



[The Future of BRICS and US World Influence](#)

By Jacob Van Veldhuizen

The economic grouping BRICS has announced they have invited 6 more countries to join the organization. 4 of these countries are from the Middle East; Iran, Saudi Arabia, the United Arab Emirates, and Egypt. The others are Argentina and Ethiopia. These countries were chosen strategically. They are all relatively large emerging economies and cover a wide range of areas. The main surprise in this group is Iran. Some of the countries in BRICS, mainly India and Brazil, do not want the organization to become anti-western. They still have valuable relationships with the U.S. that they do not want to jeopardize. Allowing Iran in certainly does not help dissuade Washington that BRICS is simply a non-threatening alternative to the current system. The United Arab Emirates, Saudi Arabia, and Egypt are all in similar positions. They all have military alliances with the United States. This creates somewhat of a conflict of interest, and Saudi Arabia has still yet to join at the time I am writing this paper. Adding them to BRICS, makes the United States look weak and calls into question its role as the leading power in the world. It also creates a perceived threat to the sale of oil to the United States. Saudi Arabia in particular has much to consider. The alliances between the U.S. and Saudi Arabia have been strained as of late, and joining BRICS would only worsen the state of the relationship between the two countries. Argentina and Ethiopia round out the group of potential newcomers. Argentina was added at least partially at the behest of Brazil to boast South America's impact in the group. Ethiopia, despite being rife with conflict, is still one of the largest economies in Africa and will help bolster the continent's standings in the group.

Though adding new members increases the clout and GDP of BRICS, it may actually decrease the likelihood of it achieving its goal of creating a new economic system. The biggest issue with BRICS is that though they are all emerging economies, their political interests and economic abilities rarely align. They also make all decisions by consensus, meaning all countries involved have to approve a decision. With this in mind, adding more countries with diverse political and economic goals could prevent BRICS from implementing its planned policies. There is also another issue that sprouts off of this. Many of the countries in the group also have different goals when it comes to BRICS. China, Russia, and Iran want to use BRICS as a way to challenge the current Western-led economic system. One of the ways they aim to do this is by replacing the U.S. dollar as the world's reserve currency. This task is already difficult enough with a united front. If by some miracle BRICS was able to make a consensus, they would then also have to convince borrowers, lenders, and currency traders to actually use it. What should be of some concern to the United States is that many BRICS countries have used local currency in some of their trades.

Other countries, namely Egypt, Brazil, and Saudi Arabia all have issues with the current Western-led system but also have deep connections with the leader of that system, the United States. This further complicates any ambitions of China, Russia, and Iran to challenge the Western order. Brazil has explicitly stated that they do not want BRICS to become an "anti-western" organization. Saudi Arabia (at the time of writing this article) has still yet to accept the invitation. They are weighing their options. Many countries really seem to be joining BRICS to hedge their bets in case a dollar-related economic catastrophe was to happen. India, though not explicitly on board with

the anti-western sentiment, has already agreed to purchase 1 million barrels of oil from the UAE for rupees. This is the first time an oil trade has been made without using the dollar.

Historically, it takes decades and extended, large-scale disruptions to the global economy to bring about a change in the world's reserve currency. There is a recent historical precedent. This happened shortly after World War II and the switch from the British Pound to the American dollar. This was also at a time when the United States began to move into its position as a global military and economic power. China's economy is growing very quickly but is showing signs of slowing. The economic harm caused by the COVID-19 pandemic was not just felt in the United States but across the world. Many economic experts are still convinced, however, that China will eventually surpass the U.S. in economic size. Predictions for when this will happen range anywhere from 2030 to 2050. Though these predictions are just that, they should be seen as a timeline for the United States and its allies to reorganize the global economy in a way that is agreeable to the majority of the world.

Considering all of this, the United States does not have to worry about losing its global economic hegemony, at least for now. The US dollar is still used in at least 90% of trades worldwide and even countries in BRICS continue to use the dollar in trade. What should be alarming to the United States is the number of traditional allies who are joining BRICS. There are also at least 40 other countries that are interested in membership. This should be a clear sign to the US that the current Western-led system is no longer viable as a long-term policy. If we wish to avoid a China-led world economy, the United States must work with its partners in both the Global North and South to find a system that is more equitable for all. If this is done, it will decrease the need among developing countries to seek out a new economic order. There is also the added geopolitical bonus of diminishing China's ability to challenge the United States. Instead, the U.S. will retain its position as the global economic hegemony and its relationships with its allies will begin to move in a more positive direction.