
BRICS AGAINST HEGEMONY OF THE UNITED STATES DOLLAR IN THE INTERNATIONAL MONETARY SYSTEM

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Abstract : This research aims to examine indications of a new currency project which is scheduled to be revealed at the 2023 BRICS Summit in South Africa. BRICS nations currently represent 40% of the world population and contribute to 25% of the global GDP. The usage of the Yuan has risen in recent years, now comprising 7% of global foreign exchange transactions. In contrast, the United States (US) dollar maintains a significant presence in the international financial system, functioning as the primary global reserve currency. US dominance is increasingly facing challenges from oil-producing countries, including Iran, as well as Washington's old ally Saudi Arabia which announced that would consider selling oil in other dollar currencies. The research used theory of International Monetary System and Counter Hegemony. Qualitative approach used to explain a phenomenon in descriptive by collecting data from document and literature. The findings of this research shows that BRICS member country has discourse on a global financial system, but not yet completely seems to seriously intend to de-dollarization or make real efforts to find an alternative currency to replace the US dollar. The goal is not to replace, but find an alternative to the dollar, or even for the purpose of reduce the value of the US dollar. The common goal is to balancing US hegemony of its political and economic power interests unilaterally.

Keywords: BRICS, US hegemony, international monetary system

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INTRODUCTION

Hegemony is a term to describe the condition of dominant leadership that exceeds the use of force or law. It is an undeniable reality in both the political and economic worlds. The notion of modern hegemony is a description of the emergence of the US as a hegemonic state that has dominant influence over the resources of the international system of liberal economics and security. (Brown G, et.al. 2018). After the aftermath of the Second World War, US became even bigger due to its strong hegemony over the world economy. Faced with this condition, some industrialized countries formed an economic organization, which

aims to escape the influence of this hegemony.(Pratama, 2020; Sormin, 2018).

Some of the countries that joined are Brazil, Russia, India, China and South Africa or commonly called BRICS.(Kirton & Larionova, 2022). The joining of these countries due to injustice and differences in principles with the World Bank and the International Monetary Fund, both of which are controlled by the AS. The countries that are members of BRICS have been very vocal in voicing their disagreement with the policies issued by the World Bank and/or IMF. BRICS considers the dominance of the World Bank and IMF to be very favorable to countries that have a lot of capital, resulting in inequality in the policy-making process, and this is considered very detrimental to third world countries.(Ignatov, 2020, 2022; M. V. Zharikov, 2023). One of the measures undertaken by BRICS to restore equilibrium in the global economy is the proposed agenda for the BRICS Currency in August 2023. Although the BRICS de-dollarization initiative is highly significant, the US Dollar remains the predominant currency in the international financial and monetary system, influencing numerous aspects of global affairs. Consequently, the dominance and prestige of the dollar are central to America's global leadership.

Furthermore, Russia and China have developed their own cross-border payment systems as alternatives to the US-dominated Society for Worldwide Interbank Financial Telecommunication (SWIFT) network. BRICS has also envisioned a unified BRICS Payment system for transactions and retail payments among its member nations, facilitated by rapid advancements in the financial technology (fintech) sector (Kondratov, 2021; M. V. Zharikov, 2023, 2020). Such de-dollarization initiatives largely occur under contemporary scholarship. The leaders of these initiatives are reform-oriented emerging powers, including strategic adversaries of the United States, who have expressed dissatisfaction with the US-led, dollar-based global financial system.

Dynamics continue to evolve within the BRICS Currency launch agenda. This research focuses on international monetary relations, currency power, and economic statecraft, particularly examining establishment of the US dollar as the world's dominant currency; held reserve currency and used currency for international trade. The anticipated BRICS Currency, comprising the national currencies of BRICS member countries, aims to serve as an alternative to the International Monetary Fund's Special Drawing Rights (SDRs).

In analyzing the BRICS Currency phenomenon, the author identifies several issues. Firstly, BRICS countries face a dilemma: they prefer an alternative to the US dollar as the dominant currency, but depreciation of the dollar would decrease value of their substantial holdings of dollar-denominated assets. Thus, they must balance for greater international influence and financial autonomy with material costs of weakening US dollar's dominant position. This balance is not only a critical issue for BRICS but also has direct policy implications for other countries and regional organizations. The political and economic significance of BRICS coalition for de-dollarization initiative will directly impact dominance of the US dollar in the existing global financial system and US global leadership.

Second, the power gap between BRICS member countries also affects the implications of the BRICS Currency plan. Countries with weak economic resilience will tend to have an impact on the domestic economic shock which is quite alarming. Third, the threat of

sanctions from America Union as well as Official International Monetary Instruments regarding the resistance of dollar hegemony in the international monetary system. Fourth, The perceived inability of the BRICS Currency to resist the current dollar hegemony, given that the dollar's position almost controls 90% of the foreign exchange reserves of countries around the world. Fifth, political conditions of individual BRICS member countries' bilateral relations with the United States related to economics, finance, investment and trade. Refer to the complexity of the problems caused by the BRICS Currency agenda, this paper focus on a research problem, what is the BRICS strategy in challenging the hegemony of the Dollar in the international financial system.

In this research, the author used several theories that can explain the phenomena that occur especially those related to BRICS and the hegemony of the United States Dollar, the theory of the International Monetary System and Counter Hegemony. The International Monetary System is a rule, facility and organization that has a major influence in the transaction and payment system at the international level.(Santoso & Simorangkir, 1999; Sri et al., 2019). The existing International Monetary System must also fulfil the classification in regulating trade flows as well as investment on a global scale so that the benefits obtained in the economic system can be distributed fairly and evenly to countries in the international system. Economic activities require a system that functions to regulate the course of a country's economic system, where one of them is the international monetary system as an interaction in the economic field with various countries which is useful as a facility for stabilizing exchange rate fluctuations. The international monetary system can also to be a determinant of direction in the field of global trade or business, foreign investment flows, the dependence of a country on other countries in conducting economic cooperation, investment, trade and so on.

In the article The International Monetary System: Past, Present and Future by Dominick Salvatore states that the international monetary system is a rule, facility and organization that has a major influence on the transaction or payment system at the international level.(Salvatore, 2020). The international monetary system is classified into two parts, namely fixed exchange rate and floating exchange rate. The division is classified based on the standard setting exchange rate system as well as rules regarding asset reserves in a country. In addition, the international monetary system must fulfil the classification in regulating trade flows as well as investment on a global scale so that the benefits obtained in the economic system can be distributed fairly and evenly to countries in the international system.(Farhi & Maggiori, 2018; Iancu et al., 2022; Prasad, 2023).

Counter Hegemony

According to Gramsci, counter hegemony carried out by a state is a superstructural action where the state represents the interests and protection of its people against domination.(Miles & Croucher, 2013; Siswati, 2018). The involvement of the state, which includes a group of intellectuals as guardians of counter hegemony policies, displays organizational and connective functions, as a form of resistance. Gramsci provides the key to fighting hegemony, namely Counter Hegemony (resistance to mastery or domination).

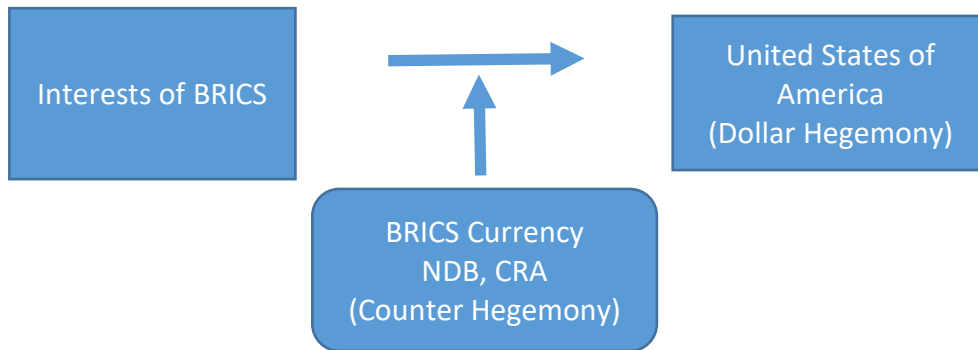
Gramsci said that the first point of the resistance movement is consciousness itself, so that counter hegemony can be said to be a counter-discourse for the dominant ideology to fight against hegemony or domination on the basis of awareness, the awareness factor is the dominant factor in the formation of public consciousness.

In examining the phenomena that occur between BRICS and the hegemony of the United States dollar in the international system on this topic of research, researchers have conducted literature studies to enrich the results of research, first, paper entitled "Perbandingan Sistem Pinjaman IMF dan BRICS New Development Bank serta Potensi Dominasi Sistem Moneter Internasional".(Pamungkas et al., 2019). This research focuses more on explaining comparing the IMF and BRICS NDB and the potential for the NDB to replace the IMF as an international bank that has been lending to many countries. This research uses a comparative descriptive method that compares the two banks. The analysis in this study will use Structural Power Theory with the concept of Middle Power to explain how the dominance of the IMF and how the NDB formed by countries with middle power can replace the dominance of the IMF.

Second, the book entitled "Every Nation for Itself. What Happens When No One Leads the World" (Ian Bremmer, 2013). The author of the book, Ian Bremmer, states that during the seven decades since after World War II, for the first time the international political economy is at Ground - 0 / G-Zero. The world operates without global leadership. The global economic power dominated by the US, EU and Japan is declining. G-Zero is a term for the global power vacuum caused by the decline of Western influence and the emerging developing countries as new powers, focusing more on domestic affairs rather than global affairs. G-Zero is a situation that illustrates that no single country or group of countries has the ability and or willingness to occupy a position to lead the completion of the global agenda. This condition raises the country with its economic and security power as a leader or regional orbit as happened in the competition between India, China and Japan in Asia. In addition, new and old dominant powers compete with each other to gain global influence over each other's regions as is the case in the US-China rivalry.

In this research, the author finds a theoretical gap in the form of the theory used is not the same as the previous reference, the author uses the International Monetary System Theory and Counter Hegemony to analyze the phenomena that occur, while in previous studies the researchers used the Structural Power Theory with the concept of Middle Power. In this research, the author focuses more on how the BRICS' efforts and steps in countering the dollar hegemony more broadly.

Conceptual Framework



METHODS

The research used a descriptive qualitative approach. This method is aimed at systematically and accurately describing symptoms, facts, or events (Cresswell, 2013) The reason for using a descriptive qualitative approach is to explain BRICS' efforts in countering the hegemony of the use US dollar. Data collection used literature study from artikel, books and document. The objective in this research is to examine how the BRICS steps in countering the hegemonic use of the dollar.

Aspects, Dimensions and Parameter

Aspect	Dimension	Parameter
BRICS interests	Strategic alliance	Become the largest economy by 2050
	Moneter	Creation of a new currency to reduce dependence on the dollar
	China's role	China's contribution of more than 35% to the global economy
United States interests	Hegemony of Dollar	Dollar's role as an economic political tool in international relations
		The dollar controls more than 90% of the foreign exchange reserves of countries around the world
		The use of the Dollar as an international currency and being the strongest currency in the world
Efforts to establish BRICS Currency	Counter Hegemony	Establishment of BRICS New's Development Bank
		Creation of SWIFT alternatives by BRICS Member countries
		Developing the BRICS Pay system
		Agenda of launching BRICS Currency August 2023

RESULT

Over the past two decades, there is significant shifts in the global economic balance of power due to substantial increase in economic strength of a group which relatively small developing countries, commonly referred to emerging markets. The rapid GDP growth rates in these emerging markets are typically accompanied by active transformations in their sectoral and social structures, leading to dynamic development. Consequently, from 2000 to 2020, emerging markets have significantly strengthened their positions in the international markets for goods, services, and capital, substantially substitute the traditional leaders—developed countries, according to IHS Markit.

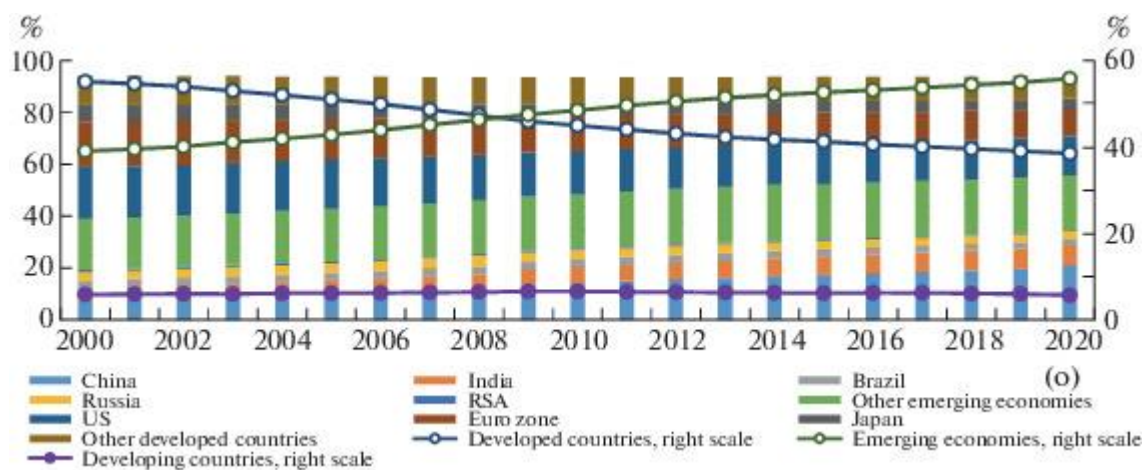


Figure 1

From figure 1 above, the key countries providing 52% growth, China, India, Russia, and Brazil—the four largest emerging markets—along with South Africa, which together form the BRICS integration association, accounted for 52.4% of world GDP growth between 2000 and 2020. During this period, China experienced an average annual economic growth rate of 8.6%, India 5.9%, and Russia, Brazil, and South Africa between 1.8% and 2.7%. This high economic growth enabled these countries to significantly increase revenues from global goods and services, making them leading destinations for foreign direct investment and allowing them to accumulate substantial international reserves. They also significantly improved their fiscal and social conditions and doubled the scale of their domestic financial markets.

Despite these achievements, significant imbalances persist within the BRICS economies, posing threats to their sustainable development. In China, institutional factors have led to excessive gross fixed capital formation, with the economy now more oriented towards consumer demand, and exports no longer serving as the primary driver of GDP growth. India faces an imbalance between accumulation and consumption, largely due to the continued poverty of a significant portion of its population. Conversely, in Brazil and South

Africa, GDP dynamics are primarily driven by domestic demand, while their accumulation and savings rates remain relatively low.

All BRICS countries share several socio-economic challenges, including underdevelopment of key public institutions, a substantial shadow economy, high levels of corruption within the state apparatus, sanctions, significant social stratification, and increasing environmental degradation in industrial and raw material production areas. These domestic issues significantly worsen the business climate in BRICS countries, as reflected in their low positions in international ease of doing business rankings. In the World Bank's Doing Business ranking, Russia was ranked 28th among 190 countries, China 31st, India 63rd, South Africa 84th, and Brazil 124th.

The vulnerability of BRICS economies was starkly evident during the 2020 pandemic. Initially, some experts were hopeful for the "decoupling" of economic cycles between developed and developing countries, believing that emerging markets could maintain autonomous growth dynamics despite recessions in Western countries and act as an alternative driver of the global economy. However, this expectation was not met. BRICS economies experienced a sharp decline in GDP in the first and second quarters of 2020. According to IHS estimates, while China managed to maintain positive GDP growth (around 1.5%), GDP in India, South Africa, Brazil, and Russia declined by -6.9%, -8.9%, -7.0%, and -6.0%, respectively.

Recognizing the heterogeneity within BRICS, nowadays show that shifts to examining whether BRICS members have shown a shared interest in de-dollarization by analyzing their respective official discourses. Although Chinese high-level policy makers have not explicitly discussed removing the US dollar as the primary reserve currency, China frequently criticized the dollar's dominance and proposed various ways to challenge it. These proposals have increased recently due to deteriorating US-China relations and the growing threat of US sanctions against China in strategic areas such as advanced technology. Strategic competition with the US incentives China to protect itself against risks within the US global system leading for both economic and geopolitical reasons. Compared to other BRICS members, China has more resources and better positioned to promote de-dollarization on various platforms, including BRICS. Additionally, China's state-owned commercial banks are stronger and more globalization than those in other BRICS countries. China's policy banks, particularly the China Development Bank and the Export-Import Bank of China, now provide as much development finance as the World Bank (Bosshard, 2007; Tukic & Burgess, 2016).

On the other hand, by looking at the condition of bilateral relations, China is one of the sources of US foreign debt. Based on data from statista.com in 2023, China even occupies the second largest place after Japan as a country that gives debt to the US with a value of \$769.6 billion. In economic relations, China has a great interest in the stability and or increase in US economic strength. China enjoys and utilizes the US economy for investment, trade, and finance, especially the US money market for buying and selling US bonds. China also enjoys the US dollar both to pegged the Chinese currency Yuan (1994 - 2005) and as a basis for consideration to set a floating exchange rate since 2005 - now. (Davis, 2023). With

this relative position of the yuan to the US dollar and the recognition of the yuan by the IMF, China has politically adopted the yuan as a means of payment with its trading partners.

Russia has actively advocated for de-dollarization within BRICS, driven primarily by its geopolitical rivalry with the United States. As early as 2012, Sergei Ryabkov, then Russia's Deputy Foreign Minister, publicly voiced concerns about the US dollar's dominant role in international trade and banking transactions. He emphasized the need to decrease dependence on the dollar, highlighting Russia's stance on the issue (Liu & Papa, 2022). Putin stated in an article that BRICS members "are ready to cooperate with our partners to promote the reform of international financial regulation and to overcome the excessive dominance of a limited number of reserve currencies." Soon after his article was published, Ryabkov revealed that it was a "vital necessity" for Russia to "intensify work related to import substitution, reduction of dependence on the US payment system, on the dollar as a settlement currency." (Kibtiah, 2016). In contrast to China, although Russia seems most supportive of promoting counter hegemony and de-dollarization, although it is not easy for Russia to fulfil its wishes. In world politics there is a clear difference of approaches between analyzing political conflicts involving the use of military violence (high politics) and peaceful political conflicts in the economic field (low politics). (Sulistyo, et.al, 2023). Although Russia is the arch enemy or main political rival of the US, but in the economic field, especially monetary and trade, both are intertwined in a symbiotic relationship that needs each other.

The high politics rivalry between the US and Russia does not prevent both parties from carrying out their interests in conducting business, investment and trade relations with each other; however, in the event of a monetary conflict, both parties have bargaining power in the economic field. In the event of Russia's invasion of Ukraine in 2022, there is talk of the US freezing Russia's assets. The US would threaten to seize Russia's assets to be used as financing for the reconstruction of Ukraine. Faced with the threat, Russia's foreign minister in 2023 responded by saying that it had a list of Western assets and would take the same action if Russian assets were seized. Thus, Russia's desire for US dehegemonization and dedollarization is held hostage to its own economic interests embedded in the US market.

Brazil initially shared Russia's enthusiasm for positioning BRICS as a coalition for de-dollarization. Former Brazilian President Lula da Silva famously stated that "BRICS was not created to be a tool of defense, but to be a tool of offense." However, Brazil's economic landscape changed significantly after 2014 following the end of the commodity boom, leading to severe economic crises that divided the country politically and ultimately resulted in the rise of President Bolsonaro's right-wing government.

Under President Bolsonaro, Brazil has conveyed mixed signals regarding its stance on BRICS policies and its approach to Western powers. The country's increased dependence on commodity exports has made it more vulnerable to global market volatility and currency risks. These factors have contributed to Brazil's cautious approach towards embracing a more assertive role within BRICS, particularly in initiatives like de-

dollarization, which requires concerted diplomatic and economic strategies (Batista Jr, 2008). According to UNCTAD, Brazil's dependence on commodity exports has grown significantly over the past decade, rising from 56.5% to 66.6% of total exports. Moreover, China has emerged as Brazil's foremost trading partner, leading to closer economic and financial ties between the two nations. The use of local currencies in bilateral settlements has proven beneficial for both Brazil and China. Despite these ties, Brazil's reliance on the US dollar poses substantial risks to its economy, making it hesitant to champion BRICS de-dollarization initiatives openly. Instead, Brazil is likely to align with such efforts while cautiously navigating its economic relationships.

India, on the other hand, has shown reluctance to join the BRICS de-dollarization coalition from the outset. While supportive of other BRICS agenda items such as IMF and World Bank reforms, India distanced itself from proposals by Russia and China in 2009 to replace the US dollar with a new global reserve currency. India views such proposals as more ideological than practical and prefers a more incremental approach, such as enhancing the role of IMF's Special Drawing Rights (SDRs). India seeks to reduce its dependence on the US dollar and has initiated efforts to promote the use of the Indian Rupee in bilateral trade. A task force established by India's Ministry of Commerce and Industry in 2012 recommended expanding rupee trade with oil-exporting countries, reflecting India's proactive stance.

Furthermore, India has played a leading role in promoting financial cooperation within BRICS and establishing institutions like the New Development Bank (NDB), which supports the use of local currencies in development finance. Despite these efforts, the majority of India's imports and exports are still invoiced in US dollars, highlighting the country's ongoing challenge in reducing its reliance on the dollar in international transactions, especially amidst geopolitical tensions and potential US sanctions. (Gopinath et al., 2020; Liu & Papa, 2022). Thus, while India is unlikely to take an overt role in the BRICS coalition aimed at diminishing the US dollar's influence, it indirectly supports efforts to lessen dependency on the dollar by endorsing initiatives promoting the use of local currencies in trade and development finance.

South Africa's relationship with the US underwent significant changes from 1986 to 1991, with most sanctions imposed during apartheid being lifted by 1991, which improved bilateral ties (Friedman, TL, 1991). Despite this history, South Africa has not actively championed a strong de-dollarization agenda within BRICS. Public records do not indicate South African leaders promoting BRICS as a de-dollarization coalition, but they have shown alignment with the de-dollarization efforts led by Russia and China. Scholars in South Africa recognize the economic and transactional risks associated with US dollar dominance, motivating the country to support BRICS initiatives aimed at increasing the use of local currencies in international trade.

South African Trade and Industry Minister Rob Davies expressed South Africa's interest in reducing exchange rate volatility and benefiting from direct trade in local currencies during the 2011 BRICS Summit (Brand South Africa, 2011). This sentiment was reiterated in 2013, highlighting South Africa's frustration with external economic dynamics impacting its currency stability (Economic Times, 2013). While South Africa has not independently

pushed for de-dollarization, it has endorsed BRICS agreements to promote local currency usage in trade and finance. South Africa has also diversified its foreign exchange reserves by including the Chinese renminbi, a move observed between 2013 and 2015 according to SWIFT data (SWIFT, 2015).

In summary, BRICS has shown consistent commitment to reforming the global financial system dominated by the US dollar, evident in its collaborative efforts towards de-dollarization. While not all BRICS members actively challenge the US dollar, there is shared interest in reducing dependency on it. Each BRICS member has taken steps towards de-dollarization, focusing on enhancing autonomy through local currency initiatives at both the BRICS and sub-BRICS levels.

Based on the above description of the attitude of individual members, it appears that despite the BRICS discourse on the global financial system, none of the countries appear to be serious about dedollarization and/or real efforts to find an alternative currency to the US dollar. The common interest in the discourse against US dollar hegemony that can be accepted from this research is the existence of common goals that can be accepted by BRICS member countries. The goal that is in the common interest of BRICS is not to replace, but find alternative substitutes for the dollar, or even for the purpose of lowering the value of the US dollar. The common goal is not to remove the hegemony of the US dollar in the international monetary system, but to control the hegemony so that the US cannot arbitrarily exercise its political power for unilateral economic and military interests.

The view above is reinforced by observations of the existence of the BRICS entity as a loose political forum similar to APEC and not a bound and rule based agreement like the WTO. BRICS is a forum of loose political forces in the economic field united by common interests on certain issues. BRICS is a kind of APEC political forum that produces many statements from heads of state about the common ground of future economic attitudes and actions but is not binding and does not produce rule-based decisions. The common political interest of BRICS is to control in order to prevent the US from taking excessive and unilateral actions in treating its hegemony condition over the US dollar to punish certain countries that it does not like. The condition of bilateral relations in the economic field of each BRICS member with the US becomes a calculated consideration in decision-making and more or less demotivates the dehegemony and dedollarization initiatives. Each BRICS country bilaterally has an interest in the stability and value of the US dollar. Almost none of them have the will to eliminate the strong presence and function of the US dollar as a means of payment and this condition is reinforced by the political nature of the BRICS cooperation forum. The bilateral relationship of each BRICS member with the US has more or less held hostage the BRICS' motivation to fight the hegemony of the US dollar.

DISCUSSION

Establishment of BRICS New's Development Bank

The New Development Bank /NDB has its own organizational structure that is separate from the BRICS organizational structure. The structure of the BRICS New Development Bank (NDB) is that the Committee in charge of the BRICS NDB is appointed by the Board of

Directors to ensure the work runs smoothly. BRICS NDB provides assistance to the major member countries of BRICS itself and also to developing countries outside of BRICS. In some cases the NDB will provide aid that focuses on Latin America and also the African region because in Asia there are already many banks that help with development in Asia. Africa and Latin America became the fokus of the BRICS NDB because the main mission is to eliminate the development gap between countries, where the two regions feel less attention related to infrastructure development. BRICS NDB came to help the problems that exist in Africa and Latin America. The bank provides loans to multilateral, regional networks, as well as other national banks. In addition, there are activities to invest in infrastructure to help development in developing countries. Another activity is to provide assistance which focuses on environmentally sustainable infrastructure, such as water and sustainable transportation and in the future will start to enter the energy sector. The development of the BRICS NDB can provide strong support in providing infrastructure assistance to developing countries, which depends on the speed of development of the NDB itself. Accelerated development will increase the bargaining power of the BRICS NDB and also make the aid more impactful (Griffith-Jones, 2015).

The BRICS member countries that pioneered the BRICS NDB are now major contributors to the international system (School, n.d.). Aid from the NDB is also channelled to UN peacekeeping activities where while western countries are reducing their aid, the BRICS NDB is lending more (School, n.d.). BRICS NDB has the main objective The BRICS New Development Bank (NDB) focuses primarily on mobilizing resources for infrastructure and sustainable development projects in BRICS member countries and other emerging economies. Unlike traditional development banks such as the IMF, which often attach conditions related to economic policies and reform implementation, the NDB operates with a different approach. Borrowing countries from the NDB are not typically required to implement such policy changes.

This distinction sets the NDB apart as an institution aiming to foster a more equitable international financial system that respects the interests of all member countries. Additionally, a notable feature of the BRICS NDB is its intention to provide loans denominated in national currencies to developing countries. Furthermore, there are future plans to allow countries to repay loans in their local currencies, even if they differ from the currency in which the loan was initially issued. These features underscore the NDB's commitment to supporting sustainable development and promoting financial inclusivity among its member states and beyond.

BRICS Alternative to SWIFT

The development of alternative global payment infrastructures by BRICS countries represents a significant effort to reduce their reliance on the US dollar (Reuters, 2016). These initiatives aim to provide alternatives to SWIFT, the dominant network for financial transactions globally, enabling BRICS members to conduct international banking and settlements under their own terms. This move is particularly beneficial for BRICS nations

facing frequent US sanctions, allowing them greater autonomy in international financial transactions and banking.

Both Russia and China have independently launched their own cross-border payment systems as alternatives to SWIFT. China's efforts include the development of the Cross-Border Interbank Payment System (CIPS), established in 2015, which facilitates onshore Renminbi clearing and settlement. CIPS aims to promote the internationalization of the Renminbi by enabling direct cross-border Renminbi transactions, reducing the reliance on US dollar clearing and thereby mitigating US sanctions risks (Reuters, 2016).

Similarly, Russia has developed its own financial messaging system called the System for Transfer of Financial Messages (SPFS), launched as a response to heightened Western sanctions post-2014. SPFS allows direct connections with foreign banks and entities, supporting Russian financial independence and reducing exposure to US dollar-based transactions (Reuters, 2016).

Looking forward, BRICS countries are collaborating on the development of "BRICS Pay," an integrated contactless payment system designed to link national payment systems across member states through a unified cloud platform (Reuters, 2016). This system aims to facilitate transactions using local currencies, thereby bypassing the need for US dollar conversions. BRICS Pay is part of broader efforts to enhance financial sovereignty and reduce dependence on international payment giants like SWIFT, Visa, and Mastercard, dominated by US institutions.

While these initiatives underscore BRICS' collective ambition to challenge US dollar supremacy in global finance, achieving de-dollarization faces challenges. Varied economic strengths among BRICS members, differing relationships with the US, and vulnerabilities to US sanctions contribute to complexities in implementing a unified de-dollarization strategy (Reuters, 2016). Despite these challenges, BRICS' concerted efforts to enhance financial autonomy through alternative payment systems reflect their strategic intent to reshape global financial dynamics on more equitable terms.

CONCLUSION

From the above description, it appears that resistance to the hegemony of the US dollar in the international monetary system is not related to any indication of motivation to replace, destroy or eliminate the dollar from world currency circulation. The BRICS counter hegemony of the US dollar is based on the common goal of controlling the ability of the US to abuse the dollar for its own interests. Among the members in BRICS, each country has different motivations for the desire to dedollarize and or dehegemonize the US dollar. The difference in motivation is based on the historical background and the condition of bilateral political relations with the US. The similarity is that BRICs are based on rational motivation for the purpose of dehegemonization to place unilaterally (arbitrary) so that the dollar can and remains as the standard and or benchmark of world currency exchange rates.

This research highlights the tangible risk of global finance transitioning towards alternative financial systems. As countries like Russia and others within BRICS develop and adopt

independent payment infrastructures, the immediate implication is a decrease in the effectiveness of US sanctions against strategic adversaries. This shift poses significant long-term challenges, as sanctions serve as a crucial tool for the US to assert influence and maintain leadership in global affairs without resorting to military force. Consequently, the US faces the imperative of devising strategies to uphold its political and economic values in the international system, leveraging its soft power advantages to navigate the evolving landscape of global finance.

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