

Following the BRICS Road to Multipolarity

By Ted Snider



The five members of BRICS promised that their fifteenth annual summit, held in Johannesburg, South Africa, would be an important one for BRICS' development and that it would mark a significant moment in the changing international architecture. **The political West predicted that the summit would disappoint and forecasted that differences would dominate and unity would not hold. They expected Brazil and India to be roadblocks to further expansion.**

They were wrong.

Though optimists would not have been surprised by an announcement that a roadmap for expansion had been agreed upon, **there is no one who was not surprised by the announcement that six new countries had been invited to join BRICS. With the addition of Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates, the international organization made up of Brazil, Russia, India, China, and South Africa more than doubled its size and became a truly international organization.**

In joining Brazil, Argentina doubles Latin America and the Western hemisphere's presence in BRICS, making it more representative. **This means that two of the four most populous countries and the first and third biggest economies in Latin America are members of BRICS. Mexico and Venezuela are still solidly in line.**

BRICS is neither an alliance nor a bloc. BRICS opposes no one, but it does oppose blocs. It is not against the United States—indeed, many of its countries have good relations with Washington—but it is against U.S. hegemony in a unilateral world. The addition of Argentina challenges, not only U.S. hegemony, but the division of the new cold war international

order into democracies and autocracies. Argentina joins Brazil, India, and South Africa as democracies in the international organization that seeks to balance U.S. hegemony in a new multipolar world.

Argentina's move into BRICS joins the increasingly smooth reintegration of Cuba and Venezuela into the Latin American community and the recent elections of Gustavo Petro in Columbia and Lula da Silva in Brazil which challenges U.S. hegemony even in its own backyard. The recent election of the center-left Bernardo Arévalo in Guatemala adds to that momentum.

It is not only Latin America that expanded its representation in BRICS. This may be the only international organization in which both Latin America and Africa have an equal voice. And Africa's voice just got louder too. Russia has long promised to stand "in solidarity with Africa in its desire to occupy a more prominent place in the world." With the announcement of its new members, Egypt and Ethiopia join South Africa as members of BRICS, giving the continent a more prominent place in the world. Side by side with the recent Africa-Russia summits and Africa's defiant and predominantly neutral stance in the war in Ukraine, Africa is adding its weight to the push for multipolarity.

The addition of Iran, Saudi Arabia, and UAE expands BRICS into one of the few regions of the globe that did not have any representation. BRICS is now a truly representative international organization. **The invitation to the oil rich nations not only brings the region into BRICS but their wealth, deepening the resources of BRICS' New Development Bank and supporting its bid to rival the IMF and the World Bank.**

By joining BRICS, Saudi Arabia and the UAE increase the power already shown by OPEC+, an organization of OPEC and non-OPEC oil producing countries that, importantly includes Russia, defy U.S. control over oil prices. **The United States had become accustomed to trusting their relationship with Saudi Arabia to influence global oil prices. Saudi Arabia has recently challenged that trust by rejecting President Joe Biden's requests to enhance the efficacy of sanctions on Russia by increasing oil production and siding, instead, with Russia in OPEC+. That important challenge to U.S. hegemony could be further cemented by the move into BRICS by Saudi Arabia and UAE.**

The addition of Iran has added significance. It announces the end of the ability of the United States to decide what nations are members in good standing of the international community and which are to be ostracized and isolated. **Having already joined the Shanghai Cooperation Organization—the other important Russia and China-led multipolar international organization—Iran is now nowhere near isolated. Membership in the SCO and now BRICS unlocks access to top-level contacts and economic cooperation with nearly half the world, including Latin America, Africa and economic giants like China, India, and Russia.**

It is not just the entry into BRICS of Saudi Arabia or Iran that is important: **it is the joining of Saudi Arabia and Iran into BRICS that is important. A cornerstone of U.S. policy in the Middle East is the establishment and maintenance of a coalition against Iran. At the heart of that coalition is Saudi Arabia firmly in the United States' anti-Iran camp. Iran and Saudi Arabia joining BRICS together frustrates America's attempt to manage the world through the creation of blocs and supports China's vision of management through cooperation and the opposing of blocs.**

Iran and Saudi Arabia may also soon be partners in the SCO. Iran is now a full member of the SCO, and on March 29 the Saudi cabinet approved the decision to join the SCO as a dialogue partner. These steps further advance the Iran-Saudi agreement to re-establish diplomatic relations that was brokered by China in March. Since then, the two former enemies have signed an agreement to reopen their embassies and consulates in each other's countries. In June, Iran opened its embassy in Riyadh; in August, Saudi Arabia opened its embassy in Tehran. In June, Saudi Arabia's foreign minister visited Iran; in August Iran's foreign minister visited Saudi Arabia.

True to its promise of significance, the BRICS' summit proved to be important not just for the demand of membership and the realization of the invitations for expansion, but also for its focus on escaping the hegemony of the U.S. dollar.

The monopoly of the dollar has not just assured American wealth; it has assured American power. Most international trade is conducted in dollars, and most foreign exchange reserves are held in dollars. That dollar dominance has often allowed the United States to dictate ideological alignment or to impose economic and political structural adjustments on other countries. It has also allowed the U.S. to become the only country in the world that can effectively sanction its opponents. **Emancipation from the hegemony of the dollar is emancipation from U.S. hegemony. The flight from the U.S. dollar is a mechanism for replacing the U.S.-led unipolar world with a multipolar world.**

In his speech at the summit, Russian President Vladimir Putin referred to the "partner countries" of BRICS "strengthening...cooperation in...de-dollarization and the transition to national currencies in mutual transactions." In his address to the BRICS Business Forum, he said, **"The objective and irreversible process of the de-dollarization of our economic ties is gaining pace."**

Sanctions on Russia sent tremors through the unipolar world, demonstrating how quickly and powerfully the dollar can be weaponized. **Indonesian President Joko Widodo recently explained an Association of Southeast Asian Nations' decision to reduce dependence on the U.S. dollar and "reinforce financial resilience...through the use of local currency" with the warning, "Be very careful. We must remember the sanctions imposed by the U.S. on Russia."** Brazilian President Lula da Silva asked, **"Why should every country have to be tied to the dollar for trade? Who decided the dollar would be the [world's] currency?"** "Why," he suggested, "can't a

bank like the BRICS bank have a currency to finance trade between...BRICS countries?"

At the summit, former Brazilian president and current head of BRICS' New Development Bank Dilma Rousseff announced that the **BRICS bank would increase the use of local currencies in its loans.** "Our aim," she said, "is to reach about 30 per cent of everything we lend...in local currency." Rousseff called local currency loans "alternatives to a system." "So far," she explained, "the system has been unipolar...it's going to be substituted by a more multipolar system."

But the intention of BRICS is not just to rival the IMF and the World Bank; it is to show that a multipolar bank operates differently from a unipolar bank. The interest on an IMF or World Bank loan often depends on ideological alignment or economic and political structural adjustments that bring the borrowing country into line with U.S. policy. **Unipolar banks coerce countries into a unipolar world. Rousseff promises that the New Development Bank "repudiate[s] any kind of conditionality. Often a loan is given upon the condition that certain policies are carried out. We don't do that. We respect the policies of each country."** A multipolar bank respects diversity and sovereignty and promotes a multipolar world.

The BRICS summit may prove to be an important moment in the transformation of the global architecture. The summit demonstrated the global majority's rising challenge to the U.S.-led unipolar world in two important ways.

The first is the impressiveness of the roster. BRICS, which already makes up almost 41% of the world's population and 31.5% of the world's GDP, added six new members and still has a crowded line up at the door. They are set to dramatically increase their representation of the world and their share of the world economy.

The second is the mounting challenge to the unipolar banking system that could weaken the United States' ability to coercively shape the world with the dollar and replace it with a multipolar banking system that helps countries to develop while respecting their sovereignty, the diversity of development models, and the promotion of a multipolar world.



About Ted Snider

Ted Snider is a regular columnist on U.S. foreign policy and history at Antiwar.com and [The Libertarian Institute](http://TheLibertarianInstitute.com). He is also a frequent contributor to [Responsible Statecraft](http://ResponsibleStatecraft.com) and [The American Conservative](http://TheAmericanConservative.com) as well as other outlets.