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## INTERVIEW

In the words of a 19th-century essayist, "Nature hates monopolies and exceptions," but so does everyone else except for those who benefit from monopolies and exceptions. The US and its club of closest allies have for decades tried to carve out pseudo-monopolies for themselves in the world's political and economic orders to great success while letting others "compete" for the scraps, but their efforts have not gone unnoticed. Cries of criticism got louder and louder until some of the major players that were left out of these clubs joined hands to form a formidable foe and bring balance. BRICS bloc of emerging economies is one such group that is pursuing a similar goal. Whether it has been successful so far and what its desired state of affairs looks like are some questions that Iran Daily put to Alexey Ivanov, director of the BRICS Competition Law and Policy Centre, in this exclusive interview.



Director of BRICS Competition Law and Policy Centre in **exclusive interview**:

# World economy don'ts BRICS states agree on

**IRAN DAILY:** How has the rise of BRICS countries reshaped the global economic landscape, and what does this mean for traditional powerhouses like the US and the EU?

**IVANOV:** The 2023 expansion of BRICS has resulted in new political narratives. These narratives span a spectrum, between perspectives that emphasize the continuity of the existing global order on the one end and those that note the dawn of a new era and the conclusion of a unipolar world on the other.

Up-to-date economic data show a notable shift in the global macro-economy, marked by the rise of BRICS and a relative decline of G7 countries. However, it is a more complex and nuanced picture. In terms of trade, BRICS controls a significant share of the world's crucial resources such as oil, gas, and critical minerals, but the G7 continues to maintain a disproportionate share of global goods and services trade, despite experiencing a gradual decline relative to the BRICS over time. The G7 countries also remain the dominant investor, resulting in their technological superiority and trade advantage. It is evident that the world is changing but in more complex and nuanced ways than what is often portrayed, challenging the oversimplified narratives.

**In light of the BRICS countries' efforts to promote the use of local currencies, how might this challenge the US dollar hegemony in global trade?**

This could be a milestone in the history of BRICS, an alliance of newly industrialized countries formed in 2001. According to information circulated by the Russian Embassy in Kenya, current BRICS members (i.e. Brazil, Russia, India, China, South Africa, the UAE, Saudi Arabia, Egypt, Iran, and Ethiopia) have repeatedly expressed their intention to introduce their own cur-

rency. It would be backed by gold and/or other raw materials such as silver or rare earth metals. From the point of view of BRICS states, the creation of their own currency would facilitate international trade. But above all, de-dollarization will make the Global South more independent of the much-weakened reserve currency (the US dollar) and help the emergence of a multipolar world order.

**Is BRICS likely to emerge as a major rival to longstanding power blocs such as the G7, and what could be the broader ramifications for international relations and global decision-making?**

As the BRICS countries represent the world's majority and strive to preserve and further develop their growing and diverse economies, they are alarmed by a persisting increase of power imbal-

ances and structural inequalities in the global economy. Dominant players, most notably those in the Western world, that abuse their economic power undermine the fragile foundations of the interconnected globalized economic order that is supposed to rest on equality, equity, and the mutual respect of its participants. These abuses suppress healthy competition, hinder the smooth functioning of global markets, and reduce the efficiency and resilience of the global economy. This leads to economic imbalances that directly harm the most vulnerable people in the BRICS countries. Abuse of economic power and crippling monopolization disrupt the smooth functioning of global value chains, create unnecessary bottlenecks and disparity in bargaining positions, deter both innovation and proliferation of technologies, and lead to exploitation of consumers and exclusion of small and

medium-sized entrepreneurs.

Global competition agenda is based on the dominant (Western) narrative, and the BRICS academia is under-represented in the market of ideas often due to the lack of demand for BRICS-focused research. Addressing the current complex reality requires an effective platform for new BRICS thinking and academic research with the aim of adding diversity and new voices to the global market of ideas.

**Now that Iran has joined the BRICS bloc, how might this help the Middle Eastern country offset Western sanctions and bolster its economy through increased energy trade and cooperation with key member states like China and Russia?**

Iran stands to benefit on two fronts from a future full integration in BRICS: increased legitimacy despite domestic



Alexey Ivanov

unrest and more trade with growing economies. The first benefit provides the Iranian government with diplomatic inclusion in yet another global process from a political standpoint. The second benefit, however, is economic in nature and allows the government to broaden its trade relations with the BRICS member states. This potential would be particularly advantageous if the Iranian government could sell oil at its desired volume. Practically speaking, the US faces a significant challenge in imposing sanctions on several nations once they are engaged in trade with Iran, as BRICS will collectively represent nearly half of the world's population. That being said, the Iranian government also has the potential to boost its oil and non-oil exports to BRICS members.

Russia also has a lot to learn from Iran in overcoming sanctions. In 2023, Prof. Mohammadreza Seyed-Nourani, chairman of the National Competition Council of the Islamic Republic of Iran, gave a guest lecture at the BRICS Competition Law and Policy Centre, at the Higher School of Economics in Moscow. He noted that the political unity of the country was the foundation of its successful development under sanctions and at the same time emphasized that the protection of competition within Iran is of great importance. Prof. Seyed-Nourani noted that any monopoly limits the capabilities



Iran's late president Ebrahim Raisi (front 2nd-L) poses in a BRICS summit in Johannesburg, South Africa, on August 24, 2023, with fellow BRICS leaders and other summit delegates.