the main threat to its security*”, with its expansion in the post-Cold War era seen by authorities in the Kremlin as an unwanted and unwelcomed militarization of Russian borders (OLDBERG, 2010)

¹¹ Even during the Cold War, Russians saw with suspicion “*the American habit of suddenly denouncing the Soviet Union for unacceptably altering established patterns when it is American actions that contravene the implicit understandings which have helped bring predictability to the world scene*” (JERVIS, 1982, p.377)

tions between the parties regarding a possible new agreement have been thwarted and the US officially formalized its withdrawal from the INF Treaty, which became fully effective in August (NTI, 2019). The US withdrawn greatly displeased the Kremlin, which accused Washington of leaving the INF Treaty in order to station medium-range ballistic missiles (500-5500 km) all across Europe, thus posing a direct threat to the Russian Federation.

Not long afterwards, the Russian Minister of Foreign Affairs Sergey Lavrov (2019) in a recently published article commented that *“the US torpedoing first the ABM Treaty and now the INF Treaty have generated risks of dismantling the entire architecture of nuclear arms control agreements”*. Years prior to the US withdrawn, Putin (2017; our translation), in an interview to the American director Oliver Stone, would add that *“balance is a very important thing [...] We are now trying to upset this balance, this is a big mistake”*¹². State leaders in fact, and Putin is no exception, often overestimate (more than they underestimate) the aggressiveness of other actors (JERVIS, 1982), and being so, one is not surprised to observe Russia’s negative reaction to the recent developments involving the *demontage* of the nuclear limitation treaties.

The question was: how then would Russia react? Indeed, more than a decade ago, Moscow already announced the development of a new strategic weapons system *“that could overcome ‘any missile defense’”* (ARBATOV, 2006, p.36)¹³. The realization of that promise came in 2018 when Vladimir Putin announced that Russia had finally developed such a system and tested a new line of strategic nuclear weapons capable of overcoming any US missile defenses (THE GUARDIAN, 2018). In the presidential address of that year, Putin commented

¹² Balans eto ochen' vazhnyy veshch' [...] My seychas pytayemsa etot balans narushit', eto bol'shaya oshibka (original in Russian)

¹³ According to the author *“obviously, the main target of such a system is the United States, although no specific enemy has been named, in accordance with the ‘rules of good form’ since the Cold War”* (ARBATOV, 2006, p.36)

We began the development of new types of strategic weapons that do not use ballistic flight paths at all to move towards the target, which means that *the missile defense system is useless and simply meaningless in the fight against them* [...] In what has just been said, every word has a meaning. Such weapons systems are not currently available in any country in the world. (PUTIN, 2018; our translation and emphasis)¹⁴

One year prior to Putin's announcement, Russian investments in new nuclear technology systems was considered by the current US administration as "*the most significant existential threat to the United States*" (NSS, 2017, p.25)¹⁵. The mutual distrust between the United States and Russia, "*reinforced and reproduced in their mutual nuclear deterrence*" (ARBATOV, 2006, p.53), helps us understand the negative perceptions held by Moscow and Washington about each other's actions, especially in regards to the recent US withdrawal from the ABM and INF treaties and Russia's announcement of a new "invincible" weapons system. Russia, in particular, holds the opinion that those recent developments discussed demonstrate US's desire to amplify its military predominance not only in Europe, but globally, with Moscow left to implement less expensive solutions in terms of weapons systems in order to counterbalance Washington's initiatives and somewhat keep the (previously) strategic parity between Russia and the West for the foreseeable future.

¹⁴ My nachali razrabotku takikh novykh vidov strategicheskogo oruzhiya, kotoryye voobshche ne ispol'zuyut ballisticheskiye trayektorii polota pri dvizhenii k tseli, a znachit, i sistemy PRO v bor'be s nimi bespolezny i prosto bessmyslenny [...] v tom, chto tol'ko chto prozvuchalo, kazhdoye slovo imeyet znachenije. Takikh sistem vooruzheniya v danny moment net ni u odnoy strany mira (original in Russian)

¹⁵ It is important to note that Russia and the United States hold about 90% of all nuclear arsenal in the world, a heritage from their Cold War rivalry.

2. ECONOMIC CONTESTATION OF THE US HEGEMONY: THE BRICS INITIATIVE AND RUSSIA'S INDEPENDENCE FROM DOLLAR ATTEMPT

Apart from its military might, the US is also reliant on other factors to sustain its Hegemonic position in the system. As an example, one can mention the historical/traditional American presidency of the World Bank (which carries in itself a symbolic meaning to other actors), as well as the Voting Shares enjoyed by the US at the International Monetary Fund [IMF].

Table I – IMF Voting Shares and Quotas, 5 Biggest Countries

COUNTRY	Quotas	Voting Shares (%)	Place in World Economy (GDP)	Place in World Economy (GDP by PPP*)	% of Global GDP	% of Global GDP by PPP*
US	17.46	16.52	1° (20.5 tril-lion USD)	2° (20.5 tril-lion USD)	23,8	15.2
Japan	6.48	6.15	3 (4.97 tril-lion USD)	4 (5.6 trillion USD)	5.79	4.16
China	6.41	6.09	2 (13.6 tril-lion USD)	1 (25.3 tril-lion USD)	15.85	18.7
Germany	5.60	5.32	4 (3.99 tril-lion USD)	5 (4.37 trillion USD)	4.65	3.24
France	4.24	4.03	6 (2.77 tril-lion USD)	10 (2.96 trillion USD)	3.23	2.20

SOURCES: IMF, World Bank, Statisticetimes¹⁶

OBS: PPP = Purchasing Power Parity

In terms of IMF's Quotas/Voting Shares (as seen by Table I above) the US is by far the most influential country, where-

¹⁶ See References

as China, the world's 2nd biggest economy, is currently underrepresented in terms of Quotas/Voting Shares in comparison to its share of the Global GDP (both nominal and in PPP). Thus, the Bretton Woods institutions created in the aftermath of World War II became criticized as instruments used by industrialized countries (having the US at their leadership) to control poorer States in the so-called Global South, forcing them to adopt certain economic and social policies in return for financial assistance. The Voting Shares enjoyed by the US and a handful of Western States (mainly the G7 countries¹⁷) is considered to be one among “*numerous examples of U.S. predominance in rule-making bodies that have given the United States competitive advantage*” (MAZARR et al, 2018, p.23)¹⁸.

Due to those privileges enjoyed by the US and other Western countries, analysts suggest that “*one of the leading trends in world politics today is the growing number of countries with some degree of status dissatisfaction*” (*ibidem*, p.20), with Russia representing one among many States which resents the existing order dominated by the United States. In such a scenario, BRICS [the political group composed by Brazil, Russia, China, India and South Africa], while representing “*an unwelcome challenge to the established world order as defined by the US-dominated [...] IMF and the World Bank*” (TISDALL, 2012), provides an important political platform for Russia to voice its dissatisfaction with the current state of affairs and its place in the sys-

¹⁷ The G7 countries (composed by Canada, France, Germany, Italy, Japan, the United Kingdom and the United States) are indeed overrepresented at the IMF when it comes to their Quotas/Voting Shares in comparison to their contribution to the world economy. BRICS (2012 and following years), on the other hand, is in favor of a “*comprehensive review of the quota formula to better reflect economic weights and enhance the voice and representation of emerging market and developing countries*”.

¹⁸ The World Bank's organizational structure resembles that of the IMF, where voting power is distributed according to each country's participation as guarantor of the Bank's capital in the event of default. The countries with the most prominent voting power are: the United States (with veto power in relation to any of the Bank's decisions), Japan, China, Germany and the United Kingdom.

tem. As commented by Putin (2007; our translation) two years prior to the BRIC(S) creation “*there is no reason to doubt that the economic potential of the new centres of global economic growth will inevitably be converted into political influence and will strengthen multipolarity*”¹⁹. After its creation in 2009, BRICS’ documents and declarations are often critic of the Western (headed by the US) predominance in institutions such as the IMF and the World Bank, thus claiming for a greater voice for emerging powers in Global Governance and decision-making.

On this note, the Russian Minister of Foreign Affairs Sergey Lavrov (2019) recently commented that “*new major players wielding a sustainable economic base seek to increase their influence on regional and global developments; they are fully entitled to claim a greater role in the decision-making process*”. Still according to Lavrov (*ibidem*), “*after centuries of economic, political and military domination*” the West is unwilling to accept today’s realities, while at the same time “*losing the prerogative of being the only one to shape the global agenda*”. Russia, by its turn, was “*among the first to draw attention to the transformation of the global political and economic systems that cannot remain static due to the objective march of history*” (*ibidem*)

Figure II

Putin discourses at the Munich Conference in 2007

(On the opportunity the Russian president harshly criticized the US hegemony in world affairs)



SOURCE: AFP

¹⁹ Ne stoit somnevat'sya, chto ekonomicheskii potentsial novykh tsentrov mirovogo rosta budet neizbezhno konvertirovat'sya v politicheskoye vliyaniye i budet ukrepyat' mnogopolyarnost'. (original in Russian)

Apart from the privileges enjoyed by the US in the Bretton Woods institutions, another useful factor in the advancement of American interests abroad concerns the phenomenon of Globalization, which, especially during the 1990s was based on the integration of all countries around the world *“into the open economic order that the United States and its allies built during the Cold War”* (MEARSHEIMER, 2018, p.11). In that sense, Globalization is considered by some scholars as mostly an “American-centric” phenomenon, for a considerable part of global economic trends originates in the United States (NYE, 2003), like the liberalization of financial markets. However, as a consequence of the interconnectedness of financial liberalization globally, the world economy was hit significantly during the 2008 Financial Crisis, whose roots were related to the mismanagement of American firms and financial institutions concerning the US sub-prime market, but that ended up sending a shockwave to the whole system. The results provoked a series of discussions worldwide *“about the crisis of Globalization, global governance and the liberal world order”* (LAGUTINA, 2019, p.1), providing space for other global players (such as Russia) to coordinate themselves in face of such threats to their financial stability. It is important to note that the Russian economy (which was growing at an impressive pace at the beginning of the 2000s) in particular was significantly hit in 2009 as a consequence of the crisis, as shown in Table II below

Table II – Russian GDP Economic Growth from 2000-2009 (in %)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
10.0	5.1	4.7	7.3	7.2	6.4	8.2	8.5	5.2	-7.8

SOURCE: World Bank

That helps explain for instance why Russia decided to host the first ever BRIC summit in the city of Yekaterinburg in 2009, when the group manifested its plan to quickly lay out the creation of an investment bank to complement Western-led institu-

tions (LABBÉ, 2018) and prevent them from future financial shocks. Additionally, in their very first Joint Statement, the BRIC's countries affirmed their commitment

To advance the reform of international financial institutions, so as to reflect changes in the global economy. *The emerging and developing economies must have greater voice and representation in international financial institutions*, whose heads and executives should be appointed through an open, transparent, and merit-based selection process (BRIC, 2009; our emphasis).

For BRICS a merit-based selection process for choosing the Heads of multilateral financial institutions should not take into consideration a specific nationality (or group of nationalities), a position which represents a clear criticism of the IMF (historically headed by an European) and the World Bank (historically headed by an American as mentioned earlier). Indeed due to this overall perception by developing countries of being left aside by those institutions, the legitimacy of the post-Cold War order currently faces the *“resentment among the rising powers who associate the liberal order, its ideology and institutions, with Western dominance and exploitation”* (ACHARYA, 2017, p. 14)²⁰.

Speaking about Western (and particularly American) exploitation of economic instruments to exert its power over other States²¹, Russia sees with great concern the use of economic sanc-

²⁰ The West, in such a scenario, is expected to *“give up exclusive privileges”* such as the traditional European chairmanship of the IMF or the American traditional presidency of the World Bank *“in return for the trust and cooperation of the rest”* (ACHARYA, 2017a, p. 282).

²¹ From mid-2019 onwards, Russia also witnessed the United States of [Donald] Trump imposing bigger tariffs on several Chinese goods, in retaliation to what Washington considered to be “unfair” practices of trade committed by Beijing, such as the devaluation of the yuan. In what later became known as the “Trade War” between China and the United States, the latter, while accounting (alone) for 20% of Chinese’s export destination in 2017 (OEC, 2019), implemented a

tions in order to modifying other's political/economic positions. As an example, Russia itself was targeted by US and Western economic sanctions after 2014, as a result of the Ukrainian crisis and Crimea's incorporation. Those sanctions were intended to pressure Moscow to change its political decision concerning Crimea's reunification to Russia, which, according to the West, was in fact a clear-cut example of annexation during modern times.²² In part as a consequence of those sanctions (and in part due to the fall of *commodities*' price in the international market), the Russian economy once more experienced a sudden decrease of its GDP, as shown in the Table III below

Table III – Russian GDP Economic Growth from 2010-2018 (in %)

2010	2011	2012	2013	2014	2015	2016	2017	2018
4.5	4.3	3.7	1.8	0.7	-2.3	0.3	1.6	2.3

SOURCE: World Bank

In view of this situation, Moscow is trying to become less dependent from financial actives possibly targetable by the US authorities and from the dollar economy in general. On that note, the last U.S. Treasury Department report released in July 18th showed for instance that "*Russian holdings of [US] Treasury securities declined 84 percent between March and May, falling to \$14.9 billion from \$96.1 billion in just two months*" (CNBC, 2018)²³. By its turn, the mon-

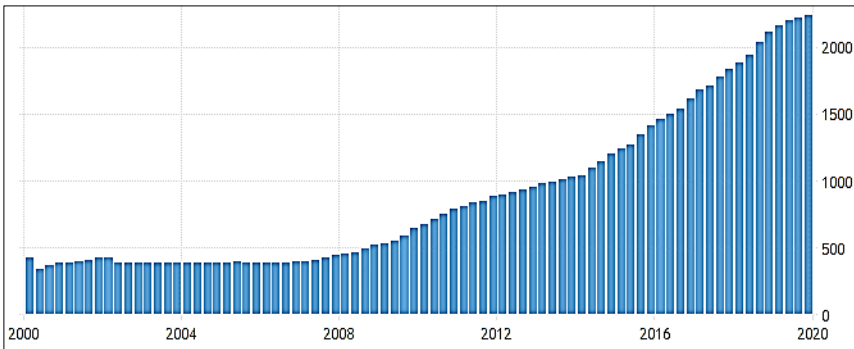
series of protectionist measures in order to minimize the US deficit in their bilateral trade, while at the same time attempting to hurt the Chinese economy and slow down the country's growth.

²² For approximately 2/3 of Russians interviewed in 2014-2015 Western sanctions imposed on Moscow were nothing more than yet another attempt "*to weaken and humiliate Russia*" (LEVADA, 2016, p. 286).

²³ China, on the other hand, holds more than \$1 trillion dollars of US debt, which is considered by some specialists as "*a 'nuclear option' in a Chinese-American trade war, with the U.S. economy seen as vulnerable to Chinese selling that could drive up*

ey earned from the selling of US Debt was used by Moscow to buy Gold, thus “seeking to reduce its dependence on the U.S. dollar in the event of an extension of sanctions by the United States” (MOSCOW TIMES, 2019). The reported amount of Russia’s Gold reserve exceeded 2,168 tons as of May 2019, whereas in 2018 alone Moscow bought around 274.3 tons of gold (*ibidem*).

Graphic I – Evolution of Russia’s Gold Reserves (in tons)



SOURCE: Trading Economics

Now, Russia has the fourth-largest international reserve in the world (behind only China, Japan and Switzerland), with Putin setting out to “build a financial fortress and so insulate Russia from economic attacks by the U.S” (MOSCOW TIMES, 2019) demonstrated by an increasing amount of Russia’s reserves being held in currencies other than the U.S. dollar, as well as in Gold (*ibidem*). Vladimir Putin in particular and Russian authorities in general declared many times during interviews and forums that Moscow intends to become economically independent (or at least less dependent) from the dollar, something indicative of Russia’s apprehension of being further targeted by US sanctions in case the political situation be-

yields” (CNBC, 2018). Russia in fact is far from the biggest US Debt holders which, apart from China, are composed by Japan (\$1, 064 billion), Brazil (\$306.7 billion), UK (\$300.8 billion) and Ireland (\$269.7 billion).

tween Moscow and Washington continues to deteriorate. However, Russian attempts “*to find a substitute for the American dollar as the world’s reserve currency were weakly supported by real achievements of Russia’s economy [...] and looked like another trick invented just to attract the attention of the United States and to demonstrate a high level of Russian international ambitions*” (TSVETKOV, 2019). In fact, even though Russia managed to voice its dissatisfaction with the economic preponderance of the US (and the West in general) in international institutions within the frameworks of BRICS, while diversifying its international reserves (by significant acquisitions of Gold in recent years), Moscow’s economy demonstrated more than once its vulnerability in face of external shocks (such as the Financial Crisis of 2008, Western sanctions and the fall of commodity prices from 2014 onwards). In such a scenario, Russia, instead of frequently criticizing America’s economic privileges in the system, might in fact benefit more from the diversification of its own economy (historically reliant on the exports of oil and gas), thus improving the country’s stand *vis-à-vis* external shocks and placing itself in a more prominent position in economic terms, somewhat mimicking the vaunted successes achieved by Moscow in the military field.

FINAL WORDS

For Russia, the American Hegemony (military and economical) in the International System does not necessarily translate into a more stable scenario for political relations between States. After lifting itself economically from the ruins of the 1990s, Moscow, in more recent years, started to voice its criticisms regarding the “Unipolar configuration” of world affairs by means of declarations from Russian leaders such as President Vladimir Putin and Russian Foreign Minister Sergey Lavrov.

Militarily, taking a bolder foreign policy approach, Russia was capable of thwarting the US/Western designs in relation to Syria, while enabling the continued survival of the Assad’s regime, Moscow’s main geopolitical ally in the Middle East, much to Wash-

ington's discontent. However, since early 2000s, the geopolitical situation in the European theater had dramatically changed in the West's favor, due to NATO's expansion to the East and the American unilateral withdrawal from the INF and ABM Treaties, actions that could translate into the placement of military ballistic elements ever closer to the Russian borders. Therefore, Russia was obliged to develop, as well as publicly announce, new weapons' systems that, according to Putin, are invulnerable to the anti-ballistic elements existent today. Such an announcement, however, rapidly triggered American/Western concerns, possibly initiating a new cycle of "arms race" to which Russia (although claiming to be technologically ahead of others) is economically more limited than during the Soviet times.

In terms of the US (and more broadly Western) economic hegemony in institutions such as the IMF and the World Bank, Russia managed to coordinate its positions, as well as voice its criticisms about the current state of affairs, mainly within the frameworks of BRICS, working alongside other dissatisfied emerging powers. The BRICS initiative, however, apart from the recent institutionalization promoted by the New Development Bank [NDB], has been functioning more as a political platform where its member-States mostly express their complaints on a rhetorical level through Summit documents and declarations. The group, moreover, could do little to prevent Russia from the negative economic impacts stemming from the Western sanctions (as a result of the Ukrainian crisis), to which Moscow proceeded to act alone in a quest to turn its economy less dependent from the dollar, by increasing significantly its Gold reserves in recent years. Nevertheless, those actions alone, if not followed by a substantial reorientation of Russia's economy in general (with its traditional reliance on the exports of oil and gas) and further improvement of the country's stand against external shocks, could not be sufficient to turn Russia into an influential economic player in world affairs, or somewhat akin to the position occupied by Moscow in the military sphere.

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