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American currency.

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# The alternative world order

SONJA FURU

 LISTEN TO THE ARTICLE

**D**ELHI, IF - Card? Nahi. Card? Nahi. Card? Nahi. My Danish debit card has been rejected several times in Delhi. A city where cash flows, the pink and green banknotes with Mahatma Gandhi are exchanged between many hands in one day. I pay my Uber driver with two of the colored notes.

The Indian newspaper The Economic Times, which I have under my arm, says: "The dollar is in retreat, time is for rupees and rubles." I read the newspaper in a cool café at Bikaner House. Behind the windows, gardeners water the dried-out flower beds, the neighborhood has wide and airy alleys. For a moment I consider sitting outside and reading, but my phone shows 39 degrees.

The United States has dominated the foreign exchange market since 1944, writes Indian debater Bishwajit Bhattacharyya. "A lubricant of globalization," as economic historian Adam Tooze once said. But the barrage of sanctions on Russia could now undermine the hegemony of the US currency.

"The dollar may lose its dominant position," writes Bhattacharyya. And that interests me. Since the sanctions hit Russia, it has been debated in this part of the world whether more global trade will take place in rupees, rubles and yuan - better known as the yuan. That is, with the currencies of India, Russia and China.



Illustration: Gitte Skov

Last week, former Bank of China Vice President Zhang Yanling said China must help the world get rid of dollar hegemony "as soon as possible." The sanctions expose the countries' vulnerability to a US agenda, one had to understand.

A different reaction to the war than we are talking about in Europe, where Germany will phase out imports of Russian coal before the end of the year. Ørsted has announced that they will not extend the agreement on Russian gas. And Lithuania is the first country to "pull the plug."

While the West is now reconsidering its dependence on Putin's fossils, Asia's major powers are taking the first steps toward independence from US currency.

As Professor of Economics Nilanjan Banik tells me over the phone from the University of Hyderabad: "When Asian countries challenge the dollar, they challenge the power of the United States globally."

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I have read and understood [the declaration of consent](#)\*

Yes please

## From Hollywood to Bollywood

I ponder the shifts as I walk down Pandara Road in Delhi. A few hundred meters from here is the Reserve Bank of India, which in recent days has had "technical meetings" with the Central Bank of Russia. In short, they are investigating how the Indians and Russians can continue to act despite Western sanctions.

According to The Economic Times, the Russian central bank has had several meetings with the Bank of China in Mumbai to see if the transactions can take place through the Chinese banking system.

Russia has been hit by more than 5,300 sanctions, and the West is warning more after Russia's attacks on civilians in Butja and Kramatorsk.

Companies withdraw as if the ground were toxic. And so it may be; neither McDonald's, Maersk nor Mastercard will be accused of financing Putin's war. The list is long, the shops empty. It evokes memories of Soviet supermarkets with nothing and dollar stores in abundance. Here tourists and others with foreign currency in their pockets could buy what was scarce; salami, whiskey and cowboy pants.

**We will gather our sympathizers and move towards a multipolar, just, democratic world.**

SERGEI LAVROV, RUSSIAN FOREIGN MINISTER

The communist regime needed US dollars to import consumer goods. Just as Putin now needs strong currency and countries to trade with.

Sanctions against Russia are tied to US financial power. Nearly 90 percent of all international transactions today are in dollars. If Americans freeze a country's access to the dollar, that country is excluded from large parts of the global stock market.

Unless one finds new trade routes.

A few days after the first companies closed down, the Russian ambassador in New Delhi pointed out what a magnificent business opportunity is now revealing for Asia. The ambassador suggested that the Indians could take over the pharmaceutical industry in Russia. An obvious option when Western companies 'refuse to cooperate', as he put it.

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instead have Bollywood films on the poster.

No *The Batman* or *Avatar 2*, but *Badhaai Do* and *Loop Lapeta*.

## The Asian club

Recently, one could read in the Indian newspapers that the state-owned oil company Indian Oil Corporation agreed to buy three million barrels of Russian crude oil. A strike offer from Vladimir Putin. About 20 percent below market price.

India is entering the Russian market. So does India's Asian rival. Chinese companies are considering investments in the gas giant Gazprom and the aluminum company RUSAL. And Russian oil dealers offer, according to the media Bloomberg, that one can pay in yuan.

"The many sanctions against Russia are an obvious opportunity to push through a Chinese agenda," The Economic Times editor-in-chief Dipanjan Roy Chaudhury began our conversation.

We sit in the lounge of the India International Center, which is surrounded by a large green park. Here is soft furniture and huge rotating tabs in the ceiling. Chaudhury is a small man with dark, attentive eyes. He speaks in a subdued voice and orders two cold colas from the polite waiter in tuxedo.

In March, Chinese Foreign Minister Wang Yi visited New Delhi. Yi's visit was not officially announced. No press release or press conferences. Chaudhury was the first to write about the Chinese state visit. As we sit here, the editor will not share his confidential sources, but he would like to give me his analysis of the visit.

According to Chaudhury, the Chinese have a clear agenda. They want more international trades in renminbi, ie around the dollar. It will strengthen the Chinese's chances of dominating the global market and positioning the renminbi as the world's leading currency.

China has already secured renminbi trade with several of the smaller Asian countries such as Thailand, Cambodia, Vietnam. The next tactical step for China will be to get larger countries like India and Russia to trade in renminbi.

It can be hard to imagine that India will help China. As recently as 2020, border conflicts in the Himalayas flared up. The violent clashes cost the lives of 20 Indian soldiers. A large popular boycott of 'Made in China' products then spread in India. And at the big Indian light festival Diwali shortly before Christmas, the government had boycotted all Chinese fireworks.

When I was in India's answer to Sportsmaster, Decathlon, the other day, the earth-colored yoga mats had large turquoise signs with the text 'Made in India'. The clerk explained to me that many customers refrained from buying products imported from



The border dispute is soon 60 years old. Is it really possible to unite Asia's rivals, the two great powers, I ask the Indian editor. Chaudhury advises me to keep an eye on trade between China and India in the coming years. He believes that within a few years, transactions with renminbi and rupees will be seen.

Earlier this week, I interviewed Parag Khanna, who also had a bid on the softening between China and India. Khanna holds a Ph.D. in Economics from the London School of Economics and is the author of several books on Asia, geopolitics and economics.

Over a Facetime connection from Dubai, he told that India and China have the strong, common interest that none of the countries want the United States running as a policeman.

Sanctions against Russia are reinforcing the ongoing direction, he said. Russia joins the "Asian club", the countries gain more power, distance themselves from the West and the dollar and spread the renminbi as currency.

Parag Khanna added that both Russia and China have scaled down their reserves in dollars in recent years. In other words, warmed up to a global market independent of the United States.

## Multipolar world

Former French President Valéry Giscard d'Estaing already described the special status of the dollar as an "exorbitant privilege" in 1964. Americans benefit greatly from being our all-together currency, which makes me think of the English economist John Maynard Keynes' description of an upper middle class life in London in 1913, just before the First World War. Back then the British pound was leading.

A cosmopolitan Briton sips tea in bed, Keynes writes. He orders products over the phone, gets them delivered to the door, travels wherever he wants without difficulty changing currency, for his money is good everywhere. The British regard this condition as normal, safe, permanent. He has no imagination at all to imagine the coming downturn of the British Empire.

A year later, World War I breaks out. The United States intervenes in 1917 to "make the world secure for democracy," and the so-called *American century* begins. The dollar as the only major currency is not shot down by World War II. Demand for US goods is rising. The world is orienting itself towards Washington. Away from London. A shift in power that was consolidated by World War II and the collapse of the Soviet Union in 1991.

But the sovereignty of the dollar does not last. We have been talking about this for several decades. The Chinese will be next. The World Bank estimates that China's economy will surpass that of the United States by 2030.

I walk through the hot streets of Delhi and look down at my sticky rupee notes. At the imposing avenue Sansad Marg, I stop in front of the Reserve Bank of India, which may in the future have to print more banknotes with a pictured Mahatma Gandhi, the leader of India's independence struggle. A symbol of the country's independence from British colonial power.

The sand-colored brick building is barricaded inside a ruby-red fence, fading palm trees throngs dried out along the side. I lean my head back and look up. Again, I'm gripped by the doubts I often get when I walk around the dusty roads among ear-splitting traffic: Is the future really here, or is it still far away?

The area by the bank is magnificent; international centers, cool cafes. But a few blocks away you will find a family living in a roundabout, a emaciated man cycling with what looks like a million plastic bottles, a little beggar boy insisting on getting a rupee note.

India is not going to outcompete China for the time being. Here is far too poor. But the country may become the tongue in cheek in a new world order.

The Austrian author Stefan Zweig wrote in the memoir *The World of Yesterday* that "before 1914, the Earth belonged to everyone." It was in the first and free phase of globalization. At the time, he traveled to India and America without owning a passport. I can not help but think whether we are now heading for a more divided globe.

Earlier this month, Russian Foreign Minister Sergei Lavrov visited Beijing and New Delhi. Prior to his visits, he outlined the new 'democratic' world order. In a video released by the Russian Foreign Ministry, Lavrov said: "We will gather our sympathizers and move towards a multipolar, just, democratic world."

At home in Denmark, few people want to join the latter. But perhaps Sergei Lavrov is right that we are moving towards a multipolar world. A world with two distinctive trading blocks; a Chinese-led bloc in the east with Russia and India and an American-led bloc in the west supported by Europe.

I remember the words Parag Khanna said to me over the connection from Dubai: "The only way to escape the humiliation of colonization is to make sure that the West does not rule in Asia."

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(b. 1993) has a master's degree. in Journalism from the University of Southern Denmark and studied at RMIT University in Melbourne, Australia. Writes about society, science and culture - often as a reportage writer from around the country. Has previously written for Politiken, Information and Kristeligt Dagblad.

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