

Monetary Initiatives of the BRICS: Boosting the coalition or an impetus for a new international financial System?¹

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Abstract:

The Summit held by the BRICS countries in Johannesburg in late August 2023 incepted many important decisions in several domains to enhance the international political status of this grouping and empower its members to challenge what they perceive as US hegemony over^() world affairs and the global economy.*

The concerns, here, pertain essentially to scrutinizing the initiatives taken by the BRICS to increase their trade exchanges in other currencies than the US Dollar, strengthen settlements of financial transactions as alternative systems to the Western-controlled SWIFT, increase the lending capabilities of their Bank of Development, and progressively replace American Dollar as the currency of the world exchanges reserves.

The question that remains pending consists in evaluating the abilities of the BRICS countries to alter the current US-dominated world's financial mechanisms, beyond the efforts of these countries to consolidate their political cohesion, increase their world bargaining power, and stand as alternative models of development and serious partners of the Southern Hemisphere.

Keywords: BRICS, Monetary initiatives, US 'hegemony,' De-dollarization, New financial mechanisms.

Résumé :

Le sommet des pays des BRICS tenu fin Aout 2023 à Johannesburg, a pris d'importantes décisions dans différents domaines visant à consolider le statut de ces pays sur la scène internationale et à leur permettre de concurrencer ce qu'ils perçoivent comme une 'hégémonie exercée par les USA sur les affaires internationales et l'économie mondiale.

Les préoccupations soulevées ici, s'attachent principalement à évaluer les initiatives des BRICS tendant à augmenter leur part dans les échanges commerciaux mondiaux dans des devises autres que le Dollar Américain, à raffermir les modes de paiement et de compensation come palliatifs aux systèmes internationaux dominés par les pays occidentaux, tels que SWIFT, accroître les crédits consentis par la Banque de Développement mis en place par les BRICS et permettre à ce groupe de remplacer progressivement le Dollar Américain en tant que devise principale des réserves mondiales.

La question pertinente consiste en l'évaluation des capacités des pays des BRICS à réformer les mécanismes financiers internationaux encore sous contrôle Américain, au-delà des efforts de ces pays visant à consolider leur cohésion politique, accroître leur pouvoir de négociations et s'ériger en modèles de développement alternatifs et en partenaires sérieux des pays du Sud.

Mots Clés : BRICS, initiatives monétaires, Hégémonie Américaine, Dé-dollarisation, nouveaux mécanismes financiers.

¹This article draws heavily from a paper the author presented at the seminar on "the BRICS and Algeria: Opportunities and Challenges," held at the Faculty of Political Science and International Relations, University of Algiers 3 on June 5, 2023.

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Introduction:

Created only a little more than 20 years ago, the BRICS conglomerate has succeeded in becoming a solid regional pole and a viable economic competitor to the Western world. This grouping represents 41 % of the world population, 24 % of the global GDP, and 16 % of the global trade. It has surpassed the G7 in terms of the shares in world economy output in 2022 and has incepted a Development Bank to finance investments in other Southern countries with advantageous lending conditions and facilities.

The BRICS encompass some of the world's major economic powers: China and India and a military giant, Russia, besides emerging nations, such as Brazil and South Africa. Despite their military, economic, and financial disparities, their rivalries over leadership, and somehow distinct geostrategic global designs, they, nevertheless, share some common features in terms of seeking to enhance their status in the international scene, and seriously challenge the hegemony of the Western nation over the world's economy.

So far, the BRICS countries have attained their economic ambitions, despite pitfalls recorded by Russia and Brazil at one time or another, but they are still struggling to emerge as a powerful bloc, able to make an impact on the world's political issues, and security matters. However, Russia is seemingly threatening the military primacy of the Western world (USA and NATO) through its bold war in Ukraine and China has emerged as a global naval power, the largest contributor in peace-building operations, and a serious broker in settling political stalemates and disputes, as it was the case in breaking an unexpected rapprochement between the coreligionist "Siamese brothers," Saudi Arabia and Iran.

The BRICS have displayed huge efforts to reduce the perceived importance of the US Dollar as the main currency of the world's reserves and as the main instrument for global trade exchanges, and financial settlements, and compensation. They have also seriously challenged 'US hegemony' over the world's financial institutions by creating their own Development Bank.






The aims pursued by the BRICS countries do not target a "disengagement" from the world capitalist economy as preached by the Neo-Marxist school of dependency (Raul Prebisch, Celso Furtado, and Samir Amin). The latter does not deny the dangers that might result from disengagement with the central powers but believes that the potential dangers to the global ecosystems as well as to non-European civilizations posed by some powerful countries make disengagement an unavoidable choice.²

The BRICS countries do not try, also, to undermine completely the world's political and economic foundations of the current international system, but seek to reduce US-led Western hegemony over world political affairs and global economy, by trying to maximize their national capabilities and international influence. A Japanese expert on Chinese politics argued, "Although China's view of current international relations is that the international order may be somehow affected by the Ukraine war, it does not conceive this as a fundamental structural change... China's basic stance premised on its prediction of the long-term decline of U.S.

² Abbu Dayyah (2023) Samir Amin (1931-2018), *the Jordanian Times*, August 20, 2023.

national power, its confidence as a major power and hostility to the Western-centred international order"³

The setting is, therefore, crystal clear. The objectives behind the empowerment of the BRICS countries consist in reducing progressively the domination of the US-led Western world over international affairs and the global economy and this optic seems within the capabilities and the reach of China, for instance, which constitutes in fact, the leading country in the BRICS coalition as shown by the following table:

BRICS SELECTED DATA (2022)							
Countries	Population	Annual GDP	GDP per capita	HD	Debt (\$M)	Debt (%GDP)	Deficit (%GDP)
 Brazil [+]	214, 326,223	\$1, 924,134M	\$8,978	0.754	1, 652,945	85.91%	-4.58%
 China [+]	1, 412,547,000	\$18, 100,044M	\$12,814	0.768	13, 954,611	77.10%	-7.54%
 India [+]	1, 407,563,842	\$3,386,403M	\$2,406	0.633	2, 667,809	84.68%	-9.65%
 Russia [+]	145, 558,000	\$2,240, 422M	\$15,392	0.822	302,218	16.46%	0.77%
 South Africa [+]	60, 604,000	\$405,705M	\$6,694	0.713	288,114	71.02%	-4.49%
~TOTAL: BRICS	3, 240, 599,065	\$26, 056,708M	\$8,041		18, 865,697	71.18%	

Source: *Countryeconomy*, August 2023.

China's GDP represents more than double the combined outputs of all other BRICS countries (\$18.1 trillion out of a total of \$26.56 trillion). Significantly enough, no other BRICS country has a GDP above \$3.5 trillion. Only Russia surpasses China in terms of GDP per capita (\$15. 392 against \$12. 814), and Human Development Index (8. 022 against 0.768).

China, being the giant of the BRICS illustrates the example of the lonely flower to which a Chinese popular saying referred in these terms: "One flower alone cannot make a beautiful spring; only blossoming of a rich variety of flowers can bring spring to the global garden."

Conversely, would the determination of Russia to confront, even militarily, what its leaders perceive as "Western aggressive and provocative attitudes" against their country as well as the increasing empowerment of the BRICS countries, and the economic and military drawbacks of the US and Europe notably, indicate the ambitions, somehow legitimate, of China and its

³ Ichiro Inoue (2022), Challenges for China Posed by the Ukraine War SPF China Observer, September 29, 2022, <https://www.spf.org/spf-china-observer/en/document-detail040.html>.

partners to seek a new international order, if not alter considerably the weight and influence of the Western world?

The decisions reached by the BRICS at their Summit convened in Johannesburg, in late August 2023 set, at least theoretically, a new and ambitious dynamic to go beyond a mere consolidation of this grouping. Yet, it may be too precocious to delve meaningfully into the prospects of the BRICS countries, but it may be not exaggerated to argue that the COVID-19 pandemic and the war in Ukraine have, already, accelerated processes leading to the military and economic waning of the Western World, and to a new world order and changing international geostrategic configuration.

The paper will focus on the initiatives taken by the BRICS countries in the financial domain to see if these measures will lead to new international financial mechanisms susceptible to undermining 'US domination' over the world financial institutions, systems of currency reserves as well as the modes of payment and settlement of transactions.

Three parts, distinctive but structurally linked, contribute to articulate, analytically, the main contentions of this paper. The first describes the main features of 'US domination' over the world's financial mechanisms through the institution of the main currency of world reserves and in international payment and settlement systems. The second part scrutinizes the process of de-dollarization to diminish the importance and value of the American currency through the rise of alternative financial and monetary mechanisms and Investment Banks. The third part tries to see if this de-dollarization process would lead to the end of 'US hegemony' as the postulate put forward by this study consists in arguing that the end of empires, throughout history, has happened only after a decisive military defeat.

The main features of US domination over the world's financial mechanisms:

In addition to its control of the policies pursued by the World Bank (WB) and the International Monetary Fund (IMF) in the domain of investments and loans through voting power and large contributions in funding these two institutions issued from the Bretton Woods system, the 'United States' domination' over the world financial mechanisms could be scrutinized through the US Dollar as the main currency of world reserves and the obligation to trade oil in this currency.

1-USDollar as the main currency of world reserves:

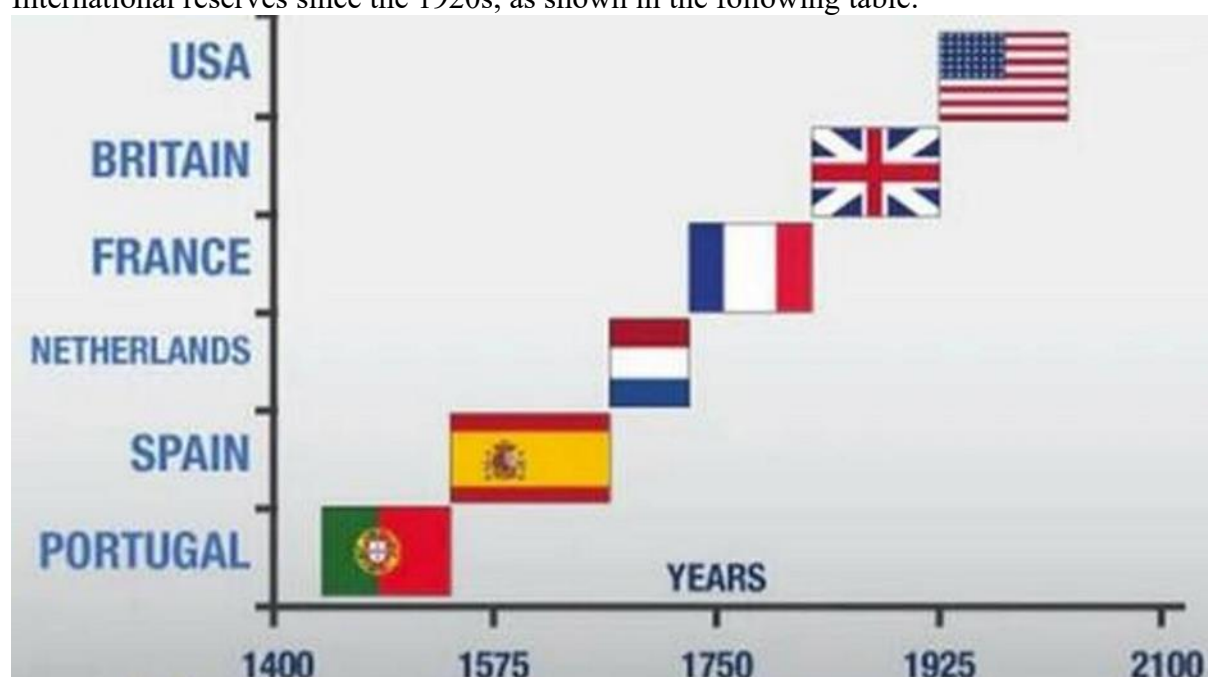
In a speech made during his visit to Beijing in April 2023, Brazil President Ignacio Lula, poignantly cried out "Who decided the dollar would be the world's currency? Why can't a bank like the BRICS Bank have a currency to finance trade between Brazil and China, and between Brazil and other BRICS countries? Today, countries have to chase after dollars to export, when they could be exporting in their currencies"⁴ These highly pertinent questions have a single and a mere answer: The United States, for evident historical reasons, and a rapid and sound process of military and economic empowerment.

⁴Arab News (2023), Brazil's Lula meets Xi in Beijing after lashing out at US dollar, IMF, April 14, 2023, <https://www.arabnews.com/node/2286741/world>.

The United States emerged as a world power, after the First World War, and as the most dominant country in the world economic, financial, and military affairs after WWII, although sharing some power with the Soviet Union because of this country's heavy tribute to defeat Nazi Germany.

The US benefited from the decline of the French and British Empires and took a serious lead over the global economy and technological innovations as well as the process of military industrialization. It was also successful in spreading capitalism and liberal values throughout the world, to some extent.

On the financial level, the \$US replaced the British pound (sterling) as the currency of International reserves since the 1920s, as shown in the following table:



This process resulted in:

- The increase of demand on \$US in the world markets, because many countries were obliged to buy \$US to obtain oil.
- The reinforcement of the value of \$US as the currency of world reserves,
- The financing of the USA of their commercial deficit by issuing Dollars to buy oil.
- The acquisition by Russia, China, and Japan of US Treasury bonds delivered in \$US. Therefore, these countries contributed largely to financing the US deficit.
- The US maintained low interest rates to provide facilities for US enterprises to finance their projects and to contribute to developing the US economy.

The advantages the American administration obtained from the dollarization process worldwide consisted of the ability of the American Federal Reserve to print its own money to buy oil, and the increase of the world's foreign change currencies denominated in \$ US to the level of 90% at one time. 50% of the volume of the debts in the world were also worded in \$ US. The result of the domination of the US Dollar can be summarized in this crystal clear evidence: there is no other currency that enjoys more attractiveness than the \$ US. More generally, people like to deal with currency used by everyone else.

2- Commerce of Oil (Petrodollars) and other commodities:

A decisive element reinforcing the financial importance and value of the US dollar occurred with the signature of an agreement between the USA and Saudi Arabia in 1973, after the oil crisis

This agreement had a worldwide impact since States were obliged to get access to \$ US and detain the reserves of their Central Banks in this currency to conclude trade deals. Not only the US avoided the extension of the impact of the oil embargo imposed on the Western nations by the Organization of the Arab Oil Exporting Countries (OAPEC), because they supported "Israel" during the October War, but succeeded in creating another efficient instrument that consolidated its hegemony over international trade mechanisms, thanks to the quadrupling of crude prices decided by the Organization of Oil Exporting Countries (OPEP) at the end of 1973 which provoked deep current account imbalances because the oil royalties gained by the Arab countries over exceeded their imports needs. The petrodollars became, then, a source of funds through which oil is paid for.⁵ Petrodollars are not a currency; they are simply U.S. dollars that have been exchanged for crude oil exports (Tun 2022).

The Gulf States, notably, accumulated petro-dollars which represented assets denominated in \$US, and dollars detained by non-American oil revenues beneficiaries. A large part of the surpluses obtained by the Middle Eastern countries from their booming oil exports were deposited in US banks, mainly, a matter that contributed to financing US expansion and easing partly US budget deficit. The petrodollar extended the dollar's global dominance by fuelling demand for dollar-denominated investments outside the U.S., including in the burgeoning Eurodollar market (Tun 2022).

3- The control over the world's financial institutions:

In his diatribe against what he regarded as US domination over the world's financial system disclosed during his visit to Beijing in April 2023, President Lula alluded to accusations that the IMF forces overly harsh spending cuts on cash-strapped countries like Brazil's neighbour Argentina in exchange for bailout loans. He asserted, "No bank should be asphyxiating the economies of countries" the way the IMF has been doing with Brazil for a long time and every third-world country. No leader can work with a knife on his their throat because his country owed money."⁶

The US holds the majority of voting shares in financial institutions such as the WB, which provides loans and assistance to countries, while BRICS countries which represent the majority of the world population and the greatest share in the world's GDP have only 15% of vote shares in WB and IMF. US control over international finance organisms explains the success of this country in maintaining its hegemony over the global economy.

II-The process of de-dollarization:

⁵ Bernard, Yves, Colli Jean Pierre (1981), Dictionnaire Economique et Financier, Third Edition, Paris : Le Seuil, 1981, <https://gallica.bnf.fr/ark:/12148/bpt6k4802042.p>.

⁶ Arab News (2023), Brazil's Lula meets Xi in Beijing after lashing out at US dollar, IMF, April 14, 2023, <https://www.arabnews.com/node/2286741/world>.

The process undermining the domination of the American currency started more than two decades ago when Middle East-based oil exporting countries announced their intention to sell their crude oil in other currencies than \$US. With the empowerment of the BRICS countries, the impact of the war in Ukraine on the world's security, and the growth of the global economy, calls for switching to other money for reserve currencies, trade exchanges, and transaction settlements became more pressing and more consistent.

1-Grievances against US financial weight:

The loss of confidence of institutional and private investors on \$ US has increased with measures taken by the American administration to maintain the country's economic power at the expense of other nations. Increasing budget and trade deficits that have generated inflation in the monetary system have weakened the confidence of investors in the \$US as a value reserve. Economic sanctions and trade wars imposed by the USA have created a doubt on the use of \$US in trade, and in financial transactions.

2-Initiatives to substitute \$US as money for commodity exchanges:

Iraq in 2000 and Iran in 2011 announced their intention to sell oil in other currency than \$US to reduce economic dependency on US outlets. From 2011 to 2018 China signed agreements with Russia, Japan, Iran Australia, and Brazil to exchange commodities and goods in local currencies.

For the 1st Trimester of 2020, the share of \$ US in the bilateral trade between China and Russia was below 50%.

3-Alternative clearing and settlement mechanisms to SWIFT:

China launched CISP, a payment and settlement system of transnational exchanges, in Yuan in 2015. Iran and the EU concluded the first transaction through European INSTEX in March 2020 to cover anti-COVID-19 medical imports. In 2017, Russia created a settlement system (SPFS), different from SWIFT. Russia announced in March 2022, that the Russian Central Bank and China's People's Bank are working on connexion messages and on developing transfer schemes through the use of Block chain, notably, digital rouble and Yuan. India proposed to Russia, a new trade transfer system for Rouble and SPFS in March 2022,

III-Would de-dollarization lead to the end of 'US hegemony'?

If the initiatives taken by the BRICS may lessen, to a great extent, the control of the United States over the international monetary system and mechanisms, they may not be, however, sufficient to end the American-led unipolar world order. Not only does the US have sound assets to maintain its domination over world affairs and the global economy but also the changing geostrategic configurations generated by the impacts of COVID-19 and the war in Ukraine may lead to a destabilized and a fragmented world in which the United States would emerge as the refuge-power and the least affected nation. Its supremacy may decline, but no other country can take the lead with much assertiveness, determination, and endurance.

1- Impact and US resilience

De-dollarization may reduce US influence, as the diminution of the value of \$ US in the medium range may affect foreign investments in the US. The reduction of the use of \$US will slimmer US monetary impact on the world economy, as the US will have less control over interest rates, inflation, and economic growth, because imports may be costlier.

If de-dollarization may nibble US power and status, it remains that the erosion of US hegemony may not occur sooner than expected, because this country has still comparative advantages in comparison to its rivals and competitors. It may not be therefore exaggerated to argue that no viable substitution for \$US may loom shortly. On the contrary, it seems that an increase in the demand for US currency may continue, at least, in the foreseen horizon. This increase may persist because of:

- The slow growth of major economies,
- Geopolitical risks induced by the war in Ukraine that have increased the volatility of markets-
- Rise of interest rates by US Federal Reserve
- Investors have a security reaction: they seek refuge in assets denominated in \$US, and they need \$US to buy them.

2-BRICS evolving strategy:

Nobody knows if the efforts made by Bricks will lead to reducing the perceived supremacy of the \$US.

However, many political analysts argued that these countries may reach this objective if they:

- Continue their economic progress, in line with the BRICS' increasing share in the world's GDP in 2022 when it reached 31.5%, compared to the global output of 30.7% recorded by the G7. IMF expectations for 2023 indicate that the growth rate of India will attain (6.10%), China (5.5%), and Russia (4.0%), despite the inevitable negative incidences endured by this country, as result of its war in Ukraine.⁷

- Extend their intra-trade exchanges in currencies other than \$US. The Ministerial meeting of BRICS nations held in August 2023 underlined the need for using local currencies in international trade and financial transactions besides committing themselves to supporting rule-based, and transparent global trade.

- Widen the membership of Bricks to emergent economies. This expansion seems necessary to enhance the power of the BRICS countries and cement solidarities among Southern nations, especially. However, the extension of the BRICS group, decided during the Summit Conference held in Johannesburg in August 2023, concerned only six countries and this choice seems to respond more to political considerations than to economic performance and growth.

In a press conference held at the end of the August 2023 BRICS Summit, Russia's Representative Sergei Lavrov disclosed that "the most important considerations to accept the adhesion of a candidate were its prestige, political weight and, of course, its position in the

⁷ Trading Economics, <https://trading economics, 2023>.

⁸The Ministry of Foreign Affairs of the Russian Republic (2023), Foreign Minister Sergey Lavrov's remarks and answers to questions at the news conference following the BRICS Summit, Johannesburg, August 24, 2023 https://mid.ru/en/foreign_policy/news/1901537/.

international scene"⁸ Criteria for adhesion should be clearly defined and publicly disclosed, a sufficient time before the examination of applications for adhesion should be allowed, not only for transparency and fairness but also for the credibility of the BRICS countries themselves. They would also permit the eventual candidates to prepare their applications with more seriousness and responsibility, away from speculations related to the qualifications needed to join the group of BRICS. The recent enlargement would have been also more efficient if it were extended to other emerging powers.

-Increase the international role of the Yuan as long as China's economy keeps rising. Because of its weight in the BRICS economic configuration and its status as the main competitor to the perceived US supremacy, China may erect its money as a currency able to challenge the use of \$US in clearing and settling trade exchanges. However, political analysts prefer the fixing of the rate of the Yuan based on the rules of the market, and transparent conditions to ensure the confidence of institutional as well as private investors.

One solution to avoid the financial hegemony of another major power may consist in the creation of a unique digital money, because in short term, if every BRICS country issues its national digital money, "a common currency may will be no longer necessary," according to Russian analyst Natalia Miltchakova.⁹For a country like Russia, such a common digital currency will reduce the risks linked to sanctions, increase the prestige of digital Rubble and attract more candidates to join the group of the BRICS, bringing therefore," as many new partners and markets for Moscow."

-Boost the assets of their New Development Bank (NDB) to finance countries with smoother facilities. The Bank plans to grant developing countries loans in local currencies to lessen the dependency on US currency and promote an international multipolar financial system, according to BND's President, Dilma Rousseff. She announced also the project of providing loans between 8 and 10 \$billion in 2023 and extending the membership of the NDB to four or five other shareholders among demands coming from 15 countries.¹⁰ Algeria announced in July 2023 the subscription of \$1.5 billion to the NDB fund as a prelude to its future application to be a full member of this Bank.¹¹

-Create a common currency. Moss Daniels, a Bloomberg Columnist said that "big emerging markets strutting is one thing. A remotely credible challenge to the dollar is another." He went on to argue that "challenges to the dollar's vital role in the world economic and financial system are often said to be, if not imminent, then over the horizon. But somehow they never quite materialize. Don't expect any of the current noise about the movement toward a currency shared

⁹ Lepetit Virginie (2023), Sommet des BRICS: la fin du roi dollar, Le Courrier International, N1711, August 17-23, 2023.

¹⁰ Sputnik News. Africa, August 22, 2023.

¹¹ APS(2023), <https://www.aps.dz/en/algeria/48328-president-tebboune-algeria-applies-for-brics-bank-s-membership-with-contribution-of-usd1-5-billion>.

by the BRICS nations."¹² Jim O'Neill, a former economist at Goldman Sachs who coined the term BRIC in 2001 (initially, South Africa was not a member of this grouping) finds the attempt to replace the \$US "a ridiculous idea unless India and China became allies."¹³

Therefore, are the declarations, made by BRICS officials, only loud noises and futile speculations?

According to a statement issued by the Vice-Chairman of Russia's Duma, Alexander Babakov in New Delhi in March 2023, the BRICS group intends, at its next summit in South Africa in August 2023, to consider the transition to settlements in national currencies as a first step. The next step aims to facilitate the circulation of digital currency or any fundamentally new form of currency soon. The Russian official did not exclude the possibility of working for a single currency of the BRICS secured by gold along with other products such as rare elements.¹⁴

The BRICS August 2023 final statement did not fail to call for "the reform of the Bretton Woods institutions, including for a greater role for emerging markets and developing countries, including in leadership positions in the Bretton Woods institutions, that reflect the role of EMDCs in the world economy" (Article 10 of the Preamble). but no mention of a single currency for the BRICS countries (Gov/Brazil 2023). The next meeting of the enlarged group of BRICS is expected to take place in Moscow in January 2024 and may take important decisions concerning financial issues.

3-Declining empires: Lessons from history:

Empires come and go, according to historic dialectics and sequences. They sow the seeds of their destruction on the basis of what Paul Kennedy calls "imperialist overreach," an obsession with global influence that diverts vital resources away from economic development towards ever-increasing military spend.¹⁵ Therefore, these Empires could not last, even if they harnessed great wealth, strong armies, and sophisticated legal systems.¹⁶

¹²Moss Daniels (2023), A BRICS Common Currency Is Still a Pipe Dream, *Bloomberg*, August 21, 2023, <https://www.Bloomberg.com/opinion/article/2023-08-21/dollar-primacy-a-brics-common-currency-is-still-a-pipe-dream>.

¹³ Will Daniel (2023), A BRICS currency replacing the dollar is a 'ridiculous' idea, says the top economist who named the Group - unless China and India become allies, *Bloomberg*, August 15, 2023, <https://fortune.com/2023/08/15/when-will-dollar-be-replaced-brics-currency-ridiculous-china-india/3>.

¹⁴Sullivan W. Joseph (2023), A BRICS Currency Could Shake the Dollar's Dominance, *Foreign Affairs*, April 24, 2023, <https://foreignpolicy.com/2023/04/24/brics-currency-end-dollar-dominance-united-states-russia-china/>

¹⁵Kennedy Paul (1987), *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* New York, Vintage Books.

¹⁶ Heather Pete, Rapley John (2023) *Rome, America, and the Future of the West*, London; Penguin, 2023.

Would the search to maximize power lead to ending in a kind of "hara-kiri" by nations that persist in seeking power and supremacy over the world's political, military affairs and the global economy? The question will remain pending as long as modern history does not provide tangible examples to sustain this hypothesis.

Becoming a hegemonic power is not an easy and rapid task to achieve. It took more than 80 years for the US to become a 'hegemonic power' since it has become one of the leading nations in the world. It profited from the decline of the British and French Empires, after the First World War, consolidated its ascendancy after World War II (with the Marshall Plan and use of the atomic bomb against Japan), and assured its supremacy with the crumbling of the Soviet Union after a long process of containment. The "unipolar moment" attained in 1990-1991 (Krauthammer 1990), was a long succession of political ambitions, military might, economic expansion, ideological propaganda, and technology innovations, as well as wars, military interventions, intelligence, and covert operations abroad.

Rapid and radical changes are occurring in the global system. They may affect profoundly the world balance of power, particularly in the light of the implicit confrontation between East and West induced by the war in Ukraine, and the empowerment of the BRICS countries, China notably.

Ingredients for a multipolar world are already here. If the United States is still the most powerful country in the world, its 'hegemony' is steadily declining, according to many political scientists. An eminent US scholar, Fareed Zakaria observed some years ago, that his book issued in 2008 entitled: "The Post-American World" was not about the decline of America, but rather about the rise of everyone else" (Zakaria 2008). Thus, the current trends are moving towards the inexorable emergence of competitors to the perceived US supremacy. In simple words, there is a forward stream imposed by history, and moving against it is "like being up the creek without a paddle," as a popular saying has stated.

In a speech at the Closing Ceremony of the BRICS Business Forum held in Johannesburg in August 2023, Chinese President Xi Jinping cited an ancient Chinese thinker who observed that «following the underlying trend will lead one to success, while going against it can only cause one to fail." The Chinese leader went on to assert that: "we, humankind have achieved notable economic development and social progress over the past decades, and that is because we have drawn lessons from the two world wars and the Cold War, followed the historical trend of economic globalization, and embarked on the right path of openness and development for win-win cooperation."¹⁷

Lessons from history taught that all the empires or hegemonic powers believe they are eternal, but none has survived as a global empire or as a hegemon. History also revealed that empires or hegemonic powers have been swept away after a decisive military defeat. This was the "Thucydides trap" named after the great Greek historian Thucydides who described the Peloponnese war (431-404 BC) that erupted for the supremacy over Greece between declining Athens and rising Sparta. Graham Allison, an US eminent political scientist tried to transpose

¹⁷ New Sat (2023), <https://newsaf.cgtn.com/news/2023-08-23/Full-text-Xi-Jinping-s-speech-at-the-Closing-Ceremony-of-the-BRICS-Business-Forum-2023-1mulKZSzuso/index.html>.

this canonical predicament to the eventual case of the rivalry opposing the US to China, in his book "The Thucydides Trap: Are the US and China Headed for War?"¹⁸

Allison referred to the idea put forward by Thucydides which stipulated that, when a rising power threatens to displace a ruling power, the outcome is frequently war.¹⁹ Indeed, in 12 out of 16 cases in which a rising power has confronted a ruling power in modern history, the result has been bloodshed, noted Allison.

Shortly after the fall of the Soviet Union, China was depicted as the US's next "enemy" in American public surveys and Media. More than three decades later, this perception has not changed, as a survey revealed that some 38% of respondents labelled China as an "enemy" and more than a half described China as a "competitor," while just 6% said the Asian country was a "partner" of the United States.²⁰

After the Russia-Ukraine war, three-quarters of Americans viewed China as an "enemy," according to a Survey released by the Reagan Defense Institute in November 2022 (Feng 2022). More worrying, however, was the recent declaration made by Nikki Haley, a Republican presidential candidate and former ambassador to the United Nations. In an interview with US Broadcasting Channel NCBC in July 2023, she said: I think China is an enemy. I think we have to take them incredibly seriously. And the problem is, you can look at dollars and cents or you can look at a threat to America."²¹

Beyond China's strong competition with the United States, the issue of Taiwan may turn into a stumbling block between Washington and Beijing. Chinese leaders resented the US-internal controversial visit of Nancy Pelosi, the US House speaker to Taiwan in August 2022 as "a major political provocation" (Voanews, 2022). In Taipei, Pelosi declared: "the visit should be seen as an unequivocal statement that America stands with Taiwan, our democratic partner, as it defends itself and its freedom."²²

China vehemently opposes the "independence" of Taiwan and looks for a pacific reunification with this Island based on the "One China policy." Indeed, Beijing has been cautious not to undertake an action that may lead to an open crisis with the United States. However, at the same time, China does not exclude switching to force to get Taiwan back to the Chinese cradle.

¹⁸ Allison Graham (2019a), *l'Amérique et la Chine dans le piège de Thucydide?* Paris, Odile Jacob.

¹⁹ Allison Graham (2019b), *Escaping the Thucydides Trap, China and US Focus*, May 29, 2019 <https://www.chinausfocus.com/foreign-policy/escaping-the-thucydides-trap>.

²⁰ Bloomberg (2023b), *More than a third of Americans view China as an enemy, Survey shows*, <https://time.com/6271488:americans-view-china-as-enemy.2023>.

²¹ Breuninger Kevin (2023) Nikki Haley: 'Every company needs to have a Plan B' on China, *CNBC*, July 24, 2023, <https://www.cnn.com/2023/07/24/nikki-haley-says-china-is-an-enemy-us-companies-need-plan-b.html>.

²² Huang, Nora (2022), *A Taiwan perspective on what is at stake after Nancy Pelosi's visit to Taiwan* <https://www.brookings.edu/blog/order-from-chaos/2022/09/26/a-taiwan-perspective-on-what-is-at-stake-after-nancy-pelosis-visit-to-taiwan/>.

President Xi Jinping did not fail to warn that China would "never promise to renounce the use of force to reclaim Taiwan."²³

In this case, what would be the reaction of the United States...?

Conclusion:

The world is changing and no force can stop this process. What seems irreversible, however, is that the BRICS's international status and influence are increasing and that this grouping is turning into a major and responsible actor, able to challenge the domination of the Western world and values. A Chinese saying stated that "no mountains can stop the surging flower of a mighty river."

The BRICS empowerment seems unquestionable, and challenging US stature and claiming a multipolar world seem the objectives this grouping seeks to achieve without, however, aiming the crumbling of the current world Order.

The XV BRICS Summit Johannesburg II Declaration stated that the BRICS countries reiterate "their commitment to inclusive multilateralism and upholding international law, including the purposes and principles enshrined in the Charter of the United Nations (UN) as its indispensable cornerstone, and the central role of the UN in an international system in which sovereign states cooperate to maintain peace and security, advance sustainable development, ensure the promotion and protection of democracy, human rights and fundamental freedoms for all, and promoting cooperation based on the spirit of solidarity, mutual respect, justice and equality."

In the same declaration, the BRICS also expressed "concern about the use of unilateral coercive measures, which are incompatible with the principles of the Charter of the UN and produce negative effects notably in the developing world." This seems a clear message to US external policies and behaviour, but phrased out in mild, and "politically correct" terms,

It remains for the United States to respond to the expectations of the developing countries, in particular, and avoid sowing the seeds that hastened the fall of past Empires or hegemonic powers, by accepting to reform the international system in terms of better global governance, liberalizing financial institutions, and encouraging democratization.

No doubt, there are great and noble values in the American civilization to make the US a real impetus to construct a better and fairer world system, but this is another story to delve on.

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