

# This Year's BRICS Expansion Points the Way to the Future for the World

by Stewart Battle

Jan. 6—On Jan. 1, 2024, the BRICS nations saw their membership double as five new countries joined—the organization's first expansion since 2010. With new members Egypt, Ethiopia, Iran, Saudi Arabia, and United Arab Emirates, the expanded BRICS, or BRICS-Plus, are growing into a powerful force in the world, and represent an alternative to the dying neo-liberal world which can be seen in so many instances today. In addition to the five newly admitted, there are reportedly 30 additional countries interested in joining, 15 of which have formally applied. It is no exaggeration to say that the world is increasingly under the umbrella of the process being unleashed by the BRICS.

In this vein, it is notable that Vladimir Putin's Russia—whom NATO nations have tried so hard to isolate on the world stage—accepted the rotating chairmanship of the BRICS for 2024. NATO's and the West's efforts have clearly failed miserably, with Russia's economy having successfully evaded the effects of Western sanctions while sustaining minimal damage, instead finding new trading partners and using import substitution. The nations of Europe, on the other hand, have suffered heavily from the loss of Russian energy and other consequences from the imposition of their own sanctions.

Speaking Jan. 1 on the occasion of Russia's acceptance of the BRICS chairmanship, Putin described the notable change in dynamic around the vision of the BRICS:

BRICS is attracting an ever-increasing number of supporters and like-minded countries that share its underlying principles, namely, sover-

eign equality, respect for the chosen path of development, mutual consideration of interests, openness, consensus, the aspiration to form a multipolar international order and a fair global financial and trade system, and pursuit of collective solutions to top challenges of our time.

Putin went on to note the over 30 countries waiting to become members, and that therefore the BRICS will



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*As the BRICS' membership doubled on Jan. 1, Vladimir Putin, President of Russia, assumed its rotating chairmanship for 2024. Chinese Foreign Ministry spokesman Wang Wenbin remarked: "The BRICS cooperation mechanism has become a positive and stable force for good in international affairs."*

be working out the "modalities of a new category of BRICS partner country."

Similarly, China has enunciated the meaning and optimism represented by the growth of BRICS, and what it means for the world into the future. In response to a question from Reuters about China's expectations for the BRICS, given supposed differences in the group and Argentina's decision not to join, Foreign Ministry spokesman Wang Wenbin stated Jan. 2:

Let me make it very clear that we are fully confident in the BRICS' future. Since its inception 18

years ago, the BRICS cooperation mechanism has increased cohesiveness and influence and become a positive and stable force for good in international affairs. You mentioned the fact that BRICS now has 10 member states. That shows exactly its bright prospect. At the request of relevant countries, BRICS decided to expand its membership, which serves the common aspiration of emerging markets and developing countries, and follows the global trend toward multipolarity. We will work with BRICS partners to strive for new results in greater BRICS cooperation.



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*The New Development Bank intends to match the IMF and World Bank in lending, but without conditionalities. Shown: NDB HQ in Shanghai.*

President Dilma Rousseff. The NDB’s planned investments for 2023 and 2024 are already a full 122% greater than their previous yearly average. During the Aug. 2023 BRICS summit, Rousseff described the intention to grow the NDB to be on the same level as the IMF and World Bank in terms of lending capacity, but without all the conditionalities. Ultimately, she said, it should be “a bank created by and for developing countries.”

As an example of this, the NDB has recently disbursed a \$1 billion loan to Brazil “to finance development and infrastructure projects,” as part of a larger agreement reached last October which included a loan to South Africa. The bank has also begun issuing loans using the bonds of the recipient’s country, in effect creating a credit line for that

country which can then be used to hire companies and build projects within their nation.

## The Center of Global Growth

The BRICS-Plus now make up around 46% of the world’s population, with almost \$29 trillion in annual GDP, and hold a tremendous amount of the world’s natural resources and minerals reprocessing capacity, including 39% of global oil exports, 45% of proven oil reserves, and 47% of all oil produced. Conversely, the G7 countries have slightly under 10% of the world’s population, \$43 trillion in GDP, and significantly less access to raw materials. The picture becomes even sharper if the purchasing power parity (PPP) of GDP is considered, putting the BRICS-Plus at \$63 trillion, while the G7 trails at \$52 trillion.

This trend will continue to diverge, as the growth margin for BRICS-Plus nations—who are committed to physical-economic growth as opposed to simply financial market growth—is enormous.

Another result of the West’s sanctions and all-out financial warfare against Russia has been to rapidly precipitate plans for the creation of a new economic system outside the control of the dollar. Institutions such as the BRICS’ New Development Bank (NDB) and its Contingency Reserve Arrangement (CRA), previously less active since their inception in 2014-2015, have stepped up their work under the new NDB

Last December, the Governor of the Central Bank of Iran, Mohammad Reza Farzin, traveled to Moscow and [opened](#) a credit line to purchase Russian goods in the amount of 6.5 billion rubles (\$71 million). During his meetings, the Governor also agreed to conduct all bilateral trade with Russia using each other’s national currencies, a move which many of the BRICS-Plus countries have been employing.

Earlier in November, Saudi Arabia and China concluded a \$6.93 billion currency swap agreement, conducted entirely in yuan, further cementing these nations’ trade relationship as well as a new transaction mechanism independent of the dollar system. Saudi Arabia historically has been a crucial Anglo-American asset, both in regard to its tremendous oil reserves and to its dominant position in the region and the Muslim world. Its moving closer to Russia, China, and now the BRICS is indicative of the seismic movement taking place in the world and of the declining position of the so-called “rules-based order” in which the West has attempted to involve Saudi Arabia. On top of this, the addition of Saudi Arabia and the United Arab Emirates



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President of Ukraine

*Representative of the new reality of the expanded BRICS, Mohammad-Reza Farzin, Governor of the Central Bank of Iran (left), has arranged to conduct all bilateral trade with Russia using their national currencies, not dollars. Prince Faisal bin Farhan Al Saud, Saudi Arabia's Minister of Foreign Affairs (right): "The BRICS nations promote common principles, most importantly respect for sovereignty, independence, and non-interference in internal affairs."*

to the BRICS is also significant since both countries possess large sovereign wealth funds which could buttress the capital reserves within the BRICS, further increasing the credit generation capability of the NDB.

Saudi Arabia's Foreign Minister, Prince Faisal bin Farhan Al Saud, said last August, after his nation was invited to join the BRICS, that Saudi Arabia's trade with BRICS countries stood at \$160 billion for 2022, while its trade with the U.S. was a mere \$25 billion. "The special, strategic relations with the BRICS nations promotes common principles, most importantly the firm belief in the principle of respect for sovereignty, independence and non-interference in internal affairs," he added.

### **A Strategic Intervention**

In addition to their economic significance, the BRICS dynamic is a powerful strategic change in the world, and in particular in Southwest Asia. Four out of the five new members are located in this region, one that has historically been riddled with conflict, and is currently seething over the murderous attacks by Israel in Palestine. However, looking back over the course of the past year, one can see that this region has been primed for a new geometry, as a whirlwind of diplomatic achievements have occurred through the help of BRICS members Russia and China.

These developments go beyond the scope of this

article, but they are worth making a brief mention of. It began with the Iran-Saudi Arabia agreement brokered by China last February—a breakthrough which has paved the way for resolving some of the long-standing tensions in the Arab world. This has now been followed by early steps at Iran-Egypt rapprochement after their two presidents spoke by phone in December for the first time in 43 years, and are now considering restoring full diplomatic relations. Similarly, Egypt and Türkiye appointed ambassadors in July after having withdrawn them ten years ago; and for the first time in 12 years, in May, the Arab League invited Syria's President Bashar al-Assad to rejoin. A tentative ceasefire has also been holding for nine months between Saudi Arabia and Yemen's Houthis, in what has otherwise been a raging conflict for nearly a decade. It is literally becoming a new Southwest Asia.

Russia also has been playing a leadership role in Southwest Asia, having just participated in the Russian-Arab Cooperation Forum in Morocco in December, where the participants stressed the need for further diplomacy to resolve conflicts in the region. Russia's leading position in exporting nuclear power plants is also playing a major role in the development of the region and beyond, and is currently building the El Dabaa nuclear plant in Egypt—the first such facility in the country. Russia will be hosting the next Russian-Arab Cooperation Forum this year in Moscow.

With the integration of four countries in this region into the BRICS-Plus (Egypt, Iran, Saudi Arabia, and UAE), the kind of cross-regional dialogue can be fostered that is crucial for any solution to the Israel-Palestine conflict. Add to this the already existing plans for corridors of economic development stretching across the Eurasian continent, such as China's Belt and Road Initiative, the International North-South Transport Corridor, and others, and it becomes clear that this process can be expanded, bringing in the crucial aspect of physical-economic development. The region needs economic development, and it especially needs water. Initiating this kind of process is the foundation for any lasting peace in Southwest Asia.

### A Real Alternative

The late American economist and statesman Lyndon LaRouche repeatedly warned China, Russia, and also the Persian Gulf countries that there was no future in the speculative financial system which was developed in the wake of the takedown of the Bretton Woods system in 1971. Sooner or later, this would bankrupt any and all countries that attempted to play within that system. Whether it was the use of cheap labor markets to get ahead as in the case of China, or whether it was the use of large raw materials reserves for export as in the case of Russia and the Gulf nations, there was no future in that. Only by utilizing modern industrial approaches and transforming their economies into high-tech and finished goods producers could they create a future for their nations.

It is for this reason most emphatically that one can say the BRICS-Plus now represent a real alternative to the bankrupt Western financial system, as these countries have firmly rejected the cheap labor/raw materials exporter model which is implicitly tied to speculative finance, and have instead embraced an approach aimed at full industrialization and technological innovation as the driver for their economies. The tremendous supplies of raw materials that reside in these countries therefore are not being relied upon as their sole source of wealth—like a greedy oligarch who rules over his or her pile of gold, defending it from the lowly starving hordes—but rather as the means to an end, toward the development of their nation and their people.

As was said by South African President Cyril Ramaphosa at last November's African Growth and Op-

portunity Act (AGOA) conference:

Africa is an important source of critical raw materials, but we do not want to be defined to simply being the producers of commodities. The great industrial opportunity lies instead, in the transformation of the rocks that we mine and the metal that we produce into the sophisticated industrial and consumer goods that societies across the world need....

We want to earn full value for our products ... benefiting these resources here in the African continent.

This shift is clearly being made, marking the BRICS-Plus as a major new source of economic growth that will have vast implications for the Global South and the world. Beyond simply “competing for power” with the already developed world, the BRICS-Plus truly is pointing the way to the future—and it is a future which the West would best get on board in creating.



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