

Is the Almighty US Dollar About to Take a Fall?

BRICS alliance is seeking a multipolar global financial system

By [Philip Giraldi](#)

Global Research, September 05, 2023

Region: [USA](#)

Theme: [Global Economy](#)

All Global Research articles can be read in 51 languages by activating the Translate Website button below the author's name.

To receive Global Research's Daily Newsletter (selected articles), [click here](#).

Click the share button above to email/forward this article to your friends and colleagues. Follow us on [Instagram](#) and [Twitter](#) and subscribe to our [Telegram Channel](#). Feel free to repost and share widely Global Research articles.

August 23rd was a big news day all over the world. The western media's focus on the events of that day was solidly on the unproven claims that Russian President Vladimir Putin was behind the sabotage or shooting down of an executive jet that killed his former associate Yevgeny Prigozhin.

In reality, however, there was a far more important story that was coming out of South Africa. In fact, Putin had a far more important job to do on that day due to his desire to make progress in stripping the United States of its dollar hegemony.

Putin was engaged by videolink in the discussions taking place in Johannesburg regarding expanding the so-called BRICS monetary union, in part to include measures that would diminish the dominance of the dollar in the world economy.

That objective would have been damaged severely if Putin had been implicated in the spectacular public assassination of a rival on the same day as the BRICS meeting that would have been not only an embarrassment but also very damaging vis-a-vis his credibility as a statesman.

If Putin had really wanted to kill Prigozhin, there were less politically damaging ways to do so and as of this writing the cause of the airplane crash remains unknown. By one theory, the death of Prigozhin was carried out by an airplane bomb planted by US or British intelligence working with Ukrainian agents inside Russia to discredit the Russian leader, knowing that even if he were innocent he would be blamed for the killing, which is precisely how the story has been developing in the US and Europe.

The name BRICS comes from an acronym for Brazil, Russia, India, China, and South Africa. Goldman Sachs economist Jim O'Neill reportedly coined the term BRIC (without South Africa) in 2001 and the group was set up a few years later using the acronym.

Recently, the drive to expand BRICS has gained momentum as a result of the completely avoidable Ukraine war. The venerable *status quo* for international finance was developed in the wake of the Second World War at Bretton-Woods, where the instruments of the World Bank and the International Monetary Fund (IMF) were created, to include endorsing the dollar as the *de facto* world reserve currency for many transactions. The entire structure is, by design, managed by a transatlantic capitalist cabal based in Washington.

There is currently only limited competition to the IMF and World Bank in the global marketplace for credit, loans, issuance of money and capital, the power to grow and develop economies, project finance, and to stay competitive with the influx of much needed capital to house, clothe, educate, or feed the people of the world. And the United States knows that and uses its control over the financial system to keep countries in line politically.

The BRICS banking model, based as it is on a multipolar world with multiple currencies and lending arrangements, has offered an alternative to this out-of-control monster of a global banking monopoly maintained by the IMF.

This is why 132 nations, which had been calling on the UN for a new financial model, immediately saw hope in the BRICS alternative banking and financing initiatives which began to take shape in 2015. Within the first year, [57 countries formally joined the China-led Asian Infrastructure Investment Bank \(AIIB\)](#), [entirely dollarized] constituting the first total break from the Western Bretton Woods institutions, with initial capitalization of the BRICS New Development Bank stated to be \$100 billion.

So BRICS has been around in its current form for about eight years, but interest in it exploded with events surrounding the start of the Ukraine War.

A little over a year and a half ago, the US responded to the Russian intervention in Ukraine by using its control over the international banking system to slap sanctions on Moscow's financial assets around the world, including freezing billions of dollars in banks in New York.

By one estimate, [\\$1 trillion in Russian assets](#) were frozen and Russian banks were also denied access to the SWIFT global messaging service that connects financial institutions and facilitates rapid and secure payments.

Washington subsequently announced that the frozen money would not be returned and would be instead used for Ukraine's reconstruction.

That set off warning lights all around the world, though there had already been similar behavior on the part of the US in relation to Iranian and Venezuelan assets. Many were asking the question "If they can do it to a great power like Russia they can also do it to me to punish me? What should I do?" Of course the simple answer is to get out of dollars as a reserve currency, though that was something difficult to do as most energy sales and purchases continue to be, by arrangement, denominated in dollars. Hence the transition to BRICS away from dollars, permitting financial transactions in a range of currencies.

The [annual meeting](#) of BRICS Partner Countries Business Forum, as they refer to themselves, took place in Johannesburg South Africa over August 21st-24th. Meeting host South African President Cyril Ramaphosa announced that Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates will formally join the BRICS group of nations as their candidacies had been approved by leaders of the current member states. The six

newcomers will become full-fledged BRICS club members starting in January 2024. The club, which is the inner circle of the banking system, currently consists of the founders Brazil, Russia, India, China, and South Africa though there are many other non-members who enjoy limited banking privileges, including Britain, France, Germany, Italy, New Zealand and Australia. The desirability of BRICS expansion topped the agenda of the summit in Johannesburg all week. Russian President Vladimir Putin, whose nation will take up the rotating BRICS presidency next year, spoke to the attendees via videolink and thanked the host of the summit for his hospitality and contribution to the successful outcome.

Chinese President Xi Jinping actually attended the summit meeting, as did the heads of state of Brazil, China and India to discuss a broad range of geopolitical, economic and trade issues. President Xi [declared to the group that](#) in the context of BRICS's growth

“China stands firmly on the right side of history, and believes that a just cause should be pursued for the common good.”

He also denounced the United States indirectly, saying that

“some country, obsessed with maintaining its hegemony, has gone out of its way to cripple the EMDCs (emerging markets and developing countries).”

He argued that

attempts to punish and contain developing countries would be “futile,” and that “the collective rise of EMDCs represented by BRICS is fundamentally changing the global landscape...[as] EMDCs have contributed up to 80% of global growth in the past 20 years.”

He added that

“I am glad to note that over 20 countries are knocking on the door of BRICS. China hopes to see more joining the BRICS cooperation mechanism.”

BRICS multipolar banking model embracing multiple currencies and the resources made available through its New Development Bank are clearly concepts whose time has arrived and its membership will likely surge over the next several years as the US continues to seek to rule the world through sanctions that destroy economies and impoverish whole nations, such as it currently does in Syria and Venezuela. In its closing document from the summit, the attendees [indirectly attacked](#) US use of sanctions, stating that there should be “concern about the use of unilateral coercive measures.” There is particular resentment throughout much of the developing world of US attempts to use primary and secondary sanctions to coerce countries that are disinclined to do so into supporting the NATO war effort in Ukraine.

BRICS enjoys certain advantages as it grows including the leadership of China, which might already be the world's largest economy, as well as the commitment of developed fast growing large economies Russia, Brazil, India, Saudi Arabia, the United Arab Emirates and Iran. The [expanded BRICS includes](#) 36% of the entire world's GDP (larger than the G7) and 47% of the world's population. BRICS member countries will soon control nearly half the world's [energy resources](#) and if Venezuela, Algeria and Kazakhstan are included as new members as early as in 2024, it may control as much as 90% of all oil and gas traded globally. It is reported that as many as forty new countries have applied to join alliance. Even the Vatican has sought membership as an observer.

The rise of BRICS means that the US dollar will, at a minimum, lose its relative monopoly on oil and gas trades and sales.

The dominance of dollar economics will thereby inevitably fade and the dollar will surely decline as the world's top reserve currency, though it will undoubtedly continue to survive in that capacity in parts of the world where the US continues to have considerable political and economic leverage, like Latin America. What will the outcome for the United State economy and for American citizens be?

It is hard to calculate, and [some are predictably dismissive](#) of possible negative outcomes, but the dollar will inevitably shrink in value, hurting consumers, and Americans will undoubtedly find many potential markets closed to US development and investment.

That is in part why there is such a panic about China on Capitol Hill. China does not pose a military threat but it out competes the United States globally and, operating through BRICS and other mechanisms it is already the lead nation in a highly competitive and attractive economic alliance that decisively rejects the American and Western European model.

Of course, the US could respond by lightening up on the coercive economic policies that it has for so long employed, but there is little to suggest that either Joe Biden or Donald Trump would choose to go down that path. It is the American consumer and tax payer who will suffer and have to pay the price for whatever missteps they make. And the ultimate possible horror scenario is "Will the US be 'forced' to go nuclear against BRICS to save the dollar?" Don't put anything past the power-mad neocons and globalists dominating Washington. Stay tuned!

*

Note to readers: Please click the share button above. Follow us on Instagram and Twitter and subscribe to our Telegram Channel. Feel free to repost and share widely Global Research articles.

This article was originally published on [The Unz Review](#).

Philip M. Giraldi, Ph.D., is Executive Director of the Council for the National Interest, a 501(c)3 tax deductible educational foundation (Federal ID Number #52-1739023) that seeks a more interests-based U.S. foreign policy in the Middle East. Website is councilforthenationalinterest.org, address is P.O. Box 2157, Purcellville VA 20134 and its email is inform@cnionline.org.

He is a regular contributor to Global Research.

Featured image is from TUR

The original source of this article is Global Research
Copyright © [Philip Giraldi](#), Global Research, 2023

[Comment on Global Research Articles on our Facebook page](#)

Become a Member of Global Research

Articles by: [Philip Giraldi](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca