

Policy Brief

The Upcoming Mutlipolar World Order

How will Somalia fit in it?

November, 2023



SUMMARY

There is an ongoing global trend toward a multipolar world order. The Russo-China bloc is strengthening and challenging the US global primacy. Numerous economic and diplomatic incidents point out that the African and Gulf nations are switching allegiances and getting ready for a multipolar order in which there are competing economic and political ideologies and multiple options for strategic partnerships. Somalia is no exception for getting ready for the challenges and opportunity of a multipolar world order. However, Somalia has a lot to do to get ready, and the economic and security status must change so that we can be of value in a multipolar world.

 Info@baraarocenter.org

 www.baraarocenter.org

 Baraaro Center

 Mogadishu. Somalia

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Executive Summary

The global geopolitical landscape is shifting from a unipolar, dominated by the United States, to a multipolar world order, in which multiple powers compete for influence. The strengthening of the Russo-China bloc, along with the rising influence of regional economic alliances such as Brazil, Russia, India, China, and South and the Shanghai Cooperation Organization (SCO), implies transformation in international power dynamics. In this evolving system, Africa is emerging as a predominant battleground for major powers seeking economic and political alliances, with China and Russia increasingly challenging western dominance.

China has expanded its footprint in Africa through trade, foreign direct investment (FDI), and financial aid, including debt relief under the Forum on China–Africa Cooperation. Russia, however, has reinforced its presence by forging military and economic agreements with >30 African nations. The rise of alternative economic partnerships is reshaping Africa's role in the global order, providing nations with new opportunities beyond traditional western alliances. The Russia–Ukraine war has been a catalyst for multipolarity, thereby intensifying economic and financial realignments. Western sanctions against Russia have driven strong economic cooperation between Russia, China, and emerging markets, leading to de-dollarization trends. Countries such as Saudi Arabia and Brazil are increasingly engaging in trade using alternative currencies such as the Chinese Yuan and Russian Ruble. The gradual decline of US dollar hegemony poses notable economic risks for nations with dollar-dependent economies, such as Somalia.

For Somalia, adapting to this multipolar world presents challenges and opportunities. The country remains highly reliant on western military, humanitarian, and economic aid

while maintaining an import-dependent and polarized economy. If the US dollar loses its global dominance, Somalia's economic stability could be at risk, potentially triggering inflationary pressures and currency devaluation. The country must reconsider its long-term economic strategy by fostering diversified trade partnerships, strengthening its local currency, and ensuring resilience in a rapidly evolving global financial system. Somalia must make calculated foreign policy decisions as multipolarity deepens. A rational and strategic approach is needed to navigate the complexities of global competition while securing national interests. The challenge lies in balancing existing western alliances with emerging opportunities for China, Russia, and other nontraditional partners. Developing a proactive diplomatic and economic strategy will be critical for Somalia to position itself as a relevant player in the evolving world order.

1. Background

Per Russian President Vladimir Putin, the collapse of the Soviet Union, was the greatest geopolitical catastrophe of the 20th century¹. As a former KGB Lieutenant Colonel with a strong belief in the Soviet political and economic ideology, Putin sees the Soviet Empire as the holy way of life of the Russian and Slavic people, a balancing force, and a crucial element of a multipolar world order. In a famous speech at the Munich Security Conference in 2007, Putin came out of the shadows and stated that a unipolar world, with one Master and one Sovereign, is unacceptable and impossible in the modern times². According to Putin, the unipolar world order that emerged after the collapse of the Soviet bloc resulted in degraded international law; unjustified use of power in international relations; and political, economic, and ideological marginalization of vital nations like Russia.

¹ [NBC News](#)

² [Putin's MSC Speech](#)

The unchallenged post-Cold War supremacy of the United States has been bothering Russia and China, which had substantial geopolitical and economic interests. Although both countries felt equally humiliated and undervalued by the unipolar world order, their approaches to restoring multipolarity or winning global dominance were different yet complementary. For China, economic growth and technological development were means to global dominance, whereas Russia limited itself to military modernization. After the Cold War, China formulated an economic strategy that aimed to completely integrate into the global economic order. As a result, China joined the World Trade Organization in 2001 and introduced its “Going Global Strategy” to facilitate its global rise³. With the two major nuclear powers against it, the challenge to the unipolar world order began with the millennium.

2. Fight for Multipolarity

The strengthening of the Shanghai Cooperation Organization (SCO) and increased coordination among Brazil, Russia, India, China, and South Africa (BRICS) have become the starting point for multipolar world order. The SCO, the security branch of the Russo-China bloc, is equally spearheaded by Russia and China, and its inception aims to increase collaboration between members on regional security, fighting terrorism, ethnic separatism, and religious extremism. As of 2021, SCO members for Egypt, Qatar, and Saudi Arabia agreed upon the full accession of Iran⁴. Meanwhile, the BRICS,

started as a small cooperation platform for emerging economies, has evolved into a full-fledged economic bloc willing to challenge the global economic order. The BRICS countries established a new Development Bank in 2015, aiming to fund infrastructure and sustainable development in BRICS members and other emerging economies⁵. As of 2023, Saudi Arabia and Iran have formally sought to join the bloc, and the group of nations is deciding on their accession⁶. With the BRICS’s economy strengthening and many formerly US-EU alliance members willing to join them, the west is facing fierce economic and political competition, which is likely to reshape the world order.

3. African Continent: Theater of Major Powers’ Competition

The African continent is increasingly becoming a theater for major powers’ struggle for global economic and political dominance. The west, which has historic colonial ties with the continent, has seen it as a backyard and custodian of its economic and political future. After the collapse of the Soviet Union, the continent was dependent on the United States and the European Union for development assistance, trade, and investment. However, at the beginning of China’s “Going-Out Strategy,” Africa increasingly became trade partner with China and a destination for China’s Foreign Direct Investment (FDI). Just 7 years after introducing its “Going-out Strategy,” China replaced the United States as a major trade and investment partner with Africa.

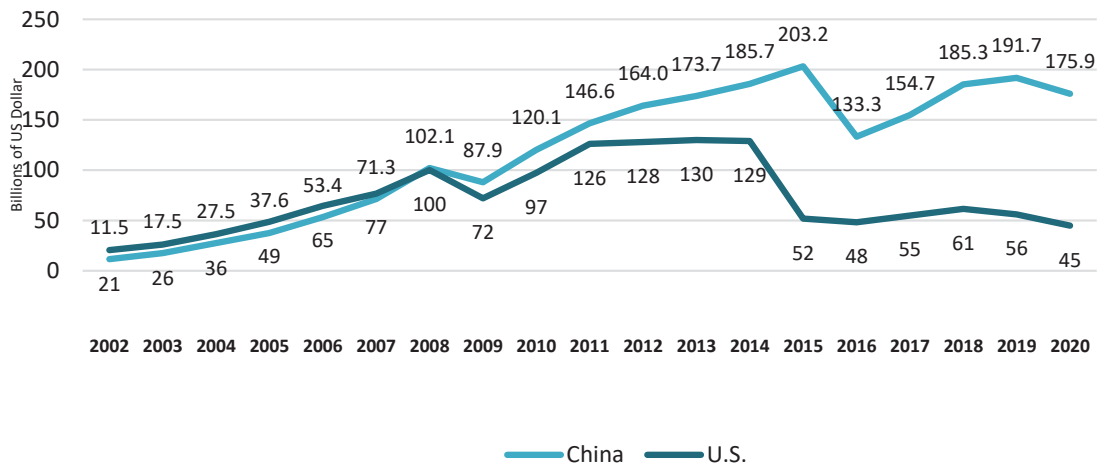
³[Institute of Chinese Studies \(2014\)](#)

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⁵[BRICS New Development Bank](#)

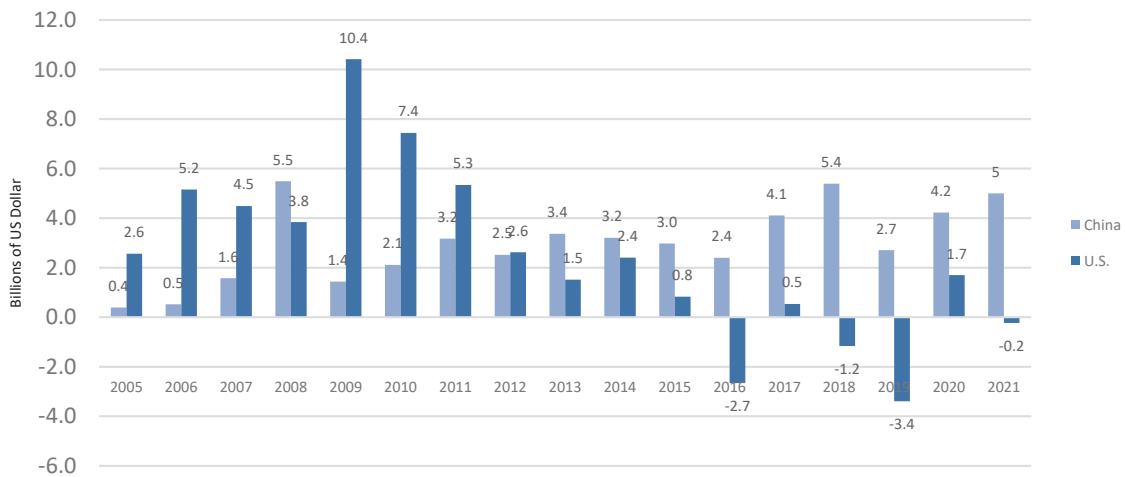
⁶[Middle East Monitor](#)

Figure 1: U.S.-Africa trade vs. China-Africa Trade



Source: China-Africa Initiative

Figure 2: Chinese FDI vs. US FDI to Africa, Flow



Source: China-Africa Initiative

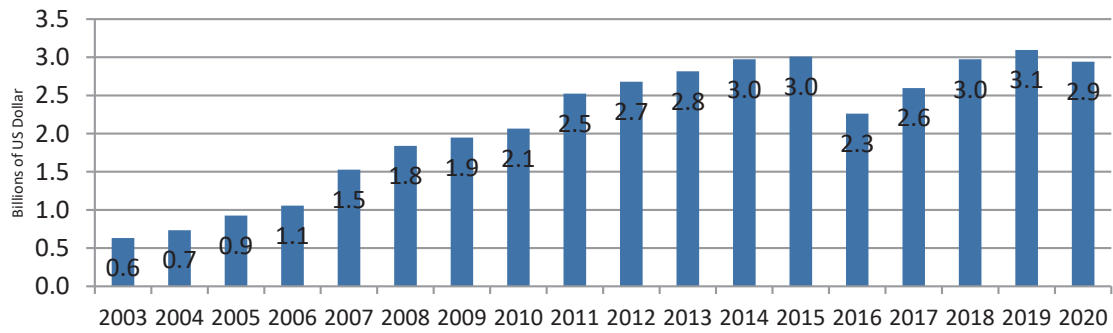
Besides being a trade partner, China emerged as a donor to the continent, providing nine types of aid: complete projects, goods and materials, technical cooperation, human resource development cooperation, medical assistance, emergency humanitarian aid, volunteer programs, and debt relief⁷. As part of its aid to the continent, China provided debt

cancellation under the Forum on China-Africa Cooperation for numerous African countries. Apart from the debt cancellation, China provided other forms of debt relief, including the G20 Debt Service Suspension Initiative and contributions to the IMF's Catastrophe Containment and Relief Trust.⁸

⁷ [China's Aid to Africa: Monster or Messiah?](#)

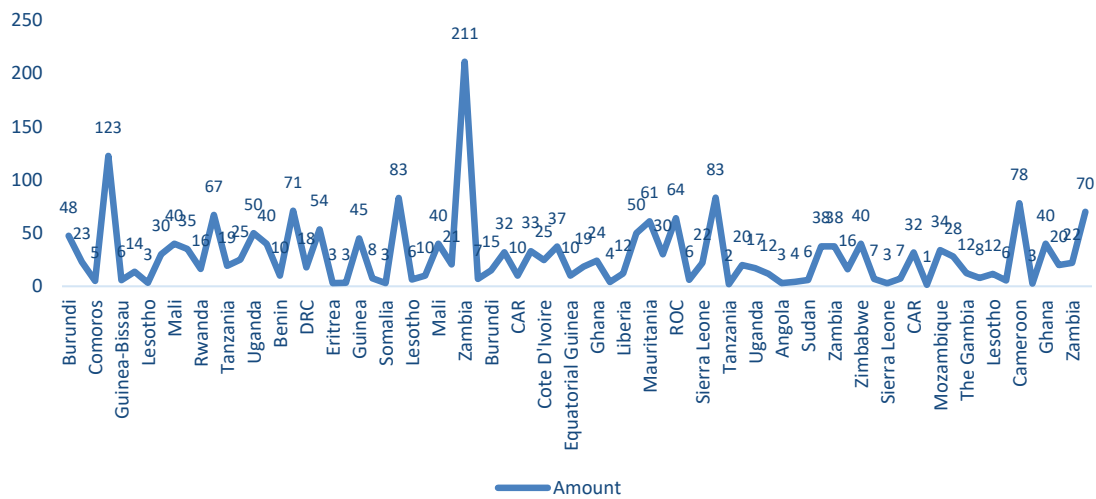
⁸ [China-Africa Research Initiative](#)

Figure 3: Chinese Global Foreign Aid Expenditure



Source: Ministry of Finance of China

Figure 4: Number of Chinese companies in Africa, by country

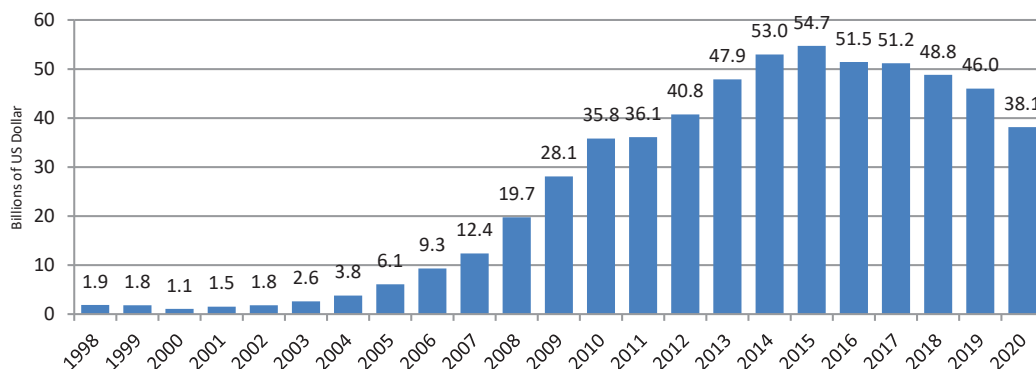


Source: China-Africa Research Initiative

In return, the Chinese companies received lucrative construction projects in the continent, thereby grossing massive revenues. The revenues earned by Chinese construction companies in Africa have been increasing since China's "Going-Out Strategy" was introduced in 2001. Construction projects

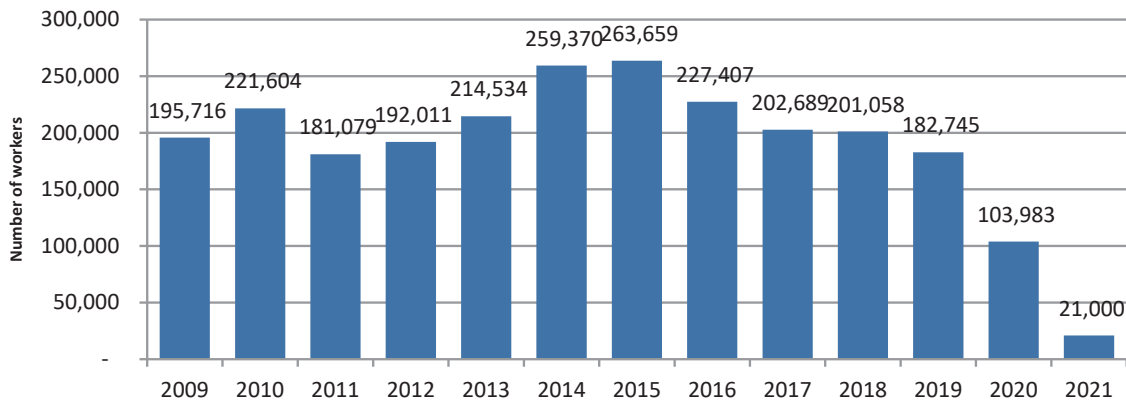
often recruit Chinese workers brought to the continent by construction companies to undertake jobs that require special skills and expertise. This will also lead to employment opportunities for millions of Chinese citizens in Africa.

Figure 5: Gross Annual Revenues of Chinese Companies' Construction Projects in Africa



Source: National Bureau of Statistics of China

Figure 6: Number of Chinese workers in Africa by end of year



Source: China-Africa Research Initiative

Russia, however, began to re-establish its presence on the continent and revamp its diplomatic and economic ties with African nations. The resurgence of Russia officially began in 2019, when the first Russia-Africa summit was hosted in Sochi, Russia. The summit, which brought together heads of states, ministers, and business people, generated diplomatic agreements and billions of dollars in deals involving arms, energy, agriculture, banking, and more.⁹ At present, Russia is in agreement with >30 African countries to supply armament and military equipment.¹⁰

Russia is seeing a huge economic and political interest in the continent, similar to China. However, unlike China’s noninterventionist approach to economic and diplomatic engagement, Russia is setting up its supportive regimes. For example, Russia has wielded considerable influence in the Central African

Republic in support of the weak government of the country against the rebels. The Wanger Group, a Russian paramilitary company, is also actively operating in Libya, Sudan, and Mali to fight terrorists and rebels.¹¹

The Russian presence on the continent is coming as a direct replacement for former western allies such as France and the United States. In Mali, a former French colony, the French ambassador was expelled, and the French military vacated the country after the humiliating failure of the Barkhane operation that began in 2013.¹² This comes at a time when Mali is receiving fresh support from Russia in terms of military training and advice. In January 2023, Burkina Faso gave 1 month notice to France to evacuate its military, ending years of military collaboration with France.¹³ After the evacuation, the Wagner Group of Russia was expected to replace them.

⁹ [VOA](#)

¹⁰ [VOA](#)

¹¹ [Crisis Group](#)

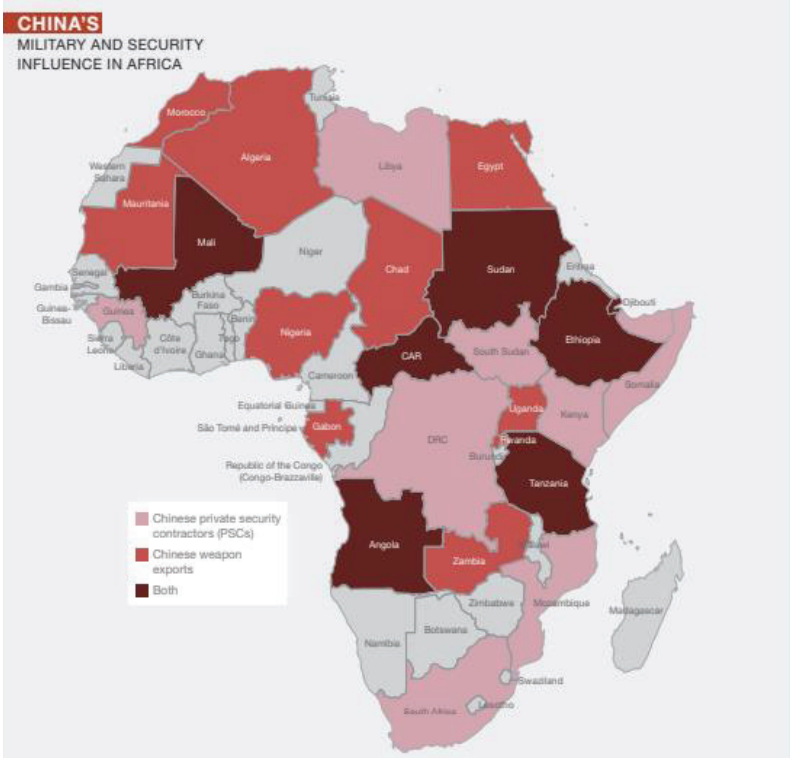
¹² [HARVAD International Review](#)

¹³ [VOA](#)

Figure 7: Russia's Military Presence in Africa¹⁴



Figure 8: China's Military Presence in Africa¹⁵



¹⁴ RAND Corporation

¹⁵ RAND Corporation

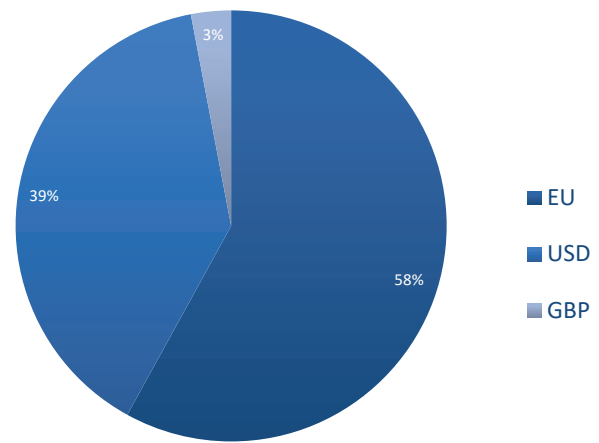
4. The Russo-Ukrainian Conflict: A Multipolar Catalyst

The Ukrainian war is evolving beyond the norms of recent-history wars such as that of Iraq and Afghanistan. The relentless effort by Russia to win it at all costs and the west’s determination to defeat Russia in a battlefield and subjugate it took the war to new heights, threatening nuclear escalation. The UK’s promise to deliver arm-piercing shells tipped with depleted Uranium pushed Russia to deploy tactical nuclear warheads to Belorussia, and the world, for the first time since 1945, was facing the threat of a nuclear war.

Besides the looming threat of a nuclear war, the world has already felt the economic impact as grain shortages, soaring prices, strategic rethinking of economic partners, trade renegotiations, and shifting diplomatic and economic relations. Western sanctions on Russia pushed the Russo-China bloc closer than ever and ignited a sense of economic revolt against US dollar hegemony. Russia, an oil and gas giant, was removed from the SWIFT payment network and had to find alternative payment systems to sell its oil to BRICS partners and other emerging economies. What began as a survival mechanism for Russia turned into an accelerating and sweeping restructuring of

the global financial system. Russia started to trade its oil with the Roubles, Yuan, and Rupee to sidestep the western sanctions. China, which always wanted the global dominance of Yuan, saw this as an opportunity and pushed for full global trading of oil and gas with its currency and other local currencies. To unify the oil giants against the dollar, China brokered a peace deal between Saudi Arabia and Iran without US-EU involvement. Putin called for all unfriendly nations, including the EU and Japan, to purchase oil and gas from Roubles.

Figure 9: Oil and Gas Payment Shares Before Ukraine War, by Percentage Share



Source: [Alexander Mihailov](#)

Table 1: Recent Developments in issues about mutlipolar world

Date	Development
January 9, 2023	The new Chinese Foreign Minister made an official visit to five African nations: Ethiopia, Gabon, Angola, Benin, and Egypt. ¹⁶
February 1, 2023	Treasury Secretary Janet L. Yellen’s recent 10-day trip to Africa kicked off a year of sustained, high-level US engagement, aimed at demonstrating that the Biden administration is “all in on Africa, and all in with Africa” following December’s US–Africa Leaders’ Summit. ¹⁷
February 6, 2023	The Russian Foreign Minister began his 10-day visit to Africa by visiting Eswatini, Botswana, Angola, and South Africa. ¹⁸ This was a high-level diplomatic expedition for Africa after Russia invaded Ukraine.

¹⁶ [Al-Jazeera](#)

¹⁷ [United States Institute of Peace](#)

¹⁸ [Institute for Security Studies](#)

March 8, 2023	Indian customers pay for most Russian oil in nondollar currencies, including the United Arab Emirates dirham and more recently the Russian rouble. ¹⁹
March 28, 2023	Brazil and China, two members of the increasingly influential BRICS Alliance, announced an agreement to conduct all future trade transactions using their currencies. ²⁰
March 29, 2023	Saudi Arabia announced that it agreed to become a “dialog partner” in the Shanghai Cooperation Organization, a China-led political, economic, and security organization designed to compete with similar western organizations. ²¹
March 15, 2023	Saudi Arabia considered trading Chinese oil sales for Yuan instead of the USD. ²²
March 28, 2023	The French oil giant total energies announced that it had completed its first purchase of liquefied natural gas from the Chinese oil company CNOOC using the Chinese Yuan as its currency. ²³
April 1, 2023	The US vice president has ended her weeklong trip across Africa. Kamala Harris met Zambia, Tanzania, and Ghana’s heads of state during her 3-leg journey. “We must all around the globe appreciate and understand the importance of investing in Africa,” she said. ²⁴
April 4, 2023	The Malaysian Prime Minister proposed “an Asian Monetary Fund” to reduce the country’s dependence on the Dollar, and the Chinese President applauded the proposal. ²⁵

The US dollar, which is now backed by oil and gas trading, will face a notable meltdown in the coming months. The increasing defiance and foreign policy autonomy of the Gulf states will, for sure, speed up this process. The United States, at the beginning of the Russia-Ukraine war, failed to persuade Saudi Arabia to increase oil production to compensate for the Russians. In a totally opposite move, on April 3, 2023, OPEC+ nations announced a surprise cut in oil supply to raise the price²⁶. This will help Russia in its struggle against western sanctions and put huge pressure on the EU, UK, and US.

5. What Does This Mean for Somalia?

The developments against the dollar will jeopardize any dollar-dominated economy. African economies are already vigilant about the dollar and skeptical of its global status. The President of Kenya, Ruto, warned Kenyan investors of the dollar while at the same time announcing that Kenya would pay the Kenyan Shilling for the purchase of oil and gas.²⁷ Any country with a functioning currency can do the same.

¹⁹ [Reuters](#)

²⁰ [Forbes](#)

²¹ [Forbes](#)

²² [Wall Street journal](#)

²³ [Forbes](#)

²⁴ [Africa News](#)

²⁵ [The Online Citizen](#)

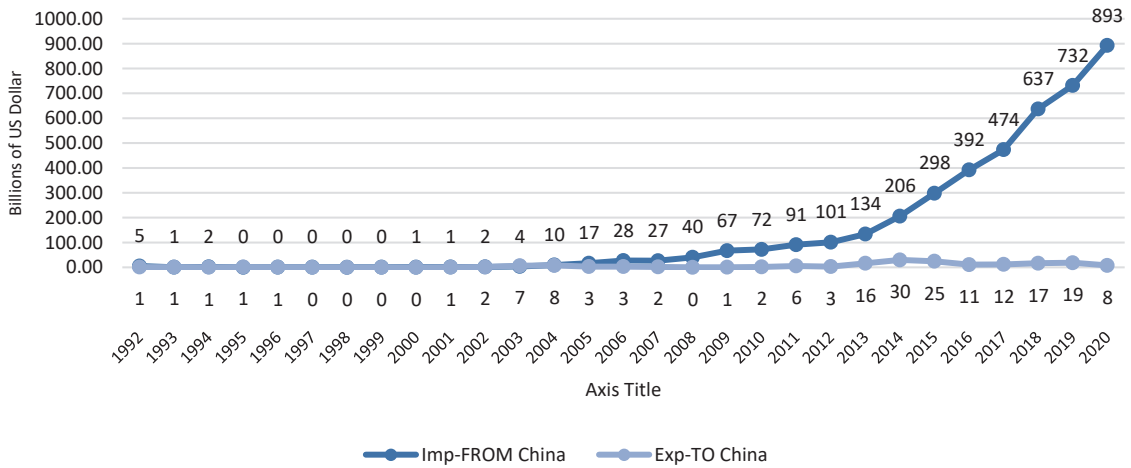
²⁶ [CNN](#)

²⁷ [Anadolu Agency](#)

Unfortunately, Somalia's highly polarized economy does not have such flexibility. Somali currency lost its ability to function as a medium of exchange within the country. With an import-dominated economy, Somalia faces difficulties if the dollar collapses. Somalia imports close to \$1 billion worth of goods and services annually from

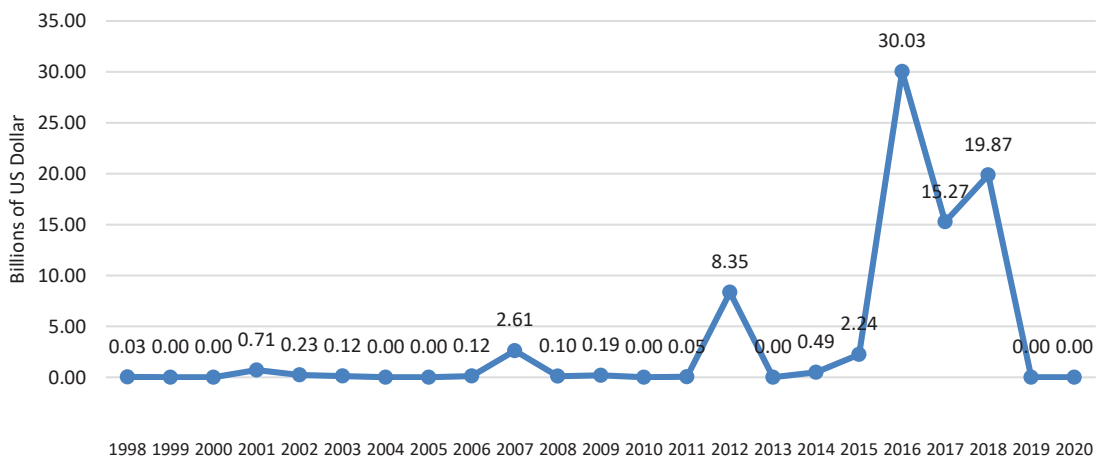
China. If the dollar collapses, the country will have to face hyperinflation. Our business people consider the dollar as an asset rather than a mere currency; this will impose a huge threat to our fragile economy. Thus, economic collapse of the dollar will be devastating for Somalia.

Figure 10: Somalia's Trade with China



Source: China-Africa Research Initiative

Figure 11: China's Project Revenues from Somalia, in Billions of US dollar



Source: China-Africa Research Initiative

6. Somalia in a Multipolar World: A Smart Choice of Partners

As of 2023, Somalia is entirely dependent on western support and receives military, humanitarian, and development aid. However, one might ask if this support is just a byproduct of a unipolar world and is only affordable as long as western hegemony is intact. How far should western aid determine our strategic choice of partners in a multipolar world? Will we be able to rationally choose partners while we are dependent on external support? What long-term foreign policy options do we have in a multipolar world where superpowers compete for or against us?



Baraaro Center

FOR SOCIOECONOMIC AND DEVELOPMENT RESEARCH

 Info@baraarocenter.org

 www.baraarocenter.org

 Baraaro Center

 Mogadishu. Somalia