

BRICS Plus Six, Ukraine, and the Multipolar World Economy!

By Michael Hudson and Pepe Escobar - August 28, 2023

DANNY HAIPHONG: As you can see, it's your host, Danny Haiphong, and I'm joined by two very special guests, friends of each other and friends of this show.

We have the renowned economist Michael Hudson, author of *The Collapse of Antiquity*, his recent book. Welcome, Michael. Thanks for joining again.

And we have Pepe Escobar, geopolitical analyst and journalist joining us from Moscow. Welcome, Pepe. How are you both doing today?

PEPE ESCOBAR: Enormous pleasure. Great to be with you both and with our audience, of course.

DANNY HAIPHONG: Great, great. You know what to do as you are coming on. Make sure you're liking the stream. If you're new here, subscribe to the channel. Hit that notifications bell and do support this channel if you are able. Patreon, buy me a coffee, Substack. There are many options.

But let's get right to it, gentlemen. Let's talk BRICS, because the summit just concluded in South Africa. The Johannesburg Declaration has been released and new members. (As you can see, it's cause for alarm for the United States, as there's sirens going off in the background.)

But BRICS, with all of the, and I know, Pepe, we've talked about this together, with all of the speculation and the enthusiasm around BRICS, there has been concerted action coming out of this summit, the 15th summit, and that is the expansion of BRICS.

Now there are six new members, Argentina, Egypt, the UAE, Saudi Arabia, Iran, and Ethiopia. This is a huge development.

And so I guess each of you, I would really like to hear your reactions about the summit and this expansion and what it means for the multipolar world, the multipolar world economy, we could call it, whoever would like to begin.

PEPE ESCOBAR: Michael, you want to kick it? You know why? Because I've been deep into it for four days, nonstop, and I'm still into it. So I would love to hear Michael's analysis first and then I'll jump in and I could go for 10 hours. But Michael, please go.

MICHAEL HUDSON: Well, I think in one sense, this is a preliminary meeting to set the stage for what's going to come. And all that the BRICS can do at this point is make arrangements among themselves.

But the real problem is, what is their collective strategy going to be to break from the U.S. and NATO garden, from the whole economic order that the United States has put in place since 1945.

And that requires creating sort of a core group that's going to write up the basic principles. And in a way, what they need is a manifesto.

They need to say, here are aims and here are some basic principles of how we're going to operate. And I think they wanted to keep the group fairly small for the time being so that the other countries will have a choice.

If you join the BRICS group, the expanded BRICS, you will be part of this overall new order. And it's going to mean breaking ultimately from the U.S.-centered order.

Because you cannot have the kind of order that the BRICS countries were discussing at this week's meeting and at the same time remain subject to the International Monetary Fund, the World Bank, neoliberal economics, and what President Putin himself called the debt trap that is preventing countries from taking an economic independence.

President Putin gave a very good speech where he said that basically the countries, the colonial epoch of European colonialism has been replaced by financial controls and that countries cannot be independent until they're financially independent.

Well, easy for him to say because the United States has forced him to be independent, is forcing China to be independent and is driving all of the countries to be independent.

But what his speech said was that the countries of the so-called global billion, he said, have gone to great lengths to preserve a unipolar world as it used to be. It suits them. They are the ones who benefit from it. And they're trying to replace international law with their own order. But nobody's seen the rules of this order.

So what he pointed out is that this order is just a new kind of colonialism. And he specifically quoted Brazil's President Lula when he said that Lula mentioned the debt burden of the developing economies that they face.

Of course, he said, on the one hand, there's this effort to siphon off all these resources. Well, the other hand, in terms of lending, the relations are engineered in a way that requires repaying these loans virtually impossible so that these obligations can be viewed as mandatory indemnities rather than loan payments.

Well, that threw down the gauntlet. At some point that they couldn't really discuss publicly, today, they're going to realize that if we're going to use our economic surpluses to develop our own infrastructure, our own

government spending on basic needs, we cannot turn over our economic surplus to the Western holders of dollar debt.

Something is going to give. And they avoided talking about this. All they can really talk about now is how they can support mutual aid with each other. And we're still a bit far away from taking on the West. But that's going to be what's happening.

And it's the political dimension that has not been discussed in the West at all. So I hope today we can talk about what the BRICS really meant politically.

Foreign Minister Lavrov gave a wonderful comment. He said, the West is talking only about the BRICS meetings as having an economic agenda. And he said, but that's belittling what we're doing.

He said, the West is treating us as an economic club, but it belittles its real significance. We're going to be a political club, and it takes a whole political restructuring in order to have an economic restructuring.

So we're not talking about marginal differences. We're not talking about stopping simply at using each other's currencies and denominating our debt in each other's currencies with currency swaps. **We're talking about a quantum leap, a basically altogether new structuring.**

And that's what the West doesn't believe. They believe what Margaret Thatcher said, there is no alternative. **And this week's meeting is all about, yes, there is an alternative.**

PEPE ESCOBAR: Way to go, Michael, way to go. I would like to start offering some background, what we learned from Sherpas, what exactly happened on that fateful table in Johannesburg. Okay.

In the beginning, India wanted expansion only three more members. They would be roughly Argentina, Iran, and Algeria. The Chinese wanted 10 new members. And guess who was the middleman on that table trying to, once again, the messenger between China and India, the Russians.

So in the end, they got this, I would say, very effective compromise of six members. So South Africa, from the beginning, they were pushing for Egypt. The Russians were also pushing for Egypt because Cairo had lobbied Moscow, we want to get in, and they already had an agreement.

The Chinese went, I would say, the Chinese went for the kill from the beginning. They wanted top energy, oil, and gas producers. So it was Iran, Saudi Arabia, and the Emirates, and everybody else agreed from the start.

Well, in terms of Iran, it was very, very easy because Iran already has a strategic relationship with both Russia and China.

Emirates and Saudi Arabia, of course, because MBS, not only he has an extremely close relationship with Putin, but both, they run OPEC Plus. So from a Russian and Chinese point of view, that was incorporating OPEC Plus into BRICS.

And the Emirates, of course, the same reason, top producer. And then Brazil, of course, they were lobbying [for] Argentina from the beginning. And I would say this would be Lula's effort to try to save Argentina from itself, essentially, helping his very good friend Fernandez.

And at the same time, trying to send the message to Argentina, please don't vote that anarcho-crazy for president who wants to dollarize the economy and turns Argentina, as Michael knows very well, into a perpetual vessel of the IMF and the Emirates.

So we don't know if this is going to work, but the debates already in Argentina are exploding, of course. The very tiny oligarchy based in Buenos Aires that runs the country, essentially, it's a matter of 50 families, not more than that.

They are going ape-shit, predictably, of course, just like the Brazilian oligarchy is going ape-shit because Lula had a very prominent role in the BRICS. Even though he's a little bit tired, he's going to have an operation soon. He sounded tired. He was reading notes.

This was not the Lula that we're used to deal with. Lula, as an improviser, is almost fearless. He was reading notes and he looked tired. Anyway, he was very, very effective. He talked once again about a BRICS currency.

But as Michael said, nobody got into details, first of all, because it's too early and they don't have the people, the mechanism, the teamwork set up in place to start really analyzing it.

The way, for instance, the Eurasian Economic Union has and Glazyev and Mityayev here in Moscow, which I plan to meet soon in the next few days. They have been working on this for over three years, in fact.

And then the thing was to try to convince Modi about introducing three Muslim nations and Arab Muslim nations into BRICS. Once again, who did the hard work? The Russians. And there was a sort of quid pro quo between Moscow and New Delhi.

Lavrov knew that any mention in the final declaration about looking for a new BRICS currency, an alternative currency, the Indians would be extremely uncomfortable with it because the Indians are terrified of American sanctions and American secondary sanctions.

And Modi, as we all know, is hedging his bets all the time between the empire and Eurasian integration and in this case, BRICS integration. So basically, there was a compromise. OK, we won't talk about that. We're going to talk about it further. And obviously, Modi had to accept the three Muslim nations.

And there was a question about Africa. They had only two. That was the very last round of discussions. So they said, OK, who's going to be the next candidate?

Everybody was talking about Algeria, but Algeria is practically a done deal. They have very good relations with both Russia and China, and they're going to be part of BRICS soon, sooner rather than later, probably next year in the second batch.

The South Americans said, look, this is only the first expansion phase. There are going to be others. So the next one, which is going to be in Russia at the next summit, the 16th BRICS summit, which will be in Kazan in Russia next year. That's very, very important. Officially confirmed by Vladimir Putin. And of course, very, very important. I call it the touch of poetic justice.

The BRICS 11, as I am calling them since yesterday, they start on January 1st, 2024, which is the first day of the Russian presidency of BRICS. So this is beautiful.

This is something, obviously, very sophisticated diplomatic corps, like the Russians or the Chinese, thought about it and sending messages that they know that the global South as a whole will understand that immediately, pick it up immediately.

So in the end, they said, OK, let's get a very strategic African nation that nobody's talking about. Ethiopia. Perfect. It's close to West Asia. It's Northeast Africa. It's close to new member Egypt. It's part of a very strategic Horn of Africa situation that involves the Red Sea, not far from the Suez Canal. You name it.

And very rich in minerals and metals, not to mention unexplored oil and gas reserves, copper, gold, platinum, tantalum, you name it. Perfect. Perfect. Absolutely perfect. So in the end, they got to BRICS 11.

So in terms of a master coup, I call it a master stroke for several reasons. But I think the most important reasons, and I would like to hear Michael about that, is the energy angle.

Now they control at least 47, 48 percent global oil production. In the next stage, which is going to be next year, assuming they get, for instance, Algeria, Venezuela and Kazakhstan. This is going to jump to what? Maybe 70 percent of global oil production or maybe even 80 percent. So this is immense.

Because now, on top of all that, they control, and this is off the top of my head, maybe I'll be forgetting something, the North Sea Route, the Arctic Route, all the overland corridors of the Belt and Road Initiative, the New Silk Roads, the overland corridors that traverse from Xinjiang across the heartland all the way to West Asia, and then further on to Europe.

The Maritime Silk Road, because now they are very, very important in the Arabian Sea, in the Gulf of Oman, in the Persian Gulf, in the Red Sea, and in the Swiss Canal. So all that with one single stroke in the chessboard. So I see this as really a master stroke, you know.

And it's no wonder that nobody in the West, at least for the past 24 hours, has mentioned anything about how BRICS now is a major player in global energy markets, commodities markets, for obvious reasons, Russia, Brazil, Argentina, etc., but also in the energy markets.

And that was a result, I would say, the second stage of this approximation between Iran and Saudi Arabia, which started by the Russians here. First they talked to the Iranians, then they talked to the Saudis.

In the next stage, they put the Iranians and the Saudis on the same table, and then the ball went to the other side of the Chinese, and the Russians told the Chinese, okay, now it's goal time. And obviously the Chinese did a Messi, and they scored in Beijing.

We had the agreement between Tehran and Riyadh of the rapprochement, you know, having diplomatic relations and even investment relations. Now they have high-level visits side by side, etc.

So the reconciliation between Shiites and Wahhabis was a Russia-China strategic partnership work, absolutely outstanding. And now we have the second phase, which is all of them in the same table, in BRICS 11. And maybe soon we can have them all in the same table in the Shanghai Cooperation Organization.

And this is something that our friend Lukashenko, old man Luka, already said on the record, look, we're sort of going to have BRICS on one side, Shanghai Cooperation on the other side. It's basically the same big players. Why not put them all together on the same table?

It's something that will happen, and maybe could happen as early as next year, because the summit is going to be here in Russia. And the Russian agenda is extremely ambitious in terms of integrating everything under the official Russian motto, which is greater Eurasia partnership.

This applies to all the Eurasian partners, Iran, Saudi Arabia, Emirates, Belarus, etc., but also to the integration of Eurasia with Africa as well.

And Xi Jinping, in terms of integration in Africa, not only he was lobbied heavily for three African members at BRICS 11, but they held a special meeting between Xi Jinping and the Chinese delegation, and heads of state from different African countries that were invited by Ramaphosa, and other leaders from the developing world, the G77 group, which nobody talks about in the West.

I'm sure Michael knows this very, very well. The G77 is essentially the new non-aligned movement. And it's not only 77 nations, it's 134 developing nations. And the majority comes from where? Africa. And the president is a Cuban, Diaz-Canel.

So can you imagine this absolutely outstanding sight? In a room in Johannesburg, you have a Cuban who's the leader of the new non-aligned movement, with all these leaders from the developing world, most of them Africans, meeting exclusively with Xi Jinping to discuss sustainable development. Everything about sustainable development.

So this is something that obviously you won't read in the New York Times or the Washington Post, obviously. So this was one of the very important things that happens on the sidelines.

So when we put this all together, it spells out closer and closer Eurasian, African, and also Latin American integration under the edges of BRICS 11, which next year could become BRICS 20. And in a few years, BRICS 30 or BRICS 40.

So the G20, as we know it, is in trouble. Because the G7 inside the G20 is already in a coma. Heavy, heavy coma. Soon the G20 will be in a coma as well. And the new G7, G20 will be BRICS 11, 15, 20, etc.

So of course, I'm trying to paint the hopeful scenario in all that. There are enormous challenges. And that's inbuilt in a question that I'd like to ask Michael directly about the New Development Bank, the NDB. I think Michael can explain to all of us the problems that the NDB faces.

I had the first reaction already from Sergey Glazyev, the Ministry of Macroeconomics for the Eurasian Economic Union, which is subordinated to the Eurasian Economic Commission, subordinated to the Eurasian Economic Union.

Glazyev said something extremely important. Why the NDB is more or less paralyzed and is not very adventurous in terms of giving loans bypassing the U.S. dollar?

Because the statutes of the bank were written totally dependent to the U.S. dollar. Glazier said, look, at the time I warned the Russian authorities and the other nations, the BRICS-5 at the time, look, you cannot do this. Everything has to be organized in terms of our national currencies.

They didn't listen. And now they are in a jam because they are absolutely afraid of handing out loans and then be hit by American sanctions. And the receivers of these loans being hit by American secondary sanctions. So Michael can really explain to all of us.

Of course, this is true. But what could they do to get out of this jam? And that explains another thing, why they didn't get into detail about more loans, payment systems, apart from the platitudes that we already know.

Of course, they are going to increase trade settlements in their own national currencies. You already know that. So they're going to try to increase.

But in terms of receiving loans that they really need and some of these nations would really need help from the NDB. I'm thinking about Argentina, especially.

How could that work considering the current statutory situation of the bank right now? So over to you, Michael, please.

MICHAEL HUDSON: Well, I think you've put your finger on what the real nightmare of the West is. And that is that ultimately, of course, the BRICS-11 are going to merge with the Shanghai Cooperation Organization simply because they're under threat from the United States.

You didn't mention three members of three people who are not at the BRICS meeting who are the strongest backers of this merger. And that's President Biden and Blinken and Newland.

They are driving these countries together to sort of help catalyze their coming together in this natural union, because it's either we hang together or we hang separately, as the Americans like to say.

You also pointed out quite correctly that the key to all of this is indeed oil and energy. That's what the Western press cannot discuss because the center point of all U.S. foreign policy since 1945 has been the international oil industry.

The Americans, say, have done, already in the 1930s, the Americans were doing charts to show that the increase in GDP of every country is coordinated with energy use per worker in productivity.

The way to increase productivity is by oil, gas, coal and energy. And if you can control energy by the Seven Sisters, the big oil companies of Standard Oil, Shell Oil and the others, then you can simply turn off the lights and turn off the transportation of other countries.

And if you can control oil and the food trade by not having other countries produce their own grains, but only making export food crops, and if you can oppose land reform by force and revolution and client oligarchies to prevent basically family-based farming, producing their own food, then you have the ability to impose sanctions on other countries.

And that's really the only way that the West can try to resist the BRICS 11. They have nothing to offer at this point except refraining from fighting these countries

and going to war with them. **So the SCO is what is going to be protecting these countries from the retaliation.**

And if they can become self-sufficient in energy and food, then you've taken away essentially America's ability to impose sanctions on other countries to say, we're going to starve you out and stop your economy if you don't do what we want.

And in fact, it's the BRICS 11, especially Russia and China, that have the ability to say, well, you know, we can put sanctions on you. We can just stop contact. You want to separate from us? You don't like what we're doing? We can just stop contact with you. You don't have to buy our rare earths or our gallium or our nickel. You go your way, we'll go ours.

Now, the problem is, as you pointed out, your very first point was Argentina. And I think that is a problem. And on the one hand, of course, Lula wanted Argentina to come in.

But Argentina and Brazil have the same problem. Their dollar debt is not like the dollar debt of African countries or Asian countries. Their dollar debt is owed to, as you put it, the 50 families that control Argentina. The dollar debt's owed to their own oligarchy.

So the question is, when you talk about what's Argentina's interest, the answer is, well, what Argentina are you talking about?

Are you talking about the Argentine 0.01 percent that has controlled Argentine policy? Or are you talking about the whole economy as a whole?

Well, I hope that one effect of these BRICS meetings will be that the political elections that are up-coming very soon in the runoff elections in Argentina will really be for the people.

Do you want to join the BRICS, or do you really want to dollarize the economy, which means do you want to shift all central planning away from the government, away from what you elect, to the 50 families?

Well, Lula has a problem very much like this, because in 1990, when Brazil, like Argentina, was paying 45 per cent interest on its foreign debt, the only people who were buying this foreign debt were Brazil's leading families.

And these are the families that removed Lula from power and put in the corrupt U.S. neoliberal president. And Lula has to deal with this reality that Brazil has a similar dominance by the leading banking families.

How are the BRICS going to deal with these internal strains? Does it really require a revolution or not? That's the question.

The United States is going to do everything it can to try to produce it, to interfere with the elections as it interfered with Bolsonaro in Brazil, as it interfered with the Argentinian elections after the Pinochet era. That's really what's going to be the whole thing about it.

You mentioned the BRICS currency, and I think it's important to point out that it would be way premature to even think about an actual currency in the sense that what people use to buy and sell goods.

President Putin was very clear in his speech. He said he talked about a single settlement currency. I better quote it because this is very important for our discussion.

(Quoting) I believe that a single settlement currency definitely deserves our attention. This is a complex issue but we have to move towards resolving it in one way or another. The second issue deals with carrying out economic transactions between our countries.

<http://en.kremlin.ru/events/president/news/72095>

This means that there are going to be surpluses and deficits among the BRICS countries. How are they going to deal with the fact that the major surplus country, the major countries providing infrastructure, port development, oil and energy and food are going to be China and Russia?

There has to be something more than just plain currency swaps, which is sort of a marginal issue. There has to be something, and we've discussed this before, like what the IMF called paper gold with SDRs, which simply meant foreign countries financing American military spending abroad.

But more like what Keynes described in 1944, a BRICS bank that will issue its own kind of paper gold that will only be used among countries themselves for settling their own imbalances. ***So that, yes, for the time being, China and Russia will help them develop.***

But the difference between what they're doing and what the IMF and the U.S.-NATO nations are doing is that their investment is actually going to help countries grow and be independent instead of being dependent.

The whole objective of international finance for the BRICS is the diametric opposite of the dependency that's the objective of international finance, U.S. style and neoliberal style.

So at some point, assuming that the Chinese, Russian, Algerian and all the other countries that are helping provide resources to the BRICS member countries, these countries will be able to develop enough of their own production that you can develop a mutual aid group among these countries.

And I think that specifically President Putin mentioned coffee. He was talking about African coffee largely, but also Brazilian coffee, that the coffee exporters

get only a portion of the final price of what the coffee is sold for because they don't do the refining, they don't do the marketing.

The plan of the BRICS will be to actually have vertical integration.

The countries that are dismissed as raw materials producers and played against each other to have low value added raw materials production, meaning low rent added, means leaving all of the economic rent, all of the monopoly rent to the United States, Holland, England, the countries that do the refining and the actual marketing.

This is going to be the aim of the BRICS countries. And to the extent that the countries that formerly were selling raw materials only at the cost of production, they can now say, well, there's been a huge economic rent for the oil companies.

The oil companies can spend 20 cents to produce a barrel of oil and they can sell it for \$20 or \$80. Well, we're going to now get that. And that's how we're going to finance our own development. We are terribly sorry. We cannot afford to finance your development anymore because you have not been friendly to us.

We're using our development to finance our own economic independence with a different economic system. The economic system you'd promised would be just like yours, developing our economies. That's the system you've tried to block us from doing.

And we're going to need the Shanghai Cooperation Organization just to protect ourselves. And we're going to need the trade and energy and food just to make sure that you cannot turn off our lights. You cannot starve us. There's nothing you can do to us. And you'd better be nice to us because there is something we can do to you.

DANNY HAIPHONG: Well, definitely to your point, Pepe, keep your thought.

But I also wanted to kick it to you and ask because I think Michael just gave a huge rundown of the economic significance of this BRICS expansion and what it all means for these alliances.

Now, if you could, after you give your thought, could you talk about why these six? And given that the 16th summit is going to be held in Russia and there are reports that 10 more will join, it's almost like a sweet 16 is already being predicted to join.

So why these six countries, though, now? Because for me, when I looked at them, I said, wow, that's kind of like a huge blow to the gut to U.S. hegemony and the neocons and the unipolarists when I looked at the list.

PEPE ESCOBAR: Yes, absolutely. I think I already touched on the energy angle, which is absolutely essential.

So China and Russia, from the beginning, they knew that these three, Persian Gulf, let's put it in case of Iran, Persian Gulf, Caspian will have to be there. Iran, Saudi Arabia and Emirates, because this will turn the energy market worldwide upside down.

Before I continue, I still keep it for you, Michael. Please explain how the NDB, what can they do to get out of this jam? Because they are still linked to the Western financial system.

OK, so now I will continue before Michael organizes his kick-ass answer.

Well, geographically, they had to have some sort of balance from the beginning. The BRICS always thought in geographical terms that we are a global organization. So obviously, they had to increase representation in Latin America.

Then the obvious candidate was Argentina. In Africa, the obvious candidate was Egypt. Another obvious, which will come next year, certainly Algeria. And the non-obvious, which was a master stroke at the last minute, Ethiopia.

And of course, the Arab world. So three representing the Arab world and West Asia. So two represent the Arab world and three represent West Asia.

So now what's missing, in fact, is Central Asia. This is extremely important because Central Asia, I just came back from Central Asia. Last week, I was in the heart of the heartland. I was crossing Uzbekistan again, just like I did last summer. Now I'm going to Central Asia again every year to keep the pulse of what's going on.

And what I saw was absolutely extraordinary. I saw competition, direct competition on the spot between the Americans, the Chinese and the Russians. And obviously, in Uzbekistan, which is a very peculiar case, because the Americans have been, since the country started to liberalize only five years ago, the Americans went in full force.

So you see Coke and Pepsi everywhere. You see an enormous American business center in Tashkent. But the Chinese are making inroads. Don't forget that famous pipeline that the Chinese financed and built in Turkmenistan all the way to Xinjiang crosses Uzbekistan.

So this is an example, a fascinating example of the new Silk Roads in practice. You're driving your Chevrolet in a road from Samarkand to Tashkent, for instance, just like I did with my driver. And you stop to refill. And you refill with liquefied natural gas from Turkmenistan. How cool is that? Because Uzbekistan, they have the transit rights as well.

So everybody who has a Chevrolet in Uzbekistan, if they didn't have it from the beginning, they did the retooling to be moved by natural gas. And you know how much is a full tank of LNG for a Chevy? The equivalent of two bucks, two dollars. So that's it.

This is the new Silk Roads in action. This is Pipelineistan in action. This is Eurasia integration in action. And this is a Lambda consumer from a Central Asian nation profited from all of it. Because no wonder everybody has a car in Uzbekistan. Because they are running on gas. So this is a key example.

So we need Central Asian nations inside BRICS as well. And the number one candidate, of course, for the moment, at least, is Kazakhstan. Once again, because of the oil gas angle.

And Kazakhstan is a very, very complicated case. Because with Tokayev, they are still hedging their bets between the collective West and Eurasia integration.

The problem is they are a member of the Shanghai Cooperation Organization. They are a member of the Eurasia Economic Union led by Russia. They are a member of the Belt and Road Initiative, the Chinese New Silk Roads.

So you cannot hedge your bets with the collective West when you are a member of these three organizations. So what's the missing piece? Okay, let's bring Kazakhstan to BRICS 15 or BRICS 20. And then that's it, no more hedging. You are with us. You're part of our organization. You are invested into Eurasia integration and global South integration.

Because you know that if you don't do that or if you're not protected enough, there's going to be a repeat of the color revolution beginning of last year when Tokayev was literally saved by Vladimir Putin and the CSTO.

And this is something that the Kazakhs cannot, they are not allowed to forget something like this. But still Tokayev because he's under extreme pressure. And of course Kazakh elites that profit from Western investments in the oil industry especially.

When you go, for instance, to one of those five-star hotels in Astana or in Naktal by the Caspian and you see these Kazakh oligarchs, you know, parading their new Pradas and all that and making money out of European investments in the Kazakh oil industry.

Once again, it's fifth columnists inside a key energy producing country. So I'm sure that the Russians and the Chinese know this upside down. So obviously Kazakhstan will have to be in the next batch.

So Central Asia needs representation inside BRICS. For the moment, they don't have it. It is a battleground. I wrote a column about that trying to explain broad strokes that it is one, if not the prime battleground of Eurasia integration because everybody is, the Japanese are also there.

The Turks are there for the moment, not you see billboards of Turkish products here and there, but for the moment, it's incipient. You see some Turkish

companies landing some real estate deals, etc. But compared to Russia, Chinese and American influence is still negligible.

But they need a representation inside BRICS. So this is the next step. So answer your questions. BRICS sinks in geographical terms in a balance around the world.

For instance, there's no representation for Oceania for obvious reasons. They're all American colonies. So you cannot have Oceania on BRICS or the Pacific Islands for that matter.

But major continents, America, Africa, not even for obvious reasons, but they could have, for instance, in the future, why not Serbia? Of course, if they get Serbia into BRICS 15, there's going to be a NATO bombardment of Serbia the next day.

Anyway, this is something that should not be discounted, especially because in terms of not only BRICS, but in terms of Russian thinking of greater Eurasia partnership, this does not apply only to Eurasia. It applies to the euro side of Eurasia as well. So it's open to European participation.

Could be Serbia, could be Greece, for instance. If there is a change of government in Italy in the near future, it could be Italy as well, which for the moment is a partner of the Belt and Road.

And under Meloni, they are discussing that maybe pull out, which would be once again, a case of Italy shooting themselves in the back.

But it could happen, considering that Meloni is under tremendous pressure by the Americans. And the people who advise Meloni are all Atlanticists. Very complicated.

But the overall geographic representation of BRICS is going to improve over and over again. We're going to have more from Latin. There's a long list of South Americans that want to be part of BRICS, including Bolivia. Bolivia is dying to get into the next round. Africans, you name it. And Southeast Asians, very, very interesting.

Maybe in the next batch, we're going to have at least one, if not two from ASEAN, the ASEAN 10. Thailand already said we want in. Indonesia, they already said we want in. So maybe we're going to have Indonesia and Thailand, two ASEAN members in the next batch next year.

So, you know, in terms of expanding their geographical reach, they are covering all bases.

DANNY HAIPHONG: Before Pepe has to go, I know because Pepe, you have time constraints. I'm sorry, guys. No, no, no, no. But I want to I want Michael to answer your question about the NDB before you leave. So, Mike, I don't know if you want to comment on that and anything else that you want to follow up.

MICHAEL HUDSON: I think Pepe is quite right to focus on Kazakhstan. Now, there's very little discussion of Central Asia here, but the oil companies have been really brutal towards Kazakhstan.

They violated almost all their agreements. They pollute. There have been huge oil spills. They've polluted the country and they've there. The oil companies have very smartly created a client oligarchy representing their interests against the Kazakh people.

But one strong point that may be a counter reaction is the Kazakh women. The IMF has created a disaster for most women in Kazakhstan by microcredit.

In other words, that's imagine your credit card has 30 per cent interest rates compounded annually. The women who do the shopping in Kazakhstan have basically the families have been all driven into debt by microcredit, which is one of the most predatory, vicious kinds of credit.

Despite the fact it's idealized in the West, little loans to help people develop. These are emergency loans to help them avoid starvation.

And what's idealized in the West is a starvation and the bankruptcy of local families throughout Central Asia. So there is a lot of help for reform in Kazakhstan.

And certainly what Russia and China can do is saying, look, you have not got what the Western economies, oil companies have promised. You can say you've been guilty of violating the laws. We are nullifying your contract because of your bad behavior. And there have been a number of books you can go on my Web site. And I've talked about their bad behavior. Simply asking for that.

There's another thing that the global South countries can do. And that is that while the United States can say, well, you have to pay reparations if you take the oil. And if you, under the international laws, if you pass a law that costs money for a corporation, the government can be sued and give all the money back to the corporation. So you have to pay all of the clean-up costs because you were dumb enough to sign the contract because we said we'll shoot you if you don't sign the contract. All of this can just be simply repudiated.

And I think that was the question that you wanted me to talk about before. What really can the BRICS countries do playing hardball? Well, one thing they can do.

The press has talked about, you know, how much wealth and reserves do the BRICS countries have? Well, naturally, you count their gold is a large part of their reserves. But where is this gold?

Much of their gold is not in their own countries. It's in the New York Federal Reserve Bank in the basement. It's in the Bank of England. And for African countries, it's in the Bank of France. They can ask for their gold back.

Right now, this gold is being held hostage from them. If they just ask for the gold back, send the airplanes, give it back.

Germany tried to do that a few years ago. They said, well, can't you begin to give us the gold that we moved there after, you know, when the world was more dangerous?

And the U.S. said, oh, I'm sorry, we can't. We've already done something with the gold. There's a legal problem and are giving it to you. And they haven't even given Germany the gold.

So let's say the BRICS country, number one, asked for their gold. And if the United States and England and France do not return their gold, then they can take compensation, including all of the foreign investments in their countries.

They can do another thing, especially the African countries. They can say, well, we BRICS countries are speaking for Africa. We have the majority. You've stolen our gold.

Our gold was what Libya's President Qaddafi had. You took all the, what, \$8 billion, however much, the billions of dollars of gold they took, just like they took the \$8 billion of Afghanistan's gold.

Say, give us back the gold that you've taken. You cannot expect us to pay our foreign dollar debts if you have come and seized our gold and will not even give us our gold back. That would be the most obvious.

It does not take a revolution. It doesn't take a change in law. They can do that within the existing system. It's our gold. We're a sovereign country. We want it in our country.

We're going to have to join the Shanghai Cooperation Organization. So when you give us the gold, you can't send your troops in and do what you did in Libya and simply grab it all back for yourself and say, ha-ha, finders keepers.

I think this is an element of the financial future that nobody has talked about.

And the same thing with the military bases. They say we can't have two countries with a military base fighting each other with military bases in our country because then you'll fight each other in our country, and we'll end up looking like Ukraine. So I'm afraid you'll have to go.

These are the things that are on the horizon that, needless to say, you can't have a more direct discussion than you did have, but it's pretty obvious that this is the direction in which the BRICS meetings were going.

And you can just imagine, you know, sitting down, well, let's treat finance as a war, which is the way the U.S. and NATO countries treat finance. If it's a war, there's a way to fight it, and there's a strategy, and there's a defense, and we're not going to just pretend there isn't a war on.

DANNY HAIPHONG: And, Pepe, I want to just kick it to you because I know that you need to head out. So any closing thoughts for you? And, Michael, do you have a little bit more time?

MICHAEL HUDSON: Yes, I think I've said everything, but I don't know what else to say.

DANNY HAIPHONG: I have one more question for you after Pepe departs. But, Pepe, your closing thoughts, anything that you might not have said before you depart?

PEPE ESCOBAR: Yes, actually, yes. Guys, I'll change the subject a little bit because it's directly related to our discussion.

But in the past 24 hours, there have been serious intimations coming from, I would say, practically official sources that a Russian, a massive Russian offensive is in the works.

And it's only up to the Ministry of Defense to set out the date. There's a serious talk about this offensive starting by the end of September maximum. This means one month from now or maybe even earlier.

Depending on the result of this massive offensive, we can have, I would say, a pretty definitive situation in the front, at least in the Donbass front, in the next few weeks or months before the end of the year.

And that will configure the massive humiliation of NATO in Donbass, in Ukraine, compared to which the massive humiliation in Afghanistan was a walk in the park.

And this will change once again the chessboard, and this will interfere in every major decision from now on. And this will also coincide roughly with January 1st, 2024, when the BRICS 11 officially starts.

So it's very interesting because a few months ago, many of us, independents, we were discussing that the next months, what we are living now would be absolutely crucial and sometimes even revolutionary.

It is already happening. We're right in the middle of it. But it hasn't even started for good. The two major developments right ahead are massive humiliation of NATO in Ukraine and start of BRICS 11 at the beginning of the year. So then we're going to start 2024 in a completely different situation.

And I would say the liniments of a new emerging, not world system, reminding us of [Immanuel] Wallerstein, but pretty close to a radical change ahead. We are already in the middle of it in the next two or three months.

So what we lived yesterday was a historic date as Xi Jinping himself, he said, translating straight from Mandarin, historic. His own words. We haven't even begun to understand what historic means. So wait for the next three, four months.

DANNY HAIPHONG: Well, Pepe, it was great to be with you. I know you do have to run. I shared your telegram in the chat, t.me/rockandrollgeopolitics. Everyone follow Pepe Escobar for all of the good work that he does as a journalist.

PEPE ESCOBAR: Thank you. And Twitter as well, please, Danny.

DANNY HAIPHONG: Yes, yes, yes. Let me make sure that you're following Pepe Escobar on Twitter. I'll pull that up right now. Make sure that you follow him [@therealPepeEscobar](https://twitter.com/therealPepeEscobar). And I'm sending that in the chat. Looks like we've lost Pepe, but I did follow that.

Michael, me and you now. I just have a couple more questions. I want to be respectful of your time as well. But I have a few Patreon members who had a few questions for you, and I wanted to see if you would spend some time answering them.

So folks who don't know, if you subscribe on Patreon, the link in the description, you can submit guest questions.

So Kevin asked, he wanted to know, he said that it looks to him that BRICS is being formed slowly, deliberately to not spook the financial markets as U.S. hegemony declines. Is this true? Because if BRICS dumped all of their dollars, the U.S. economy would collapse, which could only mean more war, that being the USA's default when it pushes back against any pushback to its imperial ambitions.

Do you want to take that question? And what do you think about Kevin's thought process here?

MICHAEL HUDSON: No, the United States economy will not collapse if other countries don't pay. The U.S. can simply print the money. It doesn't need to borrow.

A sovereign country can print its own money. I think you should study modern monetary theory and get the principles of it.

So nobody's talking about the U.S. economy collapsing by other countries not doing it. **It's the international economic strategy of enriching the U.S. economy by exploiting other countries financially and by trade that is at stake.**

And it's the whole neocon idea of controlling the whole world by military power that really, really is the key.

So I know that a lot of people would like to think, oh, the U.S. is going to collapse. It's not going to collapse.

It isn't going to grow. I mean, America's problems are internal. The domestic debt system, the debt overhead, the tax system, the BRICS won't bring the U.S. down. Biden and the neoliberals are going to bring the U.S. down. The enemy is within.

There used to be, I think in the 1960s, I went in Germany and there were signs, der Feind ist herein. ***The enemy is within, meaning the left. Well, you could say the enemy is within for the U.S. and it's not the socialists.***

DANNY HAIPHONG: So I wanted to ask you then, because, you know, we touched a little bit on why BRICS didn't come out with an independent currency that could almost be used as a reserve. Do you think that this is ever going to be possible or is it even necessary? What is your take on it?

MICHAEL HUDSON: It's not even within sight at the present point. A currency has to be issued by a government, a sovereign government, and all the BRICS would have to be part of the same country to issue their own currency.

And there's nothing like that on the site. There are different governments with different purposes. This talk of a BRICS currency is very confused.

I tried to give the quote from President Putin because he used the correct term, a means of settlement among central banks for the balance of payments, imbalances of trade and investment. It's paper gold.

Nobody uses gold as a currency. You don't go to the grocery store or you don't buy stocks and bonds or even houses with gold. You're not going to be able to do it with anything like a BRICS currency within the future.

People are confused about what money is. That's a whole different show, what is money and what isn't money. **But if you understand what money is and you realize that the word BRICS currency is only a narrow currency that only governments can spend for each other, and it's created on a computer. It's not anything that you can hold in your pocket to spend.**

DANNY HAIPHONG: Yeah, no, I mean, it's the news about it. There was just story after story, even in the Western mainstream media.

MICHAEL HUDSON: Of course, there is in the West because it's meaningless. Of course, the West is going to say they're trying to do something. And now let's hope that we can, that the BRICS are dumb enough to pick up and do what the Western countries say they're doing and try to go down this blind alley.

If you read the Western press, I don't know why you're watching this show. You're just getting misinformation in the New York Times, the Washington Post, all of the press.

There's a deliberate misrepresentation of what the BRICS are all about. That's what Pepe and I were talking about today.

DANNY HAIPHONG: Right. Yeah, yeah. No, it did feel like it was almost a way to portray BRICS as a destabilizing threat rather than the opposite, a stabilizing force.

MICHAEL HUDSON: **That's right. America says if you defend yourself and don't let us invade you and take your gold and oil, that destabilizes our dream. Our dream of getting richer off you while we de-industrialize and we can't produce a domestic surplus anymore except for the one per cent. And, you know, that's the threat.**

DANNY HAIPHONG: Indeed. There's one more question. One more question. It's a relatively brief one from Eric. He's asking, do you ever intend to write a memoir? Because you always seem to have an interesting life story weaved into your lectures, interviews and writings. And you are one of the few people whose memoirs he'd actually or they would actually read. So do you intend on writing a memoir?

MICHAEL HUDSON: It takes me a year or two to write any book. And before I write a memoir, I'm writing my history of debt and my economic history and my analysis of how to restructure national income accounting, GDP accounting.

I'm talking about debt cancellation. First things first. And I think if there is any interest in my life, it's going to be because of the books I write. So obviously I'm going to write the books before I write the memoirs, maybe after I'm 95.

DANNY HAIPHONG: Yes, yes. Well, Michael, it was really good to have you on. I don't have any other questions. If you have any final thoughts, surely.

MICHAEL HUDSON: I think I think we've said everything.

DANNY HAIPHONG: Do follow Michael. His website, as you can see, is Michael-Hudson.com. You can find all of his books there. The latest is The Collapse of Antiquity, correct, Michael? Yes. So make sure that you check all of those out.