

G2 or Not G2? The 2025 World Order Debate

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ABSTRACT

In October 2025, U.S. President Donald Trump proposed a “G2 Summit” with Chinese President Xi Jinping, reviving the idea of a bipolar world led jointly by the United States and China. While framed as a path toward stability, this proposal raises questions about whether a G2 model reflects the realities of today’s global order. This paper argues that the international system has moved beyond unipolarity and is not returning to bipolarity but instead evolving toward multipolarity. The post-World War II Pax Americana has gradually eroded due to economic shifts, military constraints, and the rise of emerging powers. Institutions such as BRICS, the G20, and regional development banks illustrate a broader diffusion of influence. Growing de-dollarization, technological interdependence, and strategic autonomy pursued by actors like India and the European Union further complicate bilateral dominance. Ultimately, the G2 framework appears more symbolic than structural, reflecting diplomatic rhetoric rather than the complex, multipolar reality shaping global governance in 2025.

Keywords: World Order, Multipolarity, International Relations, Global Order, Post Cold-War

ARTICLE

In October 2025, United States President Donald Trump announced a “G2 Summit” with Chinese President Xi Jinping in Busan, South Korea. He described it as a historic step toward “everlasting peace and success,” with a suggestion of a possible return to a world managed by two powers, the United States and China. This announcement revived the idea of a “G2” world, where both countries would share global leadership. However, the question arises: does the G2 model describe the true sense of the global order in 2025 or is the world moving in a different direction such as toward multipolarity, where power is spread among many nations? From Pax Americana to a Contested Order

The roots of today’s debate go back to the international system established after World War II. The Bretton Woods Conference of 1944 which created a global economic order designed to prevent future conflicts. Institutions like the International Monetary Fund (IMF), the World Bank and the General Agreement on Tariffs and Trade (GATT) reflected U.S. dominance and were meant to stabilise global capitalism under American leadership. For about three decades after the war, this system ensured prosperity in Western nations during what economists call the “Golden Thirty Years” (Chakrabarty, 2019).

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Introduction

In October 2025, United States President Donald Trump announced a “G2 Summit” with Chinese President Xi Jinping in Busan, South Korea. He described it as a historic step toward “everlasting peace and success,” with a suggestion of a possible return to a world managed by two powers, the United States and China. This announcement revived the idea of a “G2” world, where both countries would share global leadership. However, the question arises: does the G2 model describe the true sense of the global order in 2025 or is the world moving in a different direction such as toward multipolarity, where power is spread among many nations?

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However, by the late 1960s and early 1970s, cracks began to appear. The Vietnam War exposed U.S. military limits, the oil shocks of the 1970s shook the global economy and President Nixon’s 1971 decision to end the dollar’s convertibility to gold showed a deep financial strain. These events marked the slow decline of U.S. hegemonic power. The American share of global GDP has fallen steadily, from 20 percent in 2000 to around 15 percent in 2023 (CIGI, 2023).

Thus, while the United States is still powerful, it no longer holds the uncontested dominance it once did. The end of the Cold War in 1991 created a brief period of U.S. unipolarity, but the rise of new economic and military centres has since turned that order into a more fragmented and competitive system.

The Rise of Multipolarity

Rather than returning to a bipolar world like the Cold War, the global order has evolved toward genuine multipolarity. This “Pax Multipolaris” is not peaceful or stable, but it distributes power more evenly across regions and civilisations (Baig, 2025). No single power, including the U.S. or China, can impose its will globally.

Several trends verify the change. First, emerging powers have created new international institutions that challenge Western dominance. The establishment of the BRICS New Development Bank (NDB) in 2014, with a \$50 billion start-up fund, proved an effort to build alternatives to the World Bank and IMF. The BRICS’ Contingent Reserve Arrangement further reduced dependence on Western-controlled finance. These moves show how the Global South is organising itself without relying on the U.S.-led system (Carnegie Endowment, 2025).

Second, global governance itself has diversified. The G20, which includes both developed and emerging economies, reflects the fact that economic decisions now require broader participation. India has appeared as

an influential actor. Its leadership in BRICS+ and the G20 demonstrates how “middle powers” can influence international policy. The very existence of these coalitions challenges the idea that two countries could alone manage world affairs.

Third, economic interdependence complicates any simple U.S.-China rivalry. China controls about 70 percent of global rare-earth element production, materials critical for electronics and defence industries, while the United States leads in semiconductor technology and artificial intelligence (CSIS, 2025). This asymmetrical dependence forces both powers to cooperate selectively even as they compete, making full bipolar dominance impossible.

The Contradictions of the G2 Idea

The notion of a U.S.-China “G2” partnership sounds appealing politically but is full of contradictions. On serious issues like Taiwan, both countries’ positions directly clash. The United States continues to support Taiwan militarily and rejects Beijing’s sovereignty claims, while China views reunification as a national mission and has instructed its military to prepare for potential use of force by 2027 (CFR, 2025). These opposing goals make genuine partnership impossible.

Trade tensions further illustrate this divide. U.S. tariffs on Chinese imports, some as high as 145 percent that shows deep protectionist sentiment at home. While the 2025 summit produced symbolic trade concessions, the underlying competition for economic supremacy remains (Business Standard, 2025).

Moreover, the G2 model does not account for other significant actors. India refuses to align completely with either side, pursuing “strategic autonomy” through both Western and non-Western platforms (GIS Reports, 2025). The European Union, despite its internal divisions, continues to seek “strategic autonomy” as well, an effort to assert independent decision-making capacity without reliance on Washington or Beijing. Both cases reveal that smaller and medium-sized powers have agency that cannot be ignored.

Economic Shifts: The Challenge of De-dollarization

Another major challenge to a G2-led world comes from the financial system. Since 1944, U.S. global influence has rested on the dollar’s role as the world’s primary reserve currency. But this dominance is now under pressure. In 2025, the Dollar Index fell 10 percent against other major currencies, its sharpest decline since the 1970s (JPMorgan, 2025). Factors such as a \$1 trillion U.S. fiscal deficit, trade tensions and the use of sanctions have made many countries question the stability and neutrality of the dollar system.

In response, BRICS nations have been promoting trade in local currencies. Russia and China, for example, now conduct significant bilateral trade in rubles and yuan. While these moves do not yet threaten the dollar’s supremacy, they stand for a slow but steady shift toward financial multipolarity.

Additionally, multiple currencies now play specialised roles. The euro is still strong as a regional reserve; Japan’s yen and China’s yuan are used increasingly in Asia. This trend toward “currency diversification” signals that the era of one dominant reserve currency may be ending. A multipolar

financial order would thus be inconsistent with G2-style management.

The Military Dimension

The military balance further limits the G2 idea. China's rapid defence modernisation has transformed it into a near-peer competitor. By 2025, China's nuclear arsenal reached around 600 warheads and could rise to 1,500 by 2035. Its advancements in missile systems, naval capacity and hypersonic weapons have significantly improved its deterrence capability.

During the Busan summit, both countries agreed to establish direct military communication channels to avoid escalation. While this is a positive step, it does not resolve the underlying mistrust. The U.S. sees China's expanding military reach as a threat to Asian stability, while China views American alliances and naval presence as containment. The Taiwan issue stays a major flashpoint and neither side can compromise without losing domestic credibility (Stimson Center, 2025). Hence, rather than stabilising the global order, the G2 relationship is more likely to produce cautious coexistence than true cooperation.

The Reality Behind the Rhetoric

The G2 announcement of 2025 is more symbolic than structural. It shows both nations' awareness that unchecked rivalry could lead to global instability, especially in nuclear and technological domains. Yet, the global order is far too complex for two powers to control.

First, the G2 model rests on false assumptions. It assumes that global governance can be managed bilaterally, but the reality shows a broad diffusion of power. India's economic growth, set to make it the world's third-largest economy soon, ensures it will not accept a subordinate role. The European Union is also a major centre of global economic and regulatory power.

Second, the G2 framework serves short-term domestic political goals. For Trump, it projects an image of diplomatic success; for Xi, it affirms China's equality with the U.S. Both leaders receive help from the optics of partnership without bridging the fundamental divide in interests.

Finally, the ongoing spread of economic and institutional power, through organisations like BRICS, the Shanghai Cooperation Organisation and regional banks, confirms that the global system has moved beyond simple bipolarity. These platforms have expanded their reach which offers developing nations alternatives to Western financial and governance structures.

Conclusion

The 2025 Trump-Xi "G2" summit stands for not the birth of a new world order but a temporary strategic adjustment. It acknowledges that U.S. unipolarity is over and that competition must be managed carefully. Yet, it does not mark a return to Cold War-style bipolarity. Instead, the international system today is defined by distributed power, diverse institutions and competing regional interests.

In this context, the G2 idea is more a diplomatic performance than a structural reality. The future of global governance lies in how countries navigate an increasingly multipolar landscape, one shaped by cooperation, rivalry and the balancing of multiple centres of power. The task ahead is not to build a G2, but to design inclusive systems that mirrors this

interconnected reality.

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