

Has anyone noticed what BRICS+ is telling us about new world order?



The gap between the GNP of BRICS+ and G7 is likely to widen in the coming years since the BRICS+ growth rate is around 5%, while Western economies are stagnating at 1-2% — and some, like Germany's, are officially in a recession.

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OPINION

In the beginning, there were four: Brazil, China, India, and Russia. Following their first summit in 2009, they expanded to become BRICS with the accession of South Africa in 2011 and then nine in January 2024. At the 16th BRICS summit this October in Kazan, Russia, two African countries, Egypt and Ethiopia, and two Middle Eastern countries, the United Arab Emirates and Iran, made up what people now refer to as BRICS+. Thirteen among the more than 30 countries that have formally expressed their interest in membership are now associated with BRICS+: four Southeast Asian countries (Indonesia, Malaysia, Thailand, Vietnam), two Latin American countries (Cuba and Bolivia), three African countries (Algeria, Nigeria, Uganda), two Central Asian countries (Kazakhstan and Uzbekistan) and two European countries (Belarus and NATO member Turkey). They were given the status of "partner states" in Kazan. To say that the Americans are not enthusiastic about the appeal of this new global club would be an understatement. Should the success of the summit in Kazan be interpreted as a sign of the failure of their strategy to isolate Russia? Worse still, are we witnessing the beginning of the end of the American century?



Exterior of the New Development Bank headquarters in Shanghai, China
NEW DEVELOPMENT BANK

In addition to the nine member states and 13 partners, the summit was also attended by some representatives of countries whose presence was rather unexpected, such as the Serbian Deputy Prime Minister, the very Russophilic Alexander Vulin. However, it was the presence of UN Secretary-General Antonio Gutierrez that caused outraged reactions, especially in Ukraine. "The UN Secretary-General declined Ukraine's invitation to the first global peace summit in Switzerland. However, he has accepted the invitation of the war criminal Putin to Kazan," hammered the Ukrainian Foreign Ministry. This juicy skewer of participants is notable for its heterogeneity. There are dictatorships and democracies, Muslim, Christian and secular countries, economic superpowers and failed nations, some have characterized as rogue states. Are what we are witnessing merely an updated reiteration of that elastic non-aligned movement launched in the 1960s by Yugoslavia's Prime Minister Josip Tito and Indian Jawaharlal Nehru, which encompassed two-thirds of the world but never achieved any real global influence? No, something else is happening here. In the space of 60 years, the balance of global power has clearly changed.

(Almost) global group with growing influence

Antonio Gutierrez is a realist. He understands how historically significant the bubbling events within the BRICS states are. He was in Kazan because it was important. To underline that point, consider a few figures. The nine countries now called BRICS+

account for more than half of the world's population. Their combined gross national product is already greater than that of their rivals in the G7, the Western directorate comprising the US, Canada, Japan, Germany, France, Italy, and the UK. The gap is likely to widen in the coming years since the BRICS+ growth rate is around 5%, while Western economies are stagnating at 1-2% — and some, like Germany's, are officially in a recession. Despite these new geo-economic realities, the international order established by the West after World War II has been resistant to change. The UN Security Council will remain secure in the hands of its five permanent members — three Western states plus China and Russia — for a long time to come. However, the BRICS states are not seeking to change the United Nations Charter or create a parallel system to the United Nations. Rather, they are focusing on the economic and financial governance of the world.

Parallel to the founding of the United Nations, the victorious Western powers, at the Bretton Woods conference in 1945, created institutions designed to regulate world finance. The dollar became the world's reserve currency, making every country vulnerable to US sanctions. The World Bank and the International Monetary Fund, which provide financial assistance to countries in difficulty, are run like shareholder meetings, in which the US holds a decisive vote. Together with the other Western nations, they possess an absolute majority. It is these two pillars of Western power in the world that the BRICS states hope to compete with. But how? It would be literally impossible to reform the international financial institutions in such a way as to reduce Western influence in them. However, they cannot prevent the creation of parallel systems of payment. The BRICS countries are thus working on three main tasks:

A mechanism for processing international payments independent of SWIFT — from which Russia was excluded after its attack on Ukraine in 2022. An intensification of trade that is invoiced in local currencies instead of dollars, in order to accelerate the "de-dollarization of the world". A development bank that competes with the World Bank and finances infrastructure projects. There are currently 96 projects underway with a total volume of \$32 billion. Critics of the BRICS states doubt that they are able to really compete with the dollar. Despite a steady erosion, the greenback still accounts for 55% of the reserves of the national banks. And when it is replaced by other currencies, these tend to be Western currencies, with the notable exception of the Chinese renminbi. Nevertheless, the trend is clear and the potential of BRICS+ is there. The formation of alternative transportation corridors

is part of the same strategy to break free from Western, i.e., American dependency.

Land routes vs. sea routes

In a globalized and interdependent world, the transport of goods represents a strategic dimension. From cars to cell phones, hardly any industrial activity exists that does not include and depend on an accumulation of natural resources and semi-finished products from all corners of the world. Over the last hundred years, goods have primarily been transported by sea. Today, sea freight accounts for 70% of world trade. You only have to look at a map of the 128 US naval bases around the world to realize how important the sea lanes are to Washington's power strategy. From the Sea of Japan to Malacca, the Persian Gulf, the Red Sea, Cyprus, Gibraltar, Panama, Rotterdam, and New York, Washington's ambition — sometimes supported by its British ally — to dominate the seas is obvious. With its "Belt and Road" initiative, China has been trying for several years to develop land routes to, compete or at least complement the existing sea routes. It is therefore very revealing that one of the flagship projects highlighted in Kazan was the North-South Corridor, which will ultimately connect St. Petersburg with India, without passing through any Western-controlled areas. Is it worth remembering that India has become the largest importer of Russian oil products, despite the very audible gnashing of teeth in Washington?



Iran's President Masoud Pezeshkian (front row, 4th-L), leaders and representatives of other BRICS+ countries and guest countries, and heads of international organizations pose for a group photo during the BRICS Plus leaders' dialogue in Kazan, Russia, on October 24, 2024.
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