

BRICS sees G7 policies as counter-productive... and they're right!

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On 1 June, the current foreign ministers of the BRICS nations (Brazil, Russia, India, China, and South Africa) are due to meet in Cape Town, hosted by Naledi Pandor, the South African Minister of International Relations and Co-operation. Following South Africa's assumption of the chairmanship of BRICS on 1 January this year, the 15th BRICS summit is scheduled for 22–24 August in Durban, hosted by President Cyril Ramaphosa.



The countries of the BRICS bloc are pursuing their goal of total de-dollarization at an accelerated pace by using various alternative payment methods for inter-BRICS country-to-country payments and for trading with 'third countries' outside the group. This 'restructuring' of traditional payment methods is weaning large parts of the world off the dollar, insulating them from US political influence and interference. But even more significantly, it might just mark the end of the current global economy (under Western control) and the birth of a new multi-polar economy. This is likely to cause fatal damage to Western efforts to impose Central Banks Digital Currencies on the world and the accompanying control that those currencies would bring.

There are various alternative forms of payment being used by the bloc today – including the Chinese Yuan (presently a bit of a sore point for India); gold (a good choice for countries with weak currencies, such as South Africa and Brazil); Bitcoin (Georgian banks provide an entry/exit exchange ramp for Crypto-currency now that relations between Georgia and Russia are back on track); the Russian Rouble (great for discounted oil and gas purchases); and the Euro (but for how long can the EU resist the urge to block the use of the Euro within BRICS, in a metaphorical act of seppuku?). There are also plans in development for the creation of a common BRICS currency.

The once laughed-at informal grouping of countries (actually nicknamed BRIC by a TV economist rather than political leaders) has now become both formidable and appealing. It is attractive to small developing nations – jointly coined the ‘Global South’. They are desperate to find alternatives to Western financial aid or inescapable debt (IMF et al) and keen to avoid the demands for fundamental changes to their traditions and governance before the aid/loan/debt is granted. BRICS is a formidable competitor to the G7 countries which have used those demands and debt structuring/re-structuring to keep the balance of power in their favour for many years.

BRICS group statements have repeatedly made clear that the sovereignty of all countries will be respected. They affirm that there will be no interference in how countries govern their own people and that they will be on an equal footing in negotiations, trade deals and development loans. They will also be free to explore deals with others outside the bloc without the need for an over-arching agency (think EU) to negotiate for them. Trying to balance trade agreements that please twenty-seven countries takes years and it is easy to see why so many countries are finding themselves drawn to BRICS like moths to a flame.

Thirteen countries so far have formally asked to join BRICS. A further six are expressing interest – Egypt, UAE, Algeria, Argentina, Bahrain, and Indonesia – and they are studying how they might fit within the framework and benefit. As soon as one more member joins the group, the name ‘BRICS’ will officially change to BRICS+. This is very likely to be Saudi Arabia.

Now compare and contrast this with the G7 and its economic bloc, the EU. The fundamental requirement for any country joining the EU is that it has to comply with the ‘one-size-fits-all’ legislation and regulations. What’s more, it must adapt to incorporate updated foreign policies, no matter how negatively they affect a country’s economy. Sovereignty is just the first sacrifice.

According to the International Monetary Fund and its latest report, BRICS has already overtaken the G7. Using Purchasing Power Parity as a more accurate measurement than Gross Domestic Product, the G7 stands at 30.7% and BRICS stands at 31.5%.

BRICS is growing, evidenced by the list of countries formally joining. The G7 (and EU) are, at best, stagnant – for now. But all the indicators show them going into decline.

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