

I. International Economic Crisis

BRICS-Plus Challenges the Collapsing Western Financial System

by Gretchen Small

July 2—Two days before Western would-be “rulers of the world” huddled in back-to-back war-planning meetings June 26–30—first, the rotted-out Group of Seven nations, then the NATO alliance (with four Asian satellites in tow)—the BRICS grouping of Brazil, Russia, India, China and South Africa, held a “High-Level Dialogue on Global Development” with the presidents or prime ministers of 13 other countries from across the developing sector (BRICS-Plus).

The agenda of this 18-nation summit was World Economic Forum founder and CEO Klaus Schwab’s nightmare: joining forces to bring about a new international economic order in which poverty can be eradicated, poor nations develop modern, industrialized economies, and the peoples of all nations flourish.

The spirit of the Non-Aligned Movement of the 1950s–1980s which Henry Kissinger and his ilk hoped to have crushed, is coming back in force—this time under the banner of the expanding BRICS. Running through the public speeches in the three days of BRICS meetings was a common theme: The old system has failed or is failing; the time has come to get to work on how to create new institutions dedicated to fostering economic development and technological progress; and that given the refusal of Western leaders to face reality, it falls once again to the Global South, to the developing sector nations, this time with Russia and China fully engaged, to assert leadership to change the current deadly course of humanity.

In his address to the High-Level Dialogue, South

African President [Cyril Ramaphosa](#) located the BRICS and the nations rallying around it as the continuation of that Non-Aligned Movement:

We share a common history of struggle against imperialism, colonialism, exploitation and continued underdevelopment. Our ties of solidarity were forged at the Bandung Conference in 1955,



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At the 14th annual conference of the BRICS nations, in Indonesia, Chinese President Xi Jinping set development as the defining agenda for the three days of meetings, in virtual format, June 22-24, 2022. Here he is addressing the Business Forum, June 22.

which culminated in the formation of the Non-Aligned Movement.

Algerian President [Abdelmadjid Tebboune](#) went further, proposing that the time has come for the developing sector to revive the Non-Aligned Movement’s fight for nothing less than a new international

economic order.

This is no small thing, and it should spark optimism in those in the West who despise and fear the abyss to which their governments are taking them. The nations deliberating together in the June 24 BRICS-Plus summit represent just over half the world's people. The BRICS nations, by themselves, represent 3.2 billion people; the Presidents and Prime Ministers of Algeria, Argentina, Cambodia, Egypt, Ethiopia, Fiji, Indonesia, Iran, Kazakhstan, Malaysia, Senegal, Thailand, and Uzbekistan

who joined them, representing another 870 million-plus people.

Four of the invited guests currently head organizations uniting entire regions: Argentina is chair of the Community of Latin America and Caribbean States (CELAC); Cambodia, of the Association of Southeast Asian Nations (ASEAN); Senegal, of the African Union (AU); and Uzbekistan, of the Shanghai Cooperation Organization (SCO). Playing critical roles in this growing movement for development are Russia and China, despite the silly chattering of Global NATO parrots that these two nations are "isolated."

The Non-Aligned Movement's battle for a new system was hard-fought. The world's leading physical economist, American statesman Lyndon LaRouche, was right in the middle of it, with key leaders of the developing sector advocating publicly for his proposal for moratoria on usurious debts and establishment of an International Development Bank (IDB) as the keystone of a new system dedicated to financing the major infrastructural development projects and scientific breakthroughs required to secure continuous global economic progress. LaRouche [published](#) the IDB concept in 1975 in *How the International Development Bank Will Work*.

In the late 1970s and early 1980s, Japan, a group of European nations led by France and Germany, and significant industry, labor and scientific forces within the United States, joined the developing sector in fighting for a new system along the lines outlined by LaRouche. It took the London/Wall Street interests many assassi-



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Addressing the High-Level Dialogue on Global Development, South African President Cyril Ramaphosa located the BRICS and the nations rallying around it as the continuation of the Non-Aligned Movement, while Algerian President Abdelmadjid Tebboune proposed to revive that movement's fight for a new international economic order.

nations and coups to prevent its success at that time.¹

Development Is a Core Human Right

China's President Xi Jinping, as host of the 14th BRICS Summit, set global development as the defining agenda for the three days of meetings: the June 22 Business Forum (held both in person and online); the June 23 summit of the BRICS nations proper, "Foster High-quality BRICS Partnership, Usher in a New Era for Global Development," held virtually; and the concluding BRICS-Plus "High-Level Meeting on Global Development."

The "[Beijing Declaration](#) and Platform for Action" issued by the five BRICS members at their summit asserts that the BRICS "agree to continue to treat all human rights, including the right to development ... on the same footing and with the same emphasis"—a defiant answer to the intention of the Malthusian would-be hegemon of the West that development shall never be accepted as a human right.

Opening the concluding BRICS-Plus summit, President [Xi Jinping](#) declared:

Only through continuous development can the people's dream for a better life and social stability be realized. It is important that we put development front and center on the international agenda.... Some countries have politicized and

1. See the sequence of [articles](#) on development projects vs. the IMF hit men, 1971–91, in *Executive Intelligence Review*, Vol. 31, No. 47, Dec. 3, 2004, pp. 16–30.

marginalized the development issue, built “a small yard with high fences,” imposed maximum sanctions, and stoked division and confrontation.

At the same time, people in all countries are more keen about pursuing peace, development and cooperation, emerging markets and developing countries are more resolved to seek strength through unity, and the new round of scientific and technological revolution and industrial transformation is bringing more opportunities to countries around the world.

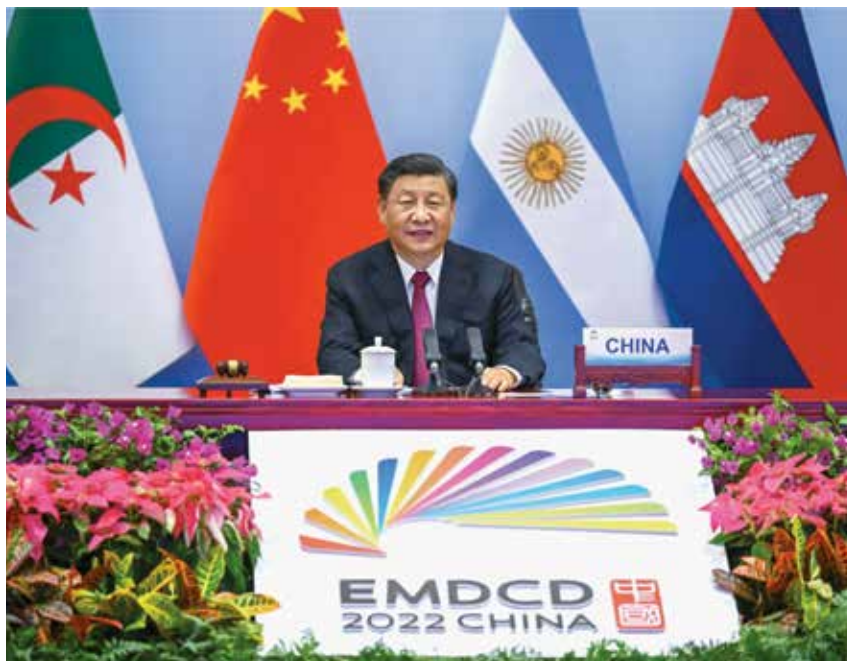
Unlike the Anglo-American axis, [Xi](#) does not propose that the Global South decouple from the West:

[T]he North and the South need to work in the same direction to forge a united, equal, balanced and inclusive global development partnership. No country or individual should be left behind.

Take note, also, that while most speakers accepted the proposition that climate change requires an “energy transition” and “low-carbon” goals (far into the future), that acquiescence is constrained by an even stronger insistence on their nations’ right to full-set industrialization (requiring expanded use of fossil fuels). Nor was anyone heard attacking the use of fertilizers!

The “Chair’s Statement of the High-Level Dialogue” issued by China at the end of the dialogue is indicative. It asserts:

China will enhance cooperation on industrialization and industrial development, help developing countries improve industrial production capacity and manufacturing, and support the industrializa-



China's President Xi Jinping chairs the High-Level Dialogue on Global Development, June 24, 2022.

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tion process in Africa ... to achieve a new type of industrialization and leapfrog development.

BRICS Heads of State Reject ‘Blocs’

The BRICS Summit proper began with short public speeches by the five heads of state:

As host, **China’s President Xi Jinping** opened:



Addressing the BRICS Summit from New Delhi on June 24, Indian PM Narendra Modi welcomed other nations joining the BRICS Bank.

[We meet at] a critical juncture in the shaping of the future course of humanity, [and thus we must] act with a sense of responsibility to bring positive, stabilizing and constructive strength to the world.

He called out Western policy directly:

[The BRICS must ensure] equity and justice [in world affairs, reject] the Cold War mentality and bloc confrontation, ... unilateral sanctions, and abuse of sanctions, and ... small circles built around

hegemonism, by forming one big family belonging to a community with a shared future for humanity.

He named three key tasks: defeating the pandemic; stepping up macro-policy coordination and efforts to “forestall and defuse major risks and challenges in global development;” and focusing on “people-centered development,” through poverty alleviation, food, education, health, etc.

Indian Prime Minister [Narendra Modi](#) stated:

We, the BRICS member countries, have had a very similar view of the governance of the global economy. And so our mutual cooperation can make a useful contribution to post-COVID global recovery.

He called it “a matter of happiness” that other nations are joining the BRICS’s New Development Bank. We do not just talk, he emphasized, citing the establishment last March of the BRICS Vaccine R&D Center as an example of how “the lives of our citizens directly benefit from our mutual cooperation. Such practical steps make BRICS a unique international organization whose focus is not just limited to dialogue.”

South African President [Cyril Ramaphosa](#) pointed also to the vaccine R&D center as exemplary of how the BRICS takes action, in contrast to the failure of “the rest of the global community” to ensure equitable access to vaccines. He [welcomed](#) the BRICS-Plus summit the next day as offering “an important opportunity to form a common vision of a more inclusive, just and stable international order.”

Russian President [Vladimir Putin](#) said that,

The prestige and international influence [of the BRICS was] an objective process, since the five BRICS countries, as we all know, have immense political, economic, scientific, technical and human potential. We have everything we need to work together and achieve results for ensuring global stability and security, sustained growth



Agência Brasil/Antonio Cruz

Brazilian President Jair Bolsonaro.

and prosperity, and better well-being for our people.

Even **Brazilian President [Jair Bolsonaro](#)**, who had distanced Brazil from active participation in BRICS for most of his presidency to curry favor with Western powers, called for reforming international institutions to give a greater voice to BRICS nations. He pointedly thanked President Putin for welcoming him to Russia in February—a trip which Secretary of State Anthony Blinken had personally ordered the Brazilian President to cancel.

Their private discussions, where differences over how best to confront today’s “formidable and complex circumstances” were raised, were not reported.

Putin and Xi Set the Tone

Various BRICS and other heads of state joined President Xi in denouncing Western “attempts to shape global economies through unilateral sanctions and other coercive measures,” as President [Ramaphosa](#) did in the Business Forum.

President [Putin](#) was the most publicly outspoken, telling the Business Forum that the Western system is collapsing as a result of its own policy errors—naming the measures that are under discussion:

Together with BRICS partners, we are developing reliable alternative mechanisms for international settlements. The Russian Financial Messaging System is open for connection with the banks of the BRICS countries. The Russian MIR payment system is expanding its presence.

And the big one:

We are exploring the possibility of creating an international reserve currency based on the basket of BRICS currencies.

In his speeches to the Business Forum and the BRICS-Plus Summit, Putin nailed the West’s years-long macroeconomic policy of running “the ‘printing press’—uncontrolled emission and accumulation of



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Addressing the Summit from Moscow, June 24, Russian President Vladimir Putin revealed that Russia and BRICS partners are exploring a new international reserve currency based on a basket of BRICS currencies.

unsecured debts,” as responsible for the inflation suffered by all nations.

At the BRICS-Plus summit **Putin** said:

The current imbalances in international relations ... [are] the inevitable result of a policy of those who advocate a so-called liberal world order.... Attempts to hinder the development of the states that are unwilling to live according to somebody’s rules and the reckless use of illegal sanctions instruments, compounded by the consequences of the coronavirus pandemic, have aggravated the downturn in the global economy.

President **Putin** also compared Western cynicism toward the food crisis (a concern cited by the majority of speakers) to French Queen Marie Antoinette, who, “looking over a crowd of starving citizens from her palace, reportedly said with indifference: ‘If they have no bread let them eat cake’.”

Rallying around the BRICS

Not only have Western machinations to split India, Brazil and South Africa away from Russia and China failed, but the BRICS are now discussing criteria for adding new members, as Iran and Argentina have formally submitted applications to join. The summit demonstrated, that through the BRICS-Plus format adopted in 2017, where other representative nations are brought into their deliberations, the BRICS is already functioning *de facto* as a broader leadership force, before the formalities of expansion are finalized.

One by one, the heads of state invited to participate with the BRICS spoke of how they now see association with the BRICS as the vehicle through which they can, together, escape from the starvation, collapse, chaos and war threatening their existence. Among them:

Kazakhstan President **Kassym-Jomart Tokayev**: “Kazakhstan regards BRICS as a truly influential organization and a key growth engine for the world economy. Kazakhstan has a vital interest in developing a vibrant partnership with BRICS countries,” in a world facing unprecedented geopolitical and economic crises. Now is the time to turn this crisis into an opportunity. Here, all our efforts must be guided by the moral imperative: to Put People First.... The ‘BRICS-Plus’ platform will make a worthy contribution to this endeavor.” Notably, he also announced Kazakhstan’s plans to develop nuclear power as an energy source.

Argentine President Alberto Fernández insisted: “We must understand once and for all that development must be the new name of peace; that peace must today be the new name of development.” Global peace and “adequate public policies” are needed to address urgent needs; while “we work to silence the thunder of weapons, we must concentrate our efforts on the design of a global financial architecture which takes into account the needs of growth, trade, investment and, fundamentally, the welfare which humanity demands.” President Fernández, as did several others, praised China for eliminating absolute poverty, expressing his wish to the do the same in his country.

Egyptian President Abdel Fattah el-Sisi praised—

The keenness of the BRICS grouping to adopt a common vision towards political and economic issues of interest to developing countries, particularly regarding the exploration of prospects for development cooperation ... in order to fulfill the hopes and aspirations of our peoples, towards a better and more prosperous future.

El-Sisi noted happily that Egypt is now a member of the BRICS New Development Bank (NDB).

Thai Prime Minister Gen. Prayut Chan-o-cha, like several others, spoke highly of China’s Belt and Road and Global Development initiatives in the face of the “perfect storm of crises,” citing “man-made catastrophes” such as food insecurity and skyrocketing fuel, fertilizer and commodity prices. “Thailand joins the chorus of calls for urgent reform of the international financial institutions to enhance greater par-



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Chairing the High-Level Dialogue on Global Development June 22, China's President, Xi Jinping, reiterated China's commitment to enhance cooperation on industrial development, to help developing countries "leapfrog development" to new, higher levels of industrialization. Other speakers on the panel are shown on the big screen.

ticipation by the Global South in macroeconomic policy coordination." He proposed the crisis be used as an opportunity "to reflect on how to strengthen resilience ... by boosting use of national currencies in transactions, integrating cross-border payment systems, and building a fairer tax system against growing polarization."

Uzbekistan President [Shavkat Mirziyoyev](#) warned that "international tension is ever aggravating, and there are signs of a systemic economic crisis." Uzbekistan's reforms are "based on the principle that 'human interests' are a priority," he said, adding that his government had used "the successful experience of China" to develop programs to increase living standards in Uzbekistan, even under pandemic conditions. He, too, was happy about the BRICS-Plus process, stating that as the chair of the Shanghai Cooperation Organization (SCO), "Uzbekistan proposes to develop the mechanisms of practical interactions of the BRICS and the SCO."

Reviving the Fight for the New International Economic Order

Not surprisingly, differences were evident among the attending heads of state over the form of the needed new

institutions, and how fast they need to be put in place.

Algerian President [Abdelmadjid Tebboune](#), for example, placed their fight in the proper historical context: the 50-year fight for a New, Just, International Economic Order, telling the BRICS-Plus Summit:

[The] tensions and throes shaking international relations today ... remind us and bring up again the proposition suggested by Algeria, nearly 50 years ago, on the necessity of establishing a new economic order that ensures parity and fairness between the countries. The economic underdevelopment which several emerging countries suffer is not only an internal issue, but derives its roots from an obvious imbalance in the structures of the international economic relations and the hegemony exerted by a group of countries.

Tebboune proposed that to break free, nations must return to "the spirit, principles and objectives" of such documents as the 1974 "Declaration for the Establishment of a New International Economic Order," which Algeria, under the leadership of then-President **Houari Boumédiène**, fought successfully to get adopted by the majority of the member states of

the United Nations. The central premise of that *UN General Assembly Resolution 3201* is equally valid today:

Current events have brought into sharp focus that the interests of the developed countries and those of the developing countries can no longer be isolated from each other, that there is a close interrelationship between the prosperity of the developed countries and the growth and development of the developing countries, and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts. International co-operation for development is the shared goal and common duty of all countries. Thus, the political, economic and social well-being of present and future generations depends more than ever on co-operation between all the members of the international community on the basis of sovereign equality and the removal of the disequilibrium that exists between them.

The very [first point of Resolution 3201](#) declares that “the benefits of technological progress” must be “shared equitably with all members of the international community,” in order to provide “a solid potential for improving the well-being of all peoples.” In enumerating the principles upon which the new world economic order must be based, the resolution includes “giving to the developing countries access to the achievements of modern science and technology” in order to “ensure the accelerated development of all the developing countries.”

In his famous 1975 International Development Bank (IDB) proposal referenced above, LaRouche said that Boumédiène was perhaps the best candidate to lead the developing sector side of negotiations with Western advanced sector nations (the U.S., Europe, Japan) and the Comecon, for the creation of the IDB.

The Key to Victory

Opening the Business Forum on the first day of the three-day conference, President **Xi** identified the [con-juncture](#) at hand:

Where is the world headed: Peace or war? Progress or regression? Openness or isolation? Co-

operation or confrontation? These are choices of the times that we are confronted with.

LaRouche’s critical role in the earlier Non-Aligned-centered fight for development is a good referent for grasping the strategic importance at this juncture of generating the greatest possible international debate around the measures specified in the Schiller Institute’s new “[Call for an Ad-Hoc Committee for a New Bretton Woods System](#),” as fundamental for establishing a workable new system as quickly as possible.

Many brave and patriotic leaders from the developing sector joined the Non-Aligned Movement’s fight. Their commitment was great. What **Lyndon LaRouche** provided, however, was the scientific grounding needed to stand up to the Malthusian onslaught and brutal threats being thrown at them, and even more brutal actions. He rigorously debunked the early version of today’s “Great Reset”—the Club of Rome’s 1973 argument that Nature imposes “*Limits to Growth*” on Man—as a scientific fraud, proving that the exact opposite is the case: Humanity not only can, but must grow in numbers and in technological power, if we are to survive.

LaRouche’s IDB provided a global strategy for victory, by approaching the problem of designing a new system from the standpoint of the world economy as a functional unity, in which neither the advanced sector nor the developing sector can advance without the other. He rejected the premises of monetarism altogether, elaborating how and why “the measure of development is the general rate of improvement of the population and the productive employment of the population in general.” Physical economic and technological development, not money, is the measure of human progress. The IDB is emphatic: “dangerously disorienting fantasies” regarding limits to growth are wrong; to be truly sustainable, the massive industrial and agricultural development required to provide decent lives for all people requires the rapid-force development of new technologies, and in particular nuclear fusion power.

LaRouche’s conceptual clarity—and the courage he demonstrated as the American patriot most relentless in facing down Wall Street and the British empire, inspired many around the world to join in fighting for a society fit for human beings. That fight has reached a critical juncture today, demanding the coming together of all nations, to prevent catastrophic world war, and to achieve peace through development.