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Introduction to the Special Issue

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1. Introduction

The aggressive tariff regime imposed by US President Donald Trump on major world economies has led to a range of economic outcomes across various regions. Following the tariff announcements, the US economy contracted by 0.3 per cent in the first quarter of 2025 (advance estimate), its first decline in three years. Similarly, China's factory activity dropped to a 16-month low, while Taiwan's GDP surged 5.4 per cent on the back of pre-tariff technology exports. Before the tariffs took effect, Europe recorded a growth rate of 0.4 per cent, while Canada was on track to fall short of its GDP estimates. From the US and Europe to China and Taiwan, the repercussions of these aggressive trade policies are visible in everything from factory output to GDP forecasts.

The Trump administration's primary rationale for its sweeping tariff policy is to restore balance to the United States' trade relations with its major trading partners and to protect US industries. The reality, however, is different. Available economic data, trends, and conditions reveal a far more imbalanced picture across the world's regions. Trade experts believe the significant rise in US tariffs in 2025 is substantially affecting global trade. Furthermore, the tariff escalation may distort production patterns and drive a sharp reconfiguration of global value chains, resulting in a less efficient and more opaque trade system (Conteduca et al., 2025).

2. Emerging Observations

In February and March 2025, tariff increases hit imports from Canada, Mexico and China, particularly in the steel, aluminium and car sectors. On 2 April 2025, the US went further and announced sweeping so-called "reciprocal" tariffs affecting most of its trade partners. Rather than reflecting actual gaps between US tariffs and those levied by its partners, the structure of these measures was based on the ratio of each partner's trade deficit with the US to US imports from it, with a floor of 10 percentage points, well beyond what markets had expected (Baldwin & Barba Navaretti, 2025; Evenett & Fritz, 2025).

Southeast Asian economies such as Vietnam, Indonesia and Malaysia are among the hardest hit. For the EU, the announced tariffs would raise the effective tariff rate to roughly 17 per cent, up from less than 2 per cent before Trump's second term began. China's initial retaliation set off a tit-for-tat escalation of symmetric tariff hikes that pushed the bilateral US–China tariff rate to around 125 per cent (Conteduca et al., 2025).

Understanding the implications of these sweeping measures requires a clear picture of the tariff landscape before President Trump's second term, yet measuring applied tariffs accurately remains difficult (Caliendo et al., 2023; Teti, 2025). To get around the shortcomings of the widely used WITS database, notably its omission of tariffs imposed through trade disputes, Conteduca et al. (2025) take the 2019 CEPII MAcMap-HS6 database (Guimbard et al., 2012) as their starting point and add detailed data on the US–China tariff escalation during Trump's first term (Fajgelbaum et al., 2024) as well as on the tariff reductions granted under the Biden administration. On this basis, they show that the new tariffs are consistently higher than what genuine reciprocity would require.

3. Arguments For and Against the Trump Tariff War (TTW) Regime

Academics and trade experts have put forward the following arguments in favour of the Trump Tariff War (TTW) regime:

- Protecting domestic industries;
- Safeguarding local jobs;
- Bargaining leverage;
- National security; and
- Revenue generation.

The main arguments against the TTW regime are:

- Higher consumer prices;
- Retaliation and escalation;
- Increased production costs;
- Inflation and slower economic growth; and
- Loss of economic efficiency.

Bearing in mind the arguments for and against the TTW regime, as well as the sheer magnitude of the new tariffs, which are exceptionally high even by historical standards, the measures may have far-reaching effects on macroeconomic aggregates, trade patterns and the structure of global value chains (GVCs). Drawing on the available data, Conteduca et al. (2025) outline three possible scenarios for assessing the potential impact of the 2025 measures on global trade and the economy.

The first, a milder 'status quo' scenario, covers the February and March 2025 measures, the observed tariff escalation with China, the suspension of the reciprocal tariffs announced on 2 April, and the retaliation implemented by China and Canada. The second, the 'full' scenario, assumes that the 2 April tariffs are not suspended and that tariffs are extended to pharmaceuticals and electronics, as already announced; these products are assumed to face a 25-percentage-point increase, in line with the earlier tariffs on steel, aluminium and cars. The third, the 'full + retaliation' scenario, assumes that the affected countries retaliate by matching the US tariff increases at the sector level (Conteduca et al., 2025).

4. About the Special Issue

This special issue examines the issues outlined above from different angles, with attention to both the opportunities and the challenges they present. They call for in-depth, intensive, and extensive study by academics, policymakers, and subject experts, and a special issue offers a natural venue for such work, bringing together contributors who are directly or indirectly connected with the relevant regions of the world and who bring rich and diverse perspectives. *The rest: Journal of Politics and Development undertook the responsibility of publishing this special issue,* covering the different facets of this important topic. These are pressing issues that deserve scrutiny, as the TTW has become an integral part of the wider global economic framework.

In view of these observations, it was decided to invite studies that examine the emerging issues in depth in terms of their impacts and implications, and that propose possible solutions to minimise their effects on global trade and the economy. Accordingly, a call for papers was circulated among academics and trade experts across the world. The submitted papers were reviewed by experts and, on the recommendation of the reviewers, eleven well-documented papers have been included in this special issue.

5. Contributions in the Special Issue

In "The De-Dollarization Pretext: Fabrication of the New US Imperial Rationale", Byrappa argues that the BRICS "de-dollarisation threat", often cited as the reason for the Trump administration's tariff threats against the group, is a fabricated pretext rather than a realistic currency challenge to the United States. BRICS countries simply cannot function as a cohesive unit and cannot manage without the United States. Of the original five BRICS countries, only China was in a position to offer the others anything; the remaining four practically had very little to offer each other. This made the BRICS appear to be a unipolar forum, giving the impression that it, along with the Belt and Road Initiative, was merely another instrument facilitating China's global hegemonic ambitions. Two important events, however, call this trajectory into question. First, five new members were added to the BRICS forum, suddenly increasing each country's ability to offer something to the others, so the unipolar aspect within BRICS became less evident. Second, the new Trump administration declared the BRICS its main enemy and threatened its members with a tariff war before even taking office. As astonishing as it may seem, these two events are linked by a single issue: de-dollarisation.

In "Empirical Comparison of BRICS Gold Reserves with North America Gold Reserves as of 2025", Saleh observes that North America and the Global North have dominated the world gold reserves market for centuries, which has also allowed the currencies of their leading economies, the US dollar ($) and the euro (€), to dominate the world monetary system. Since the formation of the BRICS in 2009, however, that dominance has increasingly been challenged. Brazil, Russia, India, China, and South Africa banded together to form a strong trans-regional economic bloc, BRICS, to offer the world an alternative to global economic leadership. This qualitative study uses the documentary method to gather data from secondary sources such as academic journals, bulletins, textbooks, scholarly papers, and internet materials, and analyses it through critical discourse analysis. Although BRICS is performing strongly in gold reserves, North America still has a clear advantage. Given this less-than-impressive performance, the author argues that the BRICS needs to go all in on gold mining and pursue more aggressive gold buying to boost its reserves. The BRICS' underperformance in gold reserves compared with North America motivates the study.

In "De-Dollarization by Proxy? Trump's Tariff War as an Accidental Catalyst for BRICS Economic Realignment and Geopolitical Pluralism", Al Badawi shows that the Trump administration's 2018–2021 trade war, though designed as a protectionist measure, inadvertently functioned as an accelerant of de-dollarisation within the BRICS bloc, converting unilateral tariff coercion into momentum for a more multipolar monetary architecture. The author substantiates this claim through a mixed-methods design that combines quantitative analysis of trade flows, reserve composition and institutional financing with a qualitative assessment of policy discourse across Brazil, Russia, India, China and South Africa during and after the tariff period. He finds that while the trade war caused immediate economic disruption, its principal lasting effect was political rather than monetary: it hardened BRICS governments' resolve to reduce dollar dependency through alternative payment systems, bilateral currency arrangements and digital-currency initiatives, even though structural constraints, namely asymmetric capital-account openness, divergent inflation credibility and unresolved rivalries among BRICS+ members, continue to limit how far this realignment can go. The study contributes to understanding how unilateral economic coercion can paradoxically accelerate the emergence of alternative financial architectures, with profound implications for global monetary governance.

In "BRICS in the Emerging Global Order", Negreponti-Delivanis analyses the impact of Trump's new international order on the BRICS+ countries to date. BRICS+ aims to achieve equal representation on the world stage, compete successfully with the G7, and gradually wean itself off the dollar by creating a parallel currency. The decline of the West and Trump's preferences for the rapidly rising South significantly strengthen the international position of the BRICS, provided that they do not threaten the primacy of the dollar; if they dare to do so, their exports are threatened with tariffs equal to 150% of their value. The author concludes that it is still too early to assess the impact of the tariffs

on the BRICS+ countries, but that it will vary from country to country, without any dramatic consequences being predicted.

In "Trump's Tariff War and BRICS: Disruption, Diversion, or Opportunity?", Datta discusses how the US tariff policies under President Donald Trump affect the BRICS economic bloc (Brazil, Russia, India, China and South Africa) and its extended family. The research question is whether the Trump tariff war has violated global trading norms, served as a distraction tactic to avoid geopolitical rivalry, or enabled economic partnership among emerging economies through negligence. The article advances three interrelated arguments. First, Trump's tariffs disrupted international supply chains and undermined faith in multilateral trade principles, particularly those of the World Trade Organisation. Second, the tariff action, strategically focused on the spillover effects of altered trade trends, did not target the BRICS alone but also other nations. Third, the tariffs inadvertently brought the BRICS countries together in an alternative framework of trade cooperation, in local currencies and through South-South collaboration, thus reinforcing their policy of building a multipolar economic order. Using qualitative policy analysis of key financial indicators, including trade flows, tariff statistics and investment schemes, as well as the official statements and institutional reactions of the BRICS members, the article concludes that the Trump tariff war was undoubtedly a massive tsunami for the BRICS countries and ultimately changed the course of action towards making the bloc more cohesive and instrumental in the global arena.

In "Economic Multipolarity and Global Governance: Can BRICS' Growing GDP Challenge the Established G7 Dominance?", Momoh, Oyekan, Yaro, and Okwara begin by observing that the redistribution of economic power in the international system has intensified scholarly and policy debates about the future of global governance. Central to this debate is the rise of the BRICS (Brazil, Russia, India, China, South Africa), whose expanding economic weight increasingly challenges the long-standing dominance of the Group of Seven (G7) (Canada, France, Germany, Italy, Japan, the United Kingdom and the United States). The study examines whether BRICS' growing economic influence can reshape global governance structures traditionally dominated by advanced Western economies. Using comparative GDP indicators in nominal and purchasing power parity terms, it analyses the evolving economic positions of BRICS and the G7 within the global economy. Adopting a qualitative analytical approach supported by secondary data from international financial institutions and the scholarly literature, the study situates its analysis within multipolarity frameworks. The findings suggest that while BRICS collectively account for a rising share of global economic output and growth, this expansion has not yet translated into proportional representation or influence in key global institutions. Institutional inertia, entrenched decision-making norms and the G7's continued leadership in shaping development agendas limit the transformative potential of BRICS' economic rise. The authors conclude that while economic power is a necessary condition for reshaping global governance, it is not sufficient; meaningful change will require coordinated political strategies, institutional reforms and the promotion of alternative normative visions among BRICS states.

In "Does Trump's Tariff Policy 2.0 Really Matter to BRICS's Trade Development?", Aslam reviews the US government's new tariff policy toward its trade partners, particularly BRICS members (Brazil, Russia, India, China and South Africa). During his 2024 presidential campaign, Donald J. Trump promised to revitalise the American economy, and one of his strategies to make the US economy great again is a new tariff structure. Tariffs can serve as instruments of dominance, control and manipulation, and major political and economic powers usually use them to exert influence over selected nations and pressure them to comply with specific political or economic agendas. According to the author, however, President Trump's new trade policy falls short, since it seeks to stimulate short-term economic growth rather than long-term gains. The policy targets China and its trading partners, including members of BRICS and ASEAN, and it is questionable whether it will achieve its objectives, given that many US companies operate in China, ASEAN and other BRICS states. The paper expects the new US tariff policy to affect BRICS trade growth, but only minimally, even though the US is one of their export destinations. Methodologically, it reviews the new US tariff measures

on selected BRICS members descriptively and uses a simple trade analysis together with an estimated intra-trade index.

In “Building a New Global Financial Architecture: Prospects and Challenges for the New Development Bank”, Mascarenhas and Santos critically examine the role of the BRICS New Development Bank (NDB) in building a new global financial architecture, in contrast to the World Bank (WB). Starting from the dollar's hegemony and its instrumental use as a tool of geopolitical power by the United States, the study investigates the extent to which the NDB represents a viable, multipolar alternative to the traditional financial system. Using a qualitative-descriptive approach with quantitative support, the authors examine NDB-financed projects in Brazil between 2016 and 2025, focusing on investment volume, currencies used, and alignment with the Sustainable Development Goals (SDGs). The results indicate that although the NDB operates mainly in US dollars (85.3% of projects in Brazil), it is gradually advancing in the use of other currencies, such as the yuan (8.8%) and the euro (5.9%), reflecting a pragmatic strategy of de-dollarisation. The NDB thus acts as an instrument of gradual challenge to dollar hegemony, combining financial hard power through infrastructure financing with fewer conditionalities and soft power through a narrative of South-South cooperation and respect for sovereignty. Its effectiveness, however, is limited by the internal heterogeneity of the BRICS, dependence on Western financial infrastructures, and the still-incipient international liquidity of the group’s currencies.

In “India’s External Relations Priorities, Accompanying the Current ‘America First’ Policy”, Oehler-Sincai notes that India is a pivot in the Indo-Pacific region and a leader of the Global South, defined as a group of emerging and developing countries. As chair of BRICS from January 2026, India focuses on “the importance of strengthening capacities, promoting innovation, and ensuring sustainable development for the benefit of all”. Committed to a “reformed multilateralism”, a member of the Quad, a strategic partner of Russia, on the way to stabilising its relations with China, though without a close Sino-Indian relationship, and rejecting the “United States’ geopolitical primacy”, especially after the American-Indian trade frictions of 2025, India has shown its inclination towards multi-alignment. Based on an extensive literature review and official declarations, the paper is predominantly qualitative but also includes statistical data to explain India’s economic power and growing global role. Its main objective is to highlight India’s priorities in its external relations, including those shaped by the America First policy. India’s response to rising American protectionism, its vision of Viksit Bharat 2047 (the path to transforming India into a developed nation), its support for “democracy and democratic values and systems”, and its interest-based approach involving various partners are among the factors explaining its multi-alignment.

In “BRICS and the Boundaries of Economic Multipolarity: Strategic Trade, Currency Power, and Global Fragmentation”, Chakraborti and Biswas note that the escalation of United States tariffs in 2025 has renewed debates on economic multipolarity and BRICS's capacity to act as a counterweight to the dollar-centred global order. The article examines the implications of the 2025 US tariff escalation for BRICS and for the broader discourse on economic multipolarity. Situating the analysis within economic statecraft and global political economy, it argues that tariff-based coercion has not catalysed a cohesive BRICS-led alternative to the dollar-centred order. Instead, the shock has intensified internal asymmetries, producing differentiated adjustment paths shaped by export structures, financial resilience and strategic alignments. While initiatives such as local-currency trade, the New Development Bank and alternative payment mechanisms have expanded incrementally, they remain constrained by institutional fragmentation and continued dependence on US-dominated financial circuits. The article further highlights divergent strategies within BRICS, particularly between China’s revisionist ambitions and India’s hedging approach, which limit collective coordination. Overall, BRICS emerges less as a unified counter-hegemonic bloc than as a forum of managed divergence, reinforcing adaptation within, rather than transformation of, the existing international economic order.

In “Trump’s Rhetorical and Economic Warfare Against BRICS: Framing Geoeconomics in

Obstructive Foreign Policy Terms", Simons and Nahar argue that in his second term, President Donald Trump has waged an all-out rhetorical and economic war on the subjects of international relations of the Global South. The seeming intention is to render them servile objects of international relations, like the Global North's network of vassal and client states of the United States. This is not without logic given the global context of relative US decline and the rise of the Global South through newly established and independent international institutions such as BRICS. It concerns US global hegemony through maintaining and imposing its geostrategic imperatives: keeping client states protected and pliant, keeping vassal states dependent and pliant, and preventing the rise of powers and blocs of powers that can challenge the US. Trump has been launching an unpredictable rhetorical tirade from his Truth Social account, outlining the vague goals of a US strategy for its resurrection as a global hegemon and denouncing the world for 'victimising' the US and not being grateful. The paper's theoretical lens is framing, which seeks to understand the logic running from identifying a problem to creating a solution. This is complemented by rhetorical analysis of the texts of those tirades, in which logic and emotion are intended to work together to overpower the audience's cognitive will to resist. Rhetoric and economic warfare are complementary and compounding, using the information realm to create effects in the cognitive realm of the Global South and BRICS in particular. This is the means; the apparent end is to create an operational environment that supports obstructive foreign policy, in which other countries cease to be subjects of international relations and become objects, forgoing the ability to realise their foreign policy goals, national interests and security. In a context of relative decline, the US has lost its absolute hegemony but tries to exercise a relative hegemony by obstructing the rise of other powers, such as BRICS.

6. Concluding Remarks and Acknowledgements

This special issue will be an asset for all those directly or indirectly concerned with one of the most pressing and controversial issues of our time, one with economic, social, and political implications for countries across the world.

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The De-Dollarization Pretext: Fabrication of the New US Imperial Rationale

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ABSTRACT

The BRICS "de-dollarisation threat," the often cited reason for the Trump administration's tariff threats against the group, is a fabricated pretext rather than a realistic currency challenge to the United States. BRICS countries simply cannot function as a cohesive unit and cannot manage without the United States. Of the original five BRICS countries, only China was in a position to offer the others anything; the remaining four countries practically had very little to offer each other. This made the BRICS appear to be a unipolar forum, giving the impression that it, along with the Belt and Road Initiative, was merely another instrument facilitating China's global hegemonic ambitions. However, two important events have made us question this trajectory. First, five new members were added to the BRICS forum, suddenly increasing each country's ability to offer something to the others. The unipolar aspect inside the BRICS became less evident. Second, the new Trump administration declared the BRICS its main enemy and threatened its members with a tariff war before even taking office. As astonishing as it may seem, these two events are linked by a single issue: de-dollarisation.

1. Introduction

De-dollarisation is complex and has many facets. We must first distinguish the significant from the inconsequential or temporary. In this effort, it is important to identify what truly pertains to the de-dollarisation process and what is merely related. Second, tariffs can indeed be weaponised as foreign policy instruments. President Trump has publicly declared that he will impose punitive tariffs on BRICS countries supporting de-dollarisation. However, is this linked to some BRICS members' desire to create a strong BRICS currency? What this actually shows is that, in reality, this scaremongering is the latest phase of dollarisation. Third, even if a BRICS currency were to emerge, the creation of the ECU for the European Economic Community shows it had virtually no impact on dollar dominance; it was merely a combination of the strengths of major European currencies. By comparison, the BRICS are nowhere near that level of harmonisation to even consider a weighted currency system. The crusade against a future BRICS currency therefore seems surreal and ephemeral. Everything supports the belief that the Trump administration is using the possibility of a BRICS currency as a red herring to divert attention from areas and issues where he has policy objectives to attain. The key areas of focus may be what he does not say because they could be the real battlegrounds for de-dollarisation.

The next section examines the scope and extent of dollar dominance, against which any de-dollarisation claim must be measured. This is then followed by an overview of the latest phase of dollarisation, putting into context Trump's tariff threats, which are better understood as evidence of reinforcement rather than rescue of the dollar's position. The subsequent section considers the euro's experience of being forced into a regional position, using it as a historical benchmark for what a

prospective BRICS currency could realistically achieve. This is followed by a brief reminder that some BRICS countries have undertaken partial de-dollarisation policies, for pragmatic reasons. The final section concludes.

2. The Scope and Extent of Dollar Dominance

The global dominance of the US dollar is unchallenged from every angle. In 2023, there were 266 billion real-time transactions and 1.3 trillion noncash transactions (electronic) worldwide (ACI Worldwide, n.d.). Of these transactions, the dollar accounted for around 49% of the value of global international payments, 88% of foreign exchange trading, 54% of global trade invoicing, and 50% of global cross-border financial transactions (Bipartisanpolicy.org, 2025). In comparison, India and China, with a combined population of 3 billion people, are nowhere near that scale. China, the second-largest economic power with 34% of global industrial capacity, is still in its infancy. The Chinese Yuan accounted for 4.5% of global payments and 7% of foreign exchange trading (Upstox, 2025). The Indian Rupee accounted for 0.1% of global payments and 1.9% of foreign exchange trading (Bis.org, 2025).

The dollar's strength largely stems from the US financial system's overwhelming dominance. The Federal Reserve Bank of New York released a survey in April 2025 that provided a snapshot of dollar assets owned by foreigners. It says: “Building on a $2 trillion increase in 2023, foreign holdings of U.S. securities surged another $4 trillion, reaching $30.9 trillion at the end of June 2024 in this benchmark survey… Foreign investors own 21 per cent of all U.S. securities outstanding, a share that has remained fairly stable over the last decade. The composition of foreign investors’ portfolio of U.S. securities has continued to shift toward equities on strong U.S. equity price increases: the percentage of foreign investors’ U.S. portfolios devoted to U.S. equities has risen consistently from 23 per cent in 2009 to 55 per cent in 2024. By major asset type, foreign investors own 33 per cent of U.S. Treasuries, 27 per cent of U.S. corporate debt, and 18 per cent of U.S. equities outstanding” (Federal Reserve Bank of New York, 2025). The Federal Reserve Bank of St. Louis, for its part, indicates that the rest of the world holds more than $60 trillion in financial assets (Stlouisfed.org, 2025).

The U.S. dollar dominates international trade, including goods, services, and energy, especially gas and crude oil. This system is generally called the petrodollar system.[1] It emerged from an agreement between the United States and Saudi Arabia in the early 1970s. The idea was to align the countries' interests. Saudi Arabia would bill its oil in U.S. dollars and invest these funds back into the U.S. by purchasing U.S. Treasuries and other dollar-denominated assets. In exchange, the United States would protect the kingdom from external threats and help steer its economic development (Harbinson, 1990). This seemingly bilateral agreement profoundly affected the dollar system, which was shaken by the Nixon Shock (1971) when the US dollar was unpegged from the gold standard. Since then, every country that consumes crude oil has been obliged to hold enough dollars to cover its purchases. Over the long term, this arrangement has actually obliged countries to hold a large portion of their currency reserves in US dollars. Most countries consider energy a top priority. Consequently, the petrodollar has become a core pillar of the dollar system and of the USA's hegemonic dominance over the global economy. Currently, the annual petrodollar flows are estimated at around $550 billion in 2024 for OPEC countries, according to the US Energy Information Administration (EIA) (Oil & Gas Middle East, 2025). This shows that the focus of the de-dollarisation question is shifting to crude oil trade that is outside the OPEC system. Here, too, the dollar's dominance is not about to fade (Donnan, 2025a).

Between the 1970s and mid-2000s, OPEC exports to the US followed economic cycles and geopolitical upheavals. They peaked in 1977 at 5.6 million bpd and fell to 980 thousand bpd in 2022,

[1] The petrodollar system refers to the post-1970s arrangement, anchored primarily in US-Saudi bilateral cooperation, whereby oil-exporting nations priced and sold crude oil in US dollars and recycled the resulting revenues into US assets, particularly Treasury securities. This arrangement helped underpin sustained global demand for dollars independent of direct trade with the United States, reinforcing the dollar's role as the world's primary reserve currency (Harbinson, 1990). Any country importing crude oil was forced to maintain at least three months imports worth in dollars.

reducing OPEC's share of US consumption from 36.5% to 7%. Parallel to this downward trend, in the period 2008-2022, domestic extraction of crude oil has surged 132%, along with a similar uptick in natural gas and renewable energy production, 94.2% and 84.8%, respectively (Econovis, 2022). With consumption relatively stable, this trend has a dual effect on the petrodollar. The United States is importing markedly less from OPEC producers. At the same time, it has become a key producer and exporter in the global energy market, increasing the scope for the petrodollar. In the future, it looks like the Trump administration's policies in Europe, the Arctic, Latin America, West Africa, and the Middle East are aimed at increasing America's geopolitical control over energy production and consumption. In this situation, the dollar's position would be reinforced.

Although BRICS+ countries are wary of dollar-denominated transactions in the global crude oil market, they have little to do about it. Currently, around 106.2 mb/d of oil is traded in global markets, and the US is projected to influence supply, demand, and price mechanisms in one way or another (IEA, 2025). As of December 2025, US crude production was 13.6 mb/d (EIA, 2025a), of which 12.1 mb/d was exported (EIA, 2025b). As OPEC's share continues to slide, the size of the US-controlled flow of energy products will continue to rise, consolidating the dollar's position. Within this rising American position, the cooperation between the RIC countries, Russia-India-China, might constitute an enclave of de-dollarisation, but not come even close to replacing the petrodollar with a petroyuan, a petrorupee or a petroruble. China is making a serious effort to create an energy exchange and its own oil indexes. Still, these efforts are limited in scope because of strict controls and challenges around universal accessibility (Ahmed, 2025). All this shows that the prospects for the petrodollar look very good because even dominant currencies like the Euro have not been able to impose themselves on crude oil markets in their own region, especially since 2022, as the United States became Europe's main energy supplier.

Furthermore, the dollar's dominance is supported by American corporations' absolute dominance in the digital economy. Some experts forecast that the global digital economy will reach $16.5 trillion and capture 17% of global GDP by 2028. The US, with 4.2% of the global population and 26% of global GDP, captures 42% of global technology spending (O'Grady, 2024). Some analysts estimated the US digital economy at around $2.57 trillion for 2022—exactly a tenth of that year's $25.7 trillion U.S. economy, and 2.5% of the $100.7 trillion world economy. If it were a stand-alone economy, it would be the world's eighth-largest economy (Sherrill, 2024). The digital economy, a growing segment, provides an almost unlimited terrain for the dollar's sustained dominance.

Finally, the Chinese renminbi poses a potential threat to the dollar's dominance. However, economic and political policy constraints restrict its ability to compete with the US dollar. China recognises the West's strong, established position in global financial markets. This position could erode over time, but confrontation is not a viable option for China under current circumstances. China pushes for free markets outside its borders but is averse to applying the same principle domestically—especially in its financial markets. The fear is that open capital markets would eventually lead to free-market conditions in other areas (Wolf, 2025). For the foreseeable future, China will therefore restrict its financial markets to outsiders. As a result, this policy will deny the renminbi the key attractiveness that the dollar and other Western currencies enjoy. Although China has a huge manufacturing and trade capacity, protectionism prevents its currency from benefiting from these strengths. That said, trust in the Chinese currency has increased, and the low interest rate on the Panda bonds is attracting states and corporations that want to issue debt. Recently, three-year Panda bonds were issued between 1.7% and 2.7% (Dec. 2025), far below the 3.5% yield on U.S. Treasuries for a similar period. But this will last only until a rate gap emerges between benchmark American and Chinese 10-year bonds, which now stands at almost 2% (Investing.com, 2025). It can be stated that, for structural and sovereignty reasons, the Chinese currency will not openly compete with the dollar in the foreseeable future (The Economist, 2025a).

On the surface, the only questionable spot is the dollar's recent weakness and the uncertainty created by the Trump administration. In his Bloomberg column, Shawn Donnan wrote: "The predictable

pillars of the modern economy are crumbling. The global economy is now a perpetual uncertainty machine" (Donnan, 2025b). I feel Donnan has forgotten the fundamentals of dollar dominance and is misreading recent shifts in the global economic order. The US dollar and global uncertainty are inseparable twins since Bretton Woods. The IMF Global Financial Stability Report (October 2025) clearly explains the dollar's depreciation and why, despite this, the US currency will retain its dominant position. It calculated that since Trump's Liberation Day Tariffs (2nd April 2025), the dollar has depreciated 10% against major currencies. The organisation explains that this weakness is due to increased currency hedging. It says: "By way of context, non-US investors' holdings of US dollar assets have risen steadily over time, with a large portion not matched by commensurate dollar liabilities. For example, total non-US investor holdings of US securities increased from $16 trillion to $31 trillion from 2015 to 2024. These holdings are characterised by incomplete hedging, given the foreign exchange mismatches they present, and could be subject to sudden, large-scale sell-offs." It then goes on to say that this in itself is a fundamental strength that no other currency can provide: "The mutually reinforcing dynamics between trade and finance are facilitated by the unparalleled depth and liquidity of US financial markets." This means that the US currency not only guarantees a high level of liquidity but also allows investors to choose from a wide range of assets. The IMF explains that "an increase in uncertainty tends to raise non-resident demand for US dollars" (IMF, 2025).

These strands of resilience that characterise the US dollar's deep-rooted entrenchment make the emergence of alternatives very difficult. This means a BRICS-sponsored alternative remains distant. What is presented as alternatives by the three biggest BRICS members, India, Russia and China, are payment systems, not currencies with global pretensions. The Russian BRICS Bridge, the Indian UPI, and the Chinese CIPS are all payment systems competing with SWIFT, not the US dollar as such (Freidin, 2024). For now, they are mostly restricted to their own regions. The only currency that has been relatively successful against the dollar is probably the Euro, which began as a weighted currency against a basket of European currencies, most notably the Deutsche Mark, then the strongest currency in the world.

In 1999, when the Euro was launched, the EU was the most powerful economic bloc with high levels of integration between member states. They were unified geographically, culturally, and militarily, and had more than 50 years of organisational socialisation within the ECC and later the EU. In comparison, the BRICS countries are scattered across continents without any consequential integrative process. The BRICS currency seems an attractive and probably much-needed proposal but lacks the basics. Even if concrete steps were taken, it would probably need another 20 to 30 years to take off. But that time span would be ample for the United States to expand the dollar's dominance even further.

This raises the obvious question: under these circumstances, what is all the alarm about the dollar's decline? Why does President Trump seize every opportunity to threaten the BRICS countries with punitive sanctions and tariffs? For now, everything indicates that the rhetoric on BRICS is a false-flag operation. Exaggerating threats from a BRICS currency legitimises actions taken to strengthen the dollar's dominance elsewhere. Since there is no BRICS currency, the enemy seems to be the next in line: the Euro. Here, too, the Trump administration will not confront the Euro. Instead, it will try to erode the Euro's core strengths and curtail its expansion prospects.

3. The Latest Dollarisation Phase

The dollar is the foremost symbol of American global hegemony. Therefore, the second Trump administration's efforts are geared toward making the dollar resilient in the face of all perceived threats. The logic is that as long as serious alternatives exist, or the possibility of such alternatives arises, the dollar's position is not secure. As we saw in an earlier section, the American currency dominates the global trade and financial systems. More importantly, it depends on and operates in the free market, from which it draws its strength. Washington's impression is that, given the country's structural problems, the US dollar's current market dominance could vanish in no time,

endangering its economy and security. This suggests that the dollar's resilience and endurance, based on market forces, is a misguided illusion. If the dollar declines, the perception of systemic decline could become an existential threat. Therefore, US dollar dominance can be assumed to be portrayed as the ultimate manifestation of a resilient American economy and, consequently, of its core national interest (Donnan, 2025a).

The core ideology behind America's new foreign policy and its interpretation of national interest is that distorted market mechanisms and the liberal international order supporting them must be replaced with structures that make most countries permanently dependent on the United States. From this, the US may no longer support the development of independent structures in a given country or region, but instead actively pursue the opposite. Marco Rubio famously tweeted that "solidarity" goes against the national interest of the United States (Hansler, 2025). This clearly shows that the U.S. is circumventing multilateralism in favour of modern-day imperialism, or something close to it.

This new stance consists of several interlinked policies. Clearly identifiable and publicly announced are the discontinuation of USAID, the indiscriminate and arbitrary imposition of tariffs, the push to become the dominant global energy player, the unabated new thirst for critical minerals and rare earths, and, finally, the most important one: the mission to save Europe from itself. All these policies ultimately aim to consolidate the dollar's dominance through an imperial grab.

The systematic deconstruction of USAID was aimed at undoing what it had achieved over the last six decades of its existence. Its purpose was to provide urgently needed humanitarian assistance to poor countries. It also aimed to stabilise countries, build capacity in key areas like education and health, and put them on a stable developmental path (Roy, 2025). A study undertaken by The Lancet concluded that "USAID funding was associated with a 65% reduction in mortality from HIV/AIDS (representing 25.5 million deaths), 51% from malaria (8.0 million deaths), and 50% from neglected tropical diseases (8.9 million deaths) (Cavalcanti et al., 2025). Poor countries lacking a scientific knowledge base, necessary infrastructure, and limited tax revenues could not provide these vital services. This sudden discontinuation of USAID is creating state fragility in many contexts. In its latest report, "States of Fragility 2025", the OECD found that "Fragility has increased since the introduction of the fragility framework, particularly in the security, political and economic dimensions. Reflecting the increasing incidence of multiple forms of violence, fragility in the security dimension has increased in 93 out of 177 contexts. Political and societal fragility has increased in 107 of the contexts, driven by the third wave of autocratisation. Fragility in the economic dimension has also increased in more than half, or 94, of the contexts" (OECD, 2025).

The Financial Times reported what "US secretary of state Marco Rubio said in March that 83 per cent of USAID programmes would be cancelled, with the remainder to be administered by his department. USAID spent about $42.4bn in 2023, according to the last full year's official figures" (Peel, 2025). All donors whose contributions were junior to the United States can choose to take on the extra burden or decide to abandon it. Most seem to have chosen to scale down rather than increase their aid contributions (Pilling, 2025). USAID's decline follows devastation from COVID-19 and the ensuing hyperinflation, both of which have pushed poor and weak states into precarious fiscal conditions, making these countries ripe for destabilisation.

At this sensitive juncture, the Trump administration has devised an ingenious twin strategy for countries on the verge of state collapse. It is offering predatory loans or the option to sell their natural resources cheaply, and it is proposing that they abandon their national currencies in favour of the US dollar. Through the International Development Finance Corporation (DFC), a sort of wealth fund, it has decided to give loans to countries to extract rare earths or develop energy resources (Hook & Demetri Sevastopulo, 2025). According to The Economist, "the White House also hopes to increase the bank's firepower by raising the ceiling on its total lending from $60bn to $250bn" (The Economist, 2025b). This could have a triple impact: creating a further debt burden for the host country, allowing resources to escape local control and fall into the hands of private American

companies, and creating conditions for some form of American military presence. Furthermore, this de facto colonial condition would make adopting the US dollar necessary.

In early November 2025, the Financial Times reported that the Trump administration was consulting leading experts on dollarisation. Steve Hanke, a professor at Johns Hopkins University, admitted the administration was interested in ways to promote dollarisation. "This is a policy they are taking very seriously, but it is in progress. No final decisions have been made yet," Hanke told the Financial Times. By his own admission, he told officials he believed that apart from Argentina, Lebanon, Pakistan, Ghana, Turkey, Egypt, Venezuela and Zimbabwe would be potential targets for the new push for dollarisation. This revelation by the Financial Times suggests that this new push for dollarisation fits well with the Trump administration's other foreign policy outlays (Cotterill et al., 2025).

At first glance, it's easy to understand why the Trump administration wants to promote dollarisation. According to The Economist, the rationale is straightforward. When Trump took office for the second time, the interest rate on 10-year government bonds was around 5%. Trump would have preferred the Fed to reduce interest rates to lower borrowing costs, but at the same time he wanted the whole world to bear the burden of the excess dollar supply. Trump's calculation was simple: "More dollar users would reduce borrowing costs for its government and its businesses. The greenback's primacy already reduces the returns foreigners demand to invest in America by 1-2 percentage points per year. This "exorbitant privilege"[2] would grow as more countries adopt the dollar or more foreigners hold dollar stablecoins (The Economist, 2025c).

Beyond this direct benefit to the United States Treasury, dollarisation can theoretically improve the international economic environment. Through dollarisation, countries can import currency stability and thus stabilise prices or inflation. This would eventually lead to less inflation and better economic growth prospects. The logic is there, but few Global South countries would want to voluntarily give up their monetary sovereignty and the privilege of printing money. This is why the dismantling of USAID and the activities of the DFC are needed: to create the conditions of destabilisation and dependency that would make dollarisation of whole countries possible.

However, one thing might hinder these ambitions globally. The United States has a two-level problem with the Euro. If the Eurozone can redress itself economically and regain a 3-4% growth rate tempo, it has real chances of challenging the dollar's dominance. Conversely, if things degrade further and the Euro collapses, it could seriously boost the ambitions of the Chinese Renminbi and help it spread its wings. Something that the United States obviously wants to avoid.

4. Forcing The Euro into a Regional Position

The Euro almost failed in the 2012 sovereign debt crisis, following the 2008-9 subprime crisis. Since then, the Euro system has survived the Covid-19 pandemic and the tensions created by the Ukraine crisis with relative ease. However, the Euro/USD rate was around 0.80 cents, a historic low. The European currency now accounts for 20% of global foreign exchange reserves, a relatively stable position over the decade (Morningstar, 2025).

That said, the Asia Pacific region saw a pronounced increase in Euro-denominated debt issuance. This accounted for 23% of all debt issuance in the region, up by 6% on the previous year. According to Bloomberg, the share of the US dollar declined. Owen Gallimore, APAC head of credit analysis at Deutsche Bank, forecasts Asian borrowers' euro issuance will climb to $125 billion in 2026, a 20% gain (Flynn & Tasos Vossos, 2025). These gains might look modest, but the European Union is not a purely political entity like the United States or China. Europe is starting with a very limited common

[2] "Exorbitant privilege" is a term coined in the 1960s by Valéry Giscard d'Estaing, France's finance minister, to describe the unique economic benefits the United States derives from issuing the world's dominant reserve currency. Because global demand for dollars remains structurally high, the United States has historically been able to borrow more cheaply than other countries and finance persistent trade deficits without facing the balance-of-payments constraints typically imposed on other nations (Eichengreen, 2011, 4–5).

denominator, and its influence can only grow from here. It cannot be ruled out that the Euro will emerge as a serious contender to the US dollar in the next decade.

However, disruption cannot be ruled out in the near future. Since Covid-19, major countries like France have accumulated considerable debt. President Trump's insistence that Europeans spend 5% of their GDP on defence is causing further fiscal headaches. These hurdles are seeping into the European institutions, where the ECB is, for the moment, insulated. If the downward spiral is not arrested, maybe the Euro will enter a period of instability. Although the Trump administration would not be displeased, it will also be concerned that this might boost the Chinese Renminbi.

The White House's recently released National Security Strategy gives prominent attention to the European question. It declares: "Our goal should be to help Europe correct its current trajectory. We will need a strong Europe to help us successfully compete, and to work in concert with us to prevent any adversary from dominating Europe" (White House, 2025). The document then says it would like to strengthen national aspects of European countries, which would practically mean marginalising EU institutions. It is not clear whether this extends to reinstating national currencies; however, the possibility is not ruled out. The evolution of transatlantic relations points to intensive efforts to contain and reduce Europe's global influence. If these actions succeed, the Euro will become a marginal currency, at best preserving its hold on Europe.

5. Pragmatic Drivers of De-Dollarization

Not all de-dollarisation policies within BRICS are ideologically motivated. Some want to reduce dollar reliance for pragmatic reasons. China's move away from dollar-denominated trade and reserves is one example. This is a measurable, ongoing trend, not a show of increased power (The Economist, 2025a). The growing use of the yuan points to market-driven motivation, not an anti-dollar agenda (Investing.com, 2025). India's rupee internationalisation efforts fit a similar pattern. Over twenty countries now engage in rupee-based trade arrangements. This reflects practical considerations, such as lower transaction costs and reduced currency risk, rather than a coordinated, ideologically motivated stand (Upstox, 2025). BRICS Pay offers another good example. Designed as an alternative to the SWIFT payment network, it aims to reduce sanctions exposure, not to be a hostile move against the United States (Freidin, 2024). Together, these cases suggest that de-dollarisation policies within BRICS are heterogeneous. A purely dismissive reading risks understating the pragmatic logic behind at least some of these efforts. Even so, this paper maintains that the Trump administration's characterisation of the threat remains disproportionate to its actual scope.

6. Conclusion

The Trump administration has decided that an empire is the best way to defend and expand the U.S. dollar's dominance. It believes that the liberal market system no longer works in its favour. Without the invisible hand of the Smithian market system, reconstructing the global economic system becomes evident and necessary. The liberal international order will be replaced by an imperial dollar system. To establish this new order, the dollar's main rival, the euro, must be neutralised and contained to Europe to eliminate the possibility of it becoming a global reserve currency. Beyond the Western Hemisphere, the Trump administration is trying to impose the dollar as the national currency in countries where states are weak or on the verge of collapse. This explains why President Trump is imposing tariffs, withdrawing foreign aid, and generally creating fragility. The objective is simple: create fragility, engineer destabilisation, and foster dependency. Once that is done, permanent imperial structures will be imposed, with the U.S. dollar reigning supreme. Trump knows that the BRICS currency will take decades, if ever, to become a reality. He is merely using it as a red herring to mislead the Eurozone leaders. Europeans still have a chance to reverse the situation. Still, they are handicapped by a dysfunctional democratic system and may continue to drift as they have for the last three decades. If this happens, the Euro's best chance would be to defend its home territories by abandoning its global ambitions in favour of the imperial U.S. dollar.

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Empirical Comparison of BRICS Gold Reserves with North American Gold Reserves as of 2025

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ABSTRACT

North America and the Global North have dominated the world gold reserves market for so many centuries. This makes the national currencies of their leaders, like the USA ($) and Western Europe (€), also dominate the world monetary system. However, since the formation of BRICS in 2009, that dominance has increasingly been challenged. The BRICS, comprising Brazil, Russia, India, China, and South Africa, banded together to form a strong trans-regional economic bloc (an acronym of the first letters of the five countries) to offer the world an alternative to Western-led global economic leadership. This qualitative study used a document-study method to generate data from secondary sources such as academic journals, bulletins, textbooks, scholarly papers, and internet materials. The generated data was analysed through the critical discourse method. Although BRICS is performing strongly in gold reserves, North America still has a clear advantage. Given this not-too-impressive performance, the BRICS need to go full-force in gold mining and buy gold more aggressively to boost their gold reserves. The BRICS' underperformance in gold reserves compared with North America motivates this study.

1. Introduction

Gold has long been the most highly valued medium of exchange in trade before modern civilisation. With the development of modern states, gold has become an important component of sovereign Central Bank reserves. It has attained this status because of its safety, liquidity, and other characteristics, which are the three key investment objectives for central banks. With this development, Central Banks are significant holders of gold, thereby accounting for one-fifth (1/5) of all the gold that has been mined throughout history. It is for this reason that, when economic conditions are unfavourable, proposals to strengthen the role of gold in the monetary system become the most viable alternative, much more than the “gold bugs” that have been responsible for the demise of the gold standard as the negative turning point in Western civilisation. As of 2025, central banks’ gold reserves worldwide control over 36,700 tonnes of the 54,770 tonnes of gold in the global economy. This represents 67% of the world’s total gold. The remaining 18,070 tonnes, representing 33% of the world’s total gold, are held in private hands or by private organisations (Arslanap et al., 2023; WGC, 2025; Harsana, 2025; Aizenman & Inoue, 2012).

From the period of the gold standard up to date (2025), the Global North, under the leadership of the USA, has been dominant and even in control of the international gold market. The North American leader, the USA, is leveraging the dominance of its national currency, the US Dollar ($), during the gold standard era to continue dominating the global gold market, with a highly amplified dollar value per ounce of gold. Even with the emergence of the BRICS as a credible challenger and viable alternative to North America (and by extension the Global North) in the global gold market, the journey towards attaining this is still not only far, but highly taxing (Abreu & Pinho, 2024; Iddon, 2025; Baur & Lucey, 2010).

2. Review of Relevant Literatures

In describing gold, Graham Iddon (2025) of the Bank of Canada Museum stated that, under an ideal gold standard, paper currency represents gold held by the issuing authority, and each note can be exchanged for gold (Iddon, 2025). The World Gold Council (2025) describes gold as an important component of central bank reserves because of its essential qualities, such as safety, liquidity, and return characteristics. Harsana (2025) stated that between 2008 and 2021, the share of gold held by BRICS jumped from 5% to 22% of global central bank reserves, reflecting aggressive buying rather than passive accumulation. The BRICS nations made these purchases to reduce dependency on Western currencies and to build tangible asset bases that can support alternative financial systems. With this surge, Harsana believes BRICS reserves are forming the foundation of a major shift away from dollar dominance, with gold overtaking the euro as the world's second-most-held reserve asset. Harsana is optimistic that this shift signals a fast-evolving BRICS gold standard. Koziuk (2022), on the other hand, stated that the aggregate share of gold in global reserves over the past twenty years hardly reflected geopolitical problems. Instead, it is more sensitive to uncertainty about economic policy and the opportunity costs of holding reserves. He went further, arguing that gold hoarding for geopolitical reasons, rather than economic expediency, reflects imperial narcissism. His position aligns with Aizenmann (2012), who argued that the imperial past significantly affects the size of the gold share in a country's external assets. Moghadam et al. (2021) take an imperialistic angle, emphasising that factors in the international political economy determine gold's role in currency reserves (Iddon, 2025; Koziuk, 2022; Aizenmann, 2012; Moghadam et al., 2021).

3. Comparative Advantage Theory

The comparative advantage theory (CAT) has been adopted as a framework for the study. Comparative advantage theory posits that comparative advantage relates to how much more productive and cost-efficient a country is than another in harnessing vital resources to produce finished goods and services for domestic consumption and exports. Furthermore, comparative advantage theory, also known as the Heckscher-Ohlin theory, is a classical country-based theory that states countries gain comparative advantage by producing and exporting goods that require resources or factors they have in great supply and can produce at lower cost. Differences in factor abundance and the factor intensity of goods must favour the country that possesses them. The CAT states that countries can benefit from international trade by specialising in goods where they have a lower opportunity cost than other countries. In other words, it is a country's ability to produce a particular good, or some goods or services, at a lower opportunity cost than its trading partners. Comparative advantage also describes the economic gains from trade for individuals, firms, or nations that arise from differences in endowments or technological progress. The theory emphasises that countries with advantages in differences in factor abundance and the factor intensity of goods often attain absolute advantage, where they become more productive and cost-efficient than other countries (Alting, 1978; Dunning, 1980; 1988; 2001; Szirmai & Verspagen, 2015).

This study aligns with the above position because the BRICS countries are armed with abundant material resources and human capital (abundant cheap labour), hinged on their rising huge population and vast landmass that could be explored for gold and eventual massive mining of discovered gold, for boosting the group's gold reserves. Hence, this theory serves as the framework for the study. However, even with BRICS's resource base and its very poor comparative gold-reserve performance, North America will continue to dominate global gold reserves for a long time.

4. Methodology

The study is a qualitative one. The document study method was adopted for generating data mainly from secondary sources. The research, titled "Empirical Comparison of BRICS Gold Reserves with North America Gold Reserves as of 2025", is essentially descriptive and explanatory. Documents scrutinised to generate the study's data include World Gold Council (WGC) data, World Population Review data, UNCTAD-WIR, World Bank Open Data, and BRICS-JSP data. Other documents

scrutinised include published materials such as textbooks, academic journals, scholarly papers, and internet materials. The researcher adopted and used the critical discourse method to analyse the generated narrative data. The researcher presented numerical data in tabular and graphical forms and analysed them using descriptive and explanatory methods, drawing inferences where appropriate. The country cumulative averages are obtained by dividing the cumulative total by the number of countries covered by the study. The cumulative annual averages are obtained by dividing the cumulative total by the number of years covered by the study. The cumulative totals and cumulative averages were used to compare BRICS and North American gold reserves.

The justification for adopting the document studies method is that it evaluates, interprets, and analyses past and current data from policy papers, statistical records, journal articles, digital records, etc., simultaneously. This contrasts with the content analysis method commonly used by historians and anthropologists to source and analyse data from records and archival materials only.

5. Results and Discussion

Results from data generated mainly from secondary sources through the document studies method on gold reserves of BRICS and North America are as presented and discussed in the succeeding paragraphs:

5.1. BRICS Gold Reserves as of 2025

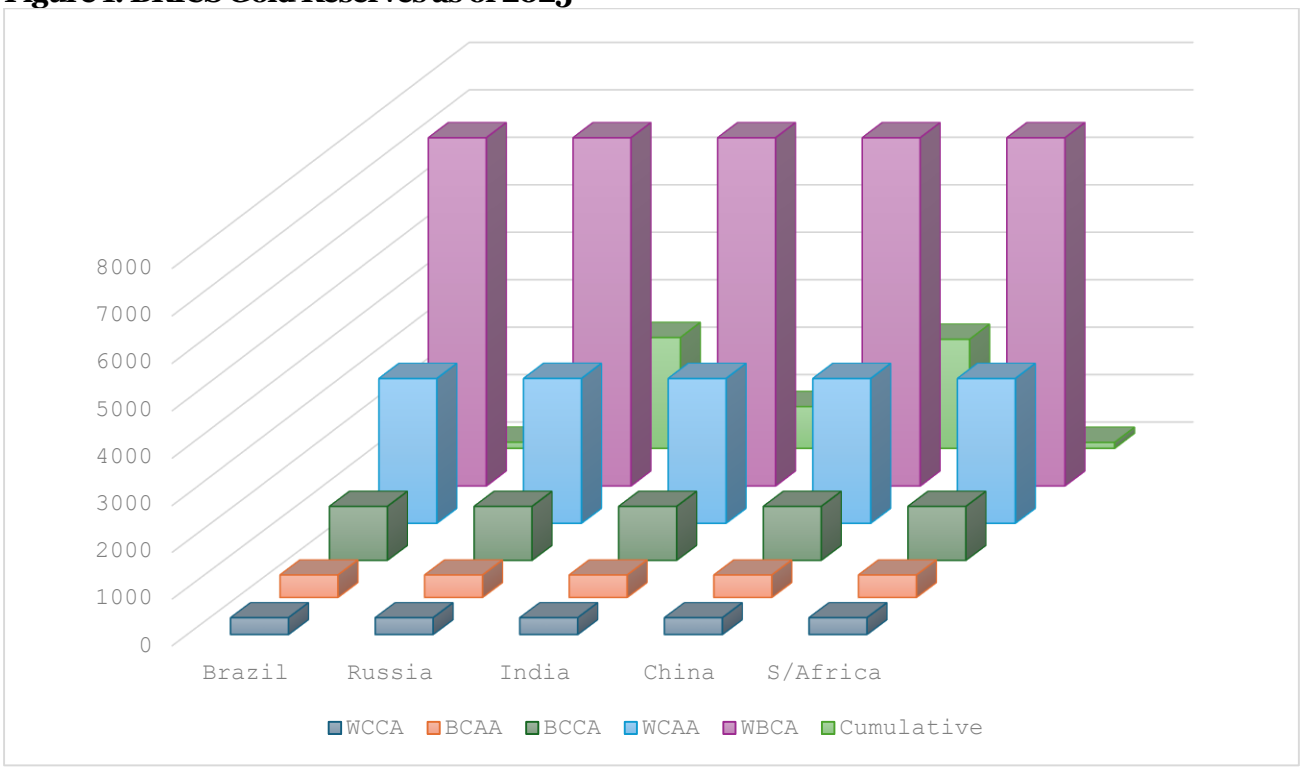
Nascent high-industrialisation activities, particularly in the global manufacturing sector, have made the BRICS nations the most preferred global destinations (PGFDs) for raw materials, FDI, and human capital. BRICS is on track to match North America in gold reserves, with strong performance by each member, indicating the targeted promise of attaining that in no distant time. The BRICS' global gold reserves as of 2025 total 5,770.12 tonnes, representing 15.72% of the world's total gold reserves, which stand at 36,700 tonnes. Russia is the group leader with 2,336tonnes (48% of the group total), China occupies the second position with 2,299tonnes (39.84% of the group total); India is placed third with 880tonnes (15.25% of the group total); Brazil is fourth with 129.65tonnes (2.25% of the group total); and South Africa is last and placed in the fifth position with 125.47toones (2.17% of the group total). Although BRICS has delivered impressive performance in direct domestic investment (DDI) and even in gold reserves, members need to step up and continue mining and buying gold to further boost their gold reserves. The BRICS Cumulative Annual Average (BCAA) stands at 480.84 tonnes, and the BRICS Cumulative Country Average (BCCA) stands at 1,154.02 tonnes. The World BRICS Cumulative Country Average (WBCCA) stands at 7,340.0 tonnes, compared to North America, because it has fewer members. BRICS's comparatively poor performance implies that North America will continue to dominate the global gold reserves market for a long time. This aligns with Belder (2025) and Moghadam & Bahernia (2021), who, in their separate works, warned BRICS against complacency. Hence, BRICS should buckle up to level up with the North American region in the years ahead (Baur & Lucey, 2010; Harsana, 2025; UNCTAD-WIR, 2024; BRICS-JSP, 2025; World Bank, 2025). This is as presented in Table 1 and Figures 1 & 2 below:

Table 1: BRICS Gold Reserves as of 2025

SN	Countries	2025	BCCA	BCAA	WBCCA	WCAA	BRICSs%	WCCA	World %
1.	Brazil	129.65	1,154.02	480.84	7,340.0	3,058.33	2.25%	359.80	0.35%
2.	Russia	2,336	1,154.02	480.84	7,340.0	3,058.33	48.49%	359.80	6.37%
3.	India	880	1,154.02	480.84	7,340.0	3,058.33	15.25%	359.80	2.4%
4.	China	2,299	1,154.02	480.84	7,340.0	3,058.33	39.84%	359.80	6.26%
5.	South Africa	125.47	1,154.02	480.84	7,340.0	3,058.33	2.17	359.80	0.34%
	Total	**5,770.12**	**5,770.1**	**2,404.2**	**36,700**	**15,291.65**	**100%**	**1,799**	**15.72%**
	World	**36,700**	**-**	**-**	**36,700**	**15,291.65**	**1005**	**36,700**	**100%**

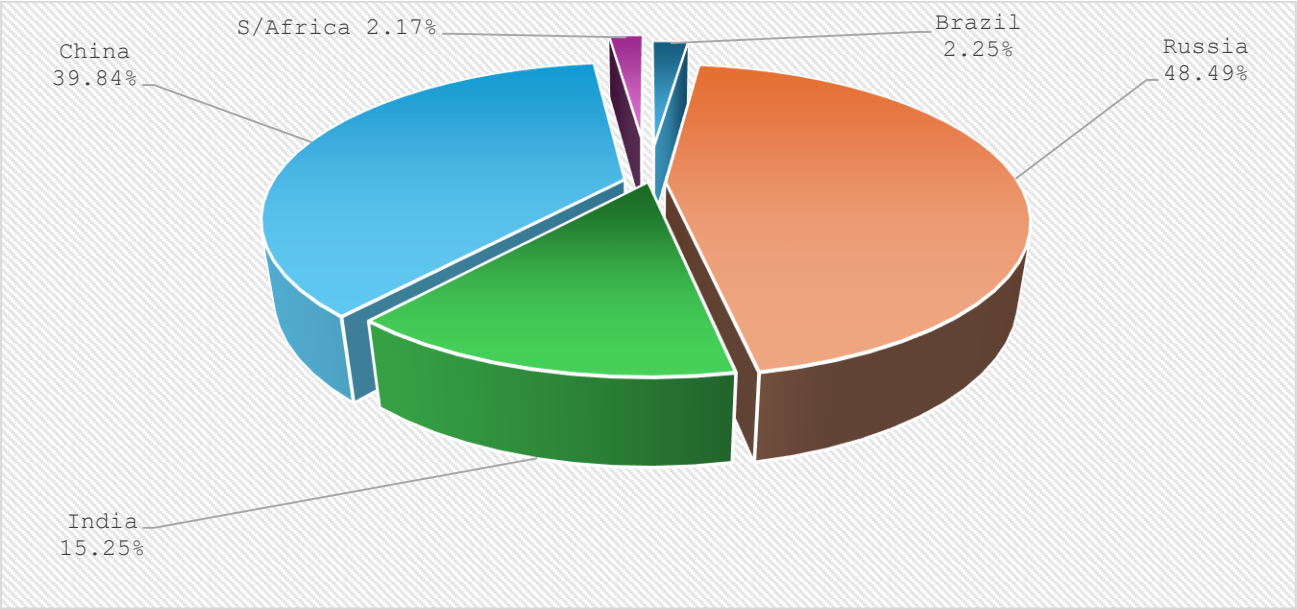
Source: Generated by the Researcher in 2025, adapted from: World Bank 2025; WGC, 2025

Figure 1: BRICS Gold Reserves as of 2025



Source: Generated by the Researcher in 2025, adapted from: World Bank, 2025; WGC, 2025

Figure 2: BRICS Gold Reserves as of 2025



Source: Generated by the Researcher in 2025, adapted from: World Bank, 2025; WGC, 2025

5.2. North America Gold Reserves as of 2025

The North American region, led by the USA, the world's number one country in gold reserves, has continued to enjoy a comparative advantage over BRICS in strategic gold reserves. The North American region has achieved this status by leveraging past advances in industrialisation and technological development to consolidate its accumulated gold reserves. The Group's total gold reserves of 8,499.6 tonnes, representing 23.11% of the world's total gold reserves of 36,700 tonnes, have overwhelmingly outperformed BRICS, whose gold reserves stand at 5,770.12 tonnes, representing 15.72% of the world's total gold reserves. The United States (US), with 8,336 tonnes of gold reserves representing 98% of North America's total, leads the region and the world, holding 22.71% of the world's total as of 2025. With 8,336 tonnes (22.71%) of the world's total gold reserves recorded by the USA out of 8,499 tonnes of the regional total, the remaining eight (8) North American countries hold 163 tonnes (0.4%) of the world's total gold reserves, which is insignificant. Mexico is second with 120 tonnes (1.4% of the region's total and 0.3% of the world total), and Ecuador is third with 26.26 tonnes (0.31% of the regional total and 0.07% of the world total). The rest are - Guatemala fourth with 6.89 tonnes (0.08% regional total and 0.01% of world total); Canada is fifth with 6 tonnes (0.07% regional total and 0.01% of the world total); Haiti is sixth with 1.81 tonnes (0.02% of regional total and 0.00% of the world total); El-Salvador is seventh with 1.37 tonnes (0.02% of regional total and 0.00% of the world total), Honduras is eight with 0.7 tonnes (0.00% of regional total and 0.00% of world total), and the Dominican Republic with 0.57 tonnes (0.00% of regional total and 0.00% of the world total). The North America cumulative country average (NACCA) stands at 944.4 tonnes, and the North America cumulative annual average (NACAA) stands at 607.11 tonnes (Mahida, 2024; Koziuk, 2022; World Population Review, 2025; BRICS-JSP, 2025; WGC, 2025).

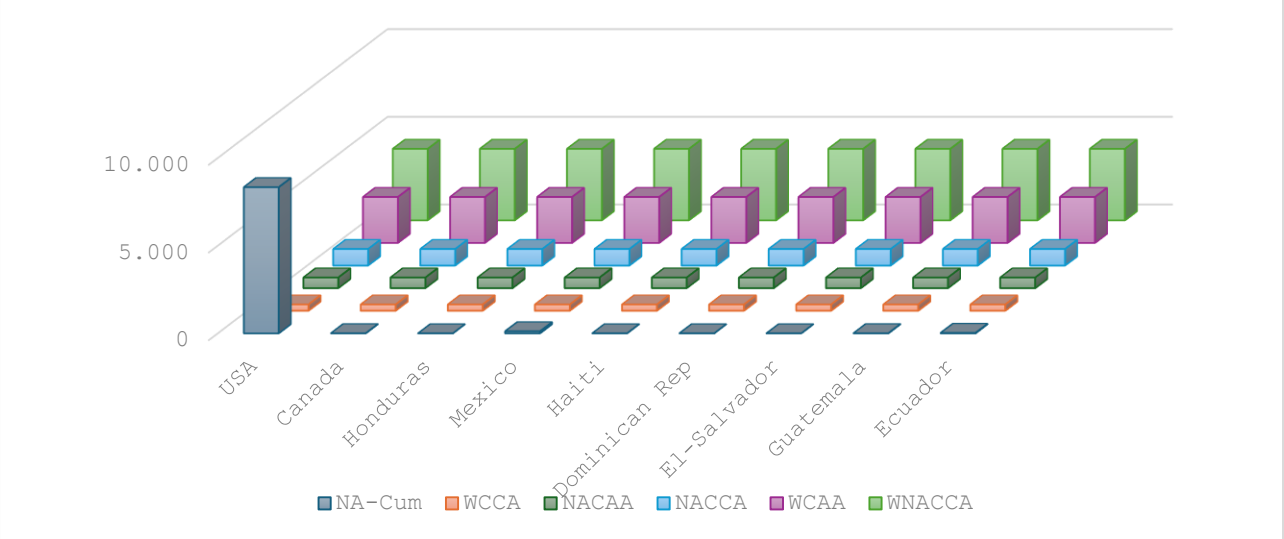
The World North America Cumulative Country Average (WNACCA) stands at 4,077.78 tonnes; the World Cumulative Annual Average (WCAA) stands at 2,621.43 tonnes; and the World Cumulative Country Average stands at 359.8 tonnes (Aizenmann & Inoue, 2012; World Bank, 2025; UNCTAD; Lasser et al., 2025). This is as presented in Table 2 and Figures 3 and 4 below:

Table 2: North American Gold Reserves as of 2025

SN	Countries	NA-Cum	NACCA	NACAA	WNACCA	WCAA	NA%	WCCA	World %
1.	USA	8,336	944.4	607.11	4,077.78	2,621.43	98%	359.80	22.7%
2.	Canada	6.0	944,4	607.11	4,077.78	2,621.43	0.07 %	359.80	0%
3.	Honduras	0.7	944,4	607.11	4,077.78	2,621.43	0%	359.80	0%
4.	Mexico	120	944,4	607.11	4,077.78	2,621.43	1.4%	359.80	0.33%
5.	Haiti	1.81	944,4	607.11	4,077.78	2,621.43	0.02 %	359.80	0%
6.	Dominican Re	0.57	944,4	607.11	4,077.78	2,621.43	0%	359.80	0%
7.	El-Salvador	1.37	944,4	607.11	4,077.78	2,621.43	0.02 %	359.80	0%
8.	Guatemala	6.89	944,4	607.11	4,077.78	2,621.43	0.08 %	359.80	0.01%
9.	Ecuador	26.26	944,4	607.11	4,077.78	2,621.43	0.31 %	359.80	0.07%
	NA Total	**8,499.6**	**8,499.6**	**5,463.99**	**36,700.00**	**23,592.87**	**100 %**	**3,238.2**	**23.11 %**
	World Total	**36,700.00**	**-**	**-**	**36,700.00**	**36,700.00**	**100 %**	**36,700**	**100%**

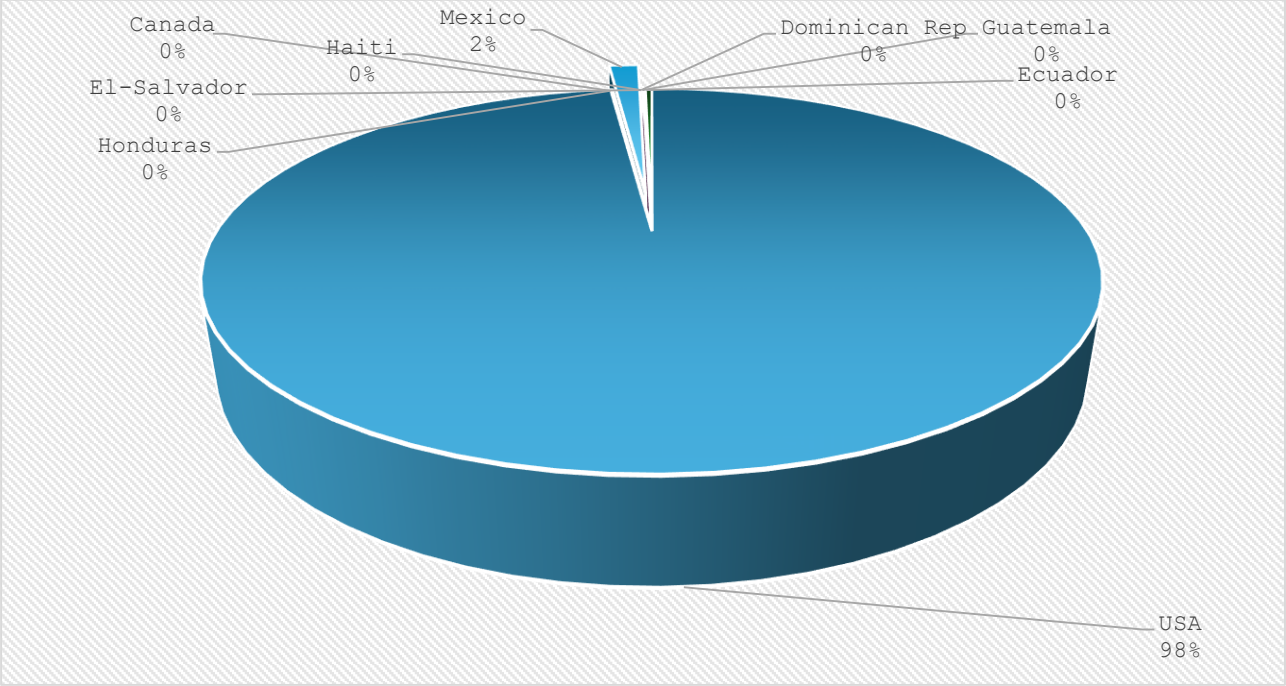
Source: Generated by the Researcher in 2025, adapted from World Bank, 2025; WGC, 2025; World Population Museum, 2025.

Figure 3: North America Gold Reserves as of 2025



Source: Generated by the Researcher in 2025, adapted from: World Bank, 2025; WGC, 2025; World Population Museum, 2025.

Figure 4: Percentage of North America Gold Reserves to World Total Gold Reserves as of 2025



Source: Generated by the Researcher in 2025, adapted from: World Bank, 2025; WGC, 2025

5.3. BRICS Gold Reserves Compared with North American Gold Reserves as of 2025

As of 2025, North America holds 8,499.6 tonnes of gold reserves, representing 23.11% of the world total of 36,700 tonnes, and has outperformed BRICS, whose total gold reserves stand at 5,770.12 tonnes, representing 15.72% of the world total. The United States of America (USA), as the North American leader, is leveraging global exploration and gold mining, as well as aggressive buying of mined gold, to boost its gold reserves. This has made the USA the undisputed leader in North America and worldwide, with total gold reserves of 8,336 tonnes, representing 22.71% of the world's total gold reserves. This, according to Lasser et al. (2025), has implications for the national currencies of individual BRICS countries.

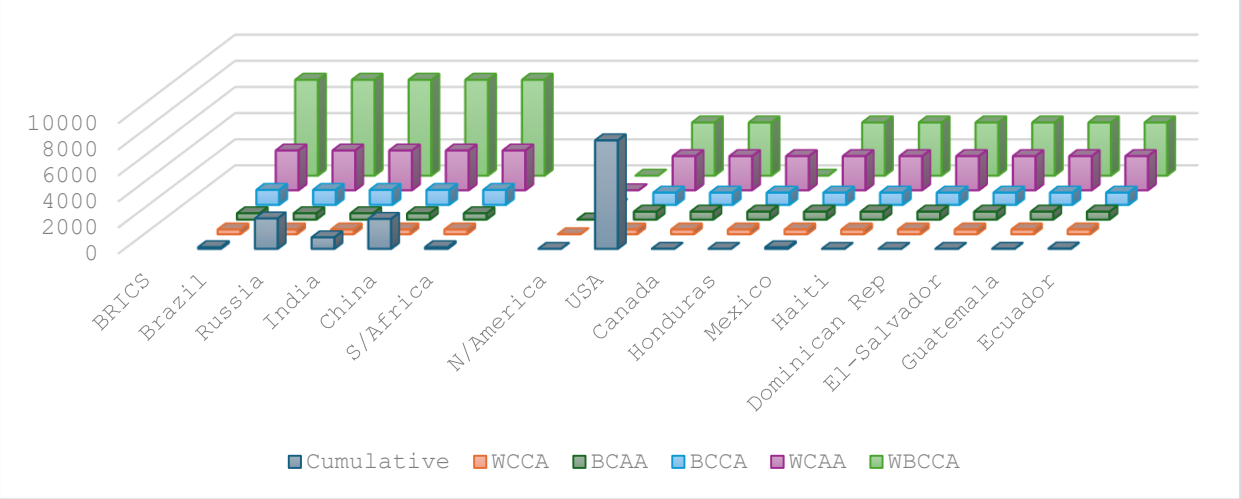
With this towering performance by the North American region, the country-to-country comparison shows that the USA has overwhelmingly outperformed Russia, the BRICS leader in this regard, whose total gold reserves stand at 2,336 tonnes (6.37% of the world total). This shows the USA outperforming Russia by 357%. Whereas, in the second level of comparison, the two BRICS members of China with 2,299tonnes (6.26% of world total) and India with 880tonnes (2.4% of the world total), have outperformed the remaining eight countries of North America that scored below 1% of the world total (Ghosh, 2016; Abreu & Pinho, 2024; Fabris & Jessic, 2023; Beckmann et al., 2015; World Bank, 2025; Arslanap et al., 2023; BRICS-JSP, 2025; UNCTAD-WIR, 2024; Chan, 2024; Oktay et al., 2016; Iddon, 2025; World Population Review, 2025; Rinkeshkumar, 2024). This is as presented in Table 3 and Figures 5 & 6 below:

Table 3: BRICS Gold Reserves Compared with North America Gold Reserves as at 2025 (tonnes)

SN	Countries	Cumulative	BCCA	BCAA	WBCA	WCAA	BRICS%	WCCA	World %
1.	Brazil	129.65	1,154.02	480.84	7,340.0	3,058.33	2.25%	359.80	0.35%
2.	Russia	2,336	1,154.02	480.84	7,340.0	3,058.33	48.49%	359.80	6.37%
3.	India	879.98	1,154.02	480.84	7,340.0	3,058.33	15.25%	359.80	2.4%
4.	China	2,299	1,154.02	480.84	7,340.0	3,058.33	39.84%	359.80	6.26%
5.	South Africa	125.47	1,154.02	480.84	7,340.0	3,058.33	2.17%	359.80	0.34%
	BRICS Total	5,770.1	5,770.1	2,404.2	36,700	15,291.65	100%	1,799.0	15.72%
	World	36,700	-	-	36,700	36,700	1005	36,700	100%
SN	Countries	Cumulative	NACCA	NACAA	WNACCA	WCAA	NA%	WCCA	World%
1.	USA	8,336	944.4	607.11	4,077.78	2,621.43	98%	359.80	22.7%
2.	Canada	6.0	944,4	607.11	4,077.78	2,621.43	0.07%	359.80	0%
3.	Honduras	0.7	944,4	607.11	4,077.78	2,621.43	0%	359.80	0%
4.	Mexico	120	944,4	607.11	4,077.78	2,621.43	1.4%	359.80	0.33%
5.	Haiti	1.81	944,4	607.11	4,077.78	2,621.43	0.02%	359.80	0%
6.	DominicanRe	0.57	944,4	607.11	4,077.78	2,621.43	0%	359.80	0%
7.	El-Salvador	1.37	944,4	607.11	4,077.78	2,621.43	0.02%	359.80	0%
8.	Guatemala	6.89	944,4	607.11	4,077.78	2,621.43	0.08%	359.80	0.01%
9.	Ecuador	26.26	944,4	607.11	4,077.78	2,621.43	0.31%	359.80	0.07%
	N/Amer Total	8,499.6	8,499.6	5,463.99	36,700.00	23,592.87	100%	3,238.2	23.11%
	World Total	36,700	-	-	36,700	36,700		36,700	100

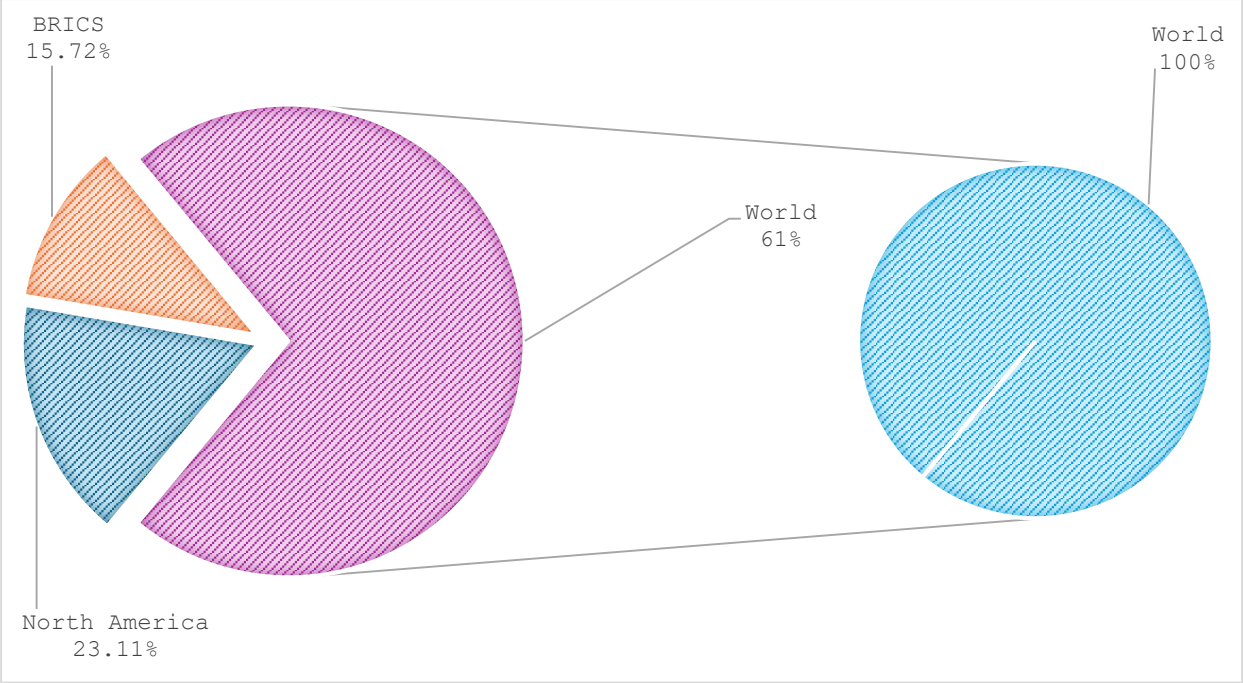
Source: Generated by the Researcher in 2025, adapted from the World Bank (2025) and WGC (2025.

Figure 5: BRICS Gold Reserves Compared with North America Gold Reserves as at 2025 (tonnes)



Source: Generated by the Researcher in 2025, adapted from: World Bank, 2025; WGC, 2025

Figure 6: BRICS Gold Reserves Compared with North America Gold Reserves as at 2025 (tonnes)



Source: Generated by the Researcher in 2025, adapted from: World Bank, 2025; WGC, 2025

6. Conclusion/Recommendations

From the analysis so far, the study has established that the BRICS, with cumulative total gold reserves of 5,770.12 tonnes representing 15.72% of the world's total gold reserves, have been outperformed by North America, whose cumulative total gold reserves stand at 8,499.6 tonnes, representing 23.11% of the world's total gold reserves. The study also found that North America has outperformed BRICS in global gold reserves, holding 68%. The study has also established that the North American group leader, the USA, with 8,336 tonnes (22.71% of the world total), has outperformed both China (2,299 tonnes [6.26% of the world total]) and Russia (2,336 tonnes [6.37%]) by 363% & 357%, respectively. The study has further established that, except the USA, the remaining eight countries of North America scored below one (1%) of the world's total gold reserves. It can be concluded that the BRICS have underperformed in global gold reserves compared with North America, which has performed optimally due to the USA's singular, towering performance (98% of the regional total). From this conclusion, BRICS countries urgently need to refocus on large-scale gold mining and aggressive purchases of mined gold to further build their reserves, with a view to surpassing the North American leader (USA) and, eventually, the region.

Most of the studies reviewed are limited in scope, as they focus more on countries' gold acquisition than on the strategic importance of gold reserves in strengthening a country's national currency globally. More studies should be conducted on alternative means of strengthening a country's national currency, outside gold reserves. The implication of reliance on gold reserves for BRICS is that the North American region will continue to dominate the global gold reserves market with little or no room for the BRICS to break even.

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De-Dollarization by Proxy? Trump's Tariff War as an Accidental Catalyst for BRICS Economic Realignment and Geopolitical Pluralism

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ABSTRACT

This study shows that the Trump administration's 2018-2021 trade war, though designed as a protectionist measure, inadvertently accelerated de-dollarisation within the BRICS bloc, turning unilateral tariff coercion into momentum for a more multipolar monetary architecture. I support this claim through a mixed-methods design that combines quantitative analysis of trade flows, reserve composition, and institutional financing with a qualitative assessment of policy discourse across Brazil, Russia, India, China, and South Africa during and after the tariff period. I find that while the trade war caused immediate economic disruption, its principal lasting effect was political rather than monetary: it hardened BRICS governments' resolve to reduce dollar dependency through alternative payment systems, bilateral currency arrangements, and digital-currency initiatives, even though structural constraints—asymmetric capital-account openness, divergent inflation credibility, and unresolved rivalries among BRICS+ members—continue to limit how far this realignment can go. This research contributes to understanding how unilateral economic coercion can paradoxically accelerate the emergence of alternative financial architectures, with profound implications for global monetary governance.

1. Introduction: When Economic Nationalism Meets Monetary Pluralism

The global financial landscape, long characterised by the enduring hegemony of the U.S. dollar and a relatively stable, albeit Western-centric, international monetary order, has entered a period of profound re-evaluation. Against this backdrop, the Trump administration's tariff war, initiated under the banner of "America First[1]," emerged not merely as a protectionist economic policy but as a significant geopolitical perturbation. This aggressive deployment of trade policy as a tool of statecraft sent ripples across the global economy, challenging established supply chains, disrupting trade flows, and forcing nations to reconsider their economic vulnerabilities. While ostensibly aimed at rebalancing trade deficits and protecting domestic industries, this study posits that the tariff war inadvertently served as a powerful, albeit accidental, catalyst for profound economic and geopolitical recalibration within the BRICS bloc.

The BRICS grouping—comprising Brazil, Russia, India, China, and South Africa, and recently expanded to include additional members—represents a substantial and growing force in the global economy. Their collective share of global GDP, particularly when measured by purchasing power parity (PPP), has steadily increased, challenging the traditional dominance of the G7 nations (International Monetary Fund, 2023; 2024). This growing economic clout has naturally led to

[1] "America First" Policy Doctrine: A nationalist foreign policy approach emphasized by the Trump administration, prioritizing American domestic interests, economic protectionism, and unilateral action over multilateral agreements and international cooperation, particularly in trade and foreign relations.

discussions about their role in shaping a more equitable, multipolar international system, with initiatives such as the New Development Bank and the Contingent Reserve Arrangement already signalling a desire for alternative financial architecture (Batista, 2023a). The proposed BRICS currency initiative, while still in its nascent stages, epitomises this ambition, representing a transformative approach to international monetary governance aimed at reducing dependency on Western financial infrastructure and fostering a more pluralistic global financial order (Batista, 2023a; Steinbock, 2023).

The concept of BRICS itself emerged from Goldman Sachs economist Jim O'Neill's 2001 analysis, which identified these nations as likely to become major global economic powers (Goldman Sachs, 2019). What began as an investment thesis has evolved into a geopolitical reality, with the bloc recently expanding to include additional members like Saudi Arabia (Ulrichsen, 2024), Iran, and the UAE, creating what some analysts term "BRICS+" (Destatis, 2024).

This paper critically interrogates the complex interplay between Trump's tariff war and the BRICS bloc's strategic economic realignment. I move beyond a simplistic cause-and-effect analysis to explore how the trade conflict, by exposing inherent fragilities and power asymmetries in the dollar-centric global financial system, inadvertently accelerated BRICS nations' pursuit of greater economic sovereignty and the exploration of alternative monetary mechanisms. The central research questions guiding this inquiry are: Did Trump's tariff war inadvertently bolster BRICS's drive towards de-dollarisation and a more multipolar financial order? What specific economic and geopolitical impacts fostered this realignment, and how did they manifest across the diverse economies of the BRICS nations? By addressing these questions, this study seeks to provide a comprehensive understanding of the unintended consequences of unilateral economic actions on the evolving global financial architecture. The remainder of the article proceeds as follows. The next section develops the theoretical framework and situates it within the structural constraints literature on de-dollarisation. The Methodology section then details my mixed-methods design. I then trace the architecture and ripple effects of the tariff war, the strategic responses it triggered across BRICS economies—including the China and India case studies—and the institutional and digital-currency infrastructure it produced. The penultimate sections examine the internal contradictions that constrain this realignment, including the fractures exposed by the 2025-2026 US-Israel-Iran war, before the concluding section assesses the prospects for monetary multipolarity going forward.

2. Theoretical Framework: The Weaponisation of Interdependence and the Gravitational Pull of De-Dollarization

This study critically anchors its analytical framework in the evolving dynamics of international political economy, specifically addressing the interplay between hegemonic stability, the "weaponisation of interdependence," and the emergent phenomenon of "de-dollarisation"[2] as a strategic response to perceived financial coercion. I argue that Trump's tariff war, rather than mere protectionism, served as a disruptive shock, revealing the vulnerabilities inherent in a unipolar financial system and inadvertently accelerating BRICS nations' pursuit of monetary sovereignty and geopolitical pluralism. My theoretical edifice is constructed upon three interconnected pillars:

2.1. The Erosion of Hegemonic Stability and the Bretton Woods Legacy under Duress

The post-World War II international monetary order was fundamentally shaped by the Bretton Woods system[3], a framework that, as Steil (2013) details, established the U.S. dollar's centrality as

[2] De-Dollarization: The process by which countries and international actors reduce their reliance on the U.S. dollar for international trade, investment, and reserve holdings, often driven by a desire for greater economic sovereignty and a more multipolar global financial system.
[3] Bretton Woods System: An international monetary management system established in 1944 that pegged the U.S. dollar to gold and other currencies to the dollar, thereby establishing the dollar as the world's primary reserve currency and foundational to the post-WWII global financial order.

the world's primary reserve currency. While designed to foster global economic stability and cooperation, this system inherently concentrated significant power in the hands of the reserve currency issuer, granting the United States an "exorbitant privilege"[4] (Steil, 2013). Over decades, critical scholarship has increasingly interrogated the power asymmetries embedded within this system, revealing how its mechanisms could be leveraged not solely for global public goods but also for unilateral economic advantage. The stability provided by a single dominant currency, while beneficial in many respects, also created a dependency that could be exploited.

The "Trump moment," characterised by its unilateral tariff offensive, represents a severe stress test on this established order. It exposed how the very interdependence fostered by decades of globalisation could be weaponised, transforming what was once a source of collective prosperity into a potential vulnerability for dependent states. Historical analyses of monetary transformations, such as those examining challenges to hegemonic currencies throughout history (e.g., Hagedorn, 2023; Ohanian et al., 2019), provide crucial context for understanding the BRICS response. These historical precedents illustrate that periods of economic coercion or perceived instability often trigger a re-evaluation of national economic strategies, including a renewed focus on monetary autonomy. The tariff war, therefore, did not merely challenge trade norms; it challenged the underlying assumptions of a dollar-dominated global financial system, prompting a reassessment of its inherent risks and dependencies. This erosion of hegemonic stability is best understood as a precondition rather than a mechanism: it is precisely because the dollar's centrality had become a normalised feature of globalisation that its deliberate deployment as a coercive instrument—the subject of the second pillar—could register as a "weaponisation" of interdependence rather than as routine policy friction.

2.2. The Weaponisation of Interdependence and the Drive for Economic Sovereignty

Building on critical international relations theory, this pillar examines how economic tools—specifically tariffs and financial sanctions—are increasingly deployed not merely for trade advantage but as instruments of geopolitical pressure. In a deeply interconnected global economy, states become interdependent, relying on each other for goods, services, and financial flows. However, this interdependence can be asymmetrical, giving powerful states leverage to coerce others by controlling access to crucial networks or markets. The notion of "economic sovereignty," articulated implicitly in BRICS's aim to reduce "dependency on Western financial infrastructure" (Batista, 2023a; Steinbock, 2023), becomes paramount when faced with such external coercion.

The (first) Trump Tariff War[5] starkly illustrated this weaponisation. By disrupting established trade flows and threatening access to critical financial channels, it forced states to re-evaluate their vulnerabilities within a globally interconnected, yet often politically fraught, economic landscape. This framework argues that economic pressure galvanises a collective pursuit of alternative mechanisms for trade settlement and financial autonomy. When a dominant power uses its economic leverage punitively, it transforms currency from a neutral economic tool into a "potent instrument of national and collective strategic agency" (Steinbock, 2023). This perceived weaponisation compels affected nations, particularly those with aspirations for greater global influence like BRICS members, to diversify and build resilience against future economic shocks, thereby strengthening their resolve for greater economic independence. This galvanised resolve—not the tariff war itself—provides the causal link to the third pillar: de-dollarisation is theorised here not as an automatic economic response to tariffs but as the strategic, institution-building expression of the resolve that weaponised interdependence produces.

[4] "Exorbitant Privilege": A term coined by Valéry Giscard d'Estaing in the 1960s to describe the disproportionate benefits enjoyed by the United States due to the dollar's role as the world's primary reserve currency, including lower borrowing costs and the ability to finance deficits more easily.
[5] Trump Tariff War (2018–2021): A period of aggressive trade policy initiated by the U.S. administration under President Donald Trump, primarily characterized by the imposition of high import tariffs (e.g., Section 301 tariffs) on goods from China and other countries, with stated goals of reducing trade deficits and protecting domestic industries.

2.3. De-Dollarization as a Geopolitical Strategy for Multipolar Financial Governance

The theoretical core of this study views de-dollarisation not as a nascent phenomenon but as a long-term strategic project that gains critical momentum amid perceived financial weaponisation (Hani & Badawi, 2025). While some argue that "reports of the petrodollar system's[6] demise are 'fake news' and that dollar dominance in the international reserve system remains significant (Adinolfi, 2024; Arslanalp & Eichengreen, 2024), the tariff war provides a potent case study for the acceleration of efforts to develop "alternative mechanisms for international trade settlements" and a "more pluralistic approach to global monetary governance" (Batista, 2023a; Steinbock, 2023). This goes beyond reducing reliance on the dollar; it includes leveraging technological innovations like Central Bank Digital Currencies (CBDCs) and strengthening intra-bloc financial cooperation as foundational steps toward truly "multipolar financial governance" (Batista, 2023a; Zharikov, 2023).

The BRICS currency initiative, therefore, is interpreted as a direct manifestation of this strategic imperative to create a "more balanced global economic ecosystem" (Steinbock, 2023). It represents a deliberate, albeit incremental, shift away from a unipolar monetary order towards a system where multiple currencies and financial centres hold significant sway. This is not necessarily about replacing the dollar entirely, but about creating viable alternatives and reducing the systemic risk of overreliance on a single currency. In sum, this framework moves beyond a simplistic economic analysis of tariffs to an interdisciplinary understanding that integrates monetary theory, international relations, and technological innovation. It positions Trump's tariff war as a critical inflexion point, inadvertently strengthening the rationale and accelerating the practical steps towards a BRICS-led realignment of global economic power dynamics.

2.4. The Structural Limits of De-Dollarization: Liquidity, Coordination, and the Gradualism Thesis

The preceding pillars establish why BRICS states would want to diversify away from the dollar; they do not, on their own, establish whether the structural conditions exist for that diversification to succeed, even as a partial project. This study addresses that gap directly. Liu & Papa's (2022) "Pathways to De-dollarisation" framework is instructive here: examining BRICS coalitional activity between 2009 and 2021, they distinguish a "go-it-alone" strategy of building parallel institutions (the NDB, CIPS, national payment messaging systems) from a "reform-the-status-quo" strategy of altering the weighting of existing institutions, and find that BRICS has achieved meaningful infrastructure under the former even as the latter remains largely stalled by Western-dominated voting structures. Their finding matters for this study's argument because it implies that the tariff war's accelerant effect operated almost entirely on the "go-it-alone" track—swap lines, mBridge, gold accumulation—rather than on institutional reform, a distinction the previous draft did not make explicit. Suchodolski & Demeulemeester (2018), writing in Global Policy, reach a complementary conclusion from the institutional side: the New Development Bank's appeal lies less in its capacity to displace the Bretton Woods institutions outright than in its capacity to demonstrate that BRICS states can jointly originate and govern multilateral finance, a credibility-building function that is logically before any currency substitution. Read together with the broader "gradualism" literature on BRICS monetary cooperation, which characterises the bloc's ambition as reducing overdependence on the dollar where it creates vulnerability rather than engineering its replacement, these sources support a more cautious claim than the unqualified "weaponisation accelerates de-dollarisation" thesis advanced in the previous draft of this article.

Three structural conditions bound how far this realignment can travel, and I treat each as an analytical constraint that recurs throughout the empirical sections below rather than as a caveat

[6] Petrodollar System: An international financial arrangement originating in the 1970s, whereby oil-exporting countries, particularly those in the Middle East, predominantly price their oil exports in U.S. dollars and invest their surplus revenues in dollar-denominated assets, thereby reinforcing dollar dominance.

confined to this paragraph. First, liquidity and network effects favour incumbency: dollar-denominated markets remain the deepest and most liquid in the world, and during periods of acute global stress, demand for dollars and dollar-denominated safe assets has tended to rise rather than fall, which is the opposite of what a coercion-driven flight from the dollar would predict. Second, BRICS members differ sharply in capital-account openness, inflation credibility, and fiscal capacity, and the bloc has neither a shared central bank nor a fiscal transfer mechanism; unlike the euro area's decades-long convergence process, no comparable institutional convergence is underway, which constrains any currency-union-style alternative to incremental, bilateral arrangements rather than a unified BRICS currency. Third, and most consequential for the case studies that follow, BRICS+ membership has not produced uniform geopolitical alignment: several members retain deep security and economic dependence on Washington, which means their participation in de-dollarisation initiatives is conditional and reversible rather than committed. These three constraints do not negate the weaponisation-accelerant thesis; they specify its ceiling, and they are the analytical lens through which I revisit the India case study and the BRICS+ expansion below.

3. Methodology: Analysing Crisis as Catalyst

This study employs a mixed-methods approach designed to capture both the quantitative impacts of the trade war and the qualitative shifts in policy discourse and strategic thinking. My methodology combines several analytical frameworks to provide a comprehensive understanding of how external economic pressure can catalyse systemic change.

3.1. Quantitative Analysis

I analysed trade data from multiple sources to track changes in bilateral trade flows between BRICS nations and the United States from 2018 to 2021. This included an examination of:

- Bilateral trade volumes and patterns.
- Central bank reserve holdings, particularly gold purchases as documented by the World Gold Council (2024).
- Currency composition of trade settlements.
- Foreign direct investment flows.

Table 1: BRICS GDP Growth Rates During the Tariff War Period (2017-2021)

Country	2017	2018	2019	2020	2021
Brazil	1.3%	1.8%	1.2%	-3.9%	5.0%
Russia	1.8%	2.8%	2.0%	-2.7%	4.7%
India	7.0%	6.5%	4.0%	-6.6%	8.7%
China	6.9%	6.7%	6.1%	2.2%	8.4%
South Africa	1.4%	0.8%	0.1%	-6.4%	4.9%

***Note**: This table illustrates the GDP growth trajectories for BRICS nations from 2017 to 2021, a period significantly influenced by the war. Notably, China's GDP growth declined from 6.9% in 2017 to 6.1% in 2019, a slowdown directly attributed to the trade conflict, as documented in reports from the International Monetary Fund (2023, 2024). This data underscores how the trade war exerted considerable pressure on these emerging economies.*

Table 2: US Tariff Coverage on Chinese Goods (2018-2021)			
Year	Tariff Coverage (USD Billions)	Average Tariff Rate	Products Affected
2018	50	10-25%	Steel, Aluminium, Tech
2019	300	25%	Consumer goods, Manufacturing
2020	300+	7.5-25%	Broad manufacturing base
2021	300+	7.5-25%	Maintained coverage

Note: *This table provides a clear overview of the escalating scope and intensity of US tariffs imposed on Chinese goods during the trade war from 2018 to 2021. The rapid and extensive escalation, which by 2019 encompassed $300 billion worth of Chinese imports and saw tariff rates reaching up to 25% on a multitude of products, highlights the aggressive nature of the tariff offensive, as comprehensively detailed by Jungbluth (2023).*

3.2. Qualitative Analysis

The qualitative component involved systematically analysing policy statements, official communications, and strategic documents from BRICS governing and financial institutions. This included:

- Analysis of central bank communications regarding currency policy
- Discourse analysis of official statements from BRICS summits.
- Examination of bilateral agreements and new institutional arrangements

Table 3: BRICS Central Bank Gold Purchases (2018-2024)							
Country	2018	2019	2020	2021	2022	2023	2024 Q1
China	10.0	106.0	0.0	0.0	32.0	225.0	27.0
Russia	274.3	158.4	0.0	0.0	0.0	0.0	0.0
India	42.3	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: *Figures are in tons. This table illustrates the significant gold acquisition trends by BRICS central banks between 2018 and the first quarter of 2024. These purchases reflect a strategic move towards diversifying reserve assets away from traditional dollar-denominated holdings. Central bank gold purchases have reached historically high levels, with total demand up 8% in Q1 2024 compared to the previous year, as reported by the World Gold Council (2024). A notable aspect of this trend is the increasing number of transactions being conducted outside conventional Western financial markets, indicating a shift in global monetary dynamics. The absence of reported purchases by Brazil and South Africa over this period is not incidental: both countries operate considerably smaller foreign-exchange reserves than China, Russia, or India, and their central banks have prioritised reserve liquidity and exchange-rate management—needs better served by dollar- and Treasury-denominated holdings—over the opportunity cost and storage expense of large gold accumulation. This divergence is itself evidence for the structural-constraints argument developed above: gold accumulation as a hedge against asset freezes is attractive chiefly to states with either acute sanctions exposure (Russia) or the reserve scale to absorb it (China, India), not to BRICS membership as such.*

3.3. Historical Comparative Analysis

To contextualise current developments, I employed comparative historical analysis, examining previous periods of monetary transition. This included an analysis of the original Bretton Woods system's establishment and subsequent breakdown, as documented by Ohanian et al. (2019), as well as earlier transitions between monetary regimes.

4. The Trump Tariff Offensive: Dismantling the Illusion of Mutual Prosperity

The Trump administration's tariff offensive, launched primarily between 2018 and 2019, marked a dramatic departure from decades of U.S. trade policy rooted in multilateralism and free-trade agreements. The stated rationale, encapsulated in the "America First" slogan, centred on reducing trade deficits, protecting domestic industries from what was perceived as unfair foreign competition, and bringing manufacturing jobs back to the United States. However, deeper scrutiny reveals that these motivations extended beyond purely economic objectives, encompassing a reassertion of unipolar leverage and a willingness to use economic coercion as a geopolitical tool. The imposition of tariffs on steel and aluminium, followed by escalating duties on a wide range of Chinese goods, signalled a new era of aggressive unilateralism (Jungbluth, 2023).

4.1. The Architecture of Economic Coercion

The Trump administration's trade war was unprecedented in its scope and systematic nature. Unlike previous trade disputes that focused on specific sectors or products, this offensive targeted the fundamental basis of the post-war trading system. The imposition of tariffs on steel and aluminium, nominally justified on national security grounds, signalled a willingness to weaponise trade policy in ways that had been avoided since the 1930s. The escalation was swift and comprehensive. By 2019, tariffs covered nearly $300 billion worth of Chinese goods, with rates reaching 25% on many products (Jungbluth, 2023). This represented a fundamental shift from the gradual, multilateral approach to trade liberalisation that had characterised previous decades. The unilateral nature of these actions, bypassing established dispute resolution mechanisms, sent a clear message that the United States was willing to use its economic power coercively.

4.2. The Ripple Effects Across BRICS Economies

The blowback to these tariffs was swift and multifaceted, both globally and within the BRICS bloc: major trading partners, including Canada, Mexico, the European Union, and China, retaliated with their own tariffs on U.S. goods, sparking fears of a full-blown global trade war (e.g., Jungbluth, 2023). For BRICS nations, the impact was particularly acute because of their deep integration into global supply chains and their reliance on export-led growth. China, as the primary target, immediately implemented countermeasures, imposing tariffs on U.S. agricultural products, automobiles, and other goods, in a tit-for-tat exchange that created immense uncertainty for businesses and investors worldwide and dampened global trade growth. Country-level effects, however, diverged sharply. China itself experienced a significant slowdown in export growth, with implications for its domestic growth model. As documented by the IMF (2023, 2024), Chinese GDP growth slowed from 6.9% in 2017 to 6.1% in 2019, with the trade war being a significant contributing factor. Beyond China, Brazil, heavily dependent on agricultural exports, found itself caught between loyalty to traditional markets and the need to diversify trade relationships, as its agricultural sector's growing reliance on Chinese demand left it exposed to disrupted trade flows. India, though not a primary target, felt spillover effects through global supply chain disruptions and reduced investor confidence. Russia, already under sanctions from Western nations, found its position paradoxically strengthened as China sought alternative energy suppliers. This dynamic shows how economic coercion can create unintended strategic alignments, as targeted nations seek to diversify away from unreliable partners.

4.3. The Psychological Impact of Economic Weaponisation

Perhaps more significant than the immediate economic impacts was the psychological effect on

BRICS leadership and policy-making communities. The trade war shattered the illusion that economic integration necessarily led to political cooperation. It demonstrated that economic interdependence could be weaponised, transforming mutual prosperity into a source of vulnerability. This realisation had profound implications for strategic thinking within BRICS capitals. As Batista (2023a) notes, the experience reinforced the importance of monetary sovereignty and the risks of over-reliance on dollar-denominated systems. The lesson was clear: economic integration with the West, while potentially beneficial, came with significant political risks that needed to be hedged.

5. The BRICS Economic Crucible: Navigating Disruption and Forging Resilience

The Trump tariff offensive subjected BRICS economies to an unprecedented period of disruption, turning them into a crucible in which existing vulnerabilities were exposed and new forms of resilience and strategic adaptation began to form. The impacts were not uniform across the diverse BRICS members, reflecting their varied economic structures and levels of integration into global supply chains. Nevertheless, common themes of navigating external pressure and seeking internal solutions emerged, underscoring a collective drive towards greater economic autonomy.

5.1. GDP and Inflationary Pressures

The direct and indirect effects of the tariffs on economic growth and price stability within BRICS nations were significant. For instance, countries heavily reliant on exports to the U.S. faced immediate revenue shortfalls. China, as the primary target, experienced a slowdown in export growth, which rippled through its economy. While official figures might mask the full extent, academic analyses and reports from international bodies like the IMF indicated a measurable impact on GDP growth rates across the bloc (International Monetary Fund, 2023; 2024). The tariffs also introduced inflationary pressures, as imported goods became more expensive, and domestic producers faced higher input costs. Data from national statistical agencies, such as Destatis (2024) for Germany, and the IMF's broader inflation series (International Monetary Fund, 2023, 2024), provided a comparative context, highlighting how global trade disruptions could translate into domestic economic challenges. The uncertainty generated by the trade war also deterred investment, further dampening economic activity and contributing to a cautious outlook among businesses and consumers.

5.2. Trade Re-orientation and Supply Chain Reconfiguration

One of the most profound impacts of the tariff war was the acceleration of shifts in BRICS's import/export patterns and a concerted effort towards supply chain reconfiguration. Faced with barriers to traditional markets, BRICS nations actively sought to diversify their trade partners and deepen intra-bloc trade relationships. China, for example, increased trade with other BRICS members and Belt and Road Initiative (BRI) partners to mitigate the impact of U.S. tariffs (Wang, 2024). Xinhua (2024a) reported China's continued dominance as a merchandise exporter, but this was increasingly underpinned by diversified trade routes. India and Russia also saw their bilateral trade hit record highs, partly driven by a need to circumvent traditional payment systems and reliance on the dollar (Sputnik, 2024a). This re-orientation was not merely a short-term adjustment; it signalled a strategic move toward more resilient, diversified supply chains, including efforts to re-shore or near-shore production to reduce external dependencies. The tariff war thus inadvertently accelerated BRICS's long-term goal of fostering greater South-South trade and economic integration.

5.3. FDI Flows and Investment Climate

The tariff war's volatility significantly affected foreign direct investment (FDI) flows into and out of BRICS economies. Global investors, wary of trade uncertainties and potential retaliatory measures, adopted a more cautious stance. While some sectors saw a strategic redirection of FDI as companies sought to establish production bases outside tariff-affected zones, the overall climate for cross-border investment became more challenging. Unpredictable trade policy made long-term investment planning difficult, slowing new projects and expansions. This forced BRICS nations to

redouble efforts to attract and retain FDI through domestic policy reforms, infrastructure development, and by emphasising the stability and growth potential of their internal markets, further contributing to their self-reliance agenda.

5.4. Divergent Economic Structures and Convergent Challenges

Despite their collective identity, BRICS nations exhibit significant economic disparities, ranging from China's robust industrial and technological base to Brazil's commodity-dependent economy, India's service-led growth, Russia's energy dominance, and South Africa's mixed economy. These divergent structures meant that the tariff war's impacts were felt differently across the bloc. For instance, agricultural tariffs disproportionately affected Brazil and Argentina (a BRICS+ member), while manufacturing tariffs hit China harder. However, these diverse experiences paradoxically led to convergent challenges: a shared recognition of the vulnerabilities inherent in a dollar-centric, Western-dominated financial system. This shared understanding fostered stronger resolve to pursue greater economic resilience and adaptive strategies, including exploring alternative payment systems and currency arrangements (Batista, 2023a; Steinbock, 2023). The tariff war thus, rather than dividing the bloc, arguably strengthened its internal cohesion around the shared imperative of reducing external economic dependencies.

6. The Geopolitical Echo Chamber: Tariff War and the Acceleration of De-Dollarization Discourse

The Trump tariff war, while ostensibly an economic dispute, reverberated through the geopolitical landscape, amplifying anxieties about financial weaponisation and accelerating the discourse and practical steps toward de-dollarisation within the BRICS bloc. This section examines how the trade conflict became a powerful echo chamber, reinforcing the strategic imperative for BRICS nations to forge alternative financial pathways.

6.1. The "Weaponisation" of the Dollar and the Imperative for Alternatives

The unilateral imposition of tariffs, followed by threats of further economic sanctions, was widely perceived by many nations, particularly within the BRICS bloc, as a "weaponisation" of the U.S. dollar and the global financial system it underpins. This perception was not new, but the tariff war brought it into sharp relief. A single nation's ability to disrupt global trade and financial flows through unilateral action underscored the inherent risks of over-reliance on a currency and financial infrastructure controlled by a potential adversary. As Arslanalp & Eichengreen (2024) have analysed, while dollar dominance in international reserves remains significant, the strategic imperative for diversification gained considerable traction. The "freezing of Russian reserves"[7] in Western banks (Faulconbridge, 2023) further cemented the view that financial assets held in dollar-denominated forms could be vulnerable to geopolitical manoeuvres (Krasnolutska, 2024), strengthening the strategic need for BRICS to reduce reliance on the US dollar for trade settlements and reserves (Adinolfi, 2024).

6.2. Strengthening Intra-BRICS Financial Linkages

In response to these perceived vulnerabilities, the tariff war provided a tangible impetus to strengthen intra-BRICS financial linkages and accelerate cooperation on national currency settlements. The discourse around a collective BRICS currency, which had been simmering for years, gained new urgency (Batista, 2023a). Nations within the bloc began actively exploring and implementing mechanisms to conduct bilateral trade in their respective national currencies, bypassing the dollar (Batista, 2023b; Steinbock, 2023). Lissovolik (2018) had previously highlighted the importance of boosting the use of national currencies among BRICS, and the tariff war provided the necessary push. For instance, Russia and India significantly increased their trade in national

[7] Freezing of Russian Reserves (2022): The immobilization by Western governments and central banks of a massive portion of the Russian Central Bank's foreign currency reserves following Russia's invasion of Ukraine, demonstrating the potential for the "weaponization" of the U.S. dollar and other reserve currencies for geopolitical ends.

currencies, particularly for energy transactions (Sputnik, 2024a; Roy et al., 2023). China's central bank actively signed numerous "currency swap agreements"[8] with foreign counterparts, including BRICS members, facilitating direct currency exchanges and reducing reliance on the dollar for trade and investment (Xinhua, 2024b). Similarly, settlements between Eurasian Economic Union (EAEU) countries, which include Russia, saw a rise in the use of different currencies (Chernyshova, 2024; Sputnik, 2024b). These developments were not merely economic conveniences; they were strategic moves to build resilience against future external financial pressures.

Table 4: China's Currency Swap Agreements with BRICS and Other Nations

Partner Country	Agreement Date	Amount (CNY Billions)	Duration (Years)	Status
Russia	2014 (Renewed)	150	3	Active
Brazil	2013 (Renewed)	190	3	Active
India	2018	700	3	Active
South Africa	2015	30	3	Active
Various Others	2018-2024	1000+	3-5	Active

Note: *This table highlights China's extensive network of currency swap agreements with BRICS nations and other international partners, signifying a deliberate strategy to facilitate direct currency exchanges and mitigate reliance on the U.S. dollar for global trade and investment. As of 2024, China's central bank has formalised 40 such currency swap agreements with foreign counterparts, a strategic move that significantly bolsters alternative financial pathways (Xinhua, 2024b).*

6.3. The Rise of Digital Currencies as a Strategic Countermeasure

One of the most significant accelerations triggered by the tariff war was the heightened interest in, and development of, Central Bank Digital Currencies (CBDCs) and cross-border digital payment initiatives within the BRICS sphere. Digital currencies' potential to circumvent traditional, dollar-dominated financial messaging systems like SWIFT[9] (SWIFT, 2024) became increasingly attractive. Project mBridge[10], a multi-CBDC platform involving the central banks of China, Hong Kong, Thailand, and the UAE, reached its minimum viable product stage, demonstrating a tangible step towards a new paradigm for international payments (Bank for International Settlements, 2024). This initiative, alongside the growing market share of CBDCs in selected countries (Statista, 2023), reflects a strategic push to create more efficient, secure, and politically neutral channels for international transactions. Zharikov (2023) specifically addressed "Digital Money Options for the BRICS," underscoring the bloc's recognition of this technological frontier as a vital component of their de-dollarisation strategy. The tariff war essentially underscored the need for such innovations as a strategic countermeasure to potential financial coercion.

[8] Currency Swap Agreements: Bilateral agreements between central banks to exchange specified amounts of their national currencies for a certain period, facilitating direct trade and investment between countries without relying on a third-party currency like the U.S. dollar.
[9] SWIFT System: (Society for Worldwide Interbank Financial Telecommunication) A global member-owned cooperative that provides a secure network for financial institutions worldwide to send and receive information about financial transactions, serving as the primary messaging system for international payments.
[10] Project mBridge: A multi-central bank digital currency (CBDC) platform developed by the Bank for International Settlements (BIS) alongside the central banks of China, Hong Kong, Thailand, and the UAE, designed to facilitate real-time, cost-effective cross-border payments.

6.4. The "BRICS+" Expansion: A Unified Front Against Economic Hegemony?

The tariff war, by highlighting individual nations' vulnerabilities to unilateral economic pressure, arguably amplified the BRICS bloc's appeal to other emerging economies. The subsequent expansion of BRICS to include new members, often referred to as "BRICS+," can be seen, in part, as a response to this shared desire for greater economic resilience and sovereignty (Destatis, 2024). Holtzmann et al. (2024) discussed whether the BRICS expansion was a "non-event" or a "stage victory against the West," indicating the geopolitical significance of this growth. Nations seeking to diversify their trade relationships, reduce their reliance on the dollar, and gain a stronger collective voice in global economic governance found the BRICS platform increasingly attractive. This expansion, therefore, represents a strategic move towards forming a more unified front against perceived economic hegemony, further solidifying the bloc's role in shaping a multipolar world order.

6.5. BRICS+ Fault Lines: The 2025–2026 Iran War and the Conditional Nature of Gulf Participation

The "unified front" reading above requires substantial qualification once BRICS+ membership is assessed by an actual, rather than hypothetical, confrontation between a member state and Washington. The US-Israeli military campaign against Iran, launched on February 28, 2026, and ongoing in negotiated form at the time of writing, supplies exactly this test, and it cuts against the cohesion narrative rather than confirming it. Iranian officials have stated publicly that strikes on their territory were launched in part from bases on the territory of the United Arab Emirates—itself a BRICS+ member since 2024—and have accused Abu Dhabi of providing bases, airspace, intelligence, and other facilities to the United States and Israel during the conflict (Al Jazeera, 2026; Iran International, 2026). The consequences for BRICS coordination were immediate and visible: the bloc's foreign ministers' meeting in New Delhi in May 2026, convened under India's chairship, closed without a joint statement on the war after the UAE blocked language Iran sought on responsibility for the conflict, and a deputy foreign ministers' meeting the previous month produced only a chair's summary for the same reason (Al Jazeera, 2026). This is not a marginal procedural failure; it is an empirical test of the cohesion this section's opening paragraph attributes to BRICS+ expansion: when a member's security relationship with Washington is placed in direct tension with bloc solidarity, the available evidence indicates that the bloc accommodates the member's relationship with Washington, not the other way around.

This episode clarifies what incentivises Gulf BRICS+ participation in de-dollarisation initiatives, which this study had previously left implicit. The UAE's interest in BRICS membership is best read as portfolio diversification rather than bloc loyalty: Abu Dhabi values the NDB's project-financing access, mBridge's payments infrastructure, and a seat at a Global South table, while continuing to host US military assets, deepen intelligence cooperation with Israel, and decline to subordinate that relationship to bloc consensus when the two come into conflict. Saudi Arabia's posture has been structurally similar, accepting BRICS+ membership while deferring full accession and maintaining its own security dependence on Washington. The strategic logic, in other words, is additive rather than substitutive: Gulf states are hedging their financial exposure to the dollar system at the margin while keeping their security architecture anchored to the United States, which is precisely the kind of conditional, reversible participation the structural-constraints framework introduced earlier in this article predicts. It also explains why the de-dollarisation momentum traced in the sections above is concentrated among the states with the least to lose from antagonising Washington—China and, more ambivalently, Russia—and is weakest among the newer BRICS+ members whose security guarantees still run through Washington.

7. Case Studies in Resilience: China and India Under Tariff Fire

The experiences of China and India, as the two largest and most economically dynamic members of the original BRICS bloc, offer compelling case studies in navigating the disruptions of Trump's tariff war and illustrate their distinct yet convergent strategies for economic resilience and strategic

realignment. Their responses not only shaped their individual trajectories but also significantly influenced the broader BRICS collective.

7.1.China's Strategic Recalibration

As the primary target of the Trump administration's tariffs, China faced the most direct and extensive economic pressure. The tariffs, covering hundreds of billions of dollars' worth of Chinese goods, forced Beijing to recalibrate strategically. Far from simply capitulating, China responded with a multi-pronged approach that accelerated existing long-term economic goals. One key aspect was the intensified focus on the Belt and Road Initiative (BRI), which became an even more critical vehicle for diversifying trade routes and strengthening economic ties with countries across Asia, Africa, and Europe, thereby reducing reliance on traditional Western markets (Wang, 2024; Zongyuan, 2023). This strategic pivot aimed to create new demand centres and supply chain nodes outside U.S. trade policy's direct influence.

Concurrently, the tariff war strongly spurred China's push to internationalise the Renminbi (RMB). At the same time, a long-term ambition, the perceived weaponisation of the dollar, underscored the urgency of promoting the RMB for international trade and investment. Chuin (2024) extensively detailed "the renminbi's long march," highlighting how events like the tariff war contributed to its gradual, albeit challenging, ascent as a global currency. China actively encouraged its trading partners to settle transactions in RMB and expanded its network of currency swap agreements (Xinhua, 2024b). Domestically, China also accelerated efforts to boost internal consumption and innovation, aiming to reduce its export dependence and build a more self-reliant economy, a strategy often referred to as "dual circulation[11]." This comprehensive response demonstrated China's capacity for strategic adaptation amid external economic shocks.

7.2. India's Pragmatic Balancing Act

India's response to the tariff war was characterised by a pragmatic balancing act, seeking to protect its own economic interests while navigating complex geopolitical dynamics. While not the primary target of U.S. tariffs, India was affected by the broader global trade slowdown and the increased uncertainty. India's strategy involved actively diversifying its trade partners and exploring alternative payment mechanisms to reduce its vulnerability to external pressures. This was particularly evident in its energy imports, where India pushed back against demands to pay for Russian oil in yuan, instead seeking to maintain currency flexibility and explore other options (Roy et al., 2023).

India also capitalised on opportunities arising from the global supply chain disruptions. As some companies sought to de-risk their operations from China, India positioned itself as an attractive alternative manufacturing hub, leveraging its large domestic market and growing skilled labour force. Furthermore, India's trade with Russia, particularly in energy, surged to record highs even amid Western sanctions (Sputnik, 2024a). This increased trade, often conducted outside traditional dollar-denominated channels, underscored India's pragmatic approach to maintaining economic ties and securing vital resources, even with partners facing Western pressure. India's nuanced response demonstrated a commitment to strategic autonomy, prioritising economic development and energy security while carefully managing relationships with major global powers.

This "strategic autonomy" reading, however, understates how directly Washington has since constrained India's energy-currency choices, and the more recent record is worth setting out because it bears on the limits of de-dollarisation-by-proxy rather than confirming it. In August 2025, the United States imposed an additional 25 per cent tariff on Indian exports—on top of an existing 25

[11] "Dual Circulation" Strategy (China): A Chinese economic development strategy introduced in 2020, emphasizing the strengthening of the domestic market ("internal circulation") as the primary driver of growth, complemented by and interconnected with international trade and investment ("external circulation"), aimed at increasing self-reliance and resilience.

per cent reciprocal tariff—explicitly to penalise India's continued purchases of Russian crude. President Trump repeatedly threatened to raise that penalty as high as 500 per cent (Council on Foreign Relations, 2026). The pressure had a measurable effect: India's Russian oil imports fell to a thirty-eight-month low in December 2025, and in February 2026 India and the United States concluded a trade agreement under which Washington reduced its reciprocal tariff to 18 per cent and withdrew the additional 25 per cent levy, with Trump publicly claiming—though New Delhi did not officially confirm—that India had agreed to replace Russian crude with American and Venezuelan supply (Council on Foreign Relations, 2026; CNN, 2026). A US Supreme Court ruling shortly thereafter, finding that Trump lacked statutory authority to impose the broader tariff regime under the International Emergency Economic Powers Act, has since restored India some room to maintain reduced but non-trivial Russian purchases (CNBC, 2026). The sequence illustrates the precise mechanism by which the tariff war's accelerant logic meets its structural ceiling: India had every incentive, consistent with this study's argument, to diversify away from dollar-clearing oil settlements and toward energy autonomy, yet it was tariff and sanctions leverage applied directly through the dollar-based trading system—not BRICS coordination—that ultimately moved Indian import volumes, and India's own public position throughout has been to defend its energy-sourcing flexibility rather than to frame the dispute as a de-dollarisation stand. India's case thus illustrates the asymmetry this article's structural-constraints framework predicts: a BRICS founding member can deepen non-dollar energy trade with Russia while remaining acutely responsive to dollar-denominated US tariff coercion, because its core security and growth strategy continues to run through, rather than around, the Western financial and trading system.

7.3. The Broader Implications for BRICS Cohesion and Divergence

China and India's experiences under tariff pressure, while shaped by their economic structures and geopolitical positions, reinforced the broader BRICS narrative of pursuing greater economic sovereignty. Their efforts to diversify trade, promote national currency settlements, and explore digital payment solutions contributed to the bloc's collective momentum toward de-dollarisation. While economic disparities and geopolitical tensions certainly exist within BRICS, the shared experience of external economic coercion, exemplified by the tariff war, fostered a stronger sense of common purpose. It highlighted the mutual benefits of intra-bloc cooperation in building resilience against a unipolar financial system. The tariff war therefore inadvertently strengthened the strategic rationale for BRICS cohesion, even as individual members pursued distinct paths to economic security.

8. The Institutional Architecture of Alternative Finance

8.1. The New Development Bank: From Concept to Reality

The BRICS New Development Bank (NDB)[12] is the bloc's most tangible institutional expression of its desire to create alternatives to Western-dominated financial institutions. Established in 2015 with initial capital of $100 billion, the NDB was designed to provide infrastructure financing for developing countries without the conditions typically imposed by Western-led institutions.

Table 5: BRICS New Development Bank (NDB) Financial Performance

Metric	2015	2016	2017	2018	2019	2020	2021	2022	2023
Authorised Capital (USD Billions)	100	100	100	100	100	100	100	100	100

[12] New Development Bank (NDB): A multilateral development bank established by the BRICS states in 2014, aimed at mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies, offering an alternative to traditional Western-led financial institutions like the World Bank.

Table 5: BRICS New Development Bank (NDB) Financial Performance									
Metric	2015	2016	2017	2018	2019	2020	2021	2022	2023
Paid-in Capital (USD Billions)	0	2	6	10	10	10	10	10	10
Total Loans Approved (USD Billions)	0	1.5	2.5	5.0	10.0	15.0	20.0	25.0	30.0
Number of Projects	0	7	11	20	35	50	65	80	95

Note: *The New Development Bank (NDB), established in 2015 with an initial authorised capital of $100 billion, plays a pivotal role in fostering infrastructure and sustainable development projects across BRICS nations and other emerging economies. Its consistently rising volume of loan approvals underscores its expanding operational capacity and growing influence in multilateral finance. This robust financial performance highlights the NDB's commitment to providing alternative funding mechanisms that support the developmental aspirations of its member states and beyond.*

The bank's performance during the war period demonstrates both the potential and limitations of BRICS institutional cooperation. While the NDB successfully financed numerous infrastructure projects across member countries, its ability to provide an alternative to Western capital markets remained limited. The bank's operations were still conducted primarily in dollars, highlighting the continued dominance of the American currency even in supposedly alternative institutions. However, the NDB's establishment created important precedents for future cooperation. It demonstrated that BRICS nations could successfully create and operate international financial institutions. More importantly, it provided a platform for developing expertise in alternative financial governance, which would prove crucial for future initiatives.

8.2. The Contingent Reserve Arrangement: A Test of Solidarity

The Contingent Reserve Arrangement (CRA)[13] was designed to provide liquidity support to member countries during balance-of-payments crises. With $100 billion in committed funds, the CRA was intended to serve as an alternative to IMF assistance, without the policy conditions typically imposed by Western-led institutions. The CRA's most significant test came with the Western sanctions on Russia following the 2022 invasion of Ukraine. As Marsh & McLellan (2022) document, Russia was effectively frozen out of the CRA, despite being a founding member. This development highlighted the complex political dynamics within BRICS and the challenges of maintaining solidarity amid conflicting political pressures. The CRA episode also demonstrated the limitations of alternative financial institutions when they remain dependent on Western-dominated financial systems. BRICS nations' inability to provide meaningful support to Russia, despite their institutional commitments, highlighted the need for more comprehensive alternatives to Western financial infrastructure.

8.3. The Digital Currency Frontier: Building Alternative Payment Systems

The development of digital currency systems represents perhaps the most promising avenue for creating truly alternative financial infrastructure. Unlike traditional financial institutions, which remain dependent on existing banking systems, digital currencies can potentially create entirely new payment networks. The Chinese digital yuan, which has achieved significant domestic adoption, represents the most advanced national digital currency among major economies. With over 260 million users as of 2023 (Statista, 2023), the digital yuan has demonstrated the practical feasibility of large-scale digital currency systems. More importantly, international cooperation on digital currencies has accelerated dramatically. Project mBridge, which reached its minimum viable product stage in 2024 (Bank for International Settlements, 2024), demonstrates the technical feasibility of

[13] Contingent Reserve Arrangement (CRA): A self-managed BRICS liquidity mechanism designed to provide member states with short-term liquidity support in times of balance of payments crises, serving as an alternative or complement to the International Monetary Fund (IMF).

direct digital currency exchanges between nations. This project involves central banks from China, Hong Kong, Thailand, and the UAE, creating a practical foundation for bypassing dollar-denominated systems. The implications of these developments extend far beyond their immediate technical capabilities. By creating alternative payment systems, BRICS nations are building the infrastructure for a post-dollar international monetary system. While the immediate impact may be limited, the long-term implications are potentially revolutionary.

9. The Gold Standard: A Return to Commodity Money?

9.1. The Renewed Interest in Gold

One of the most significant developments in BRICS monetary policy has been the renewed interest in gold as a reserve asset. Central bank gold purchases reached historic levels in recent years, with total demand from central banks up 8% in the first quarter of 2024 from the previous year (World Gold Council, 2024). This renewed interest in gold reflects several factors, including concerns about fiat-currency stability and a desire to diversify away from dollar-denominated assets. As Green (1999) notes, central bank gold reserves have historically served as a hedge against monetary instability and a symbol of monetary sovereignty. BRICS nations' accumulation of gold reserves has been particularly notable. China, Russia, and India have all increased their gold holdings significantly in recent years, with many transactions conducted outside traditional Western markets. This 'off-market' accumulation suggests a desire to avoid the sort of asset freezes that affected Russian reserves following the 2022 sanctions.

9.2. The Geopolitical Implications of Gold Accumulation

The strategic accumulation of gold by BRICS nations has important geopolitical implications. By diversifying their reserves away from dollar-denominated assets, these nations are reducing their vulnerability to potential asset freezes or other forms of financial coercion. More importantly, gold accumulation provides a foundation for alternative monetary arrangements. While a return to the gold standard is unlikely in the modern era, gold holdings could back alternative currency arrangements or enable international trade outside dollar-denominated systems. The psychological impact of gold accumulation should not be underestimated. For many political leaders and populations in BRICS nations, gold represents a form of monetary sovereignty that is independent of Western financial systems (Badawi, 2024). This symbolic importance may be as significant as any practical benefits.

10. Emerging Challenges and Limitations

10.1. Internal Contradictions Within BRICS

Despite the narrative of unified opposition to Western financial hegemony, BRICS nations face significant internal contradictions that limit their ability to create comprehensive alternatives. As discussed above, Russia's effective freezing-out of the CRA following the 2022 sanctions, and the UAE's blocking of joint BRICS statements during the 2026 Iran war, are two instances of the same underlying pattern: institutional solidarity within BRICS yields to members' individual political and security relationships with the West whenever the two come into direct conflict. These contradictions stem from the diverse political systems and economic structures of BRICS nations. While China and Russia have authoritarian systems that facilitate rapid policy coordination, India, Brazil, and South Africa have democratic systems that create more complex decision-making processes. These differences can complicate efforts to create unified policies or institutions. Economic disparities within BRICS also create challenges. While China represents the world's second-largest economy, other BRICS nations have much smaller economies with different structures and priorities. These disparities can create tensions over resource allocation and policy priorities within joint initiatives.

10.2. The Persistence of Dollar Dominance

Despite efforts to create alternatives, the dollar's dominance in international finance remains largely unchanged. As the Bank for International Settlements (2022) notes, the dollar still accounts for 88% of foreign exchange transactions, while alternative currencies remain marginal in international trade. This persistence of dollar dominance reflects several factors, including the liquidity and stability of dollar-denominated markets, the network effects of existing financial systems, and the continued attractiveness of US assets for international investors. Sterling's (2024) analysis of dollar valuation suggests that while the dollar may be overvalued, it remains the preferred store of value for many international investors. The challenge of displacing the dollar is compounded by the fact that many BRICS nations continue to rely on dollar-denominated trade and finance. Even as these nations seek to create alternatives, they remain dependent on existing systems for much of their international economic activity.

10.3. Technological and Regulatory Challenges

Developing alternative financial systems faces significant technological and regulatory challenges. While digital currencies offer promising possibilities, they also create new risks and complications. Ensuring security, stability, and interoperability across different systems creates complex technical challenges. Regulatory challenges are equally significant. Developing alternative financial systems requires coordination across different regulatory regimes, which can be complicated by differing legal traditions and political systems. Maintaining compatibility with existing international financial regulations while creating genuinely alternative systems creates inherent tensions.

11. Future Scenarios and Implications

11.1. The Gradual Emergence of a Multipolar Monetary System

The most likely future scenario involves the gradual emergence of a multipolar monetary system, with multiple reserve currencies and financial centres. This system would not necessarily eliminate the dollar's dominance but would create viable alternatives that could reduce the risks of relying on any single currency. As Lu (2023) projects, the global economy is expected to continue shifting toward emerging markets, with BRICS nations potentially accounting for 50% of global GDP by 2050. This economic rebalancing would naturally translate into greater monetary influence for these nations. The development of digital currencies and alternative payment systems would facilitate this transition by providing the infrastructure for direct currency exchanges and reducing the need for dollar intermediation. While the immediate impact may be limited, the long-term implications could be revolutionary.

11.2. The Potential for Monetary Fragmentation

A more pessimistic scenario involves the international monetary system fragmenting into competing blocs. This scenario would involve separate financial systems operating independently of one another, potentially reducing economic integration and increasing geopolitical tensions. This fragmentation could be accelerated by continued use of financial weapons by major powers. If the United States continues to use its financial leverage for geopolitical purposes, or if other powers develop similar capabilities, the incentive for creating separate financial systems would increase. The costs of monetary fragmentation would be significant, including reduced economic efficiency, increased transaction costs, and reduced ability to address global economic challenges. However, the risks of financial weaponisation may make this fragmentation unavoidable.

11.3. The Strategic Imperative for Continued Cooperation

Regardless of the specific future scenario, the strategic imperative for continued cooperation among BRICS nations remains strong. The benefits of coordinated action in monetary policy, financial regulation, and institutional development far outweigh the costs of independent action. The success of future BRICS initiatives will depend on member nations' ability to manage internal contradictions

while staying focused on shared strategic objectives. This will require sophisticated diplomatic management and a commitment to pragmatic cooperation over ideological purity.

Concluding Remarks: The Unforeseen Accelerant of Monetary Pluralism

The Trump administration's tariff war, initially conceived as a unilateral assertion of economic might, has, as this study demonstrates, paradoxically functioned as an unforeseen accelerant in the ongoing recalibration of global economic power. Far from merely disrupting trade flows, this aggressive economic statecraft served as a profound stress test on the existing dollar-centric international monetary order, inadvertently compelling BRICS nations to intensify their pursuit of economic sovereignty and lay further groundwork for a multipolar financial future. My theoretical framework, centred on the weaponisation of interdependence and the gravitational pull of de-dollarisation, illuminates how the very mechanisms of global integration were leveraged to exert pressure, thereby exposing vulnerabilities and galvanising a collective imperative for autonomy within the BRICS bloc. This was not a pre-planned revolution but a strategic adaptation to perceived coercion. From accelerated discussions on national currency settlements to the growing interest in and development of Central Bank Digital Currencies (CBDCs) and cross-border digital payment initiatives, the conflict underscored the urgent need for resilient, independent financial pathways. Yet, as the structural-constraints analysis and the India and BRICS+ cases developed above make clear, this trajectory is neither linear nor guaranteed: liquidity and network effects continue to favor dollar incumbency, fiscal and monetary divergence among BRICS members forecloses a currency-union-style alternative, and the willingness of several BRICS+ members—most starkly the UAE during the 2025–2026 Iran war, and India under sustained US tariff pressure—to subordinate bloc solidarity to their individual relationships with Washington when the two conflict sets a real ceiling on how far coordinated de-dollarization can travel. The more defensible claim, and the one this article advances, is not that the tariff war is dismantling the dollar's centrality, but that it has measurably accelerated the “go-it-alone” infrastructure-building track of BRICS monetary cooperation—parallel payment systems, swap lines, gold accumulation, and CBDC experimentation—while leaving the reform of existing Western-led institutions largely unmoved. The enduring legacy of this economic provocation, in other words, is a more multipolar financial infrastructure operating alongside continued dollar centrality, rather than its replacement.

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BRICS in the Emerging Global Order

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ABSTRACT

This article examines the impact of Trump's new international order on the BRICS+ countries to date. BRICS+ aims to achieve equal representation on the world stage, compete successfully with the G7, and gradually wean itself off the dollar by creating a parallel currency. The West's decline and Trump's preference for the rapidly rising South significantly strengthen BRICS's international position, provided they do not threaten the dollar's primacy. If they dare to do so, their exports are threatened with tariffs equal to 150% of their value. It is still too early to assess the impact of tariffs on the BRICS+ countries. In any case, however, these effects will vary by country, and no dramatic consequences are predicted.

1. Introduction

In his second presidential term, Donald Trump announces, almost daily, radical changes to the international order that fundamentally overturn the foundations that have prevailed since the end of World War II and until recently. Although these upheavals are probably not yet complete, this article will attempt to explore their impact so far on the international position and expected developments of the BRICS countries. In addition, predictions will be made regarding the nature of the future international trading regime. In an earlier article on the BRICS (Negreponti-Delivanis, 2024), I argued, among other things, that the main reason for their creation was Southern countries' intense dissatisfaction with the dismissive way the West treated them and its refusal to recognise their economic achievements. This almost offensive treatment had created an unquenchable hatred of the West, especially from their two leading countries, China and Russia. The main objectives of the BRICS can be summarised as an effort to overturn the existing international order and replace it with another, very different from the present one, which would ensure them an equal presence on the international stage. A more specific ambition was to compete with and surpass the G7 of the world's strongest economies.[1] More importantly, one of BRICS's initial goals was to gradually replace the dollar as the international reserve currency with another currency. Obviously, this would be the Chinese renminbi and the Russian ruble. From 2009, when the BRICS countries formalised their presence on the international stage, until Donald Trump's second election as US president, this group has achieved significant successes in numerous areas. Starting with their five founding members, Brazil, Russia, India, China, and South Africa, they have now doubled their initial membership with the addition of Egypt, Iran, Ethiopia, Indonesia, and the United Arab Emirates (UAE), while numerous candidate countries from the South are crowding in to join the group.

In addition to the impressive increase in their membership, the BRICS countries, which already appear as BRICS+ but also as the integrated South, are reaping laurels as a major economic power internationally and as an overwhelmingly large percentage of the world's population. Relevant indicators, alongside the South's successes, also reflect the West's ongoing decline, which has already been in a long period of stagnation (Negreponti-Delivanis, 2020). While in 1992 the BRICS countries

[1] Which does not include China and Russia, although the new world leader recently promised Russia's entry into it

accounted for 16.7% of global GDP, that figure rose to 37.4% in 2024. This rise in BRICS' share reflects the G7's decline, from 45.5% in 1992 to 29.3% in 2024. In 1992, the BRICS countries accounted for 16.7% of global GDP; by 2024, this figure had risen to 37.4%. The same picture of BRICS's rise and the simultaneous decline in the G7's economic power is also evident in trade, where the BRICS dominate the energy, food, and metals markets (ANI, 2024). However, despite these significant economic achievements, BRICS' influence on world affairs remained limited, and their successes went largely unrecognised (Papa, 2025). The delayed recognition of the BRICS countries as competitors to the US likely stems from their efforts to maintain a low profile to avoid provoking a reaction from the West. Moreover, from the US perspective, the main reason for the delayed recognition of BRICS' successes was the West's absolute dominance, based on liberal democracy and everything that ideology entailed. Based on this, which the West recognised as the only form of government, as well as on its implications[2], all other countries in the world that lived under regimes different from liberal democracy were seen as inferior. Not only that, but the West also considered it its duty, at times, to bring them, even by force, even through military conflicts, onto the right path.

The entire non-Western world experienced the West's contemptuous attitude from the end of World War II until Trump's second rise to power. The world was thus divided into two: first- and second-class citizens. And, precisely, the creation of BRICS, and even more so BRICS+, was an organised effort by states that were despised by the prevailing international system to gain respect, mainly through their rising economic power. In his second term, Trump is putting into practice, without warning, some of the doubts he let slip since he first came to power. He is lowering the flag of Western liberal democracy, both as an ideology and as a form of government, indirectly proving right its long-standing critics, who argued that its imposition was anti-democratic (Ang, 2018). At the same time, the new world leader has also abolished free trade and globalisation because he is convinced this system exploits America. At the same time, he is limiting, to the point of abolition, the power of international law and many international organisations. In place of all the above, the new world leader is introducing tariffs as a decisive weapon to enforce his central goal: to "make America great again." Based on the disruptive abolitions, which have not yet been replaced by other regulatory rules of international relations, apart from the imposition of tariffs at the discretion of the US President, it could be argued that the world lacks a clear international order.

I return to the BRICS+ to examine, in the two main parts of this article, the position reserved for them by the new situation imposed by the US President on the world, their new field of action, but also their weaknesses.

2. The BRICS in the New Multipolar System of the World

Suddenly, though somewhat expected, a major upheaval is sweeping across the globe with the abolition of the long-standing international order that had contemptuously pushed the BRICS countries into a corner. The new world leader, with these moves, which, for the time being, abolish the old international order without replacing it with a new one, at least visibly, is trying to distance itself as fast as possible from the declining West. With the abolition of the old international order, everything that represented the West automatically ceases to exist, or in other words, the special bond between the world's privileged economies, which were sufficiently developed, which bowed to the regime of liberal democracy, which had a condescending contempt for countries outside the West, and which, of course, tacitly recognised the primacy of the United States.

All these privileges and special values, which the West had enjoyed for decades immediately after the end of World War II, were abandoned by Trump in an instant. Therefore, there is no longer a West, with all that it represented, but there is also no longer a leader to shape the world's fate. The new ruler of the planet is not interested in the rest of the world outside America, on which he wants to focus to heal the wounds of its decline as much as possible and thus delay the inevitable change of

[2] Which are reminiscent to some extent, and with all due respect, of the ancient belief that "anyone who is not Greek is a barbarian."

guard at the top of the world, where China is invading unchallenged, accompanied by the integrated South (Negreponti-Delivanis, 2025). This move by Trump, in combination with other parallel moves, outlines an emerging new international order, which is already surrounded by movements and intentions that have not yet been finalised but, if they do not change along the way, are summarised in section A. Next, in section B, I will attempt to illustrate the new opportunities opening for the BRICS countries, and how they should take advantage of them to achieve the best possible results.

2.1. The New Physiognomy of the Globe

The new world leader's preferences so far have led to a loss of interest in the globe, with his attention focused exclusively on America. However, this impression is partly incorrect, because his indifference to global governance is linked to parallel preferences that mitigate it to a significant degree. Indeed, Trump is turning away from the West because he is trying to disassociate himself from its rapid decline and its leaders, especially those of the EU, whom he shows he does not appreciate.[3] On the contrary, he admires the leaders of the rising South, as well as their non-systemic governments. Everything indicates that he wants to share with them a new form of control over and shaping of what is happening on the globe. Among these leaders, with whom he seems to want to align himself, Trump singles out Putin and Xi Jinping, admiring, among other things, that they rule illiberal democracies, that they are patriots and love their country, and that they have not embraced the woke agenda. A possible collaboration with them, even with particularly flexible rules that would create some rudimentary international order, would certainly face significant obstacles. The first, and I would say the most decisive, is how some form of cooperation could be established between Trump and the Chinese leader, given that the latter represents the former's main opponent. Specifically, the latter appears ready and comfortable to take over the governance of the world, marginalising the American leader. And as was evident at the large gathering of young leaders in Tianjin from September 31 to October 1, 2025, all of whom belonged to the integrated South, if not all to BRICS+, it was revealing of the confidence, ease, authority, and grandeur with which the Chinese leader behaved as the future ruler of the world (Thibault, 2025). Subsequently, the cordiality and honours with which Trump surrounded Putin, humiliating the EU, which found itself suddenly marginalised, showed that he would dearly love for him to abandon Jin Ping. A wish that, however, seems unfulfillable for many obvious reasons.

2.2. The Position of the BRICS in the New International Environment

And suddenly, without any effort on their part, the BRICS+ found themselves in an environment in which most of their initial aspirations and concerns seemed to have been resolved. First, they no longer have the West against them, which used to belittle them and refuse to recognise their important achievements. Although the new global regulatory framework has not yet taken shape, everything points to the conclusion that it will be multipolar, and that the leaders of the BRICS, China and Russia, but probably also India and perhaps Japan. Thus, the initial goal of the BRICS, which would have been very difficult to achieve through their own efforts alone, was miraculously achieved without them having to engage in any relevant struggles. With this new, still-undetermined status, India, as a member of BRICS+, which wants to maintain good relations with the US, is also facilitated, as the old tension between the West and the South no longer exists, at least in its traditional form.

One reasonable question in the new world order is whether Trump's cooperation with the two leaders of BRICS+ will be sincere and constructive. I fear the answer will be controversial. This is because, after so many years of tense relations between these two worlds, an unquenchable hatred has been created on the part of those who have been marginalised in the oppressed South. It is therefore

[3] He seems to have singled out the European countries with which he wishes to have relations, while abandoning the rest to their fate. The countries selected, based on rumors of a new US doctrine that has not been formalized and is called "Make Europe Great Again," are Italy, Austria, Poland, and Hungary (i.e., countries that have resisted many EU decisions and have had a pro-American policy).

unlikely that the wounds that are still open will heal so quickly that a climate of trust can be established on both sides. Added to these inherent difficulties is the inability to predict Trump's next move, whose current aspirations and methods do nothing to normalise relations on both sides. In any case, the EU will no longer be critical and contemptuous of the BRICS+, since the new world leader seems to condemn it to "cultural extinction" (Smolar, 2025), threatening its dissolution. Apart from Elon Musk, the US, China, and Russia[4] also want (and obviously seek) the dissolution of the EU. Thanks to these international upheavals, the BRICS+ countries are securing a respectable presence on the world stage. Furthermore, they are participating in international affairs within the multipolar system promoted by Trump. The comfortable conclusion, therefore, based on the analysis so far, is that BRICS+ has achieved its main objectives in a spectacular way, and from now on it is free to enjoy its new international position. From now on, their aspirations will not be specific, because the West pushed them into a subordinate position; instead, they will more broadly focus on issues that concern the world. However, there is another side to the coin, which does not show BRICS as free of problems. The big question that now logically arises is whether continuing their struggle to gain recognition of their international presence and strengthen it is justified, since the dark sides have now been addressed.[5] There is therefore a clear risk that they will pursue their goals with less intensity, since these seem to have been achieved as if by miracle.[6] However, if unexpected adverse changes occur, they will be left unprotected. Despite the optimistic picture that seems to have been created for the BRICS, key questions remain about the choices they should make in the future, as well as the risks that will likely continue to threaten them.

3. The Future of the BRICS

The leaders of the BRICS countries are, as is well known, the leaders of China and Russia. It is therefore logical to assume that these two leaders will steer the decisions and overall behaviour, as well as, to a large extent, the fortunes of the BRICS countries. The first question that needs to be explored, therefore, question that needs to be explored is whether these two leaders have confidence in the new world leader. To what extent have his courtesies towards the two leaders dispelled their fears and doubts about his sincerity?

3.1. The New Basis of Relations between the Leaders and the BRICS

How reassured can they be about future developments that directly concern them, with Trump facing them, who, moreover, changes with astonishing ease and speed decisions and measures he judges no longer serve his goals or have proven wrong? And above all, is it possible that the disappointments, fears, humiliations, and terror that the leaders of China and Russia have endured over the decades since the end of World War II have disappeared as if by magic? Even though Putin has stopped lashing out at the US with his former vehemence, forgetting the bad events of decades past does not seem easy and may also be dangerous. Thus, everything points to the relationship between the leaders of the US, China, and Russia being closer to a love-hate relationship than to sincere friendship. But beyond the bad experiences of past decades, the three world leaders are fully aware that Trump's friendly gestures, even if they seem innocent and without ulterior motives, are nevertheless, at every moment, based on his effort to prevent China's rapid development of new technologies by any means necessary. Therefore, despite appearances, these relations rest on both sides' attempts to gain partial advantages, knowing that insincerity and a lack of trust remain at their core. Furthermore, another thorn in relations among the leaders of the US, China, and Russia is Trump's hidden but still visible hope of winning over Putin, whom he admires and recognises for his abilities and leadership qualities. This may also explain why Trump is proposing an end to the war in Ukraine, with particularly favourable solutions for Russia, frequently talks to Putin on the phone,

[4] Publication by the American Defense One in European capitals, presenting an unpublished, more extensive version of the new National Security Strategy (NSS), which proposes the gradual withdrawal of four states from the EU
[5] For the reasons that led to the creation of BRICS, see the introduction to this article
[6] Of course, at present there are still no examples of the new form of cooperation between the South and the G7 countries being implemented, so it is not possible to draw any definite conclusions

and has stated his intention to include him in the G7 (what remains of it). However, Putin is extremely unlikely to abandon Xi Jinping. This is because he owes him significant, multifaceted assistance during the war in Ukraine; because he is a serious leader unlikely to break his word; and, above all, because he cannot trust the American leader. These points lead to the conclusion that it is unreasonable to expect BRICS+ to suspend their action plans in light of the international upheavals. Under the current circumstances, however, it seems certain that radical changes will be needed, if only to keep up appearances. In other words, it is inconceivable that, now that Trump has introduced a multipolar system, which was at the top of the BRICS+ agenda, and now that it is being offered to them on a silver platter, they will continue to operate as outsiders to the system, harbouring hatred toward a West that no longer exists, with Trump as its sole remaining representative. Under these new circumstances, BRICS+ will most likely continue to develop unhindered, gain ever greater economic influence in international affairs, and participate with an ever-increasing share of the world's population[7], overwhelming the G7, whose population is declining.

Beyond the above, the new international conditions will almost certainly force BRICS+ to abandon their goal, which was certainly their primary and most decisive objective, of dealing a blow to the US. I am referring, of course, to BRICS' intention to create a parallel currency to replace the US dollar as the international reserve currency. For this reason, and although Trump, at least for the time being, has not paid much attention to BRICS+ and their individual activities and aspirations, he was nevertheless quick to threaten them with 100% tariffs on their products if they continue to work on ways to weaken the dollar (McKibbin, 2025). Indeed, Trump, unlike Biden and Janet Yellen, perceived the BRICS+ initiative to create a currency competitive with the dollar as a significant threat that must be eliminated at all costs. Trump, therefore, demands guarantees that BRICS+ will not proceed with a parallel currency to the dollar.

Let me remind you that BRICS+, since 2023-24, has pursued a long-term effort to free itself from dependence on the US dollar. This gradual de-dollarisation was intended to free its members from the effects of Western sanctions, especially those imposed by the US, and to reduce reliance on international payment systems such as SWIFT. But the BRICS+ de-dollarisation effort was also, and above all, aimed at replacing the dollar internationally with its own currency, dealing it a fatal blow. These efforts by the BRICS+ to de-dollarize intensified with the war in Ukraine and the sanctions against Russia, as well as the West's threats to freeze Russian deposits in Belgium.[8] So far, the consequences of BRICS' efforts to limit the dollar's international reach have not been significant. While the dollar's share as an international reserve currency was 72% in 1999, it fell to 58% by 2024 (McKibbin, 2025). However, BRICS+ continues its collective efforts to reduce its dependence on the dollar gradually. Specifically, BRICS+ facilitates payments in local currencies, increases its gold reserves, and creates alternatives such as the New Development Bank to reduce dependence on the dollar, especially to avoid sanctions. However, the dollar remains dominant, and BRICS+ aims to weaken it gradually rather than overthrow it immediately.

Trump's reactions, including threats to impose devastating tariffs on BRICS+, show that he takes the risk to the dollar very seriously, due in part to the actions and intentions of BRICS+. Alongside Trump's opposition to BRICS' actions, he then turns his attention to free trade. His main reason for this opposition is his belief that globalisation destroys America, as he attributes an excessively high and rising trade deficit to it; the deficit reached $918 billion in 2024 (Swanson, 2024). This brings us to the truly frightening level of US foreign debt, which threatens uncontrollable consequences if the dollar ceases to be desirable as an international currency. Specifically, the US foreign debt (debt to foreign entities) is enormous, with approximately $28.6 trillion in gross foreign debt in mid-2025. Total US national debt (including domestic holdings) exceeded $38 trillion at the end of 2025, a

[7] The population of the old West is predicted to decline steadily, as one of the main consequences of the decline into which it has inevitably fallen

[8] For the time being, the relevant decision has been postponed indefinitely, and the existence of serious objections reinforces the view that it will not be brought back for discussion

significant portion of which foreign governments and investors hold (over $9 trillion in US government bonds by the second quarter of 2025). Foreign holdings represent a large but declining share of total public debt, with Japan and the United Kingdom being the main foreign holders.

In light of this threatening debt, it seems very likely, and also logically tenable, to argue that the choice of tariffs as the dominant US economic policy measure is primarily aimed at controlling this enormous external debt. Although, as is well known, a tariff war never guarantees it will achieve the initially desired results, encouraging signs already suggest the choice is justified. Specifically, the Congressional Budget Office (CBO), which is the independent fiscal watchdog of the US, estimated in June this year that the increase in revenue based on the new tariffs imposed by the US between January 6 and May 13, 2025, is expected to reduce the cumulative US public debt by $2.5 trillion for the decade to 2035 (Chu et al., 2025). Despite the parallel losses in working hours and growth rate, reducing US public debt is considered extremely important to maintaining the dollar's status as an international reserve currency. Along with controlling US debt, tariffs also serve an additional, equally important goal. Specifically, they relate to the new world leader's attempt to slow down China's rise to the global throne. In other words, the US wants to gain a few years as China's inevitable successor at the top of the world. Specifically, through tariffs, America seeks to buy time to increase its self-sufficiency, mainly in new technologies, while also slowing China's growth rate.

3.2. The Reactions of the BRICS

One serious difficulty for BRICS+ in presenting itself as a unified whole, with one voice, is that the economies and political structures within it do not face the same opportunities and problems; therefore, their reactions cannot be the same. This general observation means that Trump's tariffs will not affect all BRICS+ economies to the same extent. Although it is too early to conclude in this highly unstable area[9], initial research highlights the diversity of the consequences for the individual BRICS+ economies (Luck, 2025). However, before I draw any conclusions about the impact of Trump's tariffs on the BRICS, I want to note that the issue is awaiting a US court decision on whether this burden on individual economies is legal (Morgan, 2025). And if the answer is negative, the US will be obliged to return to the beneficiaries what it received from each of them in the form of tariffs. An important indication of the growing consensus among the BRICS+ countries, which is evident in Trump's imposition of tariffs, is the response of Indian Foreign Minister S. Jaishankar to Trump's threats: "The BRICS+ countries have a strong collective goal to promote the South and cooperation among its members, as well as to promote a multipolar world that will support them if Trump threatens to impose tariffs" (Parashar, 2025). The problems India is expected to face seem to be concentrated in areas such as IT and pharmaceuticals. The expected impact is predicted to be mild, mainly because their exports are directed to enough countries. For Brazil and South Africa, the impact of tariffs on their exports, which are concentrated in commodities, may be more severe and may slow their growth rate. BRICS+ struggles to present a unified front because its member economies and political systems have different challenges and opportunities, leading to varied responses. China's response to the tariffs is to seek closer trade relations with the EU; in any case, it has secured rising demand for its products from BRICS countries. Moreover, the tariffs are not expected to significantly harm China, which is implementing a plan to increase domestic demand, mobilising, for the first time in its history, services whose demand was less developed than in the rest of the world but has already increased significantly.

4. Conclusion

The very recent and very favourable developments for the future position of the BRICS on the international stage are related to the ongoing decline of the West, and especially Europe, with Trump's indifference and dose of anger towards it, the EU's obligation to take care of its own defence from now on, with its decision to militarise urgently, anticipating Russia's invasion, with numerous

[9] As evidenced by the constant and significant changes in their amount

bad decisions regarding the war in Ukraine, but above all, with its inability to foresee in time and prepare for the cross-cutting consequences of China's spectacular rise in world affairs.[10] The economic consequences of these changes are multidimensional and, at the same time, overwhelming. I will try to highlight those that mainly concern the conclusions expected here.

Although the political and economic diversity of the BRICS makes it difficult, if not impossible, to draw a conclusion about it as a whole, as noted above, it is still possible to draw a general conclusion about the future course of the BRICS. This course seems to justify the reasons for creating the BRICS. Everything indicates that the BRICS' position in the new international regime introduced by Trump will be infinitely better than it has been until now. I choose the following as specific explanations for this finding:

- First, Trump has dismantled the West, and therefore, the EU no longer counts in the governance of the world. Its position is logically taken by the BRICS, represented by their two leaders, the leaders of China and Russia.
- Second, Trump is against the decline and stagnation of the West, which is why he dismantled it and why he seeks to side with powerful leaders and emerging economies, provided, of course, that they do not threaten the primacy of the US. Consequently, the BRICS countries are at the forefront.
- Thirdly, the new international system introduced by Trump is multipolar, no longer unipolar. Consequently, the BRICS countries' voice will be heard and taken seriously.

The BRICS countries should avoid actions that would anger Trump, such as attacks on the dollar's primacy. At this point, the BRICS countries will need to consider whether their new privileged international position is secure, and above all, whether it is long-term, i.e., not subject to the volatility of the world leader's measures. But it is also worth considering if giving up the fight against the dollar is outweighed by BRICS's new privileged global status. As new situations and opportunities open up for the BRICS, it seems that good relations with the US are the only way forward. This, of course, involves risks if recent positive prospects are overturned. The new prospects opening for the BRICS countries seem positive and without hidden risks. First, India's presidency of BRICS in 2026 opens new horizons for cooperation with other economies of the South in areas such as advanced AI, health, and climate. Further cooperation among group members will also be positive, despite the significant differences that divide them. In the new international order, their achievements are now recognised, and the continuation of their growing economic power seems certain. Risks lurk everywhere. It is expected and hoped that the BRICS will minimise them and keep them under control as far as possible.

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[10] I predicted this back in 2018 (see footnote 3).

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Trump's Tariff War and BRICS: Disruption, Diversion, or Opportunity?

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ABSTRACT

The paper discusses how the U.S. tariff policies under President Donald Trump affect the BRICS economic bloc (Brazil, Russia, India, China, and South Africa) and its extended family. The research asks whether the Trump tariff war violated global trading norms, served as a distraction tactic to avoid geopolitical rivalry, or enabled economic partnership among emerging economies through negligence. The article will present three related arguments. First, Trump's tariffs disrupted international supply chains and undermined faith in multilateral trade principles, particularly those of the World Trade Organisation. Second, the tariff action, strategically focused on the spillover effects of the altered trade trend, targeted not only the BRICS but also other nations. Third, this was made possible by the BRICS countries' union into an alternative trade cooperation framework, in currencies and through South-South collaboration, reinforcing their policy of building a multipolar economic order. The qualitative policy analysis has been applied to an investigation of significant financial indicators, including trade flows, tariff statistics, and investment schemes, as well as the official proclamations and institutional reactions of the BRICS members. The article concludes that Trump's tariff war was undoubtedly a massive tsunami for the BRICS countries and ultimately shifted the bloc toward greater cohesion and a more assertive role in the global arena.

1. Introduction

Donald Trump's re-election to the White House has already been a major blow to the post-Cold War agreement on trade liberalisation that underpins the global economic framework. The turning point in that shift has been the new, more serious use of tariffs as a significant tool of American statecraft in the economy. Since being elected back to power, President Trump has removed tariffs on major trading partners, drastically reducing them to the point that the average American tariff rate is almost 17 per cent, the highest levels of tariffs experienced since the 1930s, when the term tariffs was initially coined. These, as revenge for centuries of trade deficits and as part of re-establishing home-based manufacturing, are at least not a normal trade war. They point to a long-term repositioning of U.S. trade policy that affects global supply chains, multilateral institutions, and the political economy of development. Trump's tariff policy is grounded in mercantilist views, which see national weakness in the trade deficit and argue that national interests should be pursued through bilateral leverage rather than multilateral rules (Nelson, 2019). Tariffs on steel, aluminium, cars, and other manufactured goods (most of which are of Chinese origin) have disrupted conventional trade patterns and created uncertainty in the global economy. On the one hand, supporters of such measures believe they rescue American workers and industries. Still, opponents argue that they raise supply prices, trigger retaliation, and undermine the rules-based trading system, as exemplified by the World Trade Organisation. Beyond the immediate economic effects, Trump's tariffs have taken on a strategic dimension and have become increasingly part of the geopolitical game, the

technological battle, and the struggle for economic sovereignty.

Against this backdrop of rising trade wars, the BRICS grouping has gained new relevance. Originally founded on the casual association of five large economies of a significant size, that is, Brazil, Russia, India, China, and South Africa, BRICS has since developed to denote a broader-based alliance that intends to provide the Global South with a more pronounced voice in the world, making economic policies. The latest expansion has brought in new members in Asia, Africa, and the Middle East, driven by growing dissatisfaction with Western-dominated organisations and the need to find alternative ways to collaborate (Ullah et al., 2024). BRICS countries account for a large share of the world's population, output, and trade, and the bloc may offer a solution to the problem of past economic powerhouses. A significant analytical dilemma lies in the overlap between the Trump tariff war and the BRICS expansion. On the one hand, higher tariffs and insecurity at international borders risk undermining export-led growth policies, blocking investment, and exacerbating vulnerabilities, particularly in developing economies with low fiscal buffers. By contrast, the re-emergence of the United States as a proponent of free trade may accelerate ongoing processes in BRICS: trade diversification, settlement in local currencies, institutional innovation through vehicles such as the New Development Bank, and greater attention to South-South cooperation. This article assesses whether the current moment is a crisis, a strategic inflexion point, or a window of opportunity, based on an analysis of Trump's tariff policy and the evolving economic policies of BRICS members. It also contributes to broader arguments on economic nationalism, great-power politics, and the future of global financial management in an increasingly fragmented world.

2. Background: Trump's Tariff Policies

2.1 Tariffs as a Policy Instrument

Conventionally, tariffs have been used sparingly as a policy instrument to safeguard domestic industries, balance trade, and support political will in economic policies worldwide (Balassa, 1965). Nevertheless, during Donald Trump's presidency, tariffs ceased to be seen as a supporting tool in trade policy. They became a pillar of the American state's economic policy. The tariff policy was unprecedented in its frequency and extent. Most importantly, for the first time in decades, Trump defied the liberal trade policy that had guided American policy. By 2025, the average tariffs in the United States will have soared dramatically as part of the new America First agenda. The objective above is to save American manufacturing jobs and end the chronic trade deficit, particularly with China (AP News) unlike the tariff wars in the old days, which were limited to specific sectors or dumping, as in the case of Trump, the Trump tariffs were an all-encompassing deal covering as many products and partners as possible (Tower et al., 2025). Nominal tariff rates and actual tariff rates rose to 50 per cent or more on certain products, such as steel, aluminium, and copper, to bolster local industrial capacity and reduce reliance on foreign supply chains.

This policy was characterised by tariffs imposed on large emerging economies (Bown et al., 2014). China remained the primary target amid intensifying strategic and technological rivalry, and India was already feeling targeted pressure from tariffs and further aggravation of economic and geopolitical confrontations (The Indian Express). Moreover, Trump hinted at the possibility of imposing tariffs on countries perceived to favour the BRICS, which are portrayed as being anti-American, and further linking trade policy directly to geopolitics (Bouoiyour et al., 2018). Proponents argue that these tariffs are a bargaining tool to safeguard national interests and restore trade equilibrium. Opponents, however, claim they disrupt global supply chains, raise input prices, strain consumers, and trigger retaliatory measures, making the global trading system even more unstable.

2.2 Scope of Trump's Tariff Escalation

Trump's tariff policies also signalled an abrupt shift from targeted trade remedies to systematic tariff escalation, with massive-scale implications (Siriopoulos et al., 2025). Although China was the primary target, the sweeping tariffs under the U.S. Section 301 provision went beyond a U.S.-China

bilateral trade war. Over time, the tariff measures began to extend their influence to other notable emerging economies, including key BRICS players, posing a greater challenge to the existing international trade order. India, for example, imposed high tariffs on the mutual export of many commodities, especially automobiles, auto parts, steel products, and certain industrial commodities (Chakraborty et al., 2020). Part of these moves were predetermined by the reaction to the Indian market tariff regime and tariff barriers but, in fact, were much higher than ordinary tariff rates of the Indian market on the major trading partners of the U.S. This withdrawal of the favoured trade impressions with India and a doubling of the duties were part of the stress to emphasise the way the increase of the tariffs was perceived as a means of coercion instead of a corrective measure of an exceedingly restrictive kind.

Retaliatory pressure also hit the Brazilian market, particularly in the steel, aluminium, and agricultural sectors (de LT Oliveira, 2017). Because it was not a concern in the U.S., trade grievances, the threat of tariffs, and the discriminatory nature of exemptions left exporters in Brazil with little to do. It identified the confusion in Trump's trade policy. The same type of pressure was felt across the global supply chains, and companies had altered sourcing strategies in response to the sudden increase in tariffs. All this, along with heightened U.S. protectionism, raised concerns that trade would become fragmented. The Trump administration also imposed punitive tariffs on the rest of the BRICS economies, along with China, to undermine bilateral dispute resolution and replace it with a framework of pressure (Harmanci, 2025). The result has been greater instability in the world trade regime, reduced confidence in multilateral trade regimes, and stronger incentives to diversify markets, increase trade with other countries, and deepen economic ties among the countries involved. In this regard, Trump's tariff increase not only transformed U.S. trade relations but also the strategic choices of the BRICS economies in an increasingly competitive trade world.

3. Economic Impact on BRICS Members

3.1 China

3.1.1 Trade Exposure and GDP Vulnerability

China is the most susceptible BRICS member to U.S. tariffs because it is most integrated into the global manufacturing supply chain and has historically exported large volumes to the United States (Walmsley & Minor, 2020). Research indicates that, among BRICS exports to the United States, approximately 73 per cent are from China, underscoring its undue exposure to tariff increases under United States trade laws. Tariffs on Chinese goods have been highly heterogeneous, with the highest rate of 145 per cent applied to some goods, and a temporary agreement has reduced tariffs to approximately 30 per cent (Imbruno, 2016). These tariffs have compromised the competitiveness of the large manufacturing sectors and, more so, the electronics, machinery, and intermediate inputs in the U.S., since they have raised the cost for importers in the U.S. and have stimulated the supply chain reaction. China relies on export-led growth, so these tariff shocks are easily transmitted to other parts of the economy. The decline in foreign demand has led to significant drops in manufacturing activity, damping production and further reducing GDP growth expectations. China has responded by diversifying its destination markets, strengthening trade relationships in Asia and with other developing economies, and accelerating the shift toward domestic consumption to offset the slowdown in U.S. export growth.

3.1.2. Strategic Response

Short-term stabilisation and long-term structural adjustment have been part of a multifaceted, ambivalent response by China to the economic pressures generated by the Trump tariff war. The Chinese export trade began to diversify as American tariffs choked demand. It has improved trade relations with ASEAN economies and with the Belt and Road Initiative (BRI) (Gong, 2019). The reorientation also strengthened China's power in regional and South-South trade relations and contributed to the decoupling of the Chinese economy from the U.S. market. At the same time, China renewed its pursuit of technological independence, particularly in key strategic areas such as

semiconductors, artificial intelligence, and premium manufacturing. The Made in China 2025 plans and later the innovation plans would safeguard the economy by opening it to external supply chains and export bans and would help to ward off the weaknesses experienced during the tariff war (Huimin et al., 2018). Beijing focused on bilateral bargaining on the non-diplomatic front to secure special tariff concessions and protection for major export goods, particularly high- and middle-value goods. These moves were supported by national stimulus packages that included infrastructure investment, credit stimulus, consumption, and growth-oriented policies. The slowdown in American demand can be measured by its effect on the Chinese economy. However, the net impact of the domestic demand increase and export diversion has put the economy in a strong position to absorb shocks and remain relatively well grounded. As we have seen with BRICS, China can use tariff breaks in the long run to create diversification, resilience, and strategic independence, rather than a broken economy.

3.2 India

A case in point is India as a BRICS economy: the intricate assessment of the economic impacts of a fresh tariff war on Trump (Athukorala, 2020). In an expected turn of events, India's exports to the United States shot up amid anticipated interference and constant tariff threats. This is ahead of an estimated 27 per cent growth in Indian exports to the U.S. alone in April 2025, as reported by India Briefing (Singh, 2025). This growth is not structurally resilient; it is more likely a diversionary effect as companies rush shipments, hoping tariffs will rise further. This premium export buffer will even cushion the export flows in the short term, but not in the long term.

The Indian export basket is diversified and therefore resilient to unexpected shocks (Sangita, 2018). It has a few traditional and labour-intensive sectors, including textiles and garments, high-value pharmaceutical goods, and IT and business services, that can compete with those of other organisations worldwide. This diversification is not dependent on a single product, allowing Indian exporters to adjust capacity to respond to changes in trade barriers. Moreover, given the market size and growth in the Indian region, domestic demand in most highly export-reliant economies cushions the impact. Therefore, external protectionism that has a macroeconomic impact is also cushioned. This strength has not been measured in terms of sustainability. The price competitiveness of the Indian economy, particularly in export-based production, could be reduced in regions where greater focus is placed on tariffs. India is not yet at the same level in global value chains as China, so it cannot offset the cost increase in volumes or its supply chain advantage. This means Indian firms can consider exploring market policies amid long-term pressure toward protectionism.

In this respect, trade uncertainty in the Trump era may hasten India's strategic refocusing on South-South trade. Strengthening trade relations with BRICS, Southeast Asia, Africa, and the Middle East can mitigate the risk of being subject to U.S. policy fluctuations (Ahmad et al., 2024). Nevertheless, such a pivot requires long-term investment in logistics and trade, and support for regional trade agreements. The tariff war, as established by Trump, is neither disruption in its purest form nor opportunity in its purest form in India, but a transitional period in which temporary gains obscure long-term structural weaknesses that will persist in India's trade policy.

3.3 Brazil

The U.S.-China trade war and worldwide tariff increases have directly affected Brazil, with American tariffs on various Brazilian goods at 50 per cent or more, amid rising political antagonism (Kurniawan & Luthfi, 2023). Aggregate interests that have been hit include the agricultural sector and the export of industrial products, and they are unable to compete in the conventional U.S. market. The affected commodities include soybeans, meat, and steel, which threaten Brazilian export earnings and cast doubt on Brazilian producers. The Brazilian leaders have stressed that economic collaboration within BRICS needs to be further strengthened as a buffer (Bernal-Meza, 2019). The bloc's built-in trade relations and policies aimed at offsetting the additional tariffs imposed by the United States are a strategic move towards multilateral stability. Beyond BRICS, Brazil is also

initiating trade relations with China, its largest trading partner, which will significantly affect Brazilian trade and reduce counterdependence on the US market. Investment in infrastructure and bilateral arrangements in the Asia-Pacific region are also driving change. Although this has faced temporary backlash and incurred physical costs, its engagement with BRICS and other world markets enables Brazil to turn tariff pressure into strategic opportunities. The country's approach shows that emerging economies can resist external trade shocks by building multilateral relations and diversifying markets.

3.4. Russia and South Africa

The effects of the tariff war in the United States have not been shared equally among the BRICS, with Russia and South Africa experiencing direct and closely related impacts (Tran, 2025). The direct effect of the American tariffs on Russia cannot be overstated, since Russia is not a major importer from the United States. These tariffs are further compounded by the heightened geopolitical and economic environment. Current Western sanctions and U.S. tariffs add to obstacles to trade and investment by making it difficult to enter the Russian market (Sarfraz, 2025). This, in turn, will help mitigate the immediate financial risk. The total effect, however, will enhance Russia's motivation to diversify its economic relations, particularly in the BRICS and other non-Western contexts. South Africa is, in turn, more vulnerable to even more drastic shocks in its open economy's commodities and automotive sectors (Wakeford, 2013). The effects of price volatility, demand loss, and logistical problems have been felt across these industries. However, these industries' exposure to U.S. tariffs is moderate. As industries restructure to adapt to the new tariff environment, global supply chains will be reformed. These shifts may be manageable, but they highlight the weaknesses of export-dependent industries in emerging economies and the importance of trade flexibility.

These challenges, however, have not thwarted the two nations, and Russia and South Africa have sought to leverage the deficiencies of the American tariff war to their advantage in regional and intra-BRICS cooperation. They will also leverage trade ties with other BRICS members and other fast-growing emerging markets to reduce reliance on Western economies and other interested trade partners. The move will not only counter the short-term economic impacts of tariffs, but also broader economic shocks. However, a long-term effect will also be felt, as it will create diversified trade relations and regionalisation, resulting in economic self-sufficiency for the BRICS.

4. Disruption: Breaking Established Trade Patterns

4.1 Supply Chain Disruptions and Economic Costs

The Trump tariff war has severely disrupted usual trade patterns, particularly for companies that depend on imports from BRICS countries (Contractor, 2025). These abrupt changes in the cost of obtaining raw materials and intermediate goods have prompted businesses to rearrange their supply chains more rapidly. To avoid tariffs, many companies have had to identify alternative suppliers, re-architect their supply chains, or even relocate some production to another country. These expenses for such enterprises are small: to win new supplier contracts and invest in supply-chain tracking technologies, they need money, and these costs are calculable. Costs, however, come from pausing operational processes. Other victims of the world economy's agony are individual companies. The expenses of these undertakings are negligible: taking advantage of new contracts with suppliers and investing in supply-chain tracking technologies cost money, and these expenses can be quantified. However, delays in operational processes also incur costs. The global economy is not the only one affected; individual companies are, too. The market has been volatile since the tariff announcements, as investors reassess risks and rebalance portfolios amid uncertainty about trade flows and production costs. Significant movements in commodity and equity markets after major tariff announcements show that trade-related sectors are sensitive to policy shocks. They may include the inefficiencies introduced into the economy by the tariffs, which may be used as an example of how the impact on the global supply chain through the disruption of trade by the tariffs has a ripple effect and how the firm and the entire national economy must react promptly to the situation.

4.2. Labour Market Effects

Tariff escalation has both short- and long-term effects on the labour market by altering trade patterns (Contractor, 2025). In academic modelling, any increase in trade barriers, such as those introduced by the Trump administration, would adversely affect employment, particularly in low-skilled sectors and also in export-oriented industries that depend on foreign orders. Analogues suggest that the long-term effect of a permanent tariff is job losses for millions of individuals, which are not evenly distributed across regions and sectors. Even U.S. workers in industries not threatened by imports may see temporary employment gains from reduced import competition. Still, these benefits are usually offset by higher input prices and retaliatory tariffs that can undermine downstream employment. BRICS and other export-reliant emerging economies are even more exposed, as limited access to major markets restricts production and jobs in manufacturing, agriculture, and service sectors tied to international trade. Secondly, sectoral boundaries do not confine labour displacement: inter-industry links suggest that the influence of job pressures can be indirectly imposed on non-trade-exposed industries. Overall, the labour market impacts of discontinuous patterns of trade show the imbalanced nature of benefits and losses, with the immensely significant outcome that, despite being politically engineered in the framework of local protection, the tariff wars can cause significant global job shocks, particularly in the region of the vulnerable labour groups of low skills.

4.3. Diplomatic Strains and Multilateralism Challenges

The present U.S-China tariff war has not only disrupted trade movements in the world economy, but it has also put a lot of pressure on the multilateral institutions that are established to ensure constant trading standards (Steinbock, 2018). BRICS have expressed concerns about the rise of one-sided protectionist practices, arguing that they fail to comply with World Trade Organisation (WTO) agreements. It undermines the value of rule-based exchange and the reputations of multilateral dispute-resolution regimes. The tariff war kills bilateral and plurilateral negotiations that have long eased tensions between large economies (Angwaomaodoko, 2024). This mistrust that transpires reveals the group's decision-making in response to external shocks. The crisis is a symptom of a diplomatic and economic meltdown in the BRICS: multilateralism gives them the possibility to act as a unit, and the growing instability of American trade policy risks drawing them into bilateral conflicts and causing economic losses. In addition, rising tariffs will push other trading partners to take similar protectionist measures, which can trigger a tariff-retaliation domino effect. BRICS countries also face this uncertainty, as they must balance loyalty to their countries with the need to invest more in strengthening global trade stability (Basile & Cecchi, 2019). Fundamentally, the trade war shows that multilateralism is vulnerable to predatory economic policies in the unilateralist system, and that the BRICS system needs to respond accordingly.

5. Diversion: Strategic Targeting and Geopolitical Implications

5.1. Tariffs as Geopolitical Tools

Although tariffs have long been seen as an act of economic protectionism, the Trump administration turned them into a geopolitical tool (Janusch & Mucha, 2017). The tariffs also served another purpose beyond protecting local industry; they demonstrated U.S. will and might in the world, particularly vis-à-vis China and the BRIC countries. Trump's tariffs on Chinese goods and threats to other emerging economies signalled that the U.S. must counter China's accelerated economic growth and threats to U.S. dollar hegemony (Kim, 2019). This broader strategic calculus drew the loudest outcry from commoners over BRICS programs and the dangers of potential tariff sanctions if countries failed to align with U.S. interests. In this respect, the tariffs had little to do with rectifying the trade imbalance but rather with regulating international activity and supporting U.S. hegemony. One such effort by the administration to ensure the diversionary effect is implemented is applying economic pressure, which requires affected countries to consider alliances, trade patterns, and policy choices. The instruments of coercive diplomacy are also characterised by the duality of illustrating

how economic instruments can be strategically deployed as a geopolitical tool, not only to change the nature of trade but also the parameters of the world power struggle.

5.2. Response from BRICS Leaders

Rising U.S. tariffs have served as an economic weapon in the hands of BRICS leaders, who have viewed them as a calculated strategic attack on the bloc's rise on the global scene (Lieber, 2014). The tariffs initiated by Chinese President Xi Jinping resulted from structural trade tensions that highlighted the need for BRICS nations to run their own financial frameworks and value chains (Hooijmaaijers, 2021). Russian President Vladimir Putin also said these indicate strategic thinking aimed at containing BRICS geopolitical interests, rather than pursuing lawful trade interests (Denisov et al., 2019). All these responses indicate an emerging disengagement between the BRICS agenda and U.S. trade policy. The diplomatic push is the latest trade-off of importance in building the power of collective economies, multiplying multilateral action, and providing an opportunity to be more self-realising to change the orientation of world interactions, which makes BRICS not only a solid force of resistance to external forces but an engine of the new multipolar world (Gatlin, 2024). That concept: on the one hand, they can influence global markets; on the other, they can be seen as instruments of signalling and positioning (Mouslim, 2025). Trump's era of tariffs is a good

5.3. BRICS Expansion and Strategic Realignment

The latest formation of the BRICS bloc, which has embraced Egypt, Saudi Arabia, the UAE, Ethiopia, and Indonesia, is a favourable realignment of global economic management (Rabczun, 2024). It is not only an expansion of the bloc's geographic and economic reach but also a shift toward pluralism and multipolarity in decision-making, in which other voices in the economic sphere are taking over the dominant position previously held by the West. This expansion has been sought on the strategic side following the U.S.'s increased pressure through tariffs. The tariffs imposed on member states are not a protectionist tool but a targeted effort to get trade back on track; hence, they should ensure that member states reconsider their economic reliance (Baur & Flach, 2023). BRICS creates a route for trade and investment that is not pegged to West-dominated markets, thereby safeguarding its members against unilateral economic pressure (Nuruzzaman, 2020). The chiefs of the extended bloc are also concerned with how to maximise trade among themselves, coordinate investment policy, and develop financial instruments that help them conduct business without necessarily transacting in U.S. dollars. This shift suggests that what could otherwise be called a derailment or distraction for the United States is, instead, accelerating BRICS unification and its establishment in the world order. Lastly, bloc building responds to the external economic drought and the proactive restructuring of the international economic setup in a multipolar world (Peters, 2023).

6. Opportunity: Strategic Autonomy and BRICS Integration Catalysing

Even though the U.S. tariffs are being perceived as an act of economic aggression, the BRICS are already viewing them as an incentive to greater integration and strategic autonomy. The trade wrangles have allowed the bloc to re-establish its economic priorities, improve internal cooperation, and become less susceptible to exogenous shocks.

6.1 Deepening Intra-BRICS Trade

BRICS states have also sought alternative markets in the tariff world and have lobbied within their bloc (Robinson, 2015). China's move into ASEAN markets, the strength of Indian exports, and Brazil's push into non-Western markets show that economic restraint among the BRICS is also a defensive weapon against the outside world. By developing an even more closely knit trading system, the BRICS countries can mitigate the impact of unilateral tariffs, enhance supply chain stability, and balance the international trade system (Leal-Arcas, 2008). These activities, along with reducing dependence on the traditional Western market, provide new avenues for mutual development, investment, and innovation within the bloc.

6.2. Financial Independence and De-Dollarization

Another relevant factor for opportunities is financial independence. Such tensions, brought about by the tariffs, have accelerated the rate at which evasion is being fought in the context of cross-border transactions and settlements using the U.S. dollar. BRICS countries are also making payments through bilateral and multilateral arrangements in local currencies. This de-dollarisation trend runs counter to the historical dominance of Western financial systems and gives the global economy greater freedom to finance trade (Mosharrafa, 2024). These economic policies make the BRICS more than mere economic pragmatists by enabling greater independence in global finance and reducing currency volatility that world powers can impose.

6.3. Economic Diversification and Structural Resilience

It has also helped drive structural readjustment at the national level due to trade tensions. China has been spending more on technological innovation and the domestic market to reduce external shocks (Fu et al., 2016). India's Make in India program is one effort to build its manufacturing capability and export portfolio. Amid tariff disputes, Brazil has been shifting its economic partners toward non-traditional Western markets in Asia and Africa. All this will make BRICS members more resilient, and each state in the bloc will be better positioned to absorb economic shocks. Each member's stability balances the others. Generally, the BRICS countries are turning an undesirable position into an opportunity to develop a strategy in the event of a tariff issue (Streltsov et al., 2021). Increased intra-bloc trade, financial autonomy, structural resilience, and reinforcement have continued to make the bloc more integrated and self-reliant. These will not only help it defend against external economic pressure but, in the multipolar world, also place the new economies at the centre of world trade, finance, and development. What began as an aberration of U.S. policy has become a catalyst for long-term strategic change in BRICS.

7. Discussion: Diversion, Disruption, or Opportunity?

Tariffs introduced by the Trump administration have indeed caused havoc in global markets (Bown & Irwin, 2019). This is the bump we are taking due to supply chain disruptions, higher manufacturer prices, and a mix of requests across developed and emerging economies. BRICS countries felt this firsthand, as sectors such as Brazilian agriculture, Indian technology services, and Chinese manufacturing depended on exports. The sector was hit, causing lost demand, delays, and speculation about foreign contracts. It was also counterproductive for the industries hit by the sudden rise in tariffs, and it only signalled broader economic impacts. These actions made diplomatic relations more complex because they obliged BRICS states not to act but to step forward, which can be seen as a new stage in the integration of trade and politics.

Nonetheless, beyond the destruction of economies, it is marked by the value of knowing that tariffs are a calculated deflection of the new power impulse. Most mainstream discussion of tariffs is spreading the notion that they represent anti-BRICS and anti-dollar policy, and that U.S. policy cannot be understood merely as a stereotypical adaptation of the same strategy, but as a more complicated geopolitical choice. These will socialise global orientations to help restrict the multipolar economies of the world by limiting the economic prosperity of the BRICS and promoting U.S. hegemony in the global economy. This has been seen by the Brazilian, Indian, Chinese, Russian, and South African leaders as an attempt to water them down. As a result, countries are making a lot of noise to increase intra-bloc integration and coordinate strategic initiatives.

These tensions have been undermining opportunities. Already, BRICS nations are under pressure to diversify trade, build regional supply chains, and reduce over-reliance on Western financial institutions because of tariffs. The disruption will foster resilience and innovation, such as new payment systems, intra-BRICS investment funds, and unified diplomatic relations. This is because, at some point, the bloc will be able to offset the West's economic domination by redefining motivations for joining and other aspects of global domination. Overall, Trump's proposed tariffs can be seen as a single display of bewilderment, distraction, and luck. Meanwhile, while they have

already provoked an immediate economic and diplomatic response, they also serve a more distant strategic goal of trade policy and open opportunities to bring the BRICS countries closer. The other replies in the block will recreate a worldwide trend of economic integration and transform a non-enduring crisis into a long-term strategic position.

8. Conclusion

The Trump tariff war is a complex phenomenon beyond mere economic destabilisation. Although the short-term effects of escalated tariffs have already been felt in disrupted trade flows, inventory shortages, and rising business costs globally, other effects are felt at the geopolitical strategic level. These measures have been seen as tools of economic statecraft, signalling a desire to exert leverage over key emerging economies, including BRICS members. However, such a strategy has had significant side effects. Rather than weakening BRICS countries, the raised tariffs have accelerated efforts to strengthen intra-bloc cooperation, diversify trade ties, and explore alternative financial and investment systems to reduce dependence on Western-dominated systems. Brazilian President Lula da Silva is denounced as a tariff blackmailer, and China, India, Russia, and South Africa have implemented similar approaches, reflecting a concerted effort to fight and change strategies simultaneously.

These United States policies are open to debate about what they will entail in the future. Their impact on the economies of home countries, on the sustainability of the world economy, and on the rules-based global trading system will depend on the emerging patterns of diplomatic relations, on the sustainability of the supply chain, and on how developed and developing countries will be able to work in the volatile geopolitical environment. The obvious thing, though, is that the BRICS bloc has been using this turmoil to build greater economic independence and project the image of a powerful multipolar force. In this respect, the Trump tariff war could have inadvertently realigned global economic power. By turning disruption into opportunity, BRICS is showing that strategic alliance-building can facilitate integration and disrupt the dominance of old, staid economic hierarchies, leading to a more multipolar economic order in the 21st century.

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Economic Multipolarity and Global Governance: Can BRICS' Growing GDP Challenge the Established G7 Dominance?

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ABSTRACT

The redistribution of economic power in the international system has intensified scholarly and policy debates on the future of global governance. Central to this debate is the rise of the BRICS (Brazil, Russia, India, China, South Africa), whose expanding economic weight increasingly challenges the long-standing dominance of the Group of Seven (G7) (Canada, France, Germany, Italy, Japan, the United Kingdom, the United States). This study examines whether BRICS' growing economic influence can reshape global governance structures traditionally dominated by advanced Western economies. Using comparative GDP indicators in nominal and purchasing power parity terms, the study analyses the evolving economic positions of BRICS and the G7 within the global economy. Adopting a qualitative analytical approach supported by secondary data from international financial institutions and scholarly literature, the study situates its analysis within the multipolarity framework. The findings suggest that while BRICS collectively account for a rising share of global economic output and growth, this expansion has not yet translated into proportional representation or influence in key global institutions. Institutional inertia, entrenched decision-making norms, and the G7's continued leadership in shaping development agendas limit the transformative potential of BRICS' economic rise. The study concludes that while economic power is necessary to reshape global governance, it is not sufficient. Meaningful change will require coordinated political strategies, institutional reforms, and promoting alternative normative visions among BRICS states. This paper contributes to ongoing debates on economic multipolarity and highlights the complexities of translating growing GDP into institutional power in the contemporary international system.

1. Introduction

The current international political economy is increasingly shaped by the interaction and contention

between established, highly developed countries and emerging economies. This shift is most visible in the Group of Seven (G7) and the BRICS bloc (Brazil, Russia, India, China, and South Africa). While the G7 has, over the years, functioned as the core steering committee for promoting a liberal international economic order, the BRICS bloc emerged as an agglomerated response to perceived structural imbalances in global governance. Today, the evolving relationship between the G7 and BRICS reflects deeper transformations in power, spatial arrangement, legitimacy, and contention within the global system.

Besides, the G7 began in the mid-1970s against the backdrop of an economic crisis following the collapse of the Bretton Woods system and the 1973 oil crisis. Earlier, the G7 was formed as the G6 in 1975; the group later enlarged its membership to include Canada in 1976, thereby consolidating its membership as an informal platform for coordinating macroeconomic policy among advanced industrialised democracies of the world (Kirton, 2013). Over the years, the G7 has expanded its agenda beyond economic stabilisation to include security, development assistance, democracy promotion, and international governance reforms. Scholars have argued that the G7 functioned as a "club of the powerful" states, shaping global economic and political norms through international institutions such as the World Bank, the International Monetary Fund, and the World Trade Organisation (Ikenberry, 2011).

However, BRICS began as an abstract concept rather than a political platform. The term "BRIC" was first coined by Jim O'Neill in 2001 to describe fast-growing emerging economies in the world with the potential to reshape the international market (Momoh, 2025). Moreover, the political institutionalisation of the BRICS bloc started after the 2008 global financial crisis, during the BRICS first summit in 2009. Later, in 2010, South Africa joined the BRICS bloc (Cooper & Antkiewicz, 2008; Momoh 2025). The 2008 global financial crisis exposed the vulnerabilities of Western-led financial, monetary, and economic systems, intensifying international demands among mostly BRICS nations for greater representation in international institutions such as the UN, WTO, World Bank, and IMF decision-making processes. Since BRICS's formation, cooperation among its member states has increasingly centred on development and finance, as shown by the establishment of the New Development Bank and the Contingent Reserve Arrangement (Shameem & Jayaprasad, 2020).

Since BRICS's establishment, economic relations with the G7 have been characterised by both interdependence and contention. BRICS economies remain integrated into the global capitalist financial and economic system dominated by the G7 through global institutions such as the World Bank, the IMF, and the WTO. Moreover, BRICS has continuously challenged Western economic dominance in the international system through its ongoing demand for alternative global financial mechanisms that are equitable and fair among nations, and its push to promote South–South cooperation (Ten Brink, 2018). Moreover, research shows that BRICS have progressively increased their share of global GDP and trade by closing the economic gap with the G7 states (Blyth, 2013). Meanwhile, the G7 have continued to retain structural advantages in technological advancement, international financial market share, and global institutional power (Kirshner, 2022). This asymmetric economic relationship between the G7 and BRICS has produced a competitive yet constrained rivalry rather than an outright economic face-off.

Moreover, the political rivalry between the G7 and BRICS has continued to manifest in their competition for new visions of global economic order that will alter the existing G7-dominated global economic order. Likewise, the G7 have continued to emphasise neoliberal economic norms, liberal democracy and a rules-based governance system. Yet, BRICS nations have continued to promote sovereignty, non-interference in the internal affairs of any state and a quest for a multipolar world order, contrary to the existing unipolar economic and political order (Stuenkel, 2015). This divergence in interest between the G7 and BRICS has become more pronounced in contemporary debates among scholars of International political economy over sanctions, development assistance and global security governance. Research has also shown that BRICS engagement in the global system reflects a reformist approach to altering the existing global economic and political order,

rather than revolutionary ambitions, seeking greater voice within existing international institutions such as the UN, World Bank, IMF, and WTO (Cooper, 2014).

Nevertheless, the hostility between the G7 and BRICS has intensified in recent years, predominantly following geopolitical crises involving Russia and China, which have deepened ideological and strategic cleavages between the two blocs (Farrell & Newman, 2019). Therefore, the historic development of BRICS and the G7 relations reflects a broader transformation in the international political economy from a unipolar dominance arrangement to a contested multipolar world order. Today, the G7 remains influential in the international political economy and the BRICS bloc has emerged as an important agglomerative actor challenging the dominance and representation in the global governance system. Therefore, the contention between the G7 and BRICS is best understood not as a zero-sum conflict, but as an ongoing negotiation over authority, legitimacy, and leadership in an increasingly fragmented international economic order. Therefore, can BRICS' growing GDP challenge the established G7 dominance in the international political economy? Thus, the future stability of the contemporary international economic order will largely depend on whether the rivalry between the G7 and BRICS can accommodate multilateralism without undermining institutional cooperation. In light of this, this study investigates whether BRICS's growing economic influence can reshape global governance structures traditionally dominated by the G7.

2. Conceptual Clarification

2.1. Economic Multipolarity

In international relations literature, economic multipolarity has been used to describe a return to a more dispersed distribution of material capabilities, measured by a country's Gross Domestic Product (GDP), trade volume, and technological advancement among many nations (Mearsheimer, 2001). However, contemporary studies in international relations have refined this concept of economic multipolarity, emphasising the operational and systemic dimensions of economic power. For instance, Subramanian (2011) views economic multipolarity through the perspective of "economic dominance,". He asserted that a nation's ability to project power in the international arena largely depends on the size of its economy, the volume of its trade, and the stake of its currency in international reserves.

However, scholars have argued that a country's GDP alone does not automatically translate into systemic multipolarity unless the rising power dissociates from the hegemon's economic architecture (Stuenkel, 2016). Therefore, recent definitions of economic multipolarity in international relations literature tend to focus on "geo-economics" and the weaponisation of interdependence. For instance, Farrell & Newman (2019) have argued that in a multipolar economic order, global supply chains and digital financial networks (like SWIFT) have become the "choke points" of power. Consequently, economic multipolarity is no longer viewed as a dispersion of wealth, but as an uneven landscape in which competing economic blocs are often framed as pursuing "de-risking" or "decoupling" and dynamically structure international markets around different geopolitical interests (Beeson & Li, 2022).

2.2. Institutional Multipolarity

Institutional multipolarity denotes the pluralisation of international organisations and the shift from a centralised, dominated institutional order to a fragmented, overlapping system. Conventionally, scholars viewed international organisations as mechanisms for hegemonic stability, where the dominant power within the international system creates rules to lock in its preferences (Ikenberry, 2001).

The conceptual shift toward institutional multipolarity is best captured by the literature on "regime complexity" (Raustiala & Victor, 2004) and "competitive regime creation" (Morse & Keohane, 2014). Today, as emerging global powers like China, India, Russia, and Brazil became dissatisfied with their

marginalisation in traditional international institutions, namely the Bretton Woods system, they did not simply exit the international system; they created parallel institutions known today as BRICS. Besides, the establishment of the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) represents what Zeng (2017) terms "institutional statecraft", using new International Organisations to offset the institutional power of the hegemon, and at the same time maintaining existing ties with the old institutional order.

Cooley and Nexon (2020) advance the concept of institutional multipolarity by arguing that the liberal international order is experiencing "heterarchical" fragmentation. Cooley and Nexon (2020) see institutional multipolarity as driven by "exit and voice" mechanisms, in which states and non-state actors shift to alternative international institutions that impose limited conditionalities. These new international institutions tend to bypass Western democratic governance norms in favour of Westphalian non-interference. Thus, institutional multipolarity is characterised by overlapping jurisdictions, competing regulatory standards, and the strategic weaponisation of institutional veto power.

2.2. Normative Power

Manners (2002) originally conceived normative power in the context of the European Union, defining it as the ability to shape conceptions of "the normal" by diffusing ideas, values, and norms rather than through military or economic coercion. Manners (2008) later expanded the concept of normative power, arguing that it depends on the "credibility" and "consistency" of an actor's internal values with its external actions.

However, the rise of multipolarity has forced a conceptual evolution of normative power. Scholars now recognise that normative power is not the exclusive domain of liberal Western democracies. Stuenkel (2016) argues that rising powers are actively reshaping international norms by promoting "sovereign internationalism", emphasising non-interference, state sovereignty, and the "right to development" as counter-norms to Western liberal peacebuilding and human rights agendas.

Furthermore, contemporary international relations literature has highlighted how emerging powers use normative power to legitimise their institutional and economic projects. However, Diez (2005) has argued that "normative imperialism" is inherent in the original concept of normative power, noting that normative power inevitably involves exclusion. In the contemporary multipolar era, BRICS and the entire Global South apply discursive power to redefine norms surrounding global infrastructure, technology governance, and human rights, framing them as culturally relative rather than universal (Zhu, 2020). Normative power in global governance has thus transitioned from a unidirectional diffusion of liberal norms to a multi-directional contestation of what constitutes legitimate international behaviour.

2.3. Global Governance

Global governance is the collective management of transnational issues, without a supreme global authority. Global governance sits at the intersection of economic, institutional, and normative multipolarity. Acharya (2014) submits that the convergence of economic, institutional, and normative multipolarity is transforming global governance from a hierarchical system into a "multiplex" order. Acharya (2014) conceptualises the "multiplex world" as one where multiple actors, institutions, and ideas coexist and interact without a single hegemonic orchestrator. In this system, economic multipolarity gives rising powers the material capacity to build alternative institutions, while normative power provides the ideological justification.

This triad (economic, institutional, and normative multipolarity) has led to what Hale et al. (2013) term "gridlock" in traditional global governance, as economic power is diffused and normative consensus has collapsed, traditional International Organisations like the United Nations Security Council and the World Trade Organisation have been subjected to intense criticism. However, more recent literature views these criticisms not as merely a gridlock, but as a transition to "polycentric

governance" (Weber, 2021). Therefore, in a polycentric system, governance is decentralised across various scales and institutional types, ranging from minilateral groupings like the G20 or BRICS+ to transnational public-private partnerships.

The risk inherent in this conceptual fusion of economic, institutional, and normative multipolarity, as Ikenberry (2018) warns, is the potential fracturing of global public goods provision, such as climate change mitigation and pandemic response. When economic alliances operate within separate institutional frameworks, driven by conflicting normative visions, global goods provision becomes highly securitised and inefficient.

Overall, scholarly consensus theorises the present international order as transitioning from a unipolar, liberal hegemonic system to a fragmented multipolar one. Today, economic multipolarity is providing the material foundation for dissent among nations, especially BRICS and the Global South; while institutional multipolarity, on the other hand, is providing the structural mechanisms for parallel governance; and the democratisation of normative power is ensuring that this transition is driven by an ideological contest, not just material interests. Collectively, economic, institutional, and normative multipolarity are redefining global governance from a centralised, rules-based system into a polycentric, contested, and highly fluid arena of overlapping authorities.

3. Empirical Review of Literature

International Political Economy literature has increasingly produced evidence-based research that systematically compares the Gross Domestic Product (GDP) contributions of the G7 and BRICS as indicators of shifting economic power. Much of this research relies on longitudinal datasets from the World Bank and the International Monetary Fund (IMF), enabling researchers and scholars to track structural changes in the international economy.

Moreover, international political economy literature examines the G7's historical dominance in international GDP, particularly in nominal terms. For instance, Kirton (2013) and Ikenberry (2011), in separate studies, show that from the post-war era through the early 2000s, the G7 accounted for the largest share of global output due to its industrial development, financial complexity, and technological dominance. Empirical studies of G7 business cycles further show that G7 economies have consistently shaped global macroeconomic stability (Kose et al., 2018). However, this study has a gap: limited engagement with post-2020 data, especially on the structural implications of the COVID-19 pandemic and rising emerging-market growth for G7 economic leadership.

However, empirical studies on BRICS economies have further emphasised rapid GDP growth, particularly when measured in purchasing power parity (PPP). Stuenkel (2015) and Ten Brink (2018) find that BRICS economies' share of global GDP increased significantly between 2000 and 2020, largely driven by China and India. More recently, Tan et al. (2024) supported the claim that BRICS economies have surpassed the G7 in global GDP share under PPP metrics. However, this literature has a clear bias. Yet, many studies treat BRICS as a homogeneous bloc, thereby under-examining internal disparities and divergent growth trajectories among member states.

Furthermore, comparative empirical research has also identified rivalry between the G7 and BRICS blocs. For instance, Duggan et al. (2022) argue that while BRICS contribute an increasing share of global GDP growth, the G7 still dominates global finance and innovation. Similarly, Farrell & Newman (2019) show that economic size does not automatically translate into systemic power. Nevertheless, a key limitation of these studies is their limited integration of GDP data with political and institutional influence, leaving unanswered questions about how economic weight reshapes global governance.

The goal of the Petrone (2020) study is to determine the BRICS' influence on the global governance structure. The study differs from previous research by focusing on three aspects of BRICS growth. These include establishing institutions outside the Bretton Woods framework, pursuing soft power, and expanding their presence worldwide. The study explores the limitations and opportunities

BRICS nations face in reconfiguring the global architecture. It also interprets the current situation, particularly the potential implications of COVID-19 for these fields.

In a recent study, Lebedeva (2025) argues that the world's political organisation is shifting from its traditional hierarchical structure to a more networked one. This new configuration creates more complex ideas than the usual images of multipolarity and unipolarity. BRICS exemplifies this, as it increasingly reflects the world's networked logic. Lebedeva (2025) examines the implications of BRICS' structural correspondence for its international role. The study shows how this relationship can help strengthen the group's influence on global economic governance. It also looks at how the group evolved from an economic coalition to a multi-faceted grouping that is now focused on addressing political, developmental, and social issues. Lebedeva (2025) further explores how BRICS can strengthen its international influence and position itself within the world's evolving political and institutional structures. It argues that BRICS has the necessary resources and experiences to become part of the new order. BRICS's ability to shape the new order will depend on how it mobilises the "power of ideas." This involves developing effective, persuasive ideas to establish and run a new political organisation.

Overall, the literature reviewed shows a clear trend toward multipolar economic output. Still, it lacks an integrated framework linking GDP data, PPP, and voting shares between BRICS and the G7 in global governance transformation. This study's novelty lies in updated GDP data, PPP, and voting shares for BRICS and the G7, explicitly differentiating economic, institutional, and normative power in global governance within the BRICS-G7 relationship. In light of this, this study investigates how BRICS's economic weight can reshape global governance.

4. Theoretical Framework

To study changes in global governance and economic power, it is important to analyse them through the lens of international relations and political economy. This can be done through IPE and IR theories. Theories provide an analytical framework that can be used to study how economic metrics can transform into political influence. Some of the most popular frameworks include the Power Transition Theory and the Hegemonic Stability Theory.

Robert Gilpin and Charles Kindleberger developed Hegemonic Stability Theory in the 1970s (Kindleberger, 1973; Gilpin, 1987). It states that a stable political and economic order requires a single hegemon to provide essential services such as maintaining a secure reserve currency and establishing open markets. Hegemonic stability theory argues that global governance works best under a hegemon that sets the rules of the game. But as its economic position deteriorates, the system becomes more unstable. This study explores the post-World War II order maintained by the US and other G7 nations. The growth of BRICS countries' aggregate gross domestic product has weakened the G7's unipolar hegemony. This suggests that the global governance system may eventually face systemic instability as the G7's ability to implement global rules unilaterally diminishes (Kindleberger, 1973; Gilpin, 1987).

However, Neoliberal Institutionalism, which was developed by Robert Keohane in 1984, focuses on the role of international organisations in maintaining a stable global order. According to Neoliberal Institutionalism, states are driven by their desire to maximise their absolute gains, while international institutions are established to provide information and solve collective problems (Keohane, 1984). Institutional neoliberals argue that institutions can adapt to changes in the balance of authority without collapsing. This theory applies to the BRICS versus the G7 dynamic, as it suggests that even as these countries gain economic clout, they may prefer to work within established global governance frameworks, such as the World Bank and the IMF, to safeguard their interests. Today, the emergence of parallel institutions, such as the New Development Bank, can supplement the global architecture rather than replace it immediately.

Although the hegemonic stability and neoliberal institutionalism theories were presented in this

study, the Power Transition Theory is considered the most appropriate framework for the analysis. This theory was originally developed by Organski A. Fok in 1958 and was expanded by Douglas Lemke and Jacek Kugler in 1996 (Organski, 1958; Lemke, 1996). It is designed to study the changes that occur when a coalition's dominance is challenged. According to Power Transition Theory, the global system is hierarchical, with a dominant state ruling it by establishing global norms. It also states that economic growth is the primary engine of national power. As a rising power's gross domestic product grows, it inevitably demands changes to the global order to reflect its newfound status. Tensions between the BRICS and G7 eventually peak when the former reaches parity with the latter.

Power Transition Theory allows the study to address the factors shaping the global order, such as BRICS's growing GDP and shifts in global governance dominance. Although Hegemonic Stability Theory focuses on a single hegemon and neoliberal institutionalism theory, Power Transition Theory better suits the dynamics of a multipolar G7 coalition. Against this background, this study adopts the Power Transition Theory framework to analyse factors shaping the global order, such as BRICS's growing GDP and shifts in global governance dominance. It then assesses whether the narrowing gap between the G7 and the BRICS is driving a power transition or whether the G7's entrenched advantages remain resilient to this challenge (Organski, 1958; Kugler & Lemke, 1996).

5. Methodology

This study analyses the economic trajectory and competitive advantages of the BRICS countries relative to the Group of Seven (G7). It uses a quantitative, comparative approach and utilises data from the International Monetary Fund (IMF) and the World Bank. The International Monetary Fund (IMF) and World Bank standard aggregate datasets are used to ensure global comparability. The study covers 2010 to 2024 (15 years). The baseline year is chosen because South Africa joined the BRICS bloc, expanding it to BRICS. This establishes the group's geographic and demographic footprint. Moreover, the 2024 forecast uses the most recent data and projections from the International Monetary Fund's latest World Economic Outlook (WEO) release. It covers the period following the COVID-19 pandemic and the impact of global geopolitical developments, such as Russia-Ukraine hostilities.

The study also employed secondary data sources such as textbooks, journal articles, policy reports, and official statistics from international financial institutions such as the International Monetary Fund (IMF). Furthermore, data obtained for this study were systematically reviewed and synthesised to identify patterns, trends and disparities in international economic influence and governance participation. In addition, Special attention was paid in this study to the extent to which BRICS' economic growth translates into decision-making power within important international institutions such as the IMF, World Bank, and World Trade Organisation (WTO). In conclusion, the methodology combines comparative economic analysis with qualitative interpretive appraisal to provide a nuanced understanding of the limitations and expectations of BRICS' influence on global governance. This approach guarantees that the study captures both economic changes and the increasingly nuanced institutional and political realities that shape international power.

6. Can BRICS' Growing GDP Challenge the Established G7 Dominance?

Over the years, the structure of international governance has reflected the distribution of economic power within the global system. In the aftermath of the Second World War, international economic institutions such as the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO) have been dominated by the Group of Seven (G7). These states not only shaped the rules of the international economic system, but also integrated liberal norms, voting patterns, and leadership structures that reinforced their dominance in the international system (Ikenberry, 2011). In recent years, the rise of BRICS has altered the international economic landscape in its interest and sustained its dominance. At the same time, BRICS account for an increasing share of global Gross Domestic Product (GDP), global trade, and economic growth, especially when measured

in purchasing power parity (PPP) terms (IMF, 2023). This shift has intensified debates among scholars and policymakers over whether economic power is sufficient to reshape global governance structures or whether institutional and normative restrictions continue to restrict the exclusive rights of established Western powers dominated by the G7.

Over the past decades, the international economy has witnessed a gradual but significant shift in the redistribution of economic influence from the G7 toward the BRICS, in both nominal terms and Purchasing Power Parity (PPP), which provides us with a useful framework for understanding this shift and its implications for international economic hierarchy and governance.

Table 1: Global GDP Share Based on Purchasing Power Parity (PPP)

The table below shows the global gross domestic product share according to purchasing power parity (PPP. The measure is expressed in current international dollars. It highlights the productive capacity of the domestic economy.

Year	BRICS Share of Global GDP (PPP) %	G7 Share of Global GDP (PPP) %	Global Total GDP (PPP) (Trillion Intl. $)
2010	25.4%	32.1%	90.1
2015	30.1%	30.2%	108.5
2020	32.8%	30.0%	133.5
***2024**	34.2%	28.9%	175.6

*Source: Author's aggregation based on data from the IMF World Economic Outlook Database (April 2024). *2024 figures represent IMF estimates/forecasts.*

Table 1 shows that, by 2024, the BRICS accounted for 38% of the world's economic output, more than the G7's share of the global economy. The BRICS' power transition surpassed the G7 in 2015. This shows that multipolarity is based on countries' productive capacity and real economic size.

Table 2: Global GDP Share Based on Nominal GDP

The measure is based on the current US dollar. It highlights market exchange rates, institutional voting power, and financial clout.

Year	BRICS Share of Global GDP (Nominal) %	G7 Share of Global GDP (Nominal) %	Global Total GDP (Nominal) (Trillion US$)
2010	18.3%	50.8%	66.1
2015	22.2%	46.5%	74.8
2020	24.6%	45.8%	84.7
***2024**	25.3%	43.2%	109.5

*Source: Author's aggregation based on data from the IMF World Economic Outlook Database (April 2024). *2024 figures represent IMF estimates/forecasts.*

Table 2 shows different perspectives on global governance using Nominal GDP. While the BRICS' share of the global economy has increased from 18.3% in 2010, it remains behind the G7 at 43.2%.

This shows that while the region's real gross domestic product has risen, the G7 still dominates the world's financial institutions. The results of this study provide a theoretical foundation for Power Transition Theory, a concept that analyses various aspects of global governance. Table 1 shows that the BRICS bloc's economic capability has surpassed that of the G7. The gap between the financial and institutional power of the G7 and the BRICS has not yet fully closed. This shows that the ongoing transformation of the global governance structure is still an asymmetric process. Despite the region's growing economic capabilities, it remains behind the G7.

Table 3: IMF and World Bank Quota and Voting Shares of BRICS vs G7

Bloc	IMF Quota Share (%)	IMF Voting Power (%)	World Bank (IBRD) Voting Power (%)
BRICS	13.94%	14.12%	14.18%
G7	40.99%	41.11%	39.02%

Source: Author's aggregation based on data from the IMF Quota and Voting Power database and the World Bank Corporate Secretariat Voting Powers database (data reflecting the latest available as of 2024, following the completion of the 15th General Review of Quotas).

Table 3 above shows how institutional governance fails to reflect the reality of the global economy. The G7 holds disproportionate power in decisions made by the International Monetary Fund's steering committees. This gives them veto power over the organisation's major structural decisions. With 16.5% of the voting power, the US is the only country that can effectively veto these decisions. Despite being the biggest contributor to global GDP, the BRICS bloc only holds around 15% of voting power in various institutions. This is why Power Transition Theory argues that parallel institutions such as the New Development Bank are needed to challenge the G7's dominance.

Empirical evidence consistently shows that BRICS' growing economic influence has become a source of concern for the G7. According to the IMF (2023), BRICS collectively account for over 31 per cent of global GDP measured in PPP terms, exceeding the G7, whose share has increasingly declined. Today, China and India have emerged as the bedrock of international growth, contributing proportionately to annual increases in global output (World Bank, 2023). In nominal GDP terms, the G7 has remained dominant for years. But it is beginning to face stiffer competition from the BRICS. According to IMF statistics, the G7 accounted for approximately 45–47 per cent of global nominal GDP in 2014, a share that declined to about 43 per cent by 2024 (IMF, 2024). The United States alone consistently contributed over $20 trillion annually in nominal output, underscoring the continued centrality of the dollar-based international economic system. However, G7 growth rates have generally been modest, reflecting demographic challenges, productivity slowdowns, and periodic financial shocks.

However, the BRICS economies have experienced faster aggregate growth, even though their combined nominal GDP remained lower than that of the G7 until the early 2020s. China and India have driven this growth. For instance, China's nominal GDP grew from about $10.5 trillion in 2014 to over $17 trillion by 2023, while India's rose from about $2 trillion to over $3.5 trillion over the same period (World Bank, 2024). Despite this progress by China and India, exchange-rate disparities and income differences continue to limit BRICS's apparent global influence when measured in nominal terms. But since 2014, BRICS economies led by China and India have collectively surpassed the G7 in terms of share of global GDP (PPP). IMF estimates indicate that BRICS accounted for roughly 31 per cent of global GDP (PPP) in 2014, rising to over 36 per cent by 2024, whereas the G7's share declined from about 32 per cent to below 30 per cent over the same period (IMF, 2024).

Besides, China's dominance in PPP terms has been especially striking. By 2016, China had overtaken the United States as the world's largest economy on a PPP basis, and by 2024 its GDP (PPP) exceeded $37 trillion, when compared to the United States' $29 trillion (CEOWORLD, 2024). India also emerged as the world's third-largest economy in PPP terms, reflecting its rapid growth and large domestic market. These trends suggest that while the G7 retains financial and institutional leverage, the real economic centre of gravity is gradually shifting toward the Global South.

Nevertheless, BRICS's growing economic size has arguably not translated into proportional influence within global economic governance institutions. Voting power and leadership structures within the IMF and World Bank continue to favour G7 states, reflecting post-World War II arrangements rather than contemporary economic realities (IMF, 2024). This disconnect highlights a key tension in the global economy: economic multipolarity without institutional multipolarity. A ten-year comparison of GDP indicators between G7 and BRICS reveals a clear difference. The G7 remains dominant in nominal economic terms and institutional power, while BRICS has grown increasingly influential in real output and growth dynamics, particularly in PPP terms. These trends reinforce debates about the sustainability of the existing global economic order and raise questions about whether governance reforms will eventually align with shifting economic realities.

In nominal GDP terms, the G7 retains a larger share of global output, reflecting currency valuation, financial market depth, and technological leadership (Kirshner, 2022). This dual measurement reveals an important distinction: while BRICS dominate in real economic production and domestic market size, the G7 continues to exercise influence through financialisation and control over global monetary systems. For instance, Stuenkel (2015) argues that the economic rise of BRICS is historically unprecedented in scale and speed, marking a transition from Western-centric growth to multipolar economic expansion. Yet studies have also focused on internal asymmetries within BRICS, as China alone accounts for a significant share of the bloc's GDP growth, raising questions about collective economic coherence (Ten Brink, 2018).

However, despite relative economic decline, the G7 continues to dominate global governance institutions. Voting power in the IMF and World Bank remains heavily skewed toward advanced economies, with the United States retaining veto power in key decisions (Wade, 2011). Leadership selection practices further reinforce this imbalance, as the heads of the IMF and World Bank have traditionally been drawn from Europe and the United States, respectively. Institutional inertia plays a critical role in sustaining this dominance. Global economic institutions are path-dependent, meaning that early power distributions become embedded in formal rules that are difficult to reform (Pierson, 2004). Even incremental reforms, such as quota adjustments, have failed to produce proportional representation for emerging economies (Woods, 2010).

Since their establishment, the World Bank and the International Monetary Fund (IMF) have faced sustained criticism for operating largely as instruments of the G7 states, the dominant shareholders of the Bretton Woods institutions, especially the United States. Moreover, several studies show that decision-making within the IMF and the World Bank is largely shaped by the strategic interests of G7 states. For instance, Woods (2003) argued that the United States exercises decisive control over key policy outcomes at both the World Bank and the IMF. Equally, Fratianni & Pattison (2003) argued that the G7 nations collectively dominate decision-making on major issues within the IMF, leaving institutional staff with autonomy only in areas of limited importance to powerful shareholders.

Furthermore, Rieffel (2003) describes the IMF as essentially an instrument of the G7 nations. He noted that it is difficult to identify any significant IMF policy position that has not enjoyed the tacit or explicit approval of the United States and its G7 partners. Consequently, many studies have also shown that political alignment with the United States plays a crucial role in shaping IMF lending conditions. Scholars such as Thacker (1999), Stone (2002), Barro & Lee (2005), Vreeland (2005), and Dreher & Jensen (2007) have argued that developing countries with closer political ties to the United States are often measured through their voting patterns at the United Nations General

Assembly and often receive more favourable treatment from the IMF. This trend is also evident in World Bank operations. For instance, Gwin (1997) argues that the United States has sometimes directly influenced World Bank policies when its core national interests are affected. Previous studies have also supported this assertion. For instance, Schoulz (1982) argued that U.S. political pressure has frequently shaped the allocation of World Bank loans, sometimes leading the World Bank to act in ways contrary to its formal rules and regulations. This assertion was further buttressed by Frey & Schneider (1986), who noted that political considerations considerably influence the distribution of World Bank loans. Similarly, Fleck & Kilby (2001) argued that U.S. national interests are linked to World Bank and IMF lending patterns. In the same vein, Faini & Grilli (2004) have further buttressed Schoulz (1982), Frey & Schneider (1986) and Fleck & Kilby (2001), arguing that both World Bank and IMF lending decisions are influenced by the political priorities of the United States and other G7 nations.

Collectively, scholars largely agree that G7 influence often shapes the operations of the World Bank and IMF, raising questions about the objectivity of these financial institutions. Moreover, the G7's dominance extends beyond formal institutions. G7 economies continue to exercise agenda-setting power through regulatory standards, development finance norms and control over global financial infrastructure (Farrell & Newman, 2019). These structural advantages enable the G7 to maintain influence despite declining shares of global GDP.

Nevertheless, in response to governance exclusion, BRICS states have pursued institutional innovation as a strategy of contestation. The establishment of the New Development Bank (NDB) and the Contingent Reserve Arrangement reflects efforts to create alternative financial mechanisms outside G7-dominated financial institutions such as the World Bank and the IMF (Cooper, 2016). These ingenuities represent disappointment with existing global governance structures and reveal collective action among BRICS nations.

However, a critical assessment of the World Bank and IMF shows that these institutions complement each other (Duggan et al., 2022). Today, BRICS-led institutions remain limited in scope compared with the World Bank and IMF, as their practices often reflect existing norms rather than offering fundamentally different governance models. This underpins the argument that economic weight alone does not automatically translate into global governance transformation. Therefore, without coordinated political strategy and normative leadership, alternative institutions risk reproducing the very hierarchies they seek to challenge, as the New Development Bank does.

From a multipolarity perspective, Acharya (2018) argues that the rise of BRICS demonstrates a shift toward a more diffused global order, but not necessarily a more unbiased one. It is important to note that, while economic multipolar order is increasingly apparent, normative and institutional multipolar order remains restricted, as the G7 has continued to strengthen its normative power, which represents the ability of the G7 to define what constitutes sound economic policy, legitimate economic governance and acceptable behaviour by states within the international system, as market regulation, liberal norms of transparency and rule-based cooperation are entrenched in global financial institutions, which often downgrade alternative development prototypes (Finnemore & Sikkink, 1998). In contrast, BRICS states are beginning to articulate a coherent normative vision that can challenge G7 dominance in the global economic and governance order. Therefore, divergent political systems, geopolitical rivalries and national interests have been seen to weaken collective BRICS action and reduce their capacity to act as a unified governance bloc (Stuenkel, 2015).

In contemporary times, the consistent G7 dominance in the international system, despite BRICS' economic rise, has significant implications for global governance. This highlights the limits of GDP as a sole indicator of power and highlights the significance of institutional access, legitimacy and normative authority. Therefore, reform of present global governance institutions will likely remain incremental rather than transformative. Thus, without continued synchronisation among BRICS states, joined with a shared vision of alternative governance norms, an economic multipolar order can coexist with institutional continuity rather than disruption. Overall, challenges in the

contemporary international order suggest that the present global order will be characterised by an entrenched governance structure, where BRICS will exert significant influence through equivalent institutions. In contrast, remaining institutions will be partially constrained by Western-dominated systems.

7. Conclusion

This study examined whether the growing economic influence of BRICS has the capacity to reshape global governance structures until now dominated by the G7 nations. Drawing on comparative GDP indicators and quantitative analysis, the study finds that while BRICS now account for a substantial and growing share of global economic output, this shift has not translated into proportional influence within significant global governance institutions such as the World Bank and IMF. Today, structural advantages, institutional inertia and normative power continue to sustain G7 dominance, limiting the transformative impact of BRICS' economic rise. BRICS' economic weight therefore represents significant competition with the G7, but remains insufficient to challenge G7-dominated governance arrangements. Therefore, meaningful transformation by BRICS will depend not only on economic size but also on institutional coordination, political cohesion and normative leadership among BRICS states. Lastly, the study contributes to broader debates on the prospects and limits of economic multipolarity, showing that global governance reform is as much a political and normative struggle as an economic one.

8. Recommendations

International financial institutions like the IMF and World Bank should reform their voting systems to reflect better the growing economic influence of emerging economies, especially BRICS countries.

BRICS nations should work more closely together, coordinating policies and strategies to convert their rising economic power into meaningful influence within global financial institutions.

Leadership selection and decision-making in international financial bodies like the IMF and World Bank should become more transparent and merit-based, reducing the long-standing dominance of traditional Western powers.

Developing countries could benefit from diversifying their financial partnerships by engaging both G7- and BRICS-led institutions to reduce political pressure and dependency.

Global governance reforms should embrace a wider range of development approaches, giving space to alternative models rather than focusing solely on Western-centric economic norms.

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Does Trump's Tariff Policy 2.0 Really Matter to BRICS's Trade Development?

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ABSTRACT

This paper reviews the US government's new tariff policy toward its trade partners, particularly members of BRICS (Brazil, Russia, India, China, and South Africa). During his 2024 presidential campaign, Mr Donald J. Trump promised to revitalise the American economy. One of his strategies to make the United States of America (USA) economy great again is to introduce a new tariff structure. Tariffs can serve as instruments of dominance, control, and manipulation. Major political and economic powers usually use tariffs to exert influence over selected nations, pressuring them to comply with specific political or economic agendas. However, President Trump's new trade policy falls short because it prioritises short-term economic growth over long-term gains. This new policy is targeting China and its trading partners, including members of BRICS and ASEAN. The key question is whether this policy will achieve its objectives, given the many US companies operating in China, ASEAN, and other BRICS states. This paper argues that the new US tariff policy will affect BRICS trade growth, but the impact is expected to be minimal, even though the US is one of their export destinations. This paper aims to descriptively review the US's new tariff measures on selected BRICS members. In addition, this paper uses a simple trade analysis and estimates the intra-trade index to support the explanation and discussion.

1. Introduction

During the 2024 presidential election campaign, Mr Trump vowed to make the United States of America (USA) a great country again. One solution to help America rise again and recover from a slumping economy is to use trade tools, such as imposing trade barriers on selected trading partners that recorded trade surpluses. Furthermore, he suggested that local companies stop outsourcing and turn the country into a manufacturing powerhouse, as it was before World War 2. To smooth the plan, he will provide large tax cuts for workers. These tax cuts should be funded by a 60% increase in tariffs on Chinese goods and a 10% hike in tariffs on other trade partners. He also added reciprocal tariffs of up to nearly 50% on several trading partners. Canada and Mexico, major US trading partners, are also subject to tariffs of up to 25%.

On July 8 and 9, 2025, President Trump released nearly two dozen letters to trade partners, and most of the US trade partners were slapped with a detrimental tariff rate. Obviously, the ultimate target of President Trump's new trade policy, i.e., tariff policy 2.0, is China. Tariff policy 1.0 also targeted China. However, beyond China, the policy indirectly affected China's trade partners, including several ASEAN nations, BRICS, and Latin American and African countries. The rationale for tariff policy 2.0 is to curb China's economic development and disrupt supply chains between China and its trading partners. The US government believes that by restricting China's progression of trade development, the economy would be impaired. Furthermore, the new trade policy aims to dismantle a new trade order created and dominated by Chinese firms in the world commodity

market. China's goods exports over the past decade have doubled to nations mostly across Southeast Asia, Latin America and the Middle East. The idea of President. Trump's 2.0 trade policy is to break the supply chain between China and its trade partners or create a supply shock to the international commodity market.

Although Tariff 2.0 will cause a shortfall in China's trade, the government and the private sector have organised an action plan to limit the policy's impact on the economy. To some extent, the new US trade policy has motivated Chinese firms to seek new markets abroad to offset its negative effects. Since then, the Chinese firms have actively focused on trade engagements with developing countries, i.e., the South-South (SS) continent or the Global South (GS). In this century, the GS will become the new centre of gravity of the world economy. The Chinese multinational corporations (MNCs) have emerged as the new main players in the GS. Trade between China and the GS countries has increased, while exports to the US have slumped since Tariff 2.0 was imposed. The Chinese government also enthusiastically sought bilateral trade arrangements with several developing countries. In these trade deals, the Chinese government reduced trade barriers to bolster trade growth with both old and new partners. In June 2025, Chinese President Xi Jinping said he would eliminate all import tariffs on almost all African nations (Gacuruzwa, 2025). China's trade with its 20 largest partners in the Global South now makes up, on average, 20% of those countries' gross domestic product (Chang et al., 2025). More than half of China's total trade surplus is now with the Global South, compared with 36% for the US and 23% for Western Europe (Chang et al., 2025).

President Trump assumed that higher tariffs on more than 100 countries, which make imported goods more expensive, would eventually spur domestic manufacturing. Nevertheless, the policy will reduce the competitiveness of US manufacturing and exporters in domestic and global markets; consequently, unemployment rises (Strain, 2024). The policy would raise production costs for US manufacturing companies, making them less competitive than their competitors. In this trade game or war that was created by Trump, it will subsequently impact the US economy negatively. The US government should implement policies that promote long-term growth for domestic industries rather than attacking trade partners to reduce trade deficits.

2. President Trump's Tariffs 2.0 and the BRICS Economy

Theoretically, imposing tariffs raises foreign prices in the domestic economy. Foreign goods will be expensive. High tariff rates deny consumers cheaper products. In terms of welfare, this is a loss for consumers. Producers and importers, such as factories, wholesalers, and retail outlets, will face higher production, transportation, and warehousing costs. Usually, these additional costs, increases, or import tax burdens are passed on to consumers. In other words, firms mark up prices to maintain a constant profit. Eventually, the deadweight loss increases, and consumer welfare drops. As York & Durante (2025) clearly state, tariffs are taxes that raise prices and reduce the quantities of goods and services available to businesses and consumers, resulting in lower income, reduced employment, and lower economic output. In contrast, free trade increases economic output and income, but trade barriers, such as tariff policy 2.0, reduce economic output and income.

Under the so-called International Emergency Economic Powers Act (IEEPA), President Trump imposed tariffs on selected trading partners: China, Canada, Mexico, and the EU. In addition, he has imposed Section 232 tariffs on autos, heavy trucks, steel, aluminium, lumber, furniture, semiconductors, pharmaceuticals, and copper. The new US tariffs amount to an average tax increase of $1,100 per American household in 2025 and $1,400 in 2026 (York & Durante, 2025). Under the tariffs imposed, which were applied on 1st November 2025, the weighted average applied tariff rate on all imports rises to 15.8%, and the average effective tariff rate rises to 11.2%, the highest rate since 1943. Furthermore, as stated by York & Durante (2025), the Trump tariffs are the largest US tax increases, at about 0.47 of 2025 GDP, since 1993 (York & Durante, 2025).

In 2024, tariff rates in BRICS countries and the US were less protective, except in India, where tariffs on agricultural products were high, as shown in Table 1. Tariff levels in the US were much lower than those in any BRICS nation. Tariff rates in China, Russia, and the USA were low. However, the tariff rates in Brazil, India and South Africa were considerably higher. Non-tariff barriers (NTBs) converted into tariffs were also low, except for South Africa. Without the new tariff policy, foreign goods entering the US market face a low charge. Therefore, foreign goods can compete with local goods in the US domestic market. With President Trump's new tariff policy, the cost of foreign goods in the US market will increase and weaken their competitive position; subsequently, demand for foreign goods will drop.

Table 1: Simple Average Tariff Rates (Final Bound), 2024 (%)

Country	**Total**	**Agriculture**	**Non-Agriculture**	**Tariff Quotas (%**
Brazil	31.4	35.4	30.8	0.5
China	10	15.7	9.1	4.5
India	50.8	113.1	36	0.9
Russian Fed	7.6	10.8	7.1	3.2
South Africa	19	39	15.6	37.1
U.S.A	3.4	4.7	3.2	5.9

Source: Tariff Profiles, www.wto.org.

Table 2: President Trump Tariff on BRICS-5

	Current Tariff Rate	Total Imports Affected (US$ Billions)
Brazil	50%	$7.90
China	30%	$264.0
India	50%	$53.75
Russia	Sanctions	N/A
South Africa	30%	$6.48

Source: York, E., & Durante, A. (2025). Trump tariffs: Tracking the economic impact of the Trump Trade war. The Tax Foundation, Washington, DC.

Table 3: Tariff Cost by Category of BRICS Countries

	2024 U.S Imports	Potential Tariff Cost
BRICS Five	$577.4	$33.5
BRICS Plus	$38.3	$2.2
Total- Official Members	**$615.8**	**$35.7**
BRICS Partners	$265.4	$15.4

BRICS NDB Members	$30.7	$1.8
Prospective/Unofficial	$29.1	$1.7
Interested Countries	$28.2	$1.6
Grand Total	**$969.2**	**$56.2**

Source: Dataweb, Jensen, J. (2025). Breaking Down the BRICS Tariff. American Action Forum, July 2025.

Notes: 1. BRICS Plus: Egypt, Ethiopia, Indonesia, Iran, United Arab Emirates

2. BRICS Partners: Bolivia, Belarus, Cuba, Kazakhstan, Nigeria, Malaysia, Thailand, Vietnam, Uganda, Uzbekistan.

3. BRICS New Development Bank partners but are not official BRICS members or partners (Algeria, Bangladesh, Colombia and Uruguay).

4. Prospective/Unofficial: Turkey and Saudi Arabia

5. Interested Countries: Afghanistan, Bahrain, Iraq, Kuwait, Laos, Nicaragua (blocked), Pakistan, Senegal, Syria, Tunisia, Venezuela (blocked), Yemen, and Zimbabwe.

Table 2 shows the potential impact of the US tariff 2.0 on BRICS. For Brazil, a 50% tariff increase would affect total imports by about $7.9 billion. In contrast, for China, a 30% tariff increase would affect imports by about $264 billion. For India, a 50% tariff increase would affect about $5.8 billion in imports, while for South Africa, a 30% tariff increase would affect about $6.5 billion in imports. Total BRICS imports affected by the new US tariff structure would be $332.13 billion. Another study estimated tariff costs for BRICS-5 at $35.7 billion (Table 3). If we include all members, old, new and potential, the total tariff costs were estimated at $56.2 billion (Table 3).

At first glance, President Trump's renewed "America first" agenda seems aimed at the heart of the BRICS group of nations (Mukherji, 2025). With threats of punitive tariffs and direct provocations, Trump has positioned BRICS as a target in his second term. Yet rather than trying to split the bloc apart, his aggressive policies are strengthening the alliance. As mentioned earlier, China remains President Trump's primary target of tariff 2.0. A high-level US business delegation tried to revive discussions on Sino-US relations in early 2025, May, June, and July, but the talks ended half-heartedly (Chen & Razdan, 2025). China-US economic and trade relations have been turbulent since tariff policy 1.0, but since early 2025, relations appear to be worsening due to the US's ruthless new trade policy toward China. The US-China trade talks in Stockholm in August 2025 resulted in a 90-day pause on escalating tariffs. However, Trump's unilateralism is backfiring in certain ways, as his efforts to isolate China have instead reinforced Beijing's image as a rallying point for nations resisting US-led economic coercion.

President Trump's trade policy, which turned into a trade war, actually increases risks in international trade and destabilises the global economy. Countries associated with China, either directly or indirectly, including BRICS members, face high tariff rates and are actively engaging with other nations to offset the policy's negative impact. The President's policy, in fact, strengthens collaboration among affected countries in the Global South, primarily between China and other BRICS members. The US government has pressured Global South countries with economic, commercial, and technological ties to China. In the case of BRICS, for instance, Brazil has been threatened with high tariffs, i.e., 50% (see Table 2). China is Brazil's number one trading partner, accounting for 26% of Brazil's exports, which is double that of the US. Because of the new US tariffs, China has also signalled its readiness to increase imports of Brazilian coffee. South Africa has also been targeted by Trump. South Africa is facing 30% tariffs. On average, trade between South Africa and the US is 9 % each year (Mathekga, 2025). In 2024, total exports were about US$110 billion to the US, China, and Germany, South Africa's top markets. The newest BRICS

members have not been spared, either. Indonesia has faced regular tariff threats since officially joining the group in January 2025. Even Vietnam, a new BRICS partner and a key player in Chinese supply chains, faces a 20% tariff plus 40% levies on goods suspected of being diverted from China.

China argued that developed countries historically shaped trade rules to reflect their strategic interests, advocating liberalisation in areas of strength while protecting sensitive sectors through subsidies and non-tariff barriers (Kim, 2025). When Global South exports begin threatening domestic industries in developed countries, developed countries impose various trade rules and acts on developing countries to weaken their trade competitiveness. They tried to dictate terms to developing countries through multilateral agreements and negotiations, such as the Uruguay Round and the Doha Round. Rather than a calculated divide-and-conquer strategy, these measures signal blanket antagonism towards all developing countries, including BRICS members, regardless of their internal differences or diplomatic potential. The clash between the US and BRICS exemplifies the growing tensions between the US and assertive middle powers.

In fact, Mr Trump's tariff 2.0 policy is a continuous arrangement that was implemented during his first term as President in 2007 and the trade policy that was implemented by the former President, Joe Biden. Biden's administration used deliberate industrial policies to boost several strategic industries, mostly semiconductors and electric vehicles (EVs), including 100% tariffs on EVs from China and 25% on lithium-ion EV batteries, as well as subsidies to buy EVs and build EV-related factories (Greenhouse, 2025). Biden's policies could revive manufacturing and increase local investment in certain industries, including the high-technology sector. However, Trump's blanket tariffs will be less successful at spurring investment (Greenhouse, 2025). Industrial policies are a major economic tool for boosting and rebuilding the economy, including restructuring manufacturing industries. Industrial policy is usually used to promote more competition, as shown in the case of Newly Industrialising Economies, Tier 1 and Tier 2. However, tariff policy works in the opposite way, i.e., restricts competition.

3. BRICS and USA Trade

BRICS represents about 45% of the world population, accounts for more than a third of global economic growth, controls about 40% of global oil production, monopolises nearly 75% of rare earth resources, and has annual trade exceeding US$1 trillion (Nouri, 2025). BRICS is one of the largest markets after the Regional Comprehensive Economic Partnership (RCEP). Therefore, BRICS offers enormous opportunities for economic benefits to member states.

Although BRICS has received heavy pressure on market access, i.e., economic sanctions and the threat of punitive trade barriers, from the US government, as elaborated above, intra-bloc trade continues to rise. The USA is a major trade partner of the BRICS members. To some extent, imposing high tariff rates would reduce BRICS exports to the US, reduce imports of US goods from BRICS, and thereby raise the cost of imported goods in the US market. As shown in Table 4, US exports to BRICS increased from 8% of total exports in 2005 to 12.7% in 2022, but fell to 11.7% in 2024. Meanwhile, imports from the USA to BRICS rose from 19% of total imports in 2005 to 26% in 2015 before falling to 18.3% in 2024. Based on these two tables, trade between the USA and BRICS favoured BRICS, which recorded a trade surplus. This is a main reason the tariff 2.0 was enacted. Looking at Tables 3 and 4, BRICS recorded a trade surplus with the US; the trade gap is huge.

Table 4: USA Exports to BRICS of Total Exports (%)

	2005	2010	2015	2022	2024
BRICS Aggregation	**8.0**	**12.4**	**12.1**	**12.7**	**11.7**
Brazil	1.7	2.8	2.1	2.6	2.4
China	4.6	7.2	7.7	7.5	7.0
India	0.9	1.5	1.4	2.3	2.0
Russia	0.4	0.5	0.5	0.1	0.03
South Africa	0.4	0.4	0.4	0.3	0.3
USA Total Exports ($' Bil)	**901.0**	**1278.1**	**1503.3**	**2063.0**	**2064.5**

Source: International Trade Centre (ITC), www.trademap.org, and author's calculations.

Table 5: USA Imports from BRICS of Total Imports (%)

	2005	**2010**	**2015**	**2022**	**2024**
BRICS Aggregation	18.9	24.1	26.1	21.9	18.3
Brazil	1.5	1.3	1.2	1.2	1.3
China	15.0	19.5	21.8	17.1	13.8
India	1.1	1.6	2.0	2.7	2.7
South Africa	0.4	0.4	0.3	0.4	0.4
Russia	0.9	1.3	0.7	0.4	0.1
USA Total Imports ($' Bil)	**1734.8**	**1968.3**	**2315.9**	**3375.9**	**3359.3**

Source: International Trade Centre (ICT), www.trademap.org, and Author calculation.

Among BRICS members, China is one of the USA's main trade partners. USA imports from China have increased from 15% in 2005 to 22% in 2015 before declining to 14% in 2024 (Table 5). It seems that due to the first Trump tariff policy in 2018, China has diversified its export markets. The decline was about 8%, which is quite large for the US market; that 8% share was likely shifted to other markets worldwide. Although Tariff 2.0 may hurt Chinese exporters, the policy may have little impact on them. In contrast, Chinese imports from the USA range from 5% to 7%. If China retaliates against the US's new trade policy, it may significantly harm certain US sectors, especially agricultural products. India is one of the USA's main trade partners. Specifically, the high tariff on Indian products would affect India's trade more than that of other BRICS members. Trade between the USA and Brazil, South Africa and Russia is in small amounts (Tables 4 and 5). However, if Brazil strike back at the US tariff policy, it may also hurt certain industries in the US. Although total trade (exports and imports) with the US is about 0.4%, a 30% tariff on South African exports will still dent the country's trade. However, the new tariff structure exempts platinum, titanium, and other raw materials because these metals are vital to the US auto industry. Although these minerals account for only a third of South African exports to the US, the new tariffs will still affect demand for South African manufactured goods (especially in the automotive sector), metals, and other exports such as fruit (NedBank, 2025).

By commodity section, the USA's major exports to BRICS come from sections 2, 5, 6, 16, 17, and 18. At the same time, the US's major imports from BRICS are from sections 6, 12, 15, 16, and 17 (Table

6). China is the major buyer of US grains such as soybeans, corn and wheat. However, the high tariff rates imposed on Chinese products have led the Chinese government to retaliate by sourcing vegetable products, raw or finished, from other sources, such as Brazil and Russia. This paper argues that the Chinese government has calculated the effects of President Trump's new tariff policy and, as noted above, will offset the fall in exports to the US with exports to other markets. Likewise, Chinese importers will seek inputs or commodities from other markets worldwide.

Table 6: USA-BRICS Trade by Commodity Section (%)

	Exports				***Imports***			
	2005	***2015***	***2022***	***2024***	***2005***	***2015***	***2022***	***2024***
1	2.09	1.14	2.47	1.90	0.77	0.74	0.94	0.87
2	4.10	8.54	10.99	7.60	0.71	0.96	0.96	1.35
3	0.71	1.82	0.86	1.01	0.75	0.76	0.97	1.29
4	0.20	0.48	0.29	0.44	0.16	0.17	0.14	0.16
5	2.55	4.84	18.59	16.15	4.63	3.09	2.60	2.29
6	12.08	11.16	14.49	14.63	2.89	4.66	7.93	7.68
7	5.69	5.02	4.92	5.58	3.24	3.66	4.65	4.48
8	1.06	0.93	0.28	0.28	2.27	1.62	0.75	0.67
9	2.45	3.44	1.93	1.60	1.78	1.19	1.26	1.03
10	1.21	0.79	0.45	0.47	1.03	0.98	1.00	1.04
11	3.16	1.19	1.61	1.00	0.85	0.89	0.76	0.82
12	0.15	0.12	0.11	0.13	8.28	7.84	6.08	5.87
13	0.09	0.06	0.04	0.06	5.26	3.75	2.92	2.41
14	1.99	4.74	4.63	3.37	5.05	4.23	5.45	5.37
15	7.74	4.48	3.19	3.84	7.88	6.16	7.00	6.48
16	18.00	11.97	9.18	9.58	17.78	18.55	16.61	15.48
17	14.03	10.10	8.49	9.28	17.43	22.83	20.75	23.21
18	14.59	20.66	9.71	14.18	2.82	3.76	4.11	4.57
19	5.86	6.64	5.72	6.51	1.83	2.28	2.26	2.38
20	2.27	1.91	2.03	2.39	14.57	11.88	12.84	12.54
$' Bil	**72.35**	**181.51**	**262.98**	**241.31**	**328.19**	**603.91**	**738.02**	**616.25**

Source: International Trade Centre (ICT), www.trademap.org, and Author calculation.

Notes: 1- Animal & Animal Products; 2- Vegetable Products; 3- Foodstuffs; 4- Beverages and Tobacco; 5- Mineral Products; 6- Chemicals & Allied Industries; 7- Plastics/Rubbers; 8- Raw Hides, Skins, Leather, & Furs; 9- Wood & Wood Products; 10- Paper & Printing; 11- Textiles; 12- Apparels/Garments; 13- Footwear/Headgear; 14- Stone/Glass; 15-Metals; 16- Machinery; 17- Electrical and electronics; 18-Transportation; 19- Optical, Photo, Medical, Musical Products; 20 – Miscellaneous.

4. BRICS Intra-Trade

The first four members, Brazil, Russia, India, and China, formed an alliance called BRIC in 2009. South Africa joined BRIC in 2010, and the group was renamed BRICS. The bloc expanded further in 2024 and 2025; as mentioned earlier, the newest and prospective members are shown in Table 3. BRICS aims to strengthen economic, political, and social cooperation among its members and increase the influence of Global South countries in international governance. The group aims to bolster sustainable social and economic development and promote social inclusion. However, the group remains a loose economic cooperation to this day. No binding agreements tie the members. Developing a free trade area (FTA) among the members is still far from reality. Many obstacles remain to forming an FTA within the group, including differences in economic development, culture, distance and transportation costs, political issues, and interference from third parties, mainly the USA. As mentioned above, the US is a major trading partner for BRICS members. Additionally, India will disagree with the idea of an FTA, as in the case of RCEP, because it fears it cannot compete with China, especially since the government withdrew from RCEP. Although the group is a loose alliance, BRICS has gained momentum since its establishment. Some members, such as Brazil, India, and South Africa, suggested reforming the commercial, financial, and multilateral systems without breaking with the current international economic system. The idea of developing international trade settlements in their own currencies, or forming a new currency among BRICS, remains uncertain. Although members agreed on trade settlements in members' currencies, detaching from the dollar standard for international trade payments, or de-dollarisation, would take longer to materialise.

Because new members joined the group in 2024 and 2025, the trade analysis below, as discussed earlier, will be confined to the first five members. This is to simplify the analysis. Since its formation in 2009, trade among BRICS members has increased. BRICS exports to the world have risen from 12.2% in 2005 to 20.4% in 2024 (Table 7). Meanwhile, BRICS imports to the world rose from 8.4% to about 16% (Table 8). China is a large exporter in BRICS. China's share of BRICS' total exports rose from 60% in 2005 to 73.4% in 2024. Based on Tables 7 and 8, China is the main contributor to BRICS trade growth. Russia is the second-largest exporter in BRICS. However, Russia's share of exports fell from 9.3% in 2005 to 6.9% in 2021. The main reason for the fall in exports is related to economic sanctions by the USA and the EU. India's exports to BRICS have increased from 7.9% in 2005 to 9.1% in 2024. Brazil's exports have fallen, while South Africa's have remained roughly stable. BRICS imports from the world were about 8.4 in 2005, and they grew to 16% in 2024. China is the major importer in BRICS and absorbed, on average, over 62% of imports from BRICS members, while India imported about 15% on average. Russia, Brazil, and South Africa imported, on average, about 7.1%, 8.1%, and 3.5% from BRICS members, respectively.

Table 7: BRICS Intra-Exports (%)

	Of Total World Exports	Of Total BRICS Exports				
	BRICS	China	India	Russia	Brazil	South Africa
2005	12.2	60.0	7.9	19.0	9.3	3.7
2010	16.4	63.7	8.9	16.0	8.1	3.3
2015	19.2	72.4	8.4	10.6	6.1	2.6
2022	20.6	70.7	8.9	11.4	6.6	2.4
2024	20.4	73.4	9.1	8.3[a]	6.9	2.3

Source: International Trade Centre (ICT), www.trademap.org, and Author calculation.

Notes. Refer to the year 2021. Trade data for Russia is available until 2021. The reason is probably related to the war between Russia and Ukraine.

Table 8: BRICS Intra-Imports (%)

	of Total World Imports	Of Total BRICS' Imports				
	BRICS	China	India	Russia	Brazil	South Africa
2005	8.4	63.9	13.6	7.6	9.6	5.3
2010	12.3	62.0	15.6	8.6	10.2	3.7
2015	15.6	67.1	15.6	6.8	7.1	3.4
2022	16.8	67.4	18.2	6.8	4.9	2.8
2024	15.9	66.9	18.2	6.8[a]	5.5	2.6

Source: International Trade Centre (ICT, www.trademap.org) and Author calculation.

Notes. Refer to the year 2021. Trade data for Russia is available until 2021. Reason probably related to the war, Russia-Ukraine

Table 9: BRICS Structure of Exports by Commodity Section (%)

	Brazil		China		India		Russia		South Africa	
HS	**2010**	**2024**	**2010**	**2024**	**2010**	**2024**	**2010**	**2021**	**2010**	**2024**
1	6.07	8.31	0.39	0.20	1.18	3.81	3.33	1.77	0.17	0.26
2	21.01	33.89	1.12	0.51	2.49	7.33	0.16	2.37	1.38	4.44
3	8.54	3.38	0.81	0.49	1.15	1.07	0.17	0.30	0.49	0.34
4	1.37	0.64	0.03	0.18	0.43	0.21	0.01	0.04	0.25	0.17
5	49.24	42.88	1.25	0.38	36.60	26.05	45.17	63.57	66.78	67.66
6	0.97	0.49	10.32	10.42	9.66	20.01	15.73	6.99	5.06	2.11
7	0.60	0.17	3.60	5.62	2.40	3.28	3.06	1.65	1.40	0.16
8	1.02	0.41	2.39	0.82	0.39	0.30	0.03	0.03	0.27	0.20
9	3.11	4.82	0.38	0.18	0.01	0.07	10.39	5.48	1.23	5.28
10	0.29	0.10	0.65	0.80	0.15	0.31	1.20	0.99	0.09	0.02
11	0.42	1.92	4.75	2.70	10.89	3.27	0.12	0.04	1.02	1.31
12	0.01	0.00	7.42	3.13	0.85	1.30	0.00	0.00	0.02	0.05
13	0.10	0.01	3.71	1.69	0.53	1.75	0.00	0.01	0.01	0.09
14	0.25	0.11	2.23	1.81	1.53	1.22	1.66	1.74	2.86	1.98
15	2.96	1.88	9.65	7.50	18.90	6.21	5.64	5.48	15.81	14.37
16	1.31	0.39	20.00	20.39	2.50	9.50	5.34	2.89	2.22	0.70

17	0.49	0.19	20.69	24.26	1.94	5.14	2.07	1.11	0.49	0.37
18	2.10	0.33	3.65	11.89	7.41	7.26	2.29	0.20	0.30	0.34
19	0.11	0.05	3.58	2.53	0.51	1.51	1.20	0.42	0.11	0.08
20	0.03	0.02	3.37	4.47	0.49	0.39	2.43	4.90	0.05	0.05
$' Bil	**39.69**	**102.47**	**105.79**	**329.85**	**26.15**	**34.86**	**26.96**	**83.41**	**12.08**	**17.78**

Source: International Trade Centre (ICT), www.trademap.org, and Author calculation.

Notes: 1- Animal & Animal Products; 2- Vegetable Products; 3- Foodstuffs; 4- Beverages and Tobacco; 5- Mineral Products; 6- Chemicals & Allied Industries; 7- Plastics/Rubbers; 8- Raw Hides, Skins, Leather, & Furs; 9- Wood & Wood Products; 10- Paper & Printing; 11- Textiles; 12- Apparels/Garments; 13- Footwear/Headgear; 14- Stone/Glass; 15-Metals; 16- Machinery; 17- Electrical & Electronics; 18-Transportation; 19- Optical, Photo, Medical, Musical Products; 20 – Miscellaneous.

Table 10: Intra- BRICS Structure of Imports by Commodity Section (%)

	Brazil		**China**		**India**		**Russia**		**South Africa**	
HS	**2010**	**2024**	**2010**	**2024**	**2010**	**2024**	**2010**	**2021**	**2010**	**2024**
1	0.39	0.19	2.01	4.42	0.02	0.01	4.88	0.86	1.68	1.35
2	0.95	0.64	9.48	15.22	0.56	2.17	2.99	2.91	1.54	2.07
3	0.30	0.33	0.99	1.07	1.48	1.05	3.81	0.99	1.31	1.14
4	0.14	0.04	0.35	0.21	0.07	0.02	1.06	0.35	0.68	0.27
5	7.80	8.89	56.34	58.70	8.64	33.36	0.73	0.36	6.88	8.42
6	11.54	21.58	3.91	2.16	14.54	10.07	4.42	7.02	7.40	10.09
7	3.55	4.86	1.78	0.71	2.55	3.55	3.73	4.98	4.09	4.37
8	1.07	0.56	0.91	0.22	0.23	0.17	1.56	0.83	1.28	0.66
9	0.12	0.10	5.25	3.67	0.28	0.52	0.48	0.22	0.48	0.31
10	0.58	0.52	0.22	0.33	0.77	0.58	0.65	0.52	1.06	1.04
11	4.42	3.20	2.63	1.06	2.71	1.27	1.52	1.56	2.27	2.04
12	3.84	2.12	0.05	0.05	0.52	0.59	7.87	4.28	7.39	4.04
13	0.63	0.29	0.16	0.21	0.32	0.16	6.75	2.90	4.14	2.20
14	2.19	1.41	3.81	5.29	11.06	4.39	2.33	1.88	2.87	1.47
15	10.21	7.77	6.52	4.92	9.90	5.40	7.80	7.31	7.02	8.01
16	18.31	14.45	0.84	0.80	13.54	13.28	19.93	23.94	17.15	15.72
17	25.33	20.58	0.60	0.57	20.60	19.24	19.54	24.90	18.49	19.97
18	2.70	7.84	0.51	0.10	3.55	1.46	2.81	5.90	5.67	9.69
19	3.28	2.20	0.20	0.14	1.34	1.43	1.77	2.41	1.52	1.66
20	2.65	2.43	3.44	0.12	7.33	1.27	5.36	5.86	7.10	5.48

$'Bil	**35.19**	**82.11**	**99.76**	**294.20**	**54.97**	**188.81**	**45.64**	**80.14**	**15.77**	**31.10**

Source: International Trade Centre (ICT), www.trademap.org, and Author calculation.

Notes: 1- Animal & Animal Products; 2- Vegetable Products; 3- Foodstuffs; 4- Beverages and Tobacco; 5- Mineral Products; 6- Chemicals & Allied Industries; 7- Plastics/Rubbers; 8- Raw Hides, Skins, Leather, & Furs; 9- Wood & Wood Products; 10- Paper & Printing; 11- Textiles; 12- Apparels/Garments; 13- Footwear/Headgear; 14- Stone/Glass; 15-Metals; 16- Machinery; 17- Electrical & Electronics; 18-Transportation; 19- Optical, Photo, Medical, Musical Products; 20 – Miscellaneous.

Brazil's major exports to BRICS by commodity section are agricultural products such as soybeans, corn, raw sugar, coffee, and meat, as well as petroleum (crude and refined). China is one of Brazil's major trade partners. Besides China, Brazil, India, Russia, and South Africa are major contributors to the commodity section of minerals (oil, gas, and coal) and metals. China's major exports are linked to the machinery and electrical and electronic (E&E) appliances sectors. Metals such as platinum, iron ore, and chrome are major commodities in South Africa's exports. Based on Table 10, China and India's major imports are from the mineral sector, mainly energy acquisition, perhaps imports from Russia and Brazil. This correlates with Table 9, in which the Russian Federation's major exports are oil and gas, followed by South Africa and Brazil. In general, major imports of BRICS members, except China, are machinery and E&E appliances.

4.1. Intra-Industry Trade Index

To examine intra-industry trade in BRICS, this paper used the intra-industry trade (IIT) index. IIT has remained a relevant measure of intra-industry trade, as it indicates specialisation in a country's trade. The formula for IIT calculation is based on the Grubel-Lloyd (GL) Index (see Grubel & Lloyd, 1971). Although it is not perfect, the GL Index is frequently cited as an indicator of intra-industry trade worldwide.

The basic formula of GL is stated below:

$$GLij = 1 - \Sigma k\ b{=}1\ |Xijb - Mijb| \ / \ \Sigma k\ b{=}1\ (Xijb + Mijb)$$

where:

i – reporter (reporting country), j – partner (trading partner),

b – industry (6-digit HS code level), k – number of industries in total trade (trade of all products), $GLij$ – Grubel-Lloyd index in bilateral trade between country i and country j, $Xijb$ – exports from country i to country j of products belonging to industry b, $Mijb$- imports to country i from country j of products belonging to industry b. A higher GL index (closer to 1) indicates more IIT; a lower index (closer to 0) suggests inter-industry trade (trading different types of goods).

Table 11: BRICS, Intra-Industry Trade Index

	Brazil		**China**		**India**		**Russia**		**South Africa**	
HS	**2010**	**2024**	**2010**	**2024**	**2010**	**2024**	**2010**	**2021**	**2010**	**2024**
1	0.11	0.04	0.34	0.10	0.08	0.03	0.57	0.64	0.15	0.20
2	0.08	0.03	0.22	0.07	0.64	0.77	0.06	0.92	0.82	0.90
3	0.06	0.15	0.93	0.68	0.54	0.32	0.05	0.48	0.45	0.29

4	0.16	0.09	0.19	0.99	0.53	0.72	0.01	0.23	0.43	0.52
5	0.25	0.28	0.05	0.01	0.66	0.25	0.05	0.01	0.24	0.36
6	0.17	0.06	0.53	0.31	0.48	0.54	0.64	0.98	0.69	0.21
7	0.32	0.09	0.64	0.20	0.62	0.29	0.65	0.51	0.41	0.04
8	0.96	0.95	0.53	0.38	0.90	0.49	0.02	0.06	0.28	0.29
9	0.06	0.03	0.14	0.11	0.05	0.05	0.15	0.08	0.68	0.19
10	0.72	0.38	0.49	0.54	0.17	0.18	0.96	0.67	0.12	0.02
11	0.19	0.86	0.69	0.52	0.69	0.64	0.09	0.05	0.51	0.54
12	0.00	0.00	0.01	0.03	0.87	0.58	0.00	0.00	0.00	0.01
13	0.29	0.08	0.08	0.20	0.89	0.66	0.00	0.00	0.00	0.05
14	0.23	0.18	0.77	0.55	0.12	0.10	0.59	0.98	0.87	0.87
15	0.49	0.46	0.78	0.74	0.95	0.35	0.60	0.88	0.73	0.99
16	0.15	0.07	0.08	0.07	0.16	0.23	0.27	0.22	0.18	0.05
17	0.04	0.02	0.05	0.04	0.09	0.09	0.12	0.09	0.04	0.02
18	0.93	0.10	0.23	0.02	1.00	0.96	0.65	0.07	0.08	0.04
19	0.07	0.06	0.10	0.10	0.31	0.33	0.57	0.31	0.10	0.05
20	0.02	0.02	0.98	0.05	0.06	0.11	0.42	0.93	0.01	0.01
Total	**0.20**	**0.16**	**0.28**	**0.15**	**0.47**	**0.30**	**0.28**	**0.30**	**0.30**	**0.30**

Source: International Trade Centre (ICT), www.trademap.org, and Author calculation.

Notes: 1- Animal & Animal Products; 2- Vegetable Products; 3- Foodstuffs; 4- Beverages and Tobacco; 5- Mineral Products; 6- Chemicals & Allied Industries; 7- Plastics/Rubbers; 8- Raw Hides, Skins, Leather, & Furs; 9- Wood & Wood Products; 10- Paper & Printing; 11- Textiles; 12- Apparels/Garments; 13- Footwear/Headgear; 14- Stone/Glass; 15-Metals; 16- Machinery; 17- Electrical & Electronics; 18-Transportation; 19- Optical, Photo, Medical, Musical Products; 20 – Miscellaneous.

Table 11 presents the calculated IIT index. The results show that the IIT index for each country is generally uneven or not in line with the data in the previous export and import tables. One reason the IIT index may be uneven is that exports and imports are assumed to be small for some commodity sections. Based on the tables in the previous section, intra-industry trade is more concentrated in certain primary commodity and mineral sections in which the country is assumed to have comparative advantages than in other commodity sections. Based on total trade, the IIT index indicates that BRICS trade is inter-industry. The IIT value ranges from 0.15 to 0.47.

China, considered the world's manufacturing hub, shows a low IIT index for commodity sections 16, 17, 18, and 19. China has a high IIT index for the commodity sections 3 to 4. Sections 3 to 4 cover food, and Tables 9 and 10 show that exports in these sections were much lower than imports. Likewise, in section 5, which includes energy, China is a major importer of energy sources worldwide. On the other hand, India's IIT index also shows an uneven trend and does not align with what is shown in Tables 9 and 10. Russia, one of the world's largest exporters of petroleum and gas, recorded a low IIT index for commodity section 5. Countries that specialise in or concentrate on certain products should show a high IIT index for those products, indicating intra-industry trade. However, based on the calculated IIT index in Table 11, most major commodities

produced by BRICS members indicate inter-industry trade.

The IIT index results in Table 11 align with a few studies. According to Czarny et al. (2024), BRICS countries remain masters of inter-industry trade, mainly specialised in the production of raw materials and labour-intensive goods. IIT shares exceeded 20% only in Brazil and India. These relatively high IIT shares of both mentioned countries occurred during the financial crisis in 2008 and the global trade collapse in 2009 (Czarny et al., 2024). According to them, Russia showed a low IIT index for fuel and raw materials, as its exports consist mainly of these goods. In another study, Lohani (2020) analysed Pre-BRICS and Post-BRICS IIT trade patterns. Her study found that these countries trade in the same industries. Chatterjee et al. (2014) found that India competes with other BRICS countries in many product categories and enjoys comparative advantages in others. As BRICS industries specialise, production costs will decrease, providing economic gains for consumers across borders.

According to Rahman et al. (2024), their empirical results imply that trade among BRICS countries plays a significant role in developing economic cooperation, as the gravity model results are significant. Regarding trade, the BRICS countries follow the Heckscher-Ohlin trade model because they are heterogeneous (Rahman et al., 2024). BRICS is a new organisation, so research on intra-trade remains limited. In general, most empirical research offers only predictions, and few experimental studies provide solid evidence. However, observers expected BRICS to benefit member states. As shown in Tables 7 and 8, trade among the BRICS countries has grown rapidly over the years. China is the largest trading partner for all the other BRICS countries, accounting for more than half of the intra-BRICS trade. The main products traded within the BRICS group are mineral fuels, machinery, electrical equipment, vehicles and iron and steel (Rosstat, 2022). Fliagin & Abdulganiyu (2025) suggest that increased intra-BRICS trade may reduce reliance on the US dollar for transactions. Therefore, the bilateral agreements and trade in local currencies can help diversify reserve compositions and decrease dependence on the dollar.

BRICS countries are confronted with the challenge of increasing cooperation in different economic sectors. So far, intra-BRICS cooperation in the raw materials sector has been limited, as shown in the tables above. Empirical analysis of BRICS countries' mineral policies shows the heterogeneous geopolitical and economic interests of member states, which may prevent deeper cooperation in the minerals sector (Muller, 2025). BRICS seems to have become a forum for increasing cooperation in the minerals sector rather than building a concrete alliance. Different geopolitical ambitions and power imbalances among BRICS states seem to prevent them from building a homogeneous economic bloc in the minerals sector (Muller, 2025).

5. Discussion

As mentioned earlier, the group influences global trade, natural resources, commodity markets, GDP, and population. After the group's latest expansion in 2024 and 2025 (see Table 3), BRICS encompasses roughly 45% of the world population and 29% of global GDP. The recent inclusion of new members that produce energy, are major agricultural importers, and hold significant mineral deposits gives BRICS influence over global material resources. BRICS accounts for roughly 40% of global grain production, produces about 42% of global wheat, about 52% of global rice, and 46% of global soya (ISDP, 2024, p. 9). In the energy sector, BRICS contributes about 32% of the world's natural gas output and 43% of crude oil. The group also produces critical raw minerals. The group accounts for about 48% of global copper production, about 80% of platinum, about 78% of palladium, about 45% of zinc, and about 70% of rare earths, which are crucial for advanced technological development (Hache & Roche, 2024). Other critical minerals used in manufacturing, such as manganese, have a global production share of about 75%, graphite almost 50%, and nickel about 28% (ISDP, 2024). BRICS would control the global supply of these minerals. If other mineral-producing countries in Africa, such as Congo, Botswana, Gabon, Zimbabwe, and others, join BRICS, the group could become the world's minerals club.

The dominance of these raw materials (or metals) will reconfigure supply and demand in the international commodity market, including price determination, which might favour producers rather than rich countries (main buyers). Metals have become increasingly important due to their growing use in many kinds of industrial production, such as photovoltaic panels (aluminium, silver, copper, silicon), wind turbines (aluminium, copper, nickel) and electric vehicles (cobalt, copper, lithium, manganese, etc.) (Hache & Roche, 2024). BRICS is not only an economic group but will also emerge as an alliance that controls many kinds of raw materials and uses them as diplomatic leverage in economic contexts such as trade negotiations or geopolitical security. Therefore, this may help explain why BRICS countries face external pressure and resentment from a few Western states. Whilst such a unilateral and extreme response from the US may not succeed ultimately and may backfire upon it in the precipitously vigorous Sino-American strategic competition, it is clear that BRICS+ member states may face varying degrees of pressure and pushback from Western partners over their pursuit of greater financial synergy and strategic autonomy (Amitav, 2025).

Undeniably, the Trump tariff 2.0 policy will affect the countries it targets. Although the policy would be temporary, it is considered an external shock to countries that heavily depend on primary commodities or rely on an export-led growth strategy for economic growth and development. A temporary increase in the average tariff rate on imports from the rest of the world reduces real GDP growth. Bandyopadhyay et al. (2025) stated that tariffs have a contractionary effect. In response to a temporary increase in the average tariff rate on imports, real GDP growth falls, permanently lowering real GDP relative to the trend (Bandyopadhyay et al., 2025). The overall impact on the price level is minimal. The contraction in economic activity is associated with a temporary decrease in the stock market's value relative to GDP and a higher federal deficit relative to GDP. BRICS' strength lies in its domestic demand-driven growth model; even now, China is shifting its growth strategy from export-led growth (ELG) to demand-led growth (DLG). With this new development strategy, countries can cushion the impact of US tariff policy.

Does President Trump's tariff 2.0 policy matter to BRICS trade development? Will the policy injure BRICS' production and export industries? As shown in Table 1, average US tariff rates are low. If the US government raises tariff rates to 50%, it will not substantially damage BRICS' export sector. However, the tariff rate would cause a significant shock to the US domestic market. The agricultural sector will be greatly affected. China was a major buyer of American agricultural products. Furthermore, E&E and high-technology industries rely on Chinese products. The Trump administration's policy set back certain industries, such as those that depend on semiconductors, microchips, and rare earths produced by Chinese firms. Due to the Trump tariff policy, the Chinese government retaliated by imposing export controls on certain products that are largely required by high-technology and defence industries. In China, the new tariff policy would have minimal effect. As shown in Tables 3 and 4, China's trade with the US ranges from 1 % to 3%. Given this small share, China will divert trade to other Global South countries, such as Brazil, Russia, and African countries. As reported by Cash & Chen (2026), in 2025, China recorded a trade surplus of more than $1.2 trillion amid the US government's threat of punitive tariffs. China's trade with the US has dropped since 2024. China's exports to the US dropped about 20% while imports declined about 15% (Cash & Chen, 2026). Overall, shipments to the US from the world plunged about 30% in December 2025.

Brazil may face a significant negative impact from Tariff 2.0. Table 4 indicates that US imports from Brazil have increased by more than 15% since 2005. A 50% tariff increase imposed by the US government would definitely hurt certain Brazilian export industries. South Africa (SA) exports to the US range from 0.1% to 1.3%. Trump's policy is expected to have a minimal effect. SA can offset the losses by increasing trade with African and Latin American countries. South Africa has diversified its international export markets; while increasingly focused on primary products, the country has maintained a more diversified base, with a consistent share of medium- and high-tech goods (around 27 per cent). On the other hand, her exports to BRICS members have become

concentrated on primary products (85 per cent in 2024. South Africa remained reliant on primary commodities at about 64% during 2023-2024 (UNCTAD, 2026: 27). India's development strategy since independence in 1947 is DLG. On average, private consumption contributed roughly 60% to GDP growth. India, in general, can withstand the impact of Mr Trump's tariff 2.0. To conclude, the impact of President Trump's tariff 2.0 policy on BRICS, in general, will be minimal, and the negative impact will be short-term. Most countries affected by the tariff policy will seek new markets and sign bilateral trade agreements with prospective nations.

Russia and China have suggested that the BRICS should serve as a counter to what they perceive as a global system that serves U.S. interests. Yet critics argue that BRICS is merely a nominal grouping whose members in fact hold vastly different interests and geopolitical positions. Analysts suggest that Chinese leaders view BRICS as a vehicle for China's geopolitical ambitions and wish to expand the group rapidly. India and Brazil, by contrast, are much closer to the United States than the other two and view the group as a tool to maintain neutrality in a multipolar world, rather than as an anti-Western geopolitical bloc. The grouping's diffused institutional power remains constrained by divergences in policy preferences and member states' greater overall economic interlinkages with the collective West. Even as intra-BRICS trade growth has outpaced the global average, members' trade exposure remains more financially linked to G7 economies than to each other (ISDP, 2024).

For a long-term solution, the BRICS should increase intra-FDI. Investment from the members into BRICS will enhance intra-trade, economic growth and development. As Maryam & Mittal (2020) suggested, in the long run, FDI inflows will improve, and the variable is significantly correlated with economic growth, infrastructure availability, exchange rate stability, trade openness, and gross capital formation.

6. Conclusion

U.S. efforts to counter China have prompted the Chinese government to build up BRICS, a group of rising powers challenging U.S. hegemony. China and Russia actively position BRICS as a counterweight to Western hegemony. Chinese officials have pushed to enlarge BRICS because they feel threatened by the U.S. political and economic policies. BRICS is seen as a significant challenge to the US-led global political, economic and financial systems that have dominated since World War II. BRICS policymakers have also mooted launching their own currency to challenge the US dollar, the world's reserve currency, but progress has been slow. The bloc represents more than 45% of the world's population and more than a third of global economic growth, exceeding that of the G7 group. BRICS countries also control significant commodity markets, including around 40% of global oil production, nearly three-quarters of rare earth materials, and other minerals and metals used in critical manufacturing and high-technology products.

President Trump's second-term foreign policy appears more reactive than strategic. If his goal is to isolate China, he cannot afford to alienate countries such as India, Brazil, Russia or South Africa. The President's low level of diplomatic skill and unilateral threats have, in fact, stimulated BRICS, enhancing economic and political cooperation with non-Western powers, reducing dependence on the US dollar, and offering an alternative to US-led institutions. Whether BRICS is merely a bloc of economic interests or the beginning of a new global era will definitely change the world's economic and political landscape. For China, BRICS is a long-term hegemonic strategy, and for Russia, it is a way to circumvent sanctions.

President Trump's tariff 2.0 policy is politically motivated rather than an economic tool to correct US trade deficits. Trade deficits are not a new issue in US economic history. Deficits have existed since the 1960s and have significantly affected the US economy. The US government should address its trade deficits rather than blame other countries, as it did in the 1980s by blaming Japan and, since the mid-1990s, by accusing China. In the Trump administration, the ultimate target of tariffs 1.0 and 2.0 was China. African, Latin American, or Asian countries, or China's trade

partners, were a secondary issue. This paper argues that the tariff policy was most likely enacted for political reasons rather than to correct a sluggish economy.

China has diversified its economy since 2000. In 2025, the Chinese government launched the Buy China Product (Made in China) policy. The economy is gradually moving from export-led growth toward demand-led growth. In addition, the Chinese government is actively pursuing and engaging with South countries bilaterally or regionally. As mentioned earlier, exports to the US have recently accounted for about 3% of the US's total imports. Trump's actions might be doing more to bring the BRICS nations together than any summit communique ever could. The bloc is acting not just as a symbolic alternative to Western institutions but as a practical one. Its initiatives are not anti-American by design but are increasingly necessary responses to Trump's hostility.

The US tariff policy has become a tool of geopolitical coercion. Many countries that rely less on American household expenditure or have diversified their export markets can withstand the US tariff 2.0 policy. At this juncture, it is difficult to draw a definite conclusion about the profound impact of tariffs on BRICS members. The organisation may alter the world order, particularly the international trade system, and generate geopolitical risks for other nations. Since the establishment of BRICS, the economic cooperation among members has increased, and intra-trade and intra-investment have expanded. BRICS is considered a potential main driver of the global economy.

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Building a New Global Financial Architecture: Prospects and Challenges for the New Development Bank

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ABSTRACT

The tariff war waged by US President Donald Trump has affected international trade flows, directly impacting GDP and inflation in economies in both the Global South and the Global North. In this context, the New Development Bank (NDB) emerges as an alternative to the World Bank's rigid conditionalities, with the potential to finance in local currencies. This article analyses the role of the BRICS New Development Bank (NDB) in building a new global financial architecture, in contrast to the World Bank (WB). Starting from the context of dollar hegemony and the United States' instrumental use of this currency as a tool of geopolitical power, the study investigates the extent to which the NDB represents a viable, multipolar alternative to the traditional financial system. Using a qualitative-descriptive approach with quantitative support, data from projects financed by the NDB in Brazil between 2016 and 2025 were examined, focusing on the volume of investments, currencies used, and alignment with the Sustainable Development Goals (SDGs). The results indicate that, although the NDB operates mainly in US dollars (85.3% of projects in Brazil), it is gradually increasing its use of local currencies, such as the yuan (8.8%) and the euro (5.9%), reflecting a pragmatic de-dollarisation strategy. It can be concluded that the NDB acts as an instrument of gradual challenge to the hegemony of the dollar, combining financial hard power through infrastructure financing with fewer conditionalities, and soft power via the promotion of a narrative of South-South cooperation and respect for sovereignty. However, its effectiveness is limited by factors such as internal heterogeneity within BRICS, dependence on Western financial infrastructures, and the still-incipient international liquidity of the group's currencies. The study contributes to the debate on monetary multipolarity and the limits and possibilities for new financial institutions in the global scenario.

1. Introduction

The contemporary international monetary and financial system remains deeply marked by historical asymmetries stemming from the dollar's consolidation as the hegemonic currency. Since breaking with the gold standard in 1971, the United States has consolidated the dollar's centrality in international trade, in countries' foreign exchange reserves, and in global financial markets. Confidence in the US currency has sustained, for decades, a cycle of reproduction of the geo-economic power of the United States, which not only issues the world's main reserve currency but also controls the main international payment systems, such as SWIFT (Society for Worldwide Interbank Financial Telecommunication) and CHIPS (Clearing House Interbank Payments System).

The dollar's centrality, however, extends beyond economics. As authors such as Zongyuan Zoe Li

(2024) argue, the US currency is also an instrument of hard power, which can be used as a political weapon in geostrategic disputes. The unilateral financial sanctions imposed by Washington on countries considered adversaries – such as Cuba, Iran, and, more recently, Russia—reveal how control over international monetary flows can serve to destabilise economies, restrict access to markets, and promote diplomatic isolation. In this context, the financial sovereignty of countries on the global periphery and semi-periphery is constantly threatened.

Given this structural asymmetry and currency instrumentalisation, the BRICS group (formed by Brazil, Russia, India, China, and South Africa, and recently expanded with new members) has emerged as one of the most relevant initiatives challenging the current international financial order. Although BRICS did not originally emerge as an anti-hegemonic project, its articulations have evolved to encompass an explicit agenda of reforming international financial institutions and creating autonomous mechanisms for financing, trade, and South-South cooperation.

Over the past two decades, the group has developed a series of instruments to mitigate dependence on the dollar, notably the creation of the New Development Bank (NDB), the Contingent Reserve Arrangement (CRA), and the strengthening of commercial and financial transactions in local currencies. In addition, initiatives such as the Asian Infrastructure Investment Bank (AIIB), led by China, point to a broader effort to establish a parallel financial architecture, in which monetary multipolarity is presented as a strategic objective.

Nevertheless, the contradictions of this process are also evident. Batista Jr. (2024) presents a somewhat pessimistic view of the group's efforts to de-dollarize international trade, such as the initial difficulty in reaching consensus on concrete measures from the outset of this process, both in the creation and implementation of the BRICS monetary fund, the Contingent Reserve Arrangement (CRA), and the New Development Bank (NDB). This understanding extends to the BRICS expansion process, which could lead the group to worsening problems and political vulnerabilities (Batista Jr., 2024). However, we understand that this process of building BRICS has several challenges and that, even with so many cultural, economic, and political differences, the common interests of the states and the crisis in the international geopolitical scenario may prevail in the group's decision-making processes.

The militarisation of the dollar by the United States since Bretton Woods, with the use of the currency and the Western financial system as a weapon against countries considered antagonistic to the US system, has always put pressure on others. One of the most recent cases that brought this to the fore is Russia, whose official reserves of around US$300 billion were frozen. This suggests a loss of legitimacy in the current monetary system, with eroding confidence in the dollar (Batista Jr., 2023). In this context, which country would put all its reserves in dollars or euros if it risks having them frozen in the interest of the United States? We understand that, at this point, the main question is what paths the BRICS countries could follow. Both the group and academia have already dismissed possibilities such as a single currency in the form of a basket of the five currencies of the group's founding countries, or the use of local currencies without needing conversion to the dollar.

Even so, despite the stated ambitions, most of the NDB's financing is still done in dollars, and alternative payment systems still depend on Western financial infrastructure. At the same time, there is heterogeneity among BRICS members in terms of institutional capacity, geopolitical interests, and international economic integration – factors that hinder the formulation of a unified and cohesive strategy. Nevertheless, the growth of BRICS coordination, both in scope and membership, reveals a growing dissatisfaction with the status quo and a search for alternatives within the international system itself.

Parallel to this movement in the Global South, which is gradually aligning around BRICS, US President Donald Trump has initiated a trade war through tariffs, affecting global trade flows. With global trade relations shaken, affected economies are seeking alternatives and new trading partners to mitigate the impacts. In this reallocation of bilateral trade flows, Global South countries must

secure investments in logistics or energy infrastructure to reach new markets and diversify trade relations. However, financing these investments through multilateral banks, coupled with the prospect of a recession or declining business confidence, may directly affect economies' ability to respond to this tariff war. Non-dependence on the dollar is fundamental to building a new global trade design and circumventing the impact of tariffs.

In the "BRICS Leaders' Declaration" released during the 2025 BRICS Summit, held in Rio de Janeiro, Brazil, without directly mentioning the United States, the group explicitly criticised unilateral tariffs and sanctions, the inaction of the World Trade Organisation (WTO), and protectionism. The group also strongly emphasised the need to reform international organisations, strengthen multilateralism, and commit to developing alternatives to the dollar system (BRICS, 2025). This position reaffirms member countries' plans to build a global geopolitical environment.

Given this scenario, this article asks: Based on a comparative analysis of NDB and World Bank financing, how do the banks differ, and how does the NDB contribute to the emergence of a new global financial architecture? The analysis is guided by the hypothesis that BRICS actions constitute a partial and pragmatic challenge to the United States' monetary hegemony, with the potential to promote medium- and long-term structural transformations, though limited by internal and systemic factors.

This article adopts a qualitative-descriptive approach with quantitative insertions, focusing on a case study of the New Development Bank's (NDB) operations in Brazil between 2016 and 2025. The analysis is based on official bank data on investment volume, currencies used in financing, and the alignment of projects with the Sustainable Development Goals (SDGs), a premise adopted by the World Bank in its projects since 2015. The objective is to understand, based on concrete empirical evidence, the extent to which the NDB contributes to building a multipolar financial architecture and reducing dependence on the dollar. The methodology combines content analysis of institutional documents with descriptive systematisation of public data available in the NDB's project database.

2. BRICS Paving the Way for Monetary Multipolarity?

Contemporary literature on monetary power highlights that dollarisation, the intensive use of the dollar in international transactions, official reserves, and global finance, is not just a technical convention, but a tool of strategic domination. Countries in the Global South have adopted multilateral de-dollarisation tactics by creating parallel local-currency payment systems and currency swap agreements, aiming to establish "an alternative or parallel financial system" that reduces vulnerability to systemic shocks and external pressures (Fuchs, 2024; Liu & Papa, 2022).

The imposition of unilateral sanctions – excluding targets from the SWIFT system, freezing assets, and limiting transactions in dollars – shows how monetary dominance can translate into a direct foreign policy tool. This type of monetary hard power restricts target countries' options, anticipates economic shocks, and imposes severe economic costs (Strange, 2015). In this context, BRICS has proposed an alternative financial architecture: local currency swaps; regional payment systems, such as DREX in Brazil and e-CNY in China; and multilateral collective reserve agreements, such as the ACR (Batista Jr., 2020).

Joseph Nye Jr. (2009) distinguishes between coercion (hard power) and persuasion (soft power), arguing that legitimacy, values, and the ability to shape expectations are central aspects of international power. Applied to the monetary field, soft power involves creating credible, transparent, and attractive institutions capable of generating global trust – an alternative strategy to the sheer imposition of rules through the use of the US dollar.

One of the main strategies BRICS has adopted to strengthen its global influence is promoting more flexible sources of financing tailored to developing countries' needs, with fewer political or ideological conditionalities. The New Development Bank (NDB) is an emblematic example of this approach. Unlike traditional financial institutions such as the World Bank, which often tie loans and

financing to demands for structural reforms and macroeconomic adjustments aligned with the interests of central economies, the NDB seeks to offer credit while respecting national particularities, giving recipient countries greater autonomy (Chin, 2014). This characteristic reinforces BRICS's attractiveness as a legitimate alternative to the hegemonic international financial system, offering financial instruments more sensitive to the realities of countries in the periphery and semi-periphery of the world system (Armijo et al., 2014).

Furthermore, BRICS has been consolidating a diplomatic narrative centred on South-South cooperation, the promotion of sustainable development, and respect for national sovereignty as the structuring principles of its multilateral action. This rhetoric distances itself from the practices of interference and imposition associated with Western powers and seeks to consolidate an image of an ethical, pluralistic group committed to international equity. The discourse of solidarity among developing countries, linked to the rejection of unilateral sanctions and the defence of a more representative multilateralism, projects BRICS as an emblem of the promise of a more just and multipolar global order (Stuenkel, 2020). This discursive framework, while helping legitimise its actions on the international stage, also expands its symbolic capital, generating alliances and strengthening its image in the Global South.

In this process, BRICS has also invested in building networks of influence that go beyond the strictly economic sphere, reaching into the cultural, academic, and scientific fields (Nye Jr., 1990). Educational forums, international seminars, university exchanges, and technical cooperation initiatives between research centres in member countries have strengthened interpersonal and institutional ties. These actions, part of what is known as public diplomacy, serve as vectors of soft power, promoting the circulation of ideas, training technical staff, and sharing experiences in strategic areas (Haas, 1992). By fostering an infrastructure of knowledge and cultural exchange, BRICS expands its capacity for global influence in a non-coercive manner, strengthening the group's image as an agent committed to innovation, pluralism, and long-term cooperation.

These actions promote a discursive construction that questions the legitimacy of the dollarized system and proposes a more balanced order. By structuring payment and financing mechanisms within its own jurisdiction, BRICS creates concrete incentives for partners to adopt its systems, reinforcing soft power through institutional competence and reliability. The monetary and financial architecture proposed by BRICS is a hybrid strategy that combines hard-power and soft-power instruments to challenge the dollar's centrality in the international system (Nye Jr., 2009). Rather than promoting an abrupt break with the existing order, the group adopts a gradual, pragmatic stance based on building its own institutions and strengthening multilateral cooperation networks that escape the logic of unipolar monetary domination. This mixed approach responds not only to member countries' structural limitations but also to the political and diplomatic demands of an international system marked by complex interdependence and growing disputes over symbolic influence (Chin, 2014).

The monetary hard power of the BRICS countries manifests mainly in creating institutional and financial channels that can circumvent the dollar's reach and the effects of unilateral sanctions imposed by the United States and its allies (McDowell, 2023). Mechanisms such as the ACR, currency swap agreements between central banks, and projects to expand the use of local currencies in commercial transactions illustrate this strategy of protection and operational autonomy. These instruments not only strengthen economic resilience in the face of external shocks but also offer a concrete way to reduce dependence on Western-controlled financial networks, giving member countries greater room to manoeuvre in crises or geopolitical conflict (Cohen, 1998; Dafermos et al., 2023).

On the other hand, the monetary soft power of the BRICS countries is linked to building an international image based on economic justice, equity, and respect for developing countries' sovereignty. This symbolic dimension is expressed through a development narrative centred on South-South cooperation, non-conditional financing, and including marginalised voices in global

decision-making bodies (Chin, 2014). Institutions such as the New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB) operate not only as technical financing mechanisms but also as sources of political legitimacy, offering a reputational alternative to the often intrusive practices of the IMF and the World Bank (Humphrey, 2022). By proposing financing models better adapted to local needs and less tied to unpopular structural reforms, BRICS reinforces its image as an agent of transformation and a promoter of a new, more pluralistic order (Krasner, 2004).

This combination of operational autonomy (hard power) and discursive legitimacy (soft power) allows BRICS to advance its agenda for reforming international monetary governance without resorting to confrontation or institutional ruptures. Instead, it articulates a long-term project to build a functional multipolarity in which the dollar remains relevant, but no longer exclusive. In this process, the BRICS not only challenges dollar hegemony but also repositions the very notion of monetary power, integrating technical, political, and symbolic dimensions into its strategy of global affirmation (Stuenkel, 2017).

The BRICS alliance pragmatically reflects Joseph Nye Jr.'s (1990) notion that international effectiveness is maximised when states combine instruments of coercion with those of persuasion. In the monetary-financial field, the group's strategy does not aim at the abrupt and total replacement of the dollar – an unattainable goal in the short and medium term – but rather at the gradual construction of monetary multipolarity. The ultimate goal is a system in which multiple currencies operate simultaneously on a more equal footing, reducing the dollar's monopoly power and, consequently, strengthening the political and economic sovereignty of peripheral and semi-peripheral countries.

However, despite the progress made in consolidating an alternative financial architecture, the BRICS' path toward de-dollarisation faces significant structural obstacles. First, the group's proposed parallel financing and payment systems still lack the scale, liquidity, and interoperability to compete directly with the US dollar, which remains the main reserve, transaction, and asset-pricing currency in global trade and finance. Institutional confidence and the depth of dollar markets guarantee the US currency a stability that, so far, BRICS currencies have not been able to replicate. Even initiatives such as the use of the "5R" (real, ruble, rupee, renminbi, and rand[1]) in NDB operations are limited and often depend on specific market conditions, such as local demand or previously established bilateral agreements.

Another significant obstacle is Western institutional hegemony in the international financial system, which creates practical barriers to expanding alternative mechanisms proposed by the BRICS. Institutions such as credit rating agencies, international clearing houses, and asset custody systems operate mainly under the control or influence of countries in the Global North. This centralisation hinders the full operationalisation of initiatives such as loans in local currencies, the issuance of securities in peripheral markets, or the expansion of payment networks outside the Western orbit. Furthermore, the lack of a global infrastructure for the immediate convertibility of BRICS currencies limits their use in contexts of high liquidity and trust – essential attributes for any currency that aspires to challenge the dollar's status as a reference currency.

Finally, BRICS's internal composition also challenges the construction of a unified and coherent monetary agenda. The economic, political, and institutional heterogeneity of member countries – ranging from powers such as China and India to relatively smaller economies such as South Africa and Ethiopia – makes it difficult to reach strategic consensus and harmonise policies. Different degrees of financial openness, levels of macroeconomic stability, diplomatic priorities, and geopolitical interests often create tensions within the group, hindering the implementation of coordinated long-term actions. The absence of a permanent body with effective executive power also limits the BRICS' ability to make binding decisions, causing many proposals to remain at the

[1] Original BRICS national currencies in order of acronym.

declaratory level or to advance in a fragmented manner. Taken together, these factors indicate that the challenge to the dollar's hegemony, although real and ongoing, still faces considerable limits to its full realisation in the short and medium term (Chin, 2014).

3. World Bank and NDB – A Comparative Analysis

The New Development Bank (NDB) was created as an affiliate of the main development banks of the group's member countries. As it is a bank supported by developing economies – except for China, which has experienced rapid growth since the beginning of the century – the financial limits between the financing provided by the NDB and that provided by the World Bank are clearly outlined in the data made available by each institution. The World Bank provides information about its financing on its website. However, it conveys only limited transparency about the financing process between the bank and the state or private institutions (World Bank Group, 2025b). In contrast, it is difficult to obtain information on NDB projects and investments, as its website does not provide detailed information (New Development Bank, 2024).

Table 1: Comparative Analysis: World Bank vs NDB

	World Bank	**NDB**
Foundations	Bretton Woods (1944)	VI BRICS Summit (2014)
Scope	While the authorised capital stands at roughly US$ 270 billion, the institution does not publicly disclose its subscribed capital figures.	The authorised capital is US$ 100 billion, with the US$ 50 billion in subscribed capital being divided equally among the founding BRICS nations.
Governance	Voting power is proportional to member contributions; notably, the United States of America maintains veto power.	Voting power is distributed equally among all original BRICS members, with no single nation holding veto power.
Transparency	The institution enhances project transparency through detailed reports and streamlined access to information via its official website.	Data on completed projects remains limited.
Key stakeholders	The framework involves national governments, international financial institutions, the private sector, and non-governmental organisations (NGOs).	The primary actors include national governments, domestic public and private development banks, and development agencies within member states.

Source: World Bank Group, 2024b and New Development Bank, 2024. Compiled by the authors

Note: Comparison based on data spanning 2016-2025 for both institutions.

Comparatively, the World Bank and the New Development Bank (NDB) differ substantially in capital structure, scope of operations, and capacity to mobilise resources. The World Bank concentrates its financing on middle-income countries and some upper-middle-income countries.

The World Bank's capital structure is robust and historically consolidated. The World Bank has an AAA rating from the main credit rating agencies, allowing it to raise funds in international markets under extremely favourable conditions (Fitch Ratings, 2025a; Moody's Ratings, 2025). This high credibility is associated with the presence of shareholders with strong financial capacity –such as the

United States, Japan, and Germany – and a significant volume of subscribed capital, part of which is callable capital that can be activated in case of need, even without being effectively contributed.

Recently, an ambitious reform package known as the "Evolution Roadmap" was implemented to increase the World Bank's lending capacity significantly. The measures aim to expand the World Bank's annual financing capacity by up to US$100 billion over the next decade (SECURITIES, 2023). At the same time, for the International Development Association (IDA), the goal for the resource replenishment cycle is to mobilise approximately US$100 billion, funds that will be obtained through direct contributions from donors and the leveraging of its capital (World Bank Group, 2024a).

By contrast, the New Development Bank (NDB) has a more modest capital structure, with an AA+ rating (Fitch Ratings, 2025b). Its authorised capital is US$100 billion, of which US$50 billion was subscribed by the founding countries, with only US$10 billion actually contributed and the remaining US$40 billion classified as callable (BRICS, 2014). This configuration objectively limits the NDB's financing capacity, as it currently lacks sophisticated financial instruments to leverage additional resources, such as hybrid capital, sovereign guarantees, or multilateral co-financing mechanisms. The absence of an AAA rating from international agencies, coupled with its smaller scale and more diversified shareholder base, restricts the NDB's access to highly liquid financial markets on competitive terms.

This structural difference is also reflected in the two institutions' operational scale. While the World Bank presents itself as a central cog in the international financial system – with a consolidated presence in virtually all developing countries and a highly diversified project portfolio – the New Development Bank (NDB) still operates with a primary geographic focus on the BRICS countries and a small number of emerging partner economies. Furthermore, its capacity to respond to shocks or urgent demands remains limited given the complexity and scale of the challenges faced by countries in the Global South (Humphrey, 2022).

Although the New Development Bank (NDB) offers a relevant alternative in the international financial ecosystem, especially through its proposal for more equitable governance and alignment with developing countries' priorities, the World Bank remains the main global reference in multilateral financing (Humphrey, 2022). Its broad capital base, combined with market confidence and access to innovative financial instruments, gives the World Bank significantly higher investment capacity than the NDB, at least in the short and medium term. However, the NDB's proposal, with its horizontal structure and focus on sustainability, points to promising paths toward a more pluralistic financial architecture less centred on the interests of traditional powers.

The World Bank's guarantees act as risk-mitigation instruments for investors and creditors, enabling the financing of projects in contexts the institution considers highly politically or economically uncertain. By assuming part of the project risk, the Bank attracts private capital and reduces financing costs for recipient countries. Hybrid capital, in turn, combines characteristics of debt and equity, allowing the Bank to account for it partially as capital and increase its capital base without diluting shareholders. According to data released by the Bank itself, each dollar mobilised through hybrid instruments can result in up to six dollars in new loans over a decade, exponentially increasing the reach of credit operations. Callable capital, which represents the portion of subscribed capital that is not paid immediately, acts as an institutional guarantee that reinforces the Bank's balance sheet strength and its ability to raise funds in the market.

In the case of the New Development Bank (NDB), the leverage structure is simpler and more conservative. The institution operates mainly on subscribed capital and contributions defined by the founding countries, without, to date, using complex financial instruments such as hybrid capital or sovereign guarantees for additional funding. Although this ensures a more predictable operating model that is less exposed to market volatility, it also limits its ability to expand credit lines on a scale comparable to the World Bank. The absence of callable capital and a maximum risk rating restricts the NDB's access to more sophisticated forms of financing, which, in practice, results in lower

lending volumes and a more measured pace of expansion.

This contrast highlights that, while the World Bank has been intensively exploring global market financial instruments to expand its operations, the New Development Bank (NDB) still operates within a more traditional logic, relying on the solid commitment of its member countries and coordinated action with national development banks. In the long term, the NDB's ability to establish itself as a robust alternative will depend, in part, on its willingness to adopt bolder financial strategies, without losing sight of its founding principles of equity among members and focus on sustainable development.

Beyond differences in capital structure and leverage capacity, the two institutions also differ in their priority areas of activity and the strategies they use to finance development. The World Bank operates globally with broad mandates, reflecting both its origins in the Bretton Woods system and its history of adapting to changes in the international landscape. The IBRD and IDA allow financing to be offered under different conditions, ranging from commercial loans to middle-income countries to highly subsidised grants to low-income countries. This hybrid architecture enables the Bank to serve a broad spectrum of countries, promoting the inclusion of issues such as public health, basic education, food security, climate change, sanitation, governance, and digitisation in the projects it finances.

The World Bank's strategy also strongly emphasises multisectoral coordination and coordination between public and private actors. Its projects are structured in partnership with national governments, United Nations agencies, regional development banks, and large corporations, reflecting its ability to mobilise broad networks of technical and financial cooperation. A new element adopted by the institution in the last decade is its alignment with the UN Sustainable Development Goals (SDGs) and the promotion of “integrated solutions,” which give the Bank a cross-cutting presence in key global debates on development. As a result, it not only finances infrastructure projects and sectoral reforms, but also seeks to increase its influence on the direction of public policies in partner countries.

The New Development Bank (NDB), by contrast, maintains a more limited focus, aligned with the proposal to fill specific gaps in sustainable infrastructure investment in BRICS countries and, progressively, in other emerging and developing economies. The NDB's rationale is based on the recognition that chronic underfunding in areas such as urban transport, clean energy, and climate-resilient infrastructure is a major obstacle to sustainable growth and regional integration in Global South countries. As a result, the NDB's projects typically focus on modernising highways and railways, expanding renewable energy generation capacity, improving water supply and sanitation systems, and supporting integrated urban development.

Unlike the World Bank, the New Development Bank (NDB) does not have a global mandate and, based on the institution's rhetoric, does not currently intend to act as a catalyst for large-scale structural reforms or public policies. Its strategy has focused on implementing projects with direct, measurable impact, prioritising technical feasibility and complementarity with national development agendas. Although it has adopted commitments to environmental and social sustainability, the NDB operates more pragmatically and less normatively than the World Bank, which may benefit some countries through greater decision-making sovereignty and more flexible financing agreements.

Thus, a comparison between the World Bank and the New Development Bank (NDB) reveals not only operational differences, but also distinct conceptions of the role of financing in development. On the one hand, there is a Bretton Woods actor with global reach, strong coordination power, and robust financial capacity. On the other, a young institution with a horizontal structure, regional focus, and a strategy aimed at sectors critical to advancing emerging economies. Although they operate on different scales and models, both reflect the ongoing dispute over a new configuration of the international financial architecture, one that is more sensitive to the demands of the Global

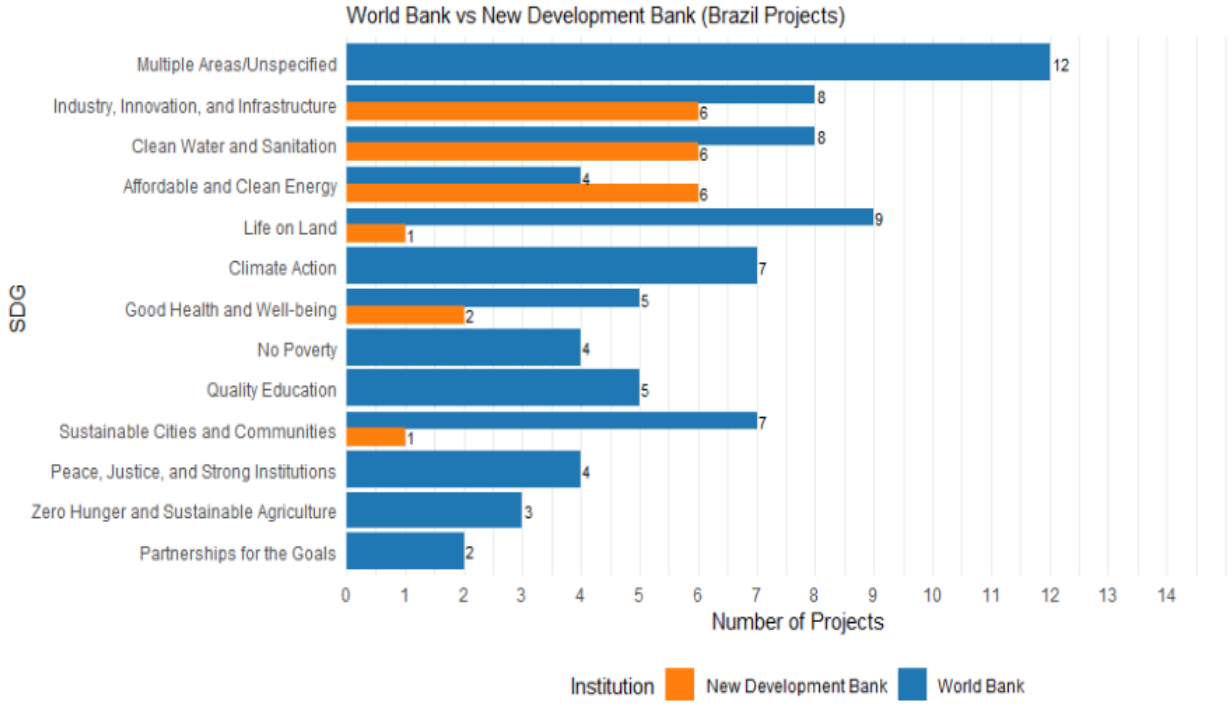
South.

4. NDB and World Bank Financing Projects: Structure and Limitations

Considering the period from 2016 to 2025, we identified that the New Development Bank (NDB) invested approximately US$ 32 billion in 96 projects; in Brazil, there were 33 projects in different areas of financing, using currencies such as the dollar (85.3%), the yuan (8.8%), and the euro (5.9%) as part of or all of the financing provided. Financing began in 2015, along with the start of NDB activities, and includes statuses such as no precise status (NA = 7), cancelled (17 projects), proposed (20), completed (26), and approved (30). The presentation of project statuses does not clearly indicate, for example, which projects have approved and completed financing, creating ambiguity (New Development Bank, 2024).

As mentioned earlier, projects financed by the New Development Bank (NDB) prioritise infrastructure, including themes such as clean energy, environmental protection, social infrastructure, transportation and infrastructure, water and sanitation, and, in 2020, emergency aid to contain the spread of COVID-19. In this sense, both banks comply with the United Nations (UN) Sustainable Development Goals (SDGs). Among the Brazilian projects selected, 66 were financed by the World Bank and 33 by the NDB, all complying with the SDGs. The distribution of projects by SDG is as follows:

Figure 1: Comparative Analysis of Projects by SDG



The New Development Bank (NDB) has published 12 projects on its website that do not fall under any SDG. Together, the SDGs for industry, innovation, and infrastructure; drinking water and sanitation; and clean and affordable energy have six projects each (New Development Bank, 2024). The World Bank, in turn, has greater representation in projects related to life on land, with nine projects, followed by industry, innovation, and infrastructure, and clean water and sanitation, with eight projects each. Thus, the World Bank shows a more diversified distribution across the SDGs, with projects in 13 different categories. The NDB has a category "0" for projects in multiple areas or unspecified projects; both banks show strong performance in SDGs related to infrastructure and

sustainability (New Development Bank, 2024; World Bank Group, 2025).

Among the World Bank's open, completed, and closed projects, we have: 3 cancelled, 27 completed, and 36 open, with no projects in the pipeline; the NDB has 4 cancelled projects, 3 completed projects, and 20 open projects. By August 2025, for every 10 projects the World Bank approved in the last decade, about 4 had already been completed. Regarding the New Development Bank (NDB), the ratio is 1 completed project for every 9 approved. Analysis of the project portfolio data reveals that, to date, the NDB maintains a pipeline of future projects in the "proposed" category, indicating that the bank has new initiatives in the prospecting phase.

To illustrate NDB and World Bank financing in practice, we selected one project from each bank, both focused on clean and affordable energy, a pillar of South-South cooperation. In the table below, even with a small sample of two projects, we can see the differences and similarities between these two institutions.

Table 2: Comparative Analysis of World Bank and NDB Projects

	World Bank	**BRICS**
Project	World Bank	NDB
Project Name	Energy and Mineral Sectors Strengthening Project II	Graca Aranha – Silvania Energy Transmission Project
Project Objectives	To strengthen institutional capacity for market efficiency, while incorporating climate resilience within Brazil's energy and mining sectors (Romero, 2020).	This Project supports the expansion of the energy transmission grid, employing advanced technology to improve reliability and interregional capacity. It specifically targets the connection between the Northeast and Central-West/Southeast regions, seeking to mitigate renewable energy curtailment and reduce losses relative to alternative transmission methods (New Development Bank, n.d.(a))
Institutional commitment	USD 38.000 million	RMD 21.900 million
Project Status	Bank approved	Proposed
SDGs UN	7 – Affordable and Clean Energy	7 – Affordable and Clean Energy

Source: Compiled by the authors using data from the World Bank Group, 2025; New Development Bank, 2024

Note: Comparative analysis of World Bank and NDB projects.

Both projects focus on improving and strengthening the energy sector's infrastructure. The New Development Bank (NDB) project focuses on expanding and modernising transmission infrastructure to increase the system's capacity and reliability (New Development Bank, n.d. (b)). In contrast, the World Bank project aims to strengthen institutional capacity and market efficiency while accounting for climate resilience (Romero, 2020). A comparison illustrates their different approaches: while the NDB focuses on physical infrastructure and regional integration, the World Bank prioritises governance and market efficiency, reflecting each bank's distinct strategic priorities.

The New Development Bank (NDB) has been filling a financing gap in large-scale projects and

physical infrastructure, a problem addressed by different authors over the last decade when examining the motivations of BRICS countries to invest in the NDB (Griffith-Jones, 2020; Castellani et al., 2019; Agarwal, 2016; Griffith-Jones, 2015). In contrast, the World Bank shows signs of directing its efforts toward reforms and institutional capacity building, a role more in line with its history and governance structure. Brazil is a member of the World Bank's Board of Executive Directors, which may help secure favourable financing terms (Kaja & Werker, 2010).

An analysis of the project values in local currency reveals a substantial difference between the two institutions. While the New Development Bank (NDB) energy project has a loan value of approximately R$ 16.6 million, World Bank financing amounts to approximately R$ 206.5 million. This disparity in reais means World Bank financing is about 1142% higher than NDB financing, highlighting a distinct scale of operation, at least in the projects analysed. However, the analysis should go beyond simple conversion and consider other factors, such as age, history, strategies, and the global context. World Bank financing of USD 38 million and NDB financing of RMB 21.9 million carry very different geopolitical weights and exchange-rate risks for Brazil. The choice of loan currency (dollar vs yuan) is a key factor, as it directly affects the debtor country's exposure to exchange-rate fluctuations and reinforces or challenges the dollar's hierarchy in the global financial system.

The discrepancy in project values, while significant, hides an even deeper issue regarding the global monetary hierarchy. While World Bank financing of approximately USD 38 million reinforces the dollar's dominance, the New Development Bank (NDB) loan of approximately RMB 21.9 million highlights a practical challenge to this hegemony. BRICS countries, such as China and Russia, have pioneered alternatives to the dollar-based system, promoting local-currency transactions to reduce vulnerability to sanctions and exchange-rate fluctuations. Brazil, for its part, has also expressed a desire to expand the use of its currency in trade and has taken important steps in this direction by developing its digital currency, the DREX. Therefore, the NDB's ability to conduct transactions in yuan represents a key part of the group’s strategy to build a more multipolar financial system.

The World Bank project focuses on institutional reforms and market efficiency rather than directly financing infrastructure construction. Although this approach is important for sector governance, it can be a limitation for a developing country like Brazil, which still needs capital to expand basic infrastructure. As a result, the project does not build new transmission lines or power plants; instead, it provides training and consulting. This approach reflects a priority more in line with World Bank policies, which seek to influence countries' governance and business environments. On the other hand, dollar-denominated financing exposes Brazil to exchange-rate risk, as seen in the disparity in real values. The country needs to earn revenue in dollars to repay the loan, reinforcing its dependence on the hegemonic currency.

On the other hand, the New Development Bank (NDB) project, although more direct and focused on physical infrastructure, also has its own limitations, mainly related to its stage of development as a bank. The status of “proposed to the bank” indicates that the project has not yet been approved, suggesting a waiting period before funds are released. This contrasts with the World Bank project, which is already at a more advanced stage (“approved by the bank”). This difference reflects the NDB's youth, which has not yet demonstrated the same agility and approval history as the World Bank. Furthermore, the yuan loan, although strategic for the NDB, is still a novelty for Brazil. It should be noted that among the NDB projects, there are loans in euros – EUR 94,000 (BRA 546,000 million) and EUR 134,640,000 (BRA 783,000,000 million).

The NDB and World Bank commitments represent only a portion of each project's total cost. The analysis of the NDB's “Graca Aranha – Silvania Energy Transmission Project” clearly illustrates this dynamic, showing that the bank's financing amount of RMB 21.9 million (R$ 16.6 million) is part of the total project cost of USD 20.6 million (R$ 111.858 million) (New Development Bank, n.d.(a)). This cost sharing, in which the NDB acts as a co-financier, is a common practice in development projects.

The absence of a total financing amount for the World Bank project, compared with the NDB, does not mean the Brazilian government lacks a counterpart contribution. On the contrary, in large infrastructure and renovation projects, the Brazilian government usually contributes a significant portion of the cost, whether in cash or in human and operational resources. This collaboration is central to ensuring projects' viability and sustainability.

The fact that the New Development Bank (NDB) specifies the total cost of this project demonstrates greater transparency, since the clear division of responsibilities with the Brazilian government, operating pragmatically and in line with partner countries, plays an active role in structuring and financing its development initiatives. This aspect contradicts the initial analysis that the World Bank is more transparent in disclosing its projects than the NDB. However, this is not always the case, as some projects do not make information publicly available.

In addition to operational and strategic differences, it is essential to highlight that both banks, the World Bank and the NDB, explicitly align themselves with the UN Sustainable Development Goals (SDGs), particularly SDG 7 (Affordable and Clean Energy), as evidenced by the projects analysed. This alignment is not merely rhetorical; it reflects a global convergence around sustainable development agendas and an attempt to direct investments toward critical 21st-century issues (International Energy Agency, 2025; New Development Bank, n.d.(b)). However, the way each institution operates this alignment reveals their distinct priorities: while the World Bank often associates SDG compliance with governance and sectoral reform conditionalities, integrating them into a broader logic of influencing public policy, the NBD tends to approach the SDGs in a more pragmatic and focused way, prioritising the direct execution of tangible infrastructure projects, such as the expansion of renewable energy transmission networks (New Development Bank, n.d.(b)). Thus, both contribute to the global sustainability agenda, but through financing and intervention models that reflect their distinct visions of development and sovereignty.

The analysed data show that de-dollarisation is a central strategic axis, although its scope remains limited. At the New Development Bank (NDB), 85.3% of financing in Brazil was denominated in dollars, with only 8.8% in yuan and 5.9% in euros. This predominance demonstrates the practical difficulty of breaking the hegemony of the US currency, even in institutions explicitly created to reduce this dependence. Even so, projects financed in yuan and euros signal a concrete attempt at monetary diversification and the construction of a multipolar financial architecture. The use of local currencies – as in the cases of the RMB and the euro – can be interpreted as attempts to resist the dollar's monopoly, reinforcing the view of de-dollarisation not as an abrupt rupture, but as a gradual and pragmatic process.

De-dollarisation can be seen as a strategic axis of BRICS, representing a direct response to asymmetries in the international monetary system and the United States' instrumental use of the dollar as a tool of hard power. The results show that, although the de-dollarisation process is incremental and faces significant obstacles, it is part of a conscious and coordinated political and economic project among the group's members. However, de-dollarisation should not be interpreted as an absolute rejection of the dollar, but as a strategy of pragmatic contestation and construction of parallel alternatives. BRICS does not seek to replace the dollar abruptly, but rather to create conditions for a gradual monetary multipolarity, where currencies such as the renminbi, the rupee, and the real can gain greater relevance in transregional and international reserves (Carta Capital, 2023).

The New Development Bank (NDB) thus emerges as a fundamental instrument in the BRICS de-dollarisation strategy, acting as both a tool of soft power and financial hard power. Its egalitarian governance among the founding members and its focus on sustainable infrastructure differentiate it from traditional financial institutions and reinforce its legitimacy as a viable alternative to the dollar-led system (Griffith-Jones, 2015).

The results indicate that the New Development Bank (NDB) has made progress in promoting

operations in local currencies, albeit in a limited way. By financing projects in yuan and euros, the bank not only reduces dependence on the dollar but also encourages the adoption of non-hegemonic currencies in multilateral operations. This practice is reinforced by the NDB's collaboration with national development banks – such as BNDES in Brazil[2] – strengthening regional financial networks and promoting intermediation in local currencies.

A comparative analysis of projects financed by the World Bank and the NDB in Brazil reveals clear distinctions in how conditionalities are applied. While the World Bank imposes requirements for institutional strengthening and state governance reforms as prerequisites for market efficiency (Romero, 2020), the NDB adopts a more pragmatic stance, focused on socio-environmental safeguards implemented through the country's own systems (New Development Bank, n.d.(b)). This difference supports the narrative that the NDB respects national particularities and borrower sovereignty compared with the World Bank. Furthermore, the structuring of NDB credit in currencies such as the Euro and the RMB, in contrast to the World Bank's traditional dollar-based investment model, signals a practical effort to reduce dollar dependence and consolidate South-South financial cooperation, even though the NDB currently operates in a complementary manner to the global financial system (Agarwal, 2016).

Despite the progress, the de-dollarisation led by BRICS and implemented by the NDB faces profound limitations, both internal to the group and external, linked to the structure of the global financial system (Gerding & Hartley, 2024). Internally, the economic and political heterogeneity among BRICS members hinders the coordination of a unified monetary strategy. While China is rapidly advancing the internationalisation of the yuan (Li & Zhang, 2017), other countries – such as Brazil and South Africa – have currencies with lower liquidity and convertibility (Tshikovhi et al., 2025). Furthermore, geopolitical divergences and distinct national interests can weaken the group's cohesion and delay the implementation of joint initiatives. Externally, the dollar's hegemony is anchored in deeply entrenched infrastructure, such as the SWIFT system, international clearing houses, and rating agencies.

The lack of alternative systems with the same scale, liquidity, and reliability limits the adoption of local currencies in high-volume, high-risk transactions. Furthermore, international confidence in the dollar as a store of value remains a considerable obstacle for any currency aspiring to challenge its status (Eichengreen, 2011). Finally, the indirect dependence of the New Development Bank (NDB) itself on the Western financial system, such as asset custody, risk assessment, and the predominance of the dollar in its loan portfolio, reveals that the financial autonomy of the BRICS is still relative and incipient. The absence of a top credit rating (AAA) also restricts its ability to raise funds under competitive conditions, limiting the scalability of its operations[3].

5. Conclusion

The current global geopolitical moment has led countries to seek new ways to guarantee their economies and stability. The freezing of Russia's official reserves, the tariffs imposed, and the United States government's abandonment of international law and international organisations, among other factors, generate global instability and insecurity. Meanwhile, Western countries are seeking ways to break with the U.S.-led international economic order and return to a Cold War-era coexistence between the two opposing systems. In contrast, the Global South seeks to reduce risks by betting on building and strengthening multilateralism as a central proposal. A visible commonality between the two sides is the weakening of the existing West-dominated international

[2] This pattern can be observed in the information on the NDB website regarding funded projects. Financing is divided between sovereign and non-sovereign, with sovereign financing being undertaken by the Brazilian Republic and non-sovereign financing having different borrowers such as Graça Aranha Silvânia Transmissora de Energia SPV, Elektro Redes S.A., and Companhia Paulista de Força e Luz, for example (New Development Bank, 2024).

[3] The World Bank, with its AAA rating, has the opportunity to raise funds at low interest rates, closae to the US Treasury rate. Meanwhile, the NDB, with its AA+ rating, while considered high-grade, raises funds at a higher cost, a cost passed on to borrowers at the end of the loan, making its financing more expensive compared to that of the World Bank.

economic order, which is already underway (Gao, 2024).

The recent invasion of Venezuela and the threats to Greenland by the United States signal a possible escalation of tensions, as well as an increase in the feeling of insecurity and global instability. In this scenario, the Global South must urgently create new alternatives to mitigate risks and ensure its security. For the Global South, decoupling from the dollar system is urgent; the question that requires consensus within BRICS is how to do it. An anchor currency other than the dollar is essential to establish this monetary cooperation. "As long as the BRICS countries establish a settlement system that is not in US dollars, their economic development will be free from the negative impact of US dollar fluctuations" (Ding, 2024). However, for now, more questions than certainties remain about the direction of this change, since most BRICS currencies are still, to varying degrees, pegged to the US dollar, and their exchange rates remain unstable.

This article sought to analyse, by comparing the financing of the New Development Bank (NDB) and the World Bank, how the NDB contributes to the emergence of a new global financial architecture less dependent on the dollar and more aligned with the interests of countries in the Global South. The hypothesis that guided the research – that the BRICS conducts a partial and pragmatic challenge to the monetary hegemony of the United States – was confirmed, albeit with significant nuances and limitations.

The results demonstrate that the New Development Bank (NDB) represents a substantial advance in building alternatives to the traditional financial system. Its egalitarian governance, focus on sustainable infrastructure, and flexibility in credit offerings, with less emphasis on political conditionalities, differentiate it from the World Bank and reinforce its legitimacy as an institution geared towards South-South cooperation. The NDB, along with mechanisms such as the CRA and local-currency swap agreements, consolidates a parallel financial ecosystem that can offer concrete financing options and protection against external volatility and sanctions (Griffith-Jones, 2015; Almeida & Silva, 2018; Tshikovhi et al., 2025).

However, data analysis shows that de-dollarisation is a gradual and slow process, not an abrupt break. Currently, the New Development Bank (NDB) acts more as a complement to the existing system than as a replacement. Its capacity to challenge the dollar's hegemony is still limited by structural factors, such as the lack of a AAA credit rating, the lower liquidity of BRICS currencies, and dependence on Western financial infrastructures (Tshikovhi et al., 2025). Furthermore, the heterogeneity among BRICS members, whether in economic, political, or strategic interest terms, hinders the formation of a unified and coherent monetary agenda. Although China leads efforts to internationalise the yuan, other countries in the group have currencies with less global penetration, weakening the group's cohesion and delaying bolder advances (Batista Jr., 2020).

Finally, the BRICS and NDB strategy is not one of confrontation, but of incrementally building alternatives; its objective is not to eliminate the dollar, but to pluralise the international monetary system, reduce its monopoly, and strengthen the financial sovereignty of peripheral and semi-peripheral countries. In this sense, the NDB fulfils a dual role: it is both an instrument of hard financial power, since it offers credit to mitigate dependencies, and of soft power by projecting an image of cooperation, respect for sovereignty, and sustainable development.

The New Development Bank (NDB) is already a relevant reality in the global financial landscape and an important driver of structural change. Although internal and systemic limitations suggest the dollar will continue to occupy a privileged position in the foreseeable future, the emergence of mechanisms such as the NDB signals that the international financial architecture can no longer be understood solely through the lens of unipolarity. Its future success will depend on its ability to overcome internal and external limitations, expand operations in local currencies, and consolidate itself as a credible and effective institution. The trend is towards a more complex and plural system, in which alternative currencies and institutions will gain space incrementally, expanding the room for manoeuvre of countries in the Global South and paving the way for a less concentrated and more

representative international economic order. Finally, the emergence and consolidation of the New Development Bank (NDB) are symptomatic of a world in transition, where multipolarity is not just a discourse, but a project under construction, slow and contradictory, but ongoing.

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India's External Relations Priorities Accompanying the Current "America First" Policy

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ABSTRACT

India is a pivot in the Indo-Pacific region. It is also a leader of the Global South, defined as a group of emerging and developing countries. As the chair of BRICS starting in January 2026, India focuses on "the importance of strengthening capacities, promoting innovation, and ensuring sustainable development for the benefit of all". Committed to a "reformed multilateralism", a member of the Quad, a strategic partner of Russia, on the way to stabilising its relations with China, but in the absence of a close Sino-Indian relationship, and rejecting the "United States' geopolitical primacy", especially after the American-Indian trade frictions of 2025, India has shown its inclination towards multi-alignment. Based on an extensive literature review and official declarations, this paper is predominantly qualitative. It also includes statistical data to explain India's economic power and growing global role. This paper's main objective is to highlight India's priorities in its external relations, including those shaped by the "America First" Policy. India's response to rising American protectionism and the vision of Viksit Bharat 2047, or the path to transform India into a developed nation, combined with its support for "democracy and democratic values and systems" and its interest-based approach with various partners, are among the factors explaining its multi-alignment.

1. Introduction

India's foreign policy is "a mixture of change and continuity in consonance with changes within the country and the outside world" (Bhatia, 2025).

India has chosen to engage with the United States (US) through the Quadrilateral Security Dialogue (QUAD) and other plurilateral or bilateral agreements, while safeguarding its strategic autonomy (Mungray, 2026). The India-US relationship has evolved into one of the most significant bilateral partnerships of the 21st century, characterised by expanding cooperation across multiple dimensions and deepening strategic convergence. However, significant challenges persist, including trade imbalances, market access issues, intellectual property disputes, technology transfer restrictions, and divergent strategic perspectives on Russia and China (Yadav, 2025). India has strategic partnerships with more than 30 organisations and countries, including China, Russia, and the US, and the intensity of each varies. Its economic and geopolitical goals explain its willingness to counterbalance China, given the two countries' decades of mistrust and border conflicts; at the same time, its internal and external constraints, along with relations across multiple levels, limit its balancing behaviour (Shah & Karki, 2025).

Shortly before the "reciprocal" tariffs were imposed by the US on its trade partners, including India, the most populous country worldwide, represented by its Prime Minister, declared that "when the US and India work together", "Make America Great Again" MAGA together with "Make India Great Again" MIGA (meaning the path towards the developed-economy status) generates "a MEGA partnership for prosperity" (Indian Ministry of Foreign Affairs, 2025). However, on August

27, 2025, new customs duties imposed by the Trump administration on imports from India took effect. Set at a record 50%, these are among the highest customs duties the US has imposed, and they include a 25% penalty on India's transactions with the Russian Federation (i.e., imports of energy and weapons). Since then, the relationship between the US and India has changed, despite both countries' interest in counterbalancing Chinese power in Asia, and has shifted toward the Relationship Utilising Strategic Technology (TRUST) (Chaudhuri, 2025; The White House, 2025; Roche, 2025a). The reciprocal tariff rate of 18% announced in February 2026 by the American President meant a relaunch of bilateral relations; however, the trade talks stalled several times, and the agreement has not yet been finalised.

The US and India's original objectives - preserving a favourable balance of power in the Indo-Pacific and strengthening the liberal international order – seem to be at risk because of unfavourable developments both in India and in the US. Moreover, India's strategy of multi-alignment amounts to cementing diversified ties with many states, some of which are US adversaries, which affects the US-India strategic partnership (Tellis, 2025). For instance, India participates in the Quad and collaborates with the West on defence production and digital governance, yet continues to maintain robust ties with Russia. This is not considered a contradiction, but "a deliberate strategy of hedging and diversification" (Kalash, 2025). Despite this, India's relationship with the US remains key to its military and security capabilities and economic growth (Solanki, 2025).

The "Trump factor", the deep economic and technological transformations worldwide, the global polycrisis, the world "of growing divisions", on the one hand, and the Indian path towards developed status, and the national response to external threats, on the other hand, such determinants on both sides are shaping India's foreign policy decisions (Lawrence et al., 2024; World Economic Forum, 2025; Bhatia, 2025; D'Souza, 2025). The following statement remains true: "The foremost task of India's foreign policy is to enable the domestic transformation of India" (Rao, 2012).

One can remark on different categories of relations with other countries: based on common interest (with developed countries, with the Global South as a whole, with individual countries such as the US, Russia, etc.), based on cooperation and rivalry (such as China), as well as hostile relations with "enemies" (such as Pakistan). India considers itself a leader of the Global South (historically through Bandung and the Non-Aligned Movement, and more recently through initiatives such as the launch of the "Voice of Global South" summit in 2023, when India held the G20 presidency). However, despite concrete projects and results (synonymous with "delivery and consistency"), its leadership of the Global South is contested (Sending et al., 2025).

This paper starts from the theoretical framework of multi-alignment in the specific case of India. It then briefly describes India's economic strengths and underscores India's role in the BRICS group, an organisation that now includes five new members in addition to the five founding members. It underlines that India balances between the West and the Global South, supporting a BRICS alliance that is not an "Anti-Western" organisation (Jacob, 2026). The two distinct concepts, multi-alignment and strategic autonomy, provide India with the right framework to act successfully on the global stage. The first one is equivalent to engaging with multiple powers at the same time, even if these are fierce competitors. The second means the freedom to make independent decisions to safeguard national interests.

2. Methodology

This paper is based on an extensive literature review, databases, and official declarations, making it predominantly a qualitative comparative analysis. The main objective is to synthesise the most important characteristics of Indian foreign policy. The most appropriate keyword is multi-alignment. The research includes India's priorities as a founding member of the BRICS international organisation. In contrast to China, Russia, and Iran, which "view the BRICS as a

platform to counter Western influence", India, similarly to Brazil, South Africa, Egypt, Ethiopia, Indonesia, and the United Arab Emirates, considers BRICS as a framework where it can implement its multi-alignment instruments to diversify its global partnerships (Brender, 2024).

3. Literature Review

From a historical perspective, Rauch (2008) identified three phases of Indian foreign policy since independence: (1) during 1947-1965, focused on regional consolidation of power, strongly influenced by the Prime Minister Jawaharlal Nehru, who championed the policy on non-alignment; (2) the timeframe 1966-1989, with the pre-eminence of the Congress Party represented by Indira Gandhi and later Rajiv Gandhi, with the strategic goals of regional domination policy and rapprochement with the Soviet Union; (3) after 1990, reflecting the "triumph of pragmatism" and a period with various protagonists (after 2014 dominated by the Bharatiya Janata Party and Narendra Modi as Prime Minister), with a new policy towards neighbours; strategic partnership with the US; increasing integration into the regional and international systems (Rauch, 2008). The third overlaps with the second phase of India's economic history since independence in 1947, which began with the landmark economic reforms of 1991 and led to liberalisation, privatisation, and globalisation. This shift is considered the trigger for high economic growth rates, the rise of India's IT and services sectors, substantial poverty reduction, the transition from an agrarian economy to a services-dominated economic model, and an expanding middle class. Even if challenges such as income inequality and infrastructure deficits persist, the dynamism of the Indian economy is remarkable (European Commission, 2024).

On its multi-alignment strategy, India has evolved from a leader of non-alignment during the Cold War to a supporter of multi-alignment in recent decades. The emergence of poles of power in the international world order (China, India, Japan, Russia after the breakup of the Soviet Union, the European Union - EU) and the end of the "unipolar moment" of the US (as coined by Krauthammer in 1990) have influenced the current matrix of partnership, cooperation, and rivalry relations (Raghavan, 2017).

India's strategic multi-alignment is defined by fostering strong and simultaneous relationships with countries such as Russia, the US, the United Arab Emirates, Israel, and Iran (Manning & Chowdhary, 2024), and also China, which is the largest trading partner of India (Indian Ministry of Foreign Affairs, 2024). Following the goals of economic, energy, health, social, and cultural security, as well as access to technology and resilient supply chains, multi-alignment is considered the most appropriate strategy of modern times. India chooses varying configurations for different purposes, being driven by its own interests and strategic determinations (Dupuy, 2025).

Multi-alignment, rooted in national interest rather than pure ideology, generates both synergy and friction with the US (Shidore, 2026).

Despite strategic constraints (for instance, sanctions imposed by the US, other developed countries, and/or the EU on actors such as Iran and Russia), India has maintained its pragmatic foreign-policy orientation, "with the aim of widening its foreign policy options and choice" (Tourangbam, 2018). It can be remarked that the practice of strategic autonomy, "that gives the flexibility to do what is required for the protection and promotion of India's interest, remains the base" (Tourangbam, 2018). India's evolving foreign policy ("from Nehru's non-alignment to Modi's strategic autonomy") highlights "a deliberate use of specific approaches" to create space within the international order in accordance with its national interests (Zajączkowski & Pulami, 2025).

India seeks greater participation in international relations, meaning it seeks to strengthen its role and position. Reforming major multilateral institutions to play a greater role within them is one way to achieve this goal (Zajączkowski & Pulami, 2025). It is an active global player, and it follows a proactive foreign policy to leave a "greater global footprint", with "an ambition to be a rule-maker, not merely a rule-taker" (Pant, 2019; Pandey & Yadav, 2024).

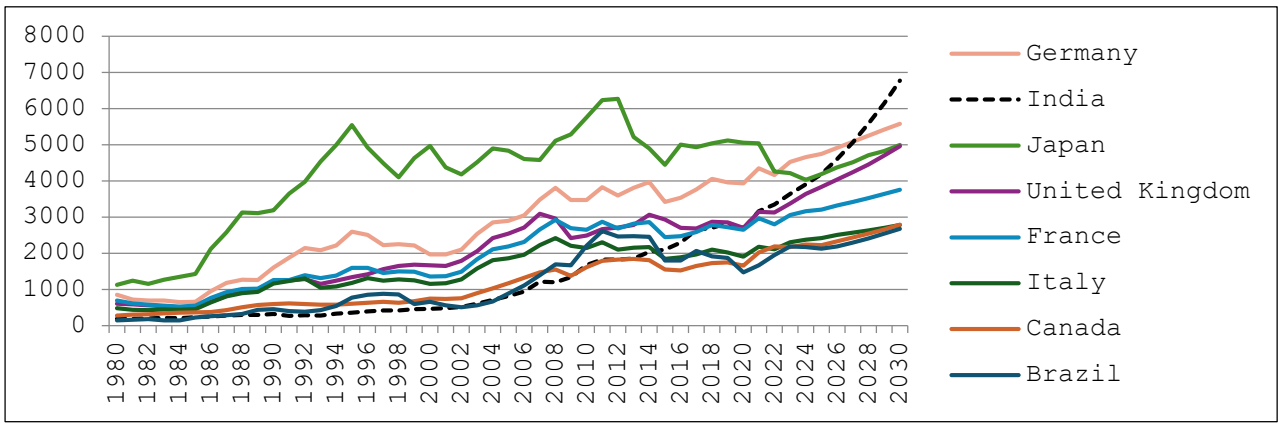
Trump's "America First" Policy has prompted New Delhi to reassess its diplomatic ties with other partners, leading to an emphasis on "multi-alignment". Tensions with the US have already pushed India to pursue fence-mending measures with Beijing, even if the rivalry between India and China will not disappear (Crabtree, 2025). India has used its strengths to capitalise on the "China Plus One" strategy, as multinational firms look to diversify away from China (Jacob, 2026). Russia's role as "a longstanding and time-tested partner" and the "key pillar of India's foreign policy" has been reconfirmed (Pandey & Yadav, 2024).

At the same time, India has shown an inclination towards strengthening ties with developed economies, including the EU (Crabtree, 2025). It is noteworthy that negotiations for the comprehensive EU-India Free Trade Agreement (FTA) were concluded in January 2026. Despite protection in specific sensitive sectors, this trade deal is a diversification driver for both India and the EU. Strategic partners since 2004, the EU and India have reached consensus on the chapters covered by their trade agreement after almost two decades. Negotiations for an FTA began in 2007 but were suspended in 2013 over disagreements on market access, particularly in agriculture, automobiles, textiles, and pharmaceuticals. The EU already has the world's most extensive network of trade agreements, covering around 75 partners and over €2 trillion in trade, but diversifying away from the US is no easy task, given the tremendous volume of transatlantic trade in goods and services. It should be noted that on May 6, 2025, India concluded an FTA with the United Kingdom, with the British government describing the pact as the largest and most important bilateral trade agreement the UK has concluded since leaving the EU, while the Indian Prime Minister called the agreement "historic". Concurrently, US President Donald Trump and Indian Prime Minister Narendra Modi agreed in February 2025 to conclude a bilateral trade agreement by the fall of 2025 and to double the value of bilateral trade to $500 billion by 2030, however at present the US-India pact negotiations remain stalled (Krishnan, 2025; Kumar, 2025; Schipani et al., 2025; Sala, 2025; Nardelli, 2025; Elliott, 2025).

4. How Powerful is India?

By 2028, forecasts indicate that India will be the third-largest economy after the US and China, with a GDP of $6.8 trillion at current prices (Perez-Goropze et al., 2024; IMF, 2025). Among its strengths are a large and highly qualified young workforce with good English language skills and relatively low costs; Efficient IT services; Remittances from the diaspora and exports of goods and services, which positively contribute to the current account balance; Low external debt and adequate foreign exchange reserves (Perez-Goropze et al., 2024; Coface n.d.). The following chart shows India's GDP evolution compared with the countries ranked 3rd to 10th in the world hierarchy (Chart 1). Already surpassing the United Kingdom and Japan, and even Germany in the near future, India is an economic powerhouse, as reflected by the GDP in current prices. At the same time, India records the highest GDP growth rates among the major economies at present, including China (Chart 2).

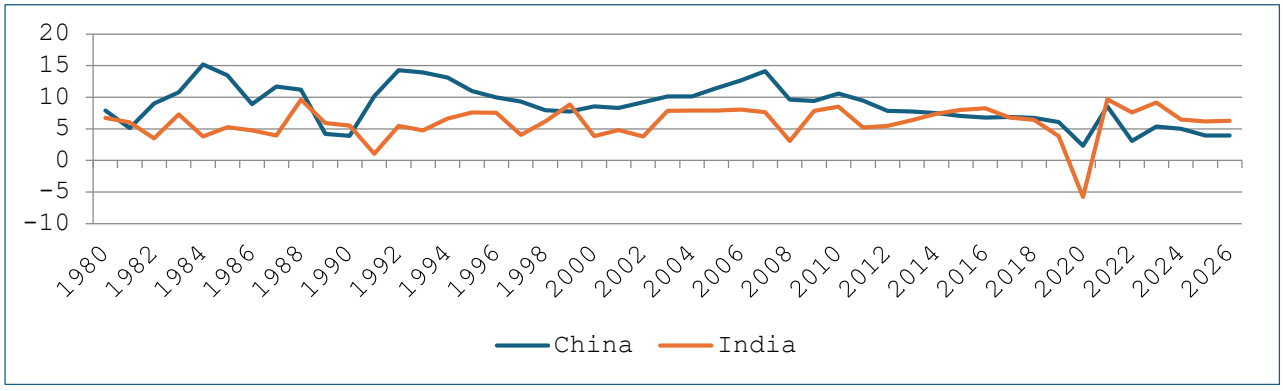
Chart 1: The Evolution of GDP in Current Prices between 1980 and 2030 (billion USD)



Source: Author's representation based on IMF (2025).

Note: Estimates for 2025, forecasts for 2026-2030.

Chart 2: GDP growth rates for India and China between 1980 and 2026 (%)



Source: Author's representation based on IMF (2025).

Note: Forecast for 2026.

According to the World Bank, India's growth rate averaged 6.3% between 2000 and 2024, and "its past achievements provide the foundation for its future ambitions". The international experts underscore that, to maintain its high growth rates and attain an average growth rate of 7.8 percent (in real terms), necessary over the next two decades to achieve the developed country status, there are needed four critical areas for policy action: attracting more investment; generate more and better jobs; promoting structural transformation, increasing participation in global value chains, and increasing the technology adoption; supporting a differentiated policy approach, taking into consideration the need of less developed states (focus on strengthening the fundamentals of growth such as health, education, infrastructure, etc.), as well as those of more developed states (a better business environment, deeper participation in global value chains, etc.) (The World Bank Group, 2025).

In this regard, the various initiatives adopted since 2014 under the government led by Prime Minister Narendra Modi have underpinned the robust growth (Make in India; Production Linked Incentive PLI, SAMARTH Udyog: Smart Manufacturing, National Policy on Electronics NPE: The Silicon Ambition, Modified Industrial Infrastructure Scheme, Emergency Credit Line for SMEs,

Cluster Development Programme, National Capital Goods Policy, Startup India for Manufacturing, National Logistics Policy).

5. India's Priorities as the Chair of the BRICS in 2026

As BRICS Chair, India has proposed the theme "Building for Resilience, Innovation, Cooperation, and Sustainability". This focuses on inclusive growth and global cooperation, resonating with the key goals of the Global South.

According to Jacob (2026), the 2026 BRICS presidency provides India "with a unique set of geopolitical levers, should it decide to instrumentalise them". First is the priority of "restraining China" by focusing on "consensus-based expansion and local currency trade". The year 2025 marked 75 years since India and China established diplomatic relations. After ups and downs, the clashes in June 2020 at Galwan on the Line of Actual Control (LAC) effectively froze bilateral relations. The announcement of a border agreement in October 2024 set the stage for normalising bilateral relations. Since then, a series of important steps has been taken to ease tensions between China and India. Prime Minister Narendra Modi's participation in the Shanghai Cooperation Organisation (SCO) summit in Tianjin from August 31 to September 1, 2025, should be seen as the culmination of India and China's efforts to restore relations after a tense period. At the meeting in Tianjin, Indian Prime Minister Narendra Modi and Chinese President Xi Jinping described their countries as development partners rather than competitors. However, several challenges remain. India faces a significant trade deficit with China (around $100 billion in goods trade in 2024). Another important issue is China's close relationship with Pakistan. In May 2025, China also stopped exporting essential fertilisers to India during the crucial summer sowing season. It also restricted exports of rare earth magnets (used in electric-vehicle manufacturing). Experts at Chatham House point out that, in the short term, bilateral relations will likely continue to improve. India knows it cannot fulfil its economic development aspirations without cooperation with China, one of its main trading partners. At the same time, tensions between India and the US, generated by the 50% tariffs imposed by the Trump administration, despite the subsequent reduction, are accelerating India's rapprochement with China. However, both China and India are extremely sensitive to any threat to their sovereignty and territorial integrity. The animosity between the two strategic partners extends beyond the unresolved territorial dispute. Both countries are concerned about the other's presence on their periphery, whether it is Beijing's relationship with Pakistan or India's first joint naval exercise with the Philippines in August 2025 (Impact and Policy Research Institute, 2025; Chatham House, 2025; Roche, 2025b).

Closely related to this priority is the objective of avoiding isolating Russia on the international stage, so it does not move closer to China (Jacob, 2026).

Third, India can send a clear message to the US about its role in the Indo-Pacific. India can be a major defence partner for the US, even if it is difficult now to reach the same level of partnership outlined in the US National Security Strategy during President Donald Trump's first mandate. That version indicated the following: "We welcome India's emergence as a leading global power and stronger strategic and defence partner. We will seek to increase quadrilateral cooperation with Japan, Australia, and India"; "We will expand our defence and security cooperation with India, a Major Defence Partner of the United States, and support India's growing relationships throughout the region"; "We will deepen our strategic partnership with India and support its leadership role in Indian Ocean security and throughout the broader region" (The White House, 2017).

Fourth, India can pursue Global South Leadership. India is undeniably one of the leading voices of the Global South, consolidating its influence in Africa and Asia. India championed the inclusion of the African Union as a permanent member of the Group of 20, underscoring its role as a voice for developing countries. However, its trade and investment ties with these countries are far behind China's investment-led diplomacy manifested through its New Silk Roads (Rossow, 2025).

6. Conclusions

The key novelty of this research resides in associating a keyword for Indian foreign policy at present, namely multi-alignment, in the context of the pre-eminence of the Global South on the international stage. India also pursues strategic autonomy, i.e., the freedom to make independent decisions to safeguard its national interests.

India, together with China, is one of the most important actors in the Indo-Pacific. The US needs both India and China, even if it has distanced itself from them. However, the US is much closer to India than to China.

US President Donald Trump doubled customs duties on imports from India to 50%, a measure that took effect on August 27, 2025, severely affecting relations between the two strategic partners. A punitive 25% tariff, imposed due to India's purchases of Russian oil, was added to the previous 25% tariff. In the mass media, it is underscored that, until recently, Washington had not raised any objections to other countries' purchases of crude oil from the Russian Federation, not even to China, an even more important buyer of Russian crude oil than India. President Donald Trump's actions in 2025, despite the reduction of trade tariffs in February 2026, have dealt a severe blow to successive US administrations' efforts to build a strong relationship with India.

Even if the temporary tariff wall raised by the US encouraged India and China to come closer, the Asian neighbours will remain both partners and rivals, perhaps more rivals than partners. Given the previous tensions and unresolved issues, as well as specific geostrategic ambitions, India is expected to be cautious in recalibrating its relations with China.

In the context of fierce competition not only between global players but also between North-North, North-South, and even South-South, India aims to expand its partnerships to secure supplies of natural resources, especially critical minerals; enhance regional connectivity; facilitate trade; promote financial and digital integration; and secure support for its growing international role. The grand strategy of multi-alignment supports India's endeavours by balancing shared interests while pursuing national interests, as the right way to achieve its global and regional goals.

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BRICS and the Boundaries of Economic Multipolarity: Strategic Trade, Currency Power, and Global Fragmentation

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ABSTRACT

The recent escalation of United States tariffs in 2025 has renewed debates about economic multipolarity and BRICS' capacity to function as a counterweight to the dollar-centred global order. This article examines the implications of the United States' 2025 tariff escalation for BRICS and the broader discourse on economic multipolarity. Situating the analysis within economic statecraft and global political economy, it argues that tariff-based coercion has not catalysed a cohesive BRICS-led alternative to the dollar-centred order. Instead, the shock has intensified internal asymmetries, producing differentiated adjustment paths shaped by export structures, financial resilience, and strategic alignments. While initiatives such as local-currency trade, the New Development Bank, and alternative payment mechanisms have expanded incrementally, they remain constrained by institutional fragmentation and continued dependence on U.S. dominated financial circuits. The article further highlights divergent strategies within BRICS, particularly between China's revisionist ambitions and India's hedging approach, which limit collective coordination. Overall, BRICS emerges less as a unified counter-hegemonic bloc and more as a forum of managed divergence, reinforcing adaptation within, rather than transformation of, the existing international economic order.

1. Introduction

The US President, Donald Trump, on 2 April 2025 stated, "We're going to start being smart, and we're going to start being very wealthy again," marking it as the "Liberation Day", highlighting this as a decisive break from decades of unfair trade practices (CNN, 2025). He contended that the United States had been systematically "looted, pillaged, raped, and plundered" by its trading partners, and this step was necessary to uplift national health. The statement marked a significant escalation in U.S. trade policy, a renewed commitment to economic nationalism as a central pillar of American statecraft.

The tariffs introduced under this initiative were enormous. The Trump administration imposed reciprocal tariffs exceeding 10 percentage points, primarily based on bilateral trade imbalances. China faced a 34 per cent tariff on its exports to the United States, marking it the principal target. However, the administration pronounced it as a "discounted" figure, roughly half of the estimated 67 per cent barriers attributed to China, including alleged currency manipulation. The administration also threatened tariffs of up to 145 per cent on a broad range of Chinese goods, signalling a readiness to employ near-prohibitive trade barriers. Simultaneously, India was penalised by the highest Trump tariffs at 50% (initial 25% + additional 25%), ranking alongside Brazil as a top

target, which was initially triggered by New Delhi's Russian oil purchases and BRICS participation (White House, 2025). Similarly, the United States imposed 25 per cent tariffs on automobiles, steel, and aluminium imported from Mexico and Canada, disrupting established regional production networks. These policies explicitly linked to the relocation of production to U.S indicated as the instruments of strategic leverage by the Trump administration.

These measures were implemented within an international context characterised by debates over economic multipolarity and the evolving role of BRICS as a potential counterweight to established Western financial and trade architectures. BRICS nations- Brazil, Russia, India, China, South Africa, and new members like Egypt now face this storm head-on, representing over 45% of the world's population and 35% of global GDP. The grouping has been frequently discussed as a platform for alternative monetary arrangements, South–South economic coordination, and institutional diversification. Therefore, the targeting of China, and the broader use of tariffs as instruments of coercion, extend beyond bilateral trade disputes, intersecting directly with ongoing contests over currency power, development finance, and global economic governance.

However, the administration's stated objectives stood in sharp contrast. The U.S. economy contracted by 0.3 per cent in the first quarter of 2025, marking its first decline in three years and reflecting rising input costs, supply-chain disruptions, and heightened uncertainty. China's manufacturing output declined to a 16-month low, while economic growth in Europe stagnated at 0.4 per cent, illustrating the spillover effects of U.S.-China trade tensions across interconnected economies (Macao News, 2025). Furthermore, the tariff regime produced uneven effects. For instance, Taiwan's GDP increased by 5.4 per cent, largely due to pre-tariff stockpiling and trade diversion. This highlighted the asymmetries inherent in global value chains and the capacity for short-term adaptive behaviour to mitigate exposure. This tariff escalation contributed to broader fragmentation within the global trading system beyond macroeconomic indicators. The trade frictions intensified with rising production costs, disrupted sourcing networks, and retaliatory measures, including China's increase in its bilateral tariff rate to 12 per cent. These dynamics underscore the limitations of unilateral protectionism in a deeply interdependent international economy and the potential for strategic shocks to generate systemic uncertainty.

Within this context, BRICS provides a critical analytical lens for evaluating the implications of the 2025 U.S. tariff regime. The implications of these developments remain contested across the International Relations and International Political Economy literatures. One strand interprets BRICS not merely as a coalition of emerging economies but as an increasingly consequential agent of structural transformation within the international system. From this perspective, BRICS' membership expansion, the establishment of institutions such as the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA), and growing experiments in local-currency settlements and alternative payment mechanisms together represent incremental but meaningful steps toward a more multipolar global economic order. Although these initiatives do not immediately supplant existing institutions, they are read as evidence that emerging powers are gradually building parallel governance mechanisms that can reduce reliance on Western-led financial architectures (Hurrell & Narlikar, 2006; Stuenkel, 2017).

Another strand of the literature offers a more moderate reading, contending that BRICS should not be understood as a revisionist coalition intent on overturning the liberal international order. Instead, this literature situates the grouping as reform-oriented: a platform through which emerging powers coordinate positions on IMF quota reform, development finance, trade governance, and South–South cooperation, while remaining largely committed to the existing international economic framework. From this vantage, BRICS' institutional innovations are complementary rather than confrontational, aimed at recalibrating extant institutions to reflect shifting distributions of global economic power rather than displacing them outright (Ikenberry, 2018; Acharya, 2014).

A third, more sceptical perspective draws on theories of structural power, hegemonic stability, and regime complexity to argue that contemporary global finance remains anchored in institutional,

monetary, and network advantages that cannot be overturned by incremental institutional creativity alone. The U.S. dollar's dominance rests not only on the scale of the American economy but also on entrenched financial infrastructures, reserve-currency functions, liquidity provision, and powerful network effects that generate pronounced path dependence (Strange, 1988; Abbott & Snidal, 2001). Accordingly, mechanisms such as local-currency settlements, BRICS Pay or expanded NDB lending are often interpreted as strategies of risk diversification and strategic hedging, rather than harbingers of a post-dollar order. From this sceptical vantage, BRICS members continue to operate within, and be shaped by, the institutional architecture of the existing global political economy. The 2025 tariff escalation offers a crucial empirical test for these competing interpretations. While some observers anticipated that heightened tariff-based economic coercion would accelerate de-dollarisation and consolidate BRICS cohesion, it is equally plausible that such external pressure would deepen internal asymmetries by prompting differentiated national responses rather than collective institutional action. The consequences of economic coercion, therefore, cannot be presumed to generate multipolarity automatically; they depend instead on affected states' institutional capacity to coordinate responses, the distribution of economic vulnerabilities across members, and the resilience of incumbent monetary and financial structures.

Building on these debates, this article contends that the 2025 tariff regime has reinforced adaptation processes rather than engendering systemic transformation in the contemporary international political economy. Rather than catalysing a coherent BRICS-centred alternative to the dollar-based order, tariff-induced pressures exposed persistent asymmetries in trade dependence, financial capacity, and strategic preferences among member states. The principal effect of the tariff shock has been to intensify differentiated adjustment within BRICS, thereby buttressing the resilience of the existing international economic order even as rhetoric about economic multipolarity has proliferated.

Against this backdrop, this article examines how these trade measures reverberate through the grouping as a testing ground for emerging multipolar dynamics. This involves four interrelated questions. First, to what extent can BRICS be understood as a credible alternative to the U.S.-dollar-centred monetary and trade system amid increasing tariff-based economic coercion? Second, how does the United States interpret BRICS as a largely neutral platform for economic cooperation, or as a revisionist coalition with the potential to challenge dollar dominance? Further, how do these perceptions influence U.S. policy responses, including tariff threats, financial pressure, and the reconfiguration of global supply chains? Third, do these dynamics strengthen the Global South's economic position by promoting deeper South-South cooperation, or do they instead intensify global fragmentation through uneven adjustment costs, production disruptions, and recessionary risks? Finally, what roles do China and India assume within BRICS under conditions of tariff pressure, and how do their differing roles shape the unity and effectiveness of the grouping?

2. Strategic Trade Policy amid Global Fragmentation

Trade disruptions triggered by President Trump's 2025 tariff escalation cannot be adequately understood through neoclassical efficiency models alone. While conventional trade theory emphasises efficiency losses, price effects, and welfare redistribution, such frameworks are insufficient to highlight the strategic logic underpinning contemporary tariff deployment. (Baldwin, 1985). Therefore, this section uses IR frameworks to understand BRICS responses as strategic adjustments within a fragmented global governance system, rather than mere market reactions (Buzan, 1989).

Hence, tariffs are introduced to signal political intent and exert pressure on targeted states without resorting to military escalation. The tariff measures announced by the United States exemplify this shift. These expanded sharply in 2025 and targeted strategically sensitive countries and sectors, such as China's manufacturing base. This escalation marked a departure from post-war liberal trade norms while still reflecting long-standing practices of economic statecraft (Peterson Institute for International Economics, 2025).

Such strategic use of tariffs also reinforces the role of currency dominance as a form of structural power within the global political economy. As Strange (1988) explains, monetary power operates through control over the systems of production and exchange rather than acts of coercion. In the contemporary system, this power remains concentrated in the U.S. dollar, which accounts for approximately 88 per cent of global foreign exchange transactions and nearly 59 per cent of official foreign exchange reserves (Bank for International Settlements, 2025). As a result, even states directly targeted by tariffs remain embedded within U.S.-centred financial loops.

As tariffs escalated, they increased structural pressures on BRICS economies. As trade and supply chains were disrupted, exposure to exchange-rate volatility increased, posing risks for dollar-denominated transactions. These pressures were particularly evident in China, where manufacturing activity declined following the tariff expansion, with the 'Purchasing Managers' Index falling to 49.0 (National Bureau of Statistics of China, 2025). This reflected contractionary pressures within export-oriented sectors. Henceforth, BRICS responses did not represent an ideological challenge to dollar dominance but rather constituted pragmatic efforts to manage risk within an existing monetary hierarchy.

The capacity of BRICS economies to respond collectively to trade coercion is further constrained by the absence of dense production linkages within the grouping. Global competitiveness depends on countries' involvement in cross-border production networks that include intermediate goods, components, and embedded technologies, not just the final product. In contrast, regional blocs where intra-regional value chains support shock absorption show limited integration in BRICS. This lack of structural coordination reduces the ability to respond collectively during periods of tariff escalation and leads countries to rely more on national strategies rather than bloc-level action.

Such changes reflected limited adjustment rather than a fundamental shift. The New Development Bank expanded local-currency lending, disbursing approximately USD 35 billion in 2025. At the same time, around 30% of trade within BRICS was settled using the Chinese yuan (S&P Global Ratings, 2025). These measures sought to reduce immediate exposure to dollar liquidity constraints and transaction costs without displacing the dollar's central role in global finance. Some scholars contend that external economic shocks may accelerate de-dollarisation by encouraging greater reliance on local-currency settlements and alternative financial institutions within BRICS. However, the evidence presented here suggests that these developments remain incremental and have not overcome the structural constraints imposed by institutional fragmentation and continued dependence on dollar-centred financial markets. Such responses are consistent with the economic statecraft literature, which emphasises adjustment and mitigation within prevailing power structures rather than systemic rupture.

These developments highlight the limited characteristics of contemporary economic multipolarity. While BRICS is often framed as a platform for alternative monetary arrangements and enhanced South-South cooperation, internal asymmetries severely constrain its capacity to serve as a coherent counterweight in establishing financial orders. Data show that China accounts for approximately 48-50% of expanded BRICS GDP (PPP) in 2025, down from 70% of the original five, creating structural imbalances that complicate collective monetary coordination (International Monetary Fund, 2025). Further, the different national strategies weakened the collective response. For example, India's use of rupee-denominated oil trade with Russia and the UAE (accounting for about 15% of its 2025 imports) contrasts sharply with China's push to internationalise the yuan (BRICS Joint Statistical Publication, 2025). Hence, such steps limit BRICS's ability to adopt a unified monetary position.

Geoeconomic analysis suggests that these asymmetries limit the possibility of creating alternative economic orders. Rather than encouraging unity among states affected by tariffs, retaliatory measures usually produce uneven, sector-specific effects. Similar patterns have been observed in Europe, where countries experienced different levels of impact from comparable trade shocks due to

limited policy coordination. Within this framework, BRICS responses to the 2025 tariff escalation are better understood as strategic adjustments within existing structural constraints rather than as a collective challenge to US economic power.

3. The United States' Strategic Interpretation of BRICS

From a strategic perspective, Washington does not view BRICS as a unified geopolitical actor capable of directly replacing the liberal international economic order. Instead, it is viewed as a heterogeneous grouping with significant internal asymmetries, making it susceptible to strategic influence through selective instruments of economic statecraft. Hence, within this framework, the tariff was not just to fix trade problems, but to protect the US-led economic order by addressing bilateral imbalances and preserving US-dollar centrality.

President Donald Trump's public articulation of this approach was evident in his 7 July 2025 Truth Social statement declaring that "any country aligning themselves with the Anti-American policies of BRICS will be charged an additional 10% tariff" (BBC News, 2025). This declaration explicitly conditioned tariff escalation on perceived behaviours such as de-dollarisation rhetoric, institutional reform proposals, or strategic alignment rather than treating BRICS as a unitary bloc warranting comprehensive containment. This selective use of economic pressure reflects a calculated US approach. Tariffs on China were explained as a response to China's structural overcapacity and its intellectual property practices. However, in India's case, tariff increases were closely linked to its continued purchase of Russian oil and were accompanied by signals of possible secondary sanctions. Tariffs on Brazil, meanwhile, were shaped by domestic political alignments and public rhetoric. This differentiated strategy weakened cohesion within the bloc by exploiting country-specific vulnerabilities and strategic differences.

This approach reflects structural competition rather than confrontation. The internal differences within BRICS allow the U.S. to take advantage. China holds a disproportionate share of the group's economic weight, accounting for around 48–50 per cent of its GDP. India follows a strategy of strategic hedging through partnerships such as the Quad. Russia, meanwhile, remains constrained by international sanctions. These asymmetries limit the prospects for coordinated resistance. As a result, U.S. monetary dominance is sustained. This strategy preserves dollar hegemony, with 88 per cent of global foreign exchange transactions and approximately 58 per cent of global reserve holdings in dollars (International Monetary Fund, 2025).

Official statements further reinforce this interpretation, characterising initiatives such as BRICS Pay and New Development Bank (NDB) lending as incremental hedging mechanisms rather than systemic threats (United States Trade Representative, 2025). Tariffs are therefore calibrated to raise coordination costs. At the same time, bilateral inducements such as India's USD 34 billion trade engagement with the United States and framework agreements with partners like Vietnam are used to reinforce bilateral dependencies over multilateral bloc consolidation.

This interpretation views BRICS not as a cohesive challenger to G7 primacy but as a grouping shaped by internal differences. Instead, it aligns with offensive realist arguments that emphasise preserving structural advantages through asymmetric economic pressure rather than direct great-power confrontation (Mearsheimer, 2001). The administration's "reciprocal tariff" approach tied tariff levels to the ratio of trade deficits to imports and disproportionately targeted BRICS members with large imbalances, which accounted for around 73 per cent of BRICS exports to the United States.

Congressional testimony reveals a multifaceted approach combining tariffs, bilateral frameworks, and IMF leverage rather than a BRICS-specific doctrine. USTR's 2025 Trade Policy Agenda emphasises "reciprocal trade", addressing deficits with China, India, and Brazil individually rather than bloc-wide, while preserving IMF influence through bilateral pressure points. The BRICS Rio Summit in July 2025 criticised "unilateral protectionism" without specifically mentioning the US tariffs. In response, the U.S. Treasury clarified that BRICS duties target specific "non-market behaviours" on a case-by-case basis, rather than imposing automatic penalties on the entire bloc.

This approach exploited divisions within BRICS (Office of the United States Trade Representative, 2025).

This approach can be explained through the economic coercion theory. The theory illustrates how strategic measures such as targeted tariffs can shape state behaviour while avoiding confrontation. The U.S. imposed tariffs on activities linked to de-dollarisation, initially set at 100 per cent, as Trump signalled. These tariffs could rise to 500 per cent under the *Sanctioning Russia Act of 2025* for Russian oil imports (Drezner, 2007).

India's tariff response illustrates this dynamic. Its tariffs increased from 25 per cent reciprocal to 50 per cent total in August 2025, triggered by Russian oil imports that accounted for 15 per cent of its energy needs (Bank for International Settlements, 2025). These measures encouraged rupee hedging while maintaining India's alignment with the Quad. Hence, this strategy helps sustain U.S. influence within the global financial system.

This regime complexity amplifies internal differences as China's yuan ambitions clash with India's dollar stability preference and rupee oil hedging. Russia's pariah isolation also limits militancy transmission, and South Africa's G20 moderation dilutes radical posturing. Thus, US tariff architecture reinforces structural monetary power by exponentially raising coordination costs, ensuring BRICS persists as a forum of contestation. Strategic success emerges through economic statecraft without military entanglement, as market access is preserved for compliant actors (Saudi Arabia partner status, Vietnam framework concessions), credible 500% threats deter Russian oil threshold crossings, and differentiated coercion exploits the very asymmetries (China 48-50% BRICS GDP) precluding a unified challenge. Consequently, the United States' tariff strategy reinforces existing monetary power. It raises coordination costs within BRICS and limits the group's ability to act collectively. As a result, BRICS remains a forum for contestation rather than a unified revisionist bloc. This outcome is achieved through economic instruments rather than military escalation.

4. Unequal Pain, Fractured Alliance: BRICS under the 2025 Tariff Shock

Trump's 2025 tariff regime created uneven economic shocks across BRICS. It amplified existing differences in growth, inflation, and trade dependencies rather than prompting collective countermeasures. The tariff shock highlighted differences between countries instead of creating uniform economic distress across BRICS. Each country's level of exposure shaped its capacity to adjust and the nature of its response. This indicates that the effects of the tariff shock were driven by national circumstances rather than producing uniform outcomes across the bloc.

China experienced the strongest disruption because it relies heavily on exports to the United States, which made up about 73 per cent of BRICS exports to the U.S. market. By late 2025, tariffs ranging from 34 to 145 per cent led to an estimated 2.4 per cent drop in manufacturing GDP. At the same time, the Purchasing Managers' Index fell to 49.1 (National Bureau of Statistics of China, 2025). These measures elevated input costs by an estimated 15-20 per cent, intensified depreciation pressures on the renminbi despite interventions by the People's Bank of China and contributed to a rise in consumer inflation to 3.2 per cent as supply chains compressed (National Bureau of Statistics of China, 2025).

India's adjustment trajectory swerved markedly. Although tariffs rose to 50 per cent after an initial 25 per cent increase in August linked to continued Russian oil purchases, the economic impact remained contained. Textile and gem exports, which relied on the U.S. for around 35 per cent of their demand, contributed to a 0.8 per cent slowdown in GDP growth. However, the overall growth remained at 6.2 per cent, supported by rupee-denominated oil payments covering roughly 15 per cent of imports and by faster trade shifts toward ASEAN markets. Nonetheless, heightened policy uncertainty reduced investor confidence, leading to a 22 per cent fall in foreign direct investment (Reserve Bank of India, 2025).

Brazil absorbed comparatively moderate shocks, reflecting lower exposure levels concentrated in agriculture and mining, which together accounted for approximately 18 per cent of trade vulnerability. Output losses of around 0.8 per cent of GDP were accompanied by inflationary pressures rising to 5.1 per cent due to commodity price pass-through effects. While diversification toward Chinese demand mitigated recessionary risks, it simultaneously reinforced structural commodity dependence Instituto Brasileiro de Geografia e Estatística, 2025). Russia, operating under an extensive sanctions regime before the tariff escalation, experienced only marginal additional effects. Pre-existing trade barriers exceeding 100 per cent limited incremental exposure, while yuan–ruble energy settlements supported growth of approximately 2.1 per cent. South Africa shifted trade through the African Continental Free Trade Area, which helped reduce the impact of tariffs, even though mining output fell by 1.2 per cent and the rand became more volatile (Statistics South Africa, 2025).

These differentiated national outcomes underscore the role of tariffs in deepening intra-BRICS asymmetries rather than fostering collective economic convergence. Export structure proved decisive: China's vulnerability as a manufacturing hub embedded within global value chains contrasted sharply with Russia's sanction-hardened insulation and India's services-led economy, where services account for approximately 40 per cent of GDP (World Bank, 2025). As a result, bloc-level coordination remained structurally implausible.

Further, trade diversion patterns reinforced divergence. China offset reduced access to U.S. markets by expanding intra-BRICS trade settled in yuan, which reached 28 per cent. However, this also shifted an estimated USD 87 billion of trade toward Southeast Asian economies such as Vietnam and Indonesia. India redirected roughly USD 12 billion in exports to ASEAN markets, maintaining a profit margin. Meanwhile, Brazil redirected about USD 8 billion in trade to China, relying on existing commercial relationships and avoiding currency-related costs. (People's Bank of China, 2025).

Investment confidence reflected these differences. China saw a 31 per cent drop in foreign direct investment, mainly due to manufacturing relocation. India's decline was smaller, at 22 per cent, supported by resilience in the services sector. South Africa experienced a 14 per cent contraction, concentrated in mining. In contrast, Brazil saw counter-cyclical inflows of about 3 per cent in agribusiness, showing that tariff pressures affected countries differently depending on their sectoral diversification (United Nations Conference on Trade and Development, 2025).

Supply chain reconfiguration further accentuated these fault lines. China's electronics sector, facing tariff escalation of about 25 per cent, saw an estimated 18 per cent of production migrate to Southeast Asia. India benefited selectively from "China+1" dynamics, particularly in pharmaceuticals, where tariff exemptions preserved USD 14 billion in exports. However, this widened intra-BRICS trade imbalances as China's deficit with India expanded by approximately 22 per cent (Japan External Trade Organisation, 2025). Inflation trajectories also diverged sharply, with China's imported input inflation driven by a 12 per cent surge in steel prices, contrasting with India's managed CPI rate of 4.8 per cent and Brazil's commodity-driven inflation of 5.1 per cent (International Monetary Fund, 2025).

Collectively, these trends indicate that the tariff regime did not equalise economic capabilities within BRICS but instead intensified existing hierarchies. Average bloc-level GDP contraction was estimated at 1.2 per cent, masking a wide dispersion ranging from China's 2.4 per cent contraction to Russia's positive growth of 0.3 per cent (BRICS Joint Statistical Publication, 2025). These asymmetries carry significant implications for institutional cohesion. China's economic dominance, approximately 48 per cent of BRICS GDP on a PPP basis, was further entrenched, while smaller members' influence diminished. This imbalance was evident in New Development Bank lending, with projected disbursements of USD 4.2 billion in 2025 largely directed toward China's infrastructure priorities (New Development Bank, 2025).

Trade diversion entrenched bilateral imbalances, fragmenting prospects for multilateral financial

coordination. Trade diversion strengthened existing imbalances between countries, making coordinated financial action across BRICS more difficult. Programs such as the Contingent Reserve Arrangement and BRICS Pay were underfunded compared with the IMF, which has over USD 1 trillion in SDR liquidity. Investors reallocated capital in response to tariff-induced pressures rather than channelling resources into collective bloc institutions, thereby reinforcing the structural fragmentation (Atlantic Council, 2025).

Longitudinal projections confirm these dynamics' persistence. Dynamic stochastic general equilibrium models suggest that while intra-BRICS trade may rise by approximately 12 per cent by 2027, it will remain structurally subordinate to dollar-denominated circuits, which continue to account for roughly 88 per cent of global foreign exchange turnover. Tariff-induced losses are projected to remain asymmetric, with China absorbing a permanent GDP loss of approximately 1.1 per cent compared to India's transient 0.4 per cent adjustment (Atlantic Council, 2025). In this sense, the 2025 tariff regime transformed BRICS from an aspirational counterweight into a differentiated adjustment arena, where pre-existing economic asymmetries constrained collective response and reinforced the dollar's structural power within the international political economy.

5. Institutional Rigidities and the Structural Limits of BRICS as a Dollar Substitute

BRICS institutional mechanisms, most notably the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA), do not constitute a viable alternative to the dollar-centred Bretton Woods financial architecture. Despite their rhetorical positioning as instruments of financial autonomy and South-South cooperation, these mechanisms remain structurally subordinate to dollar-dominated financial circuits because of chronic undercapitalisation, operational fragmentation, and embedded dependence on existing global monetary hierarchies (Chin, 2010). Consequently, BRICS lacks the institutional capacity to provide international public goods at a scale commensurate with its proclaimed challenge to Western-led multilateralism.

The New Development Bank illustrates these limitations most clearly. By 2024, total lending reached about USD 33 billion. In 2025, planned lending was only USD 4.2 billion. This equals just around 0.03 per cent of the estimated USD 15 trillion needed each year for global infrastructure (New Development Bank, 2025). Although the New Development Bank holds an AAA credit rating, this also limits how much risk it can take. As a result, the bank follows cautious lending practices focused mainly on sovereign borrowers. It has also limited the ability to mobilise private-sector investment. Consequently, the NDB operates as a supplementary development lender rather than a systemic alternative to the World Bank or regional development banks.

Additionally, the operational imbalances weaken the NDB's credibility as a multilateral institution. China accounts for around 44 per cent of approved projects and 52 per cent of equity contributions. This has led to ongoing perceptions of Chinese dominance within the bank's governance structure. Contrastingly, India and Brazil receive only about 8 per cent and 6 per cent of project approvals, respectively. These imbalances are reinforced by the NDB's double-majority voting system, which effectively protects China's capital share and limits collective decision-making.

The Contingent Reserve Arrangement suffers from even more severe functional limitations. Although nominally valued at USD 100 billion, actual subscribed capital stands at USD 41 billion, and the facility has not been activated since its inception. Stringent IMF-linkage clauses require prior engagement with the Fund for access beyond limited thresholds, reproducing precisely the conditionality BRICS leadership rhetorically contests. In comparative terms, the CRA remains marginal relative to the IMF's USD 1 trillion lending capacity and lacks the precautionary credibility necessary during periods of systemic financial stress (BRICS Contingent Reserve Arrangement, 2014).

Efforts to develop alternative payment infrastructure similarly remain aspirational. BRICS Pay, operationalised at the 2025 Rio summit, processed approximately 2.3 million transactions valued at USD 1.2 billion through the fourth quarter of 2025, which is negligible when compared with SWIFT's

daily transaction volume of roughly USD 5 trillion. However, technical limitations persist. Payment systems work mainly within bilateral arrangements, such as between the yuan and the ruble, and are poorly connected beyond this. Banks operating outside G20-standard regulatory systems also face higher compliance costs, which limits broader participation (BRICS, 2025).

Efforts to expand local-currency trade have had limited success. By the third quarter of 2025, about 28 per cent of trade within BRICS was settled in national currencies, while nearly 87 per cent of trade with external partners still relied on the U.S. dollar. This reflects the fragility of financial infrastructure, anchoring global liquidity to U.S. Treasury markets. National approaches also remain fragmented. India's efforts to internationalise the rupee are mainly limited to oil imports from sanctioned countries. Brazil's real-based clearing operates largely bilaterally with Argentina. Russia's SPFS handles only a small share of domestic payments and lacks interoperability with Asian systems. South Africa's rand is further limited by capital controls. Even China's Cross-Border Interbank Payment System, despite having around 600 participants, processes less than 4 per cent of global transaction value, far below SWIFT's network of more than 11,000 institutions (Bank of Russia, 2025).

Comparative institutional analysis underscores BRICS' continued subordination within global financial governance. NDB lending constitutes roughly 0.7 per cent of combined World Bank and IFC commitments. At the same time, the CRA remains less operationally credible than the Chiang Mai Initiative's USD 240 billion framework, itself IMF-linked. BRICS Business Council trade facilitation efforts have yielded intra-bloc tariff reductions of only 3.2 per cent, compared to 18 per cent under RCEP, which is insufficient to meaningfully restructure entrenched value chains (World Bank, 2025).

Geopolitical heterogeneity further constrains collective financial autonomy. India's engagement in the Quad and its implicit support for AUKUS frameworks limit willingness to pursue sanction-resilient frameworks that would antagonise Washington. Brazil's decision to challenge U.S. tariffs through WTO litigation in 2025 reflects its continued commitment to rules-based trade. As part of the G20 Troika, South Africa has focused on reforming IMF quotas rather than promoting bloc-centred financial autonomy. At the same time, new BRICS members such as Saudi Arabia, the UAE, and Egypt continue to channel oil-export earnings through New York-based financial systems. These patterns ensure that BRICS initiatives generally support rather than replace the dominance of the U.S. dollar. Quantitative indicators reinforce this assessment. The BRICS collective foreign exchange reserves of approximately USD 4.7 trillion represent only 42 per cent of G7 holdings. The NDB's capital adequacy ratio of 18.2 per cent lags that of the IFC at 19.5 per cent, while intra-BRICS foreign direct investment flows of USD 28 billion in 2024 account for just 2.1 per cent of global totals compared to ASEAN's 12.4 per cent, confirming the bloc's secondary position within hierarchical diffusion processes (United Nations Conference on Trade and Development, 2025).

Theoretical frameworks of regime complexity provide explanatory clarity. Abbott & Snidal's (2001) typology situates BRICS institutions within dynamics of regime shifting rather than regime replacement, whereby emerging powers negotiate selective access to dominant governance complexes rather than pursue wholesale defection. Empirically, over 92 per cent of BRICS sovereign borrowing still originates from World Bank and Asian Development Bank channels, despite rhetorical commitments to diversification (Humphrey, 2014). Hegemonic stability theory helps explain the absence of a collective financial backstop within BRICS. Unlike the United States, which provided unlimited dollar swap lines during the 2008 financial crisis, no BRICS country has shown a willingness to absorb collective risks beyond limited bilateral arrangements.

The BRICS Economic Partnership Strategy 2025 sets a goal of USD 10 trillion in intra-bloc trade by 2030. At present, trade stands at about USD 1.2 trillion. Growth so far has been driven mainly by bilateral and regional agreements, such as RCEP and Mercosur, rather than by BRICS-wide mechanisms. IMF Global Financial Stability Reports characterise de-dollarisation initiatives as incremental hedging rather than threshold-crossing transformations, constrained by network effects

and path dependency (International Monetary Fund, 2025).

Hence, BRICS institutional expansion reflects forum-shopping within nested governance hierarchies rather than autonomous order construction. NDB infrastructure lending frequently complements Belt and Road priorities, CRA research interfaces with IMF surveillance practices, and BRICS Pay pilot projects inform BIS innovation standards. US tariff coercion, rather than catalysing institutional consolidation, has exposed coordination deficits that reinforce the liberal international economic order's resilience. Without resolving internal hierarchies and external dependencies, BRICS mechanisms operate more as symbolic counterweights than effective alternatives. As a result, they reinforce the financial structures they aim to challenge.

6. China and India in BRICS

China and India pursue fundamentally divergent strategies within BRICS; China views BRICS as a vehicle to challenge U.S. dominance and project leadership of the Global South, particularly through rapid expansion, while India, by contrast, does not seek to oppose the West through BRICS. Instead, India practices "internal balancing", which remains within the grouping to restrain China's unilateral ambitions and prevent BRICS from becoming a China-dominated bloc. In fact, New Delhi leverages it tactically to gain a stronger voice within reformed liberal international institutions, creating structural tensions that undermine bloc cohesion and reveal the limits of economic multipolarity as a collective endeavour. So, multilateral engagement is more effective than disengagement in moderating Chinese behaviour. Strategically, China uses BRICS to advance its broader geopolitical goals. It holds a leading role in the New Development Bank, controlling a large share of project approvals and equity contributions. This aligns the bank closely with Belt and Road infrastructure initiatives. At the same time, China promotes de-dollarisation through local currency settlements and digital payment platforms. This strategy reflects a form of hegemonic consolidation. Hence, BRICS serves as an institutional platform for projecting structural power. It implements Susan Strange's critique of financial structures by creating parallel governance arrangements. These arrangements challenge the dominance of the IMF and World Bank without requiring full withdrawal from these institutions. (Hurrell & Narlikar, 2006).

As a middle power, India follows a hedging strategy. India uses BRICS primarily as a platform for negotiation rather than to pursue radical change. Strategically, New Delhi blocks Chinese proposals, such as Pakistan's membership bids. It also links participation in digital payment systems to preserving dollar stability and prioritises supply chain resilience aligned with the Quad over reliance on NDB infrastructure. Thus, India follows a "voice without exit" strategy. This allows it to gain concessions by participating in overlapping institutions. Using this approach, India advances BRICS reform initiatives through G20 consensus while maintaining strategic autonomy from China's leadership within the bloc. This highlights India's strategic, rather than ideological, approach to BRICS. It engages with the bloc to advance specific interests, gain representation, and push for reforms, while keeping its options open in other international partnerships. In this way, BRICS serves more as a platform for negotiation than as a cohesive political or economic bloc.

Institutional design amplifies bilateral impasse. The double-majority voting system, meant to balance China's financial dominance, often leads to gridlock. India coordinates with Brazil and South Africa to block such projects favoured by Beijing. Meanwhile, China's effective capital veto constrains the Contingent Reserve Arrangement without an IMF linkage waiver. This deadlock turns BRICS from a forum for decision-making into a space for mutual obstruction, where stalemates preserve the status quo more effectively than proactive agenda-setting.

Strategic differences are evident in both development approaches and external alignments. China's state-led model prioritises sovereign infrastructure lending. This reinforces commodity dependencies for smaller members. In contrast, India's private-sector-driven economy requires diversified financing that is independent of China's development model. Geopolitically, India's participation in the Quad and its border fortifications in Ladakh limit its ability to pursue sanctions-

resistant strategies that might upset Washington. Similarly, China's Belt and Road Initiative raises concerns in New Delhi about potential debt-trap risks.

This reflects strategic tension within overlapping governance systems. China uses BRICS to shift outcomes in its favour and strengthen Beijing-centric structures. In contrast, India engages multiple forums to maximise benefits without exiting any institution. For instance, it amplifies its voice in BRICS, influences G20 consensus, and coordinates with the Quad. The tariff crisis highlighted this divergence. China restrained escalation to protect ASEAN trade flows, while India secured bilateral trade concessions through coordination with Washington. These actions resulted in differentiated responses that could not be aligned at the bloc level.

Hence, competition between China and India is a core constraint within BRICS. China faces a structural dilemma because cooperating with India requires moderating its hegemonic ambitions, while defection risks weakening the bloc. India secures concessions through calibrated obstruction rather than asserting leadership. Over time, this dynamic reinforces the status quo. It should be noted that India's gains from IMF quota reforms negotiated through the G20 exceed the loans it receives from the NDB. Rupee internationalisation is primarily limited to energy imports and acts as a hedge within the existing dollar-dominated financial system. Supply chain initiatives led by the Quad provide diversification through a China-plus-one approach. Hence, both China and India prioritise engagement within established institutional frameworks rather than pursuing major systemic changes.

BRICS functions less as a strong multipolar bloc and more as a space where India can balance China's assertiveness. Economic multipolarity does not appear as a unified counterweight but as competitive fragmentation. Tariff measures strengthen India's alignment with the existing liberal international economic order, as BRICS does not provide compensating public goods. China exercises rhetorical influence but limited institutional power, as structural authority remains tied to dollar-based financial networks. Through strategic engagement, India helps preserve these networks, turning competition within BRICS into a stabilising factor for the current global system.

7. BRICS and the Global South

BRICS has strengthened the Global South's political voice through forums such as its annual summits and the New Development Bank. However, it has not achieved structural equality because of its leadership imbalances. As a result, BRICS has a limited effect on global power structures. This is reflected in India's 2026 BRICS presidency. While it emphasises Global South concerns such as access to technology and sustainable infrastructure, it does not directly challenge the influence of larger members like China (Arth Prakash, 2025). This increase in political voice is also reflected in BRICS advocacy for IMF quota reform. At the 2025 IMF meetings, BRICS members, holding about 42 per cent of the combined voting power, helped secure improvements for developing countries. These efforts enhanced diplomatic influence without fundamentally altering Western-led institutional structures.

Several interrelated challenges highlight the limits of structural equality within BRICS. Leadership asymmetries continue to favour the original members, namely Brazil, Russia, India, China, and South Africa. This has reduced the influence of newer Global South partner states. Although the 2024 Kazan Summit expanded BRICS to ten full members and thirteen partners, decision-making remains concentrated among the original five. As a result, smaller economies have limited scope to shape outcomes. These imbalances are also evident in the New Development Bank's 2025 annual report. This imbalance is reflected in NDB lending, where China received approximately 35 per cent of approved funds, despite accounting for only about one-fifth of the expanded bloc's GDP. This pattern reinforces dependency relationships that resemble earlier North-South dynamics. At the same time, Global South partner countries contributed only 18 per cent of intra-BRICS trade, which stood at USD 614 billion in 2025. Hence, these trends underline how expansion has increased representation in form, but not equality in practice (New Development Bank, 2025). This asymmetry reinforces

dependency risks. For example, South African exports to China rose 22 per cent year on year to USD 25.6 billion in 2025. However, value-added processing remains low at only 12 per cent. This pattern reflects dependency-theory concerns about commodity traps (Mthembu, 2025).

A balanced position emerges as BRICS strengthens the Global South's political voice. This is evident in India's 2026 agenda, which emphasises "humanity-first" cooperation on climate finance. The bloc secured USD 3.4 billion in New Development Bank pledges to support resilience in the Global South. However, structural equality remains limited due to internal disparities. For example, Russia accounts for 15 per cent of the bloc's GDP, while Ethiopia represents only 0.4 per cent after expansion (Ministry of External Affairs, Government of India, 2026). Such internal imbalances highlight the need for consensus-based mechanisms to ensure that decision-making does not disproportionately favour the most powerful members. Therefore, reform measures are needed to improve fairness and reduce dependency. One key measure is to make voting in the New Development Bank more equitable. Currently, China holds 10.5 per cent of the voting power, giving it disproportionate influence over decision-making.

8. Conclusion

In summary, the evolving role of BRICS reflects neither the emergence of a cohesive alternative order nor the dissolution of existing global economic hierarchies. Instead, contemporary developments reveal a pattern of differentiated adjustment shaped by asymmetric exposure to external shocks, internal structural divergence, and uneven institutional capacity. Trade measures, currency arrangements, and development finance initiatives have functioned primarily as adaptive instruments, enabling member states to manage external pressures while reinforcing intra-bloc disparities rather than producing collective transformation.

Economic responses to tariff escalation demonstrate the limits of bloc-level coordination. Variations in export composition, sectoral dependence, and financial resilience have generated divergent adjustment pathways among members. Manufacturing-intensive economies experienced deeper contraction and investment volatility, while services-oriented and commodity-insulated members absorbed shocks with greater flexibility. These differentiated outcomes weakened incentives for collective economic countermeasures, reinforcing bilateral recalibration over multilateral alignment. Trade diversion patterns further entrenched these asymmetries, as rerouting strategies benefited select members while amplifying imbalances within the grouping. Efforts to reduce reliance on established monetary circuits similarly yielded limited results. Local currency settlements and alternative payment initiatives expanded in volume but remained limited in scope, scale, and institutional depth. Financial fragmentation across members, combined with uneven market credibility, prevented meaningful consolidation of monetary alternatives. Rather than displacing dominant financial infrastructures, these initiatives operated alongside them, enabling selective hedging while preserving systemic dependence. The persistence of established currency dominance reflects structural constraints rather than a lack of political intent.

In fact, the institutional mechanisms intended to enhance collective capacity also exhibit uneven distributional effects. The New Development Bank has increased development finance availability, particularly in infrastructure and climate-related sectors, yet lending patterns continue to favour larger economies with greater project origination capacity. Expansion of BRICS membership widened representational breadth but did not substantially alter decision-making hierarchies. New partners gained access without proportional influence, limiting the transformative potential of institutional enlargement. For the Global South, BRICS has expanded political visibility and negotiating leverage within multilateral forums. Coordinated advocacy has supported incremental reform initiatives and mobilised development finance that contributes to poverty reduction and resilience building. However, these gains coexist with persistent structural inequality. Trade patterns remain concentrated in low value-added sectors, technology access is uneven, and financial dependence risks are reproduced rather than resolved. Political voice has increased more rapidly than economic redistribution or institutional parity.

While this study provides a timely assessment of the implications of the 2025 U.S. tariff escalation for BRICS and economic multipolarity, several limitations should be acknowledged. First, the analysis is necessarily constrained by the evolving nature of contemporary trade and financial developments, meaning that the long-term institutional consequences of recent policy shifts remain uncertain. Second, the study relies primarily on macroeconomic indicators and official policy documents, without incorporating firm-level evidence or elite decision-making processes that may offer additional insights into national responses. Future research could therefore examine the longer-term effects of tariff-induced adjustment on BRICS institutional development, the evolution of alternative payment systems and local-currency arrangements, and the implications of continued BRICS expansion for the future of global economic governance.

Therefore, these dynamics position BRICS as a forum of managed divergence rather than unified opposition. External pressures have intensified internal differentiation, while institutional initiatives have moderated vulnerabilities without altering underlying hierarchies. The grouping's significance lies in its capacity to facilitate strategic adjustment and amplify collective presence, not in its ability to restructure the global economic order. Absent deeper coordination mechanisms and more equitable institutional governance, BRICS is likely to continue operating as a space of negotiation and selective autonomy, reinforcing adaptation over transformation within the contemporary international system.

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Trump's Rhetorical and Economic Warfare Against BRICS: Framing Geoeconomics in Obstructive Foreign Policy Terms

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ABSTRACT

In his second term in office, President Donald Trump has waged an all-out rhetorical and economic war on subjects of international relations of the Global South. The apparent intention is to render them servile objects in international relations, as the Global North's network of vassal and client states to the United States. This situation is not without logic or reason given the global context of the US's relative decline and the rise of the Global South through newly established and independent international institutions such as BRICS. It concerns US global hegemony through maintaining and imposing its geostrategic imperatives. These imperatives keep client states protected and pliant, keep vassal states dependent and pliant, and prevent the rise of powers and blocs of powers that can challenge the US. Trump has been launching an unpredictable rhetorical tirade from his Truth Social account, outlining the vague goals of US strategy for its resurrection as a global hegemon once more, denouncing the world for 'victimising' the US and not being grateful. This paper uses a framing lens to understand the logic of identifying the problem and moving toward a solution. This is complemented by the rhetoric applied to the text of those tirades, where the logic and emotion in the language are intended to complement and overpower the audience's cognitive will to resist. Rhetoric and economic warfare complement and compound each other by using the information realm to create effects in the cognitive realm of the Global South, and BRICS in particular. This is the means; the apparent ends are to create the operational environment that supports obstructive foreign policy. In this case, other countries cease to be subjects of international relations and become objects; they lose the ability to realise their foreign policy goals, national interests, and security. In a context of relative decline, the US has lost its absolute hegemony but tries to exercise a relative hegemony by obstructing the rise of other powers, such as BRICS.

1. Introduction

Framing the identity and culture of a global actor in the chaos of 21st-century international relations is revealing in terms of how that actor seeks to rally their domestic audience around a concept or ideal and how they project their intentions to the other actors populating the global system of states (Kowert, 2016; Hayes, 2017). This is particularly pertinent as a global geopolitical transformation is underway, in which the US-led Global North is in relative decline yet still seeks to retain hegemony (Kissinger, 2015; Biden, 2020). Such a volatile and complex physical environment means that tools

of interpretation and representation of foreign policy, geopolitics, and geo-economics are far from being merely academic constructs remote from the realities of practice and policymaking.

This article seeks to explore the digital environment, which is one of the primary locations of global efforts to win the hearts and minds of global audiences, where attempts to justify and legitimise US foreign policy under the Trump 2.0 administration are made using the risky tool of economic warfare against BRICS to regain its hegemony. Geo-economics is playing a key role in attempting to reshape and engineer a favourable geopolitical outcome for the US (Simons, 2024a). It is a defensive posture that seeks to interrupt and disrupt other countries' foreign policy goals and opportunities by obstructing their foreign policy aims and objectives. By examining and analysing the rhetoric used by Trump 2.0 on his private Truth Social account, it is hoped to reveal his means of attempting to telegraph justification and legitimacy to his domestic base and to signal intentions to foreign audiences. This leads to posing the following research question for this paper. How does Trump 2.0 shape his rhetorical approach to economic warfare within the context of geo-economic ambition, using demagogic appeals to his domestic base while simultaneously trying to coerce compliance from foreign actors?

This article has four sections. The first section details how geo-economics and geopolitics interact and influence each other in the volatile and chaotic environment of 21st-century international relations. The second section elaborates on the paper's theoretical and conceptual framework, along with the geopolitical context. The third section motivates and justifies the paper's methodology, explaining how and where the data are drawn from (and why), namely the rhetoric of Trump 2.0's Truth Social posts on the BRICS countries. Section four then introduces the case studied in this article, Trump's rhetorical war against BRICS countries, exploring the communicational aspects of justification and legitimacy seeking. A discussion section follows, linking, analysing, and interpreting the primary data through the paper's theoretical and conceptual tools.

2. Geo-Economics and its Relations to Geopolitics

Geo-economics is subordinated to the actor's geopolitical priorities and imperatives; it is intended to help realise those ambitions within the geopolitical programme (Simons, 2024a). In terms of its relationships, geo-economics concerns the interactions and effects of geography and economic activity (Baracuhy, 2018). The contemporary global system of trade and economic activity is asymmetric, with embedded vulnerabilities and dependencies that can convert economic power and advantage into an effective means of pursuing strategic objectives (Scholvin & Wigell, 2018a, p. 81). Furthermore, geo-economics is seen as complex and multifaceted in the world of international power and influence projection.

It is suggested that we understand geo-economics as both a foreign policy practice (aimed at achieving strategic objectives) and an analytical concept (within the tradition of IR Realism) (Scholvin & Wigell, 2018b, p. 1). This passage refers to the use of geo-economics in a potential hard-power configuration as a means of converting economic assets and value into geopolitical advantage over other actors. The chosen path of geo-economic action to support geopolitical goals and ambitions depends on the actor's interests and priorities. Where geopolitics can be understood as a means of acquiring territory to accumulate wealth, geo-economics reverses the process, aiming directly to accumulate wealth through market control. The acquisition or control of territory is not irrelevant, but a tactical option rather than a strategic necessity (Cowen & Smith 2009, p. 42).

Power and influence are derived from the ability to control the acquisition and the distribution of economic resources and assets, which denies the ability of competitors to do so and thus potentially renders them as an object rather than a subject of international relations. This brings us to geopolitics in terms of its scientific definition and its pragmatic purpose and intent. At its most basic and banal level, geopolitics concerns the study of the interactions and effects of geography and politics (Hagan, 1942; Mamadouh & Müller, 2023). Geopolitics has an interpretative aspect: a means of understanding events, trends, and processes in international relations to increase understanding

and predictability in the political environment. But geopolitics also involves representation: projecting a subjective perception and reputation onto an actor or event that benefits the communicator (Simons & Chifu, 2025). Furthermore, geopolitics has an informational dimension, where perception and façade reign; it is used to accumulate political capital by attempting to justify and legitimise foreign policy (which may objectively lack a basis for justification or legitimacy) (Flint, 2021). How do these aspects come together, and what kind of result is produced in the context of an evolving global order?

3. Evolving Global Order, Fifth Dimension of Strategy and Obstructive Foreign Policy

Brzezinski (2010) noted bitterly that the growing global turmoil on the eve of the 21st century was created by unprecedented challenges to US hegemony and threatened the promise of continued US dominance. Observers increasingly agree that the 21st century is witnessing an evolution of the global geopolitical order, away from the Western-centric, US-led unipolar order (the Global North) toward a non-Western-centric multipolar order (the Global South) (Denisenko, 2025; Chaudhuri, 2026). However, the US is challenging this evolution of the global order as it faces a decision in the second decade of the 21st century: whether to accept and manage its relative decline or reject it and challenge it. The latter has been publicly chosen by President Biden (Biden, 2020) and continued (accelerated even more) under President Trump. Given that the US is increasingly depicted as in decline and seeks to challenge the current trend and trajectory of the global order, it must carefully choose the appropriate dimension of strategic tools to project power and influence and achieve its geopolitical goal of continued global hegemony.

It should be noted that not all scholars and analysts agree with the 'inevitable' and 'imminent' decline of US global power and hegemony. For example, Brooks & Wohlforth (2016) acknowledged the relative decline of US global power and influence yet argue that, with good leadership and policies, it can be reversed. Ikenberry (2018; 2020) expressed similar thoughts about the Global South's challenge to the Global North but noted that the greatest threats to the Global North came from fractures and splits within.

As a means of representing and projecting power and influence in the physical environment of international relations, information and knowledge are critical tools for shaping audience perception and consent. Powers can exploit five dimensions of strategy to project power and influence in international relations. Four of these dimensions of strategy are tangible (physical), and one is intangible (informational-cognitive). The dimensions of strategy are in chronological order: 1) land (continental power), 2) water (maritime power), 3) air (aerial power), and 4) space power, all of which are tangible. The fifth dimension of power is knowledge and information, which is intangible, but it affects an actor's perception of and reaction to events in the physical human environment (Lonsdale, 1999; Simons, 2024b). This can be used to misdirect or coerce consensus among international actors toward a policy line they might not otherwise accept without duress, where implied economic and/or military coercion can be used in the negotiation process. But they try not to cross the threshold that would prompt the targeted actor to use military force to assert its sovereignty.

But what is the point of undertaking such seemingly risky and reckless approaches to international relations? This is partly due to two radically different ways of viewing and interacting with the various actors in this evolving global system. The Global North, where the US seeks to retain its hegemony, is highly transactional and ideologically messianic, resulting in a zero-sum game. Whereas the Global South is more relational in its international relations, pragmatically pursuing its national interests with a win-win outcome. In effect, the Global North attempts to subvert and coerce international actors to be reduced to being objects of international relations, rather than subjects (Simons, 2024c). The Global South relies on this strategy to mitigate differences and the Global North's coercion. Kim (2019) noted that the US has begun employing geo-economic strategy in a more militarised and coercive configuration in the 21st century, rather than using it as a means of attraction, such as the Marshall Plan in Europe at the end of the Second World War.

The Global South seeks to facilitate its rise through cooperation and collaboration, pursuing its foreign policy goals. The US-led Global North, by contrast, seeks to halt its relative decline in the global geopolitical marketplace not through soft power and the attraction of its positive offerings, but by attempting to obstruct the rise of the Global South. It seeks to do this through obstructive foreign policy, by denying the Global South its foreign policy goals and objectives and thereby slowing or halting its relative decline (Simons, 2022). This is visualised in US attempts to rally allies and neutrals, but it does so by rendering them objects rather than subjects, against the rise of the Global South. This has different implications in the short term versus the long term. "The 'America First' turn will seriously challenge Global South States in the shorter term but provides some longer-term opportunities. Washington's decentring of allies gives an opening for some middle powers". (Shidore, 2025, p. 122). This is attempted first and foremost through the fifth dimension of strategy, the weaponisation of information and knowledge through the information realm to engineer cognitive outcomes favourable to the US.

4. Method

Language gives life and definition to the human world; it makes sense of physical surroundings and shapes how we perceive and respond to them through interpretation and sense-making. One established linguistic tool for making and conveying sense of the physical environment, dating back to the classical ages, is rhetoric. Rhetoric uses language to persuade. "Rhetoric becomes primarily the process whereby a community comes to share a symbolic discourse – or whereby a communally shared discourse creates consubstantiality, subliminally persuades individuals to identify with the community, even to sacrifice their lives for their country and flag (and what it stands for)" (Coe, 1990, p. 49). This can be adapted and applied to the contemporary volatile environment of contested power and influence in international relations.

In this article, I will use rhetoric to interpret and analyse political speech with pragmatic intentions. This is best expressed in the selected text below, which designates a discipline for examining pragmatic communication.

That rhetorical study we call "analysis" is the diachronic examination of instances of pragmatic communication. It is diachronic in that it pursues its subject – pragmatic or rhetorical communication – as it exists through time. Its two major divisions are (a) historical analysis, such as is conducted by Neo-Aristotelian historians of public address, and (b) critical analysis, which is concerned with interpreting, reacting to, or appraising pragmatic communication using standards and methods in addition to the historical (McNally, 1970, p. 80).

This article seeks to apply the second division of rhetorical study, which is related to the critical analysis of pragmatic political speech within the context of the evolving global order where the speech is being used to support the geostrategic goal of hegemonic maintenance of the US-led Global North. Using Aristotle's delineation of rhetorical appeals, of which there are three in total: 1) *logos* (the use of logic, including false logic), 2) *ethos* (using the credibility of the speaker and ethical appeal), and 3) *pathos* (the use of emotions, positive and negative) to persuade and influence the audience (Braet, 1992; Wróbel, 2015; Voci, 2022). Rhetoric is widely used in international relations. This includes the use of rhetoric to convey to the intended audience(s) moral or legal imperatives (Goldsmith & Posner, 2002; Richards, 2012) as well as pragmatism (Hellmann, 2009) and the projection of state power and influence.

There is a need to locate the most likely site to find primary material to interpret and analyse with the aid of rhetorical theory, which is connected to the research question involving pragmatic communication. These communications are about the use of geo-economic tactics in international relations as a means of attempting to re-secure US global hegemony by the current US President, Trump, through his social media account, Truth Social.[1] Trump's private Truth Social account has

[1] https://truthsocial.com/@realDonaldTrump

become one of his primary means of communicating with domestic and foreign audiences; other digital channels are noticeably declining in volume during his presidency (Simons & Hossain, 2025). The period under investigation runs from his inauguration for his second term on 20 January 2025 to 31 December 2025. His social media posts were manually checked for references to BRICS, the Trump administration's geo-economic policy towards the group, and, in particular, the use of economic warfare against BRICS (sanctions, tariffs, and so forth). Therefore, keywords and phrases such as BRICS, sanctions, tariffs, US economic interests, US dollar, international trade, and Anti-American were focused upon. These were checked manually by scrolling through Trump's Truth Social timeline in the specified time period; posts also needed to use Trump's words and not be reposts of others' content. A total of 21 posts were identified, interpreted and analysed; posts with qualitative similarity in text were not duplicated.

5. Trump 2.0 and the Rhetorical War Against BRICS

Donald Trump won the November 2024 US presidential elections for a second time, and the presidency of Trump 2.0 officially began on inauguration day on the 20th of January 2025. He ran on a platform as a peace president, pledging not to start new wars and to end existing ones (such as the Ukraine conflict). Furthermore, he renewed his 2016 campaign slogan and pledge of Making America Great Again (MAGA), though he offered no specifics on how he would achieve it. However, since taking office, his rhetoric and his actions have become increasingly belligerent. While still maintaining the rhetoric of MAGA, he has initiated several wars (for example, Iran and Venezuela), threatened to annex countries and territories (Panama Canal, Greenland and Canada), threatened other countries with military force (Cuba, Mexico and Colombia) and threatened the world with economic warfare (tariffs in particular) on the rhetorical basis that the US was being taken advantage of by friend and foe alike.

For this article, economic warfare is understood as "economic warfare as a continuum of policies aiming to weaken the economic base of the adversary's power" (Førland, 1991, p. 191). A further and more elaborate definition argues that "economic warfare is the use of economic tools, strategies, and resources, as both complement and substitute for kinetic violence, towards the attainment of objectives within a broader adversarial agenda" (Chohan, 2024, p. 3). Trump 2.0's comments on BRICS, drawn from his Truth Social posts (original texts by Trump, not forwarded posts or commentaries on posts), were collected and collated in chronological order, beginning with the oldest posts first (from 20 January 2025 forward).

In this chronological order, the first post on BRICS appeared on 31 January 2025, about 11 days after the inauguration. The text's tone was framed in geo-economic terms and carried geopolitical implications.

"The idea that the BRICS Countries are trying to move away from the Dollar, while we stand by and watch, is OVER. We will require a commitment from these seemingly hostile Countries that they will neither create a new BRICS Currency, nor back any other Currency to replace the mighty U.S. dollar, nor face 100% Tariffs and expect to say goodbye to selling into the wonderful U.S. Economy. They can go find another sucker Nation. There is no chance that BRICS will replace the U.S. Dollar in International Trade, or anywhere else, and any Country that tries should say hello to Tariffs, and goodbye to America!" (Trump, 2025a).

Logos is used to establish the concept and perception of a threat in the US audience, where ethos depicts BRICS countries as having a nefarious plan against the so-called hero of this story, the US. The threat is de-dollarisation, a geo-economic imperative to weaken US global geopolitical hegemony. Using ethos and pathos of fear and patriotism, Trump is the person to finally stop the relative decline, threatening the use of economic warfare. This text hints at what Cowen & Smith (2009, p. 42) suggest: Trump is attempting to intimidate and coerce BRICS and halt their rise by accumulating wealth through market control of international trade. Many posts by Trump 2.0 did not mention BRICS as an organisation, but often targeted individual BRICS countries in a bilateral

format.

Geo-economics was seen as Trump's master plan for US imperial revival; the much-needed injection of funds was not sought through fair and equal trade practices, but through economic warfare, with tariffs as the preferred tactic. But geo-economics is seen as the key to reviving Pax Americana, which is described as being on life support.

"Our Nation is staging one of the greatest and fastest comebacks in history. In just 4 short months, we are respected again, respected like never before, and just wait, with many Trillions of Dollars of Investment in Plants and Factories, until you see the numbers on GROWTH. This is, indeed, THE GOLDEN AGE OF AMERICA!!!" (Trump, 2025b).

There is a minor element of logos, which may not be true, in the imperative logic of imperial revival. The text also uses heavy hyperbole and symbolic shouting through all-caps words, intended to reinforce the pathos focus of priming Trump's domestic political base with promises of respect, glory, and wealth. This uses the fifth dimension of strategy (knowledge and information) to prime and mobilise domestic political support by marketing and overselling his so-called art of the deal in exchange for justification and legitimacy for his risky geo-economic policy. The Trump 2.0 administration had in its sights not only BRICS countries, given the geo-economic threat and geopolitical challenge they represent, but also sovereign countries that chose to trade with BRICS countries.

"Any Country aligning itself with the Anti-American policies of BRICS will be charged an additional 10% Tariff. There will be no exceptions to this policy. Thank you for your attention to this matter!" (Trump, 2025c).

Trump 2.0 tries to narrate the US as the victim in this scenario and only acting in 'self-defence' with the false logic (logos) that the mere act of a country being a subject of international relations is in fact an "Anti-American" act. The use of hyperbole constructs a world of extreme actions bound by the ethos of moral judgement. Pathos is evident in the use of caps lock in the threat of economic warfare through tariff wars, rendering non-BRICS countries objects of international relations to obstruct BRICS' foreign-policy aspirations and goals by discouraging free international trade with countries outside the grouping.

The US victimhood frame is often invoked, which is narrated in a highly emotional tone that is given in the binary context of the priming and mobilising of his domestic political support base with a current sense of deep injustice that needs to be rectified through bringing about 'justice' for the US as a country and as a people. The text sample below illustrates this rhetorical approach to justifying his geo-economic strategy of economic warfare and building legitimacy for his policies and himself.

"The United States of America has been ripped off on trade (and military!), by friend and foe, alike, for decades. It has come at a cost of trillions of dollars, and it is just not sustainable any longer - And never was! Countries should sit back and say, "Thank you for the many years' long free ride, but we know you now have to do what's right for America." We should respond, "Thank you for understanding the situation we are in. Greatly appreciated!" (Trump, 2025d).

No distinction is made between friend and foe of the US. This aligns with an expression associated with US geopolitical expert Henry Kissinger; to paraphrase what he once stated, the US has no permanent friends or permanent foes, only permanent interests. The permanent US interests are the continuation of its global hegemony; whether it comes at the expense of friend or foe does not matter; the result only matters. There is a strong and emotionally laden depiction of US victimhood (pathos), which serves as a call for a political response to this 'injustice' that is wrapped in the ethos of justified moral judgement on the 'righteousness' of this goal.

6. Discussion

The end goal and objective of Trump 2.0's rhetoric on the geo-economic topic align with the

geopolitical imperative of maintaining U.S. global hegemony in the 21st century. In terms of end goals, there is no substantive change from the three geostrategic imperatives Brzezinski (1997) identified in The Grand Chessboard at the birth of the US unipolar moment, in the wake of the collapse of the Soviet Union and the bipolar global order. Brzezinski (1997) noted that, based on historical experience, three geostrategic imperatives must be satisfied to maintain or expand empire. These are: 1) to keep client states protected and pliant; 2) to keep vassal states dependent and pliant; and 3) to prevent the rise of powers or blocs of powers that can challenge US hegemony. The geo-economic imperatives and priorities of the Trump 2.0 administration, with an emphasis on economic warfare and coercion, support Simons's (2022) observation that geo-economics plays a subordinate yet supporting role in the US's geopolitical priorities and ambitions. This means obstructing other actors' foreign policy goals and objectives in international relations during a period of global geopolitical transformation.

Therefore, in the context of this article's case, the geo-economics of Trump 2.0 is a foreign policy practice aimed at achieving strategic objectives, as Scholvin & Wignell (2018b, p. 1) note. It also relates to realism in international relations, which aims to accumulate power and influence by pursuing self-interest in a chaotic, unpredictable physical and cognitive environment shaped by the transforming global geopolitics of the 21st century. When one pierces the bizarre and superficial theatrics of Trump's rhetoric, a pattern emerges that supports the observation by Cowen & Smith (2009, p. 42) that geo-economics is being operationalised by aiming directly at the accumulation of wealth via controlling the market of international trade and the control of strategic assets (such as oil and rare earths). Trump's rhetoric also hints at another angle: not achieving specific national goals and interests for the US, but a personal, performative function. This performative function is intended to solidify Trump's personal brand, reputation, and legacy, along the lines of a great global leader and the master of the art of the deal.

The use of rhetoric fits with the informational aspects of geopolitics that are outlined by Flint (2021) on the need to use information and knowledge as the fifth dimension of strategy, as outlined by Lonsdale (1999), to influence the tangible dimensions of strategy. The intention is rhetoric as a mechanism to generate and accumulate a sense of justification and legitimacy for Trump 2.0's aggressive foreign policy aimed at restoring Pax Americana. The point is that there is no divergence in the geopolitical end goal of global hegemony; differences and divergence lie in the ways and means of achieving this end state. Trump clearly attempts to use rhetoric as an intangible resource of power and influence, backed by a mixture of bluff and bluster (implying he has "the cards"), with the implied operational use of tangible power through military or economic coercion.

The attraction of the US and its ability and intention to seek soft power is over, owing to increasingly restrictive financial constraints on the US empire. Their ideology of Western liberal democracy is faltering and faces a lack of legitimacy or attraction in the eyes of the Global South. Thus, the US global offer is no longer competitive or attractive to the Global South, which seeks to be a subject, rather than a US object of international relations. This has created the US's choice: rather than being a competitive option for other countries to copy and engage with, it seeks to force and coerce other countries into 'consensus.' The intention is to obstruct the foreign policy of BRICS blocs and countries to preserve what remains of the relative US hegemony that was close to absolute at the end of the Cold War. Trump's rhetoric is aimed at shoring up his domestic political legitimacy and appeal, through the façade of demagogic rhetoric that attempts to engineer the illusion that he is the global deal maker, the all-powerful broker on which everything depends. Thus, the rhetoric is intended to appeal to domestic emotions and create a sense of awe and reverence in foreign audiences.

7. Conclusion

In the introduction, a research question was posed that has informed and shaped this article's approach. How does Trump 2.0 shape his rhetorical approach to economic warfare within the context of geo-economic ambition, using demagoguery to his domestic base while simultaneously trying to coerce compliance from foreign actors? Trump 2.0's rhetorical approach shows that he

applies tactics in the fifth dimension of strategy, but he lacks a clear strategy to achieve the geopolitical end goals of US global hegemony. Trump 2.0's tactics demonstrate the continued relevance of Brzezinski's three geostrategic imperatives for imperial maintenance. However, Trump also relies heavily on a performative façade, as if he were still on the stage of his reality TV show, The Apprentice, the alpha everyone must come to for favours; they need to ingratiate themselves with him. It consists of a mixture of bluff and bluster, where the performance is at times seemingly devoid of clear and concise strategy beyond the publicity that is intended to make Trump 2.0 look good on the international stage.

The story shaped by Trump 2.0's rhetoric circulates strongly emotional myths that are intended to prime and mobilise his domestic support base. These include the myth of US benevolence to the world (justice) and the world taking advantage of the US's goodwill and good nature (injustice). There is an engineered reality of binary opposing realities of justice being met with injustice, which 'demands' the application of restorative justice to 'right the wrongs' allegedly done to the US by an 'ungrateful' world. The world is not divided into friend versus foe, but winners versus losers, where Trump 2.0 attempts to project the US nation and people as eventual winners in this struggle with injustice, with the 'right' (read: correct) leader. This underpins the logos aspects of Trump's rhetoric: the logical explanation and basis for the policy and posture proposals that follow, grounded in the US's geo-economic priorities and intentions.

In terms of ethos, this is strongly imbued with moral and ethical judgment, favouring the US and opposing the rest (including BRICS). Trump also casts himself as the 'right' leader at the right time, given his alleged knowledge, skills, and expertise. BRICS is rhetorically painted as being anti-US and potentially turning the world against the US-led Global North. This is done on an almost messianic ideological basis, where one is asked (demanded) to give freely and trust Trump 2.0's self-narrative about his managerial abilities and supposed morals. BRICS are the 'bad guys' in this rhetorical equation and need to be punished; anyone who trades with them needs to be punished as well, even if this contradicts established international law and norms.

Pathos is widely and freely operationalised and applied in Trump's rhetorical appeals to his audience. The use and abuse of raw emotions, such as patriotism and contempt (disgust), prime and mobilise his domestic support base by casting his calls for economic warfare as a magic bullet to cure the imperial misfortune and financial woes of Pax Americana. Economic warfare is presented as the necessary means to restore justice to the global financial system that has been dominated by the US in the wake of the Second World War and the Bretton Woods conference that saw the sunset of Pax Britannica and the sunrise of Pax Americana.

The rhetorical means of logos, ethos, and pathos should not be seen or interpreted in separation from each other, but rather as working in conjunction. It aims to boost Trump 2.0's political speech to appeal to his domestic support base, embolden them in support of his legitimacy, and cognitively (psychologically) intimidate the BRICS countries and the international order with fear and force submission. Logos is the basis for the logic, ethos provides the basis for Trump's personal legitimacy and the supposed morality of what he proposes to do, and pathos is to create an emotional environment that emboldens his domestic support base, justifies and legitimises Trump and his actions and is a means of operation to influence BRICS decision makers into making decisions against their interests and in the interests of Trump's attempt at the revival of Pax Americana.

A brief discussion of the study's limitations and suggestions for future research is necessary. This work's main limitation is that it draws on a single source from a single person to generate the data set; it offers an indicative result. Rhetoric plays an increasingly influential role in global geopolitics and geo-economics, driven by rising competition and conflict stemming from the global power transformation, to engineer justification, legitimacy, and audience consent for policies. Future research should take these aspects into account: the communicational functions of geopolitics and geo-economics in the current global environment. A broader set of cases, as well as more comprehensive data sets, is needed to test and challenge this work's indicative premises.

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