

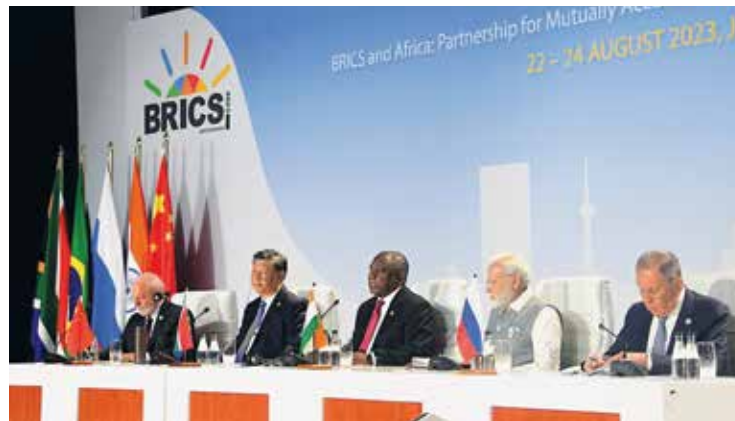
## I. A Great Change for the World

# The BRICS Summit: This Is What a Tectonic Shift Looks Like

by Paul Gallagher and Dennis Small

Aug. 26—It was the perfect metaphor for the rising power of the Global Majority in its unstoppable drive to put an end to 500 years of colonial-style economic looting, backwardness and wars.

On Wednesday, Aug. 23, in the middle of the three-day BRICS summit in Johannesburg, South Africa, India succeeded in landing



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*The 15th BRICS Summit marked a tectonic shift in global relations. At top are leaders of the five BRICS nations. Below: Leaders of the five with representatives of the six newly admitted nations and of others seeking membership. Johannesburg, South Africa, Aug. 22-24.*



BRICS X Page

their *Chandrayaan-3* module on the surface of the Moon, near its South Pole. One of the tens of millions around the world intently following the live feed from the Indian Space Research Organisation's Mission Room, was Prime Minister Narendra Modi, who watched from South Africa where he was attending the BRICS summit.

Immediately after the stunning success, Modi addressed the ISRO center scientists—and the world:

India's successful Moon mission is not India's alone. This success belongs to all humanity.... I am confident that all countries in the world, including those from the Global South, are capable of achieving such feats. We can all aspire for the Moon and beyond.

The proceedings of the Aug. 23 plenary session of the BRICS summit, which heard addresses from the leaders of all five BRICS nations (Brazil, Russia, India,

China, and South Africa) [see below for excerpts of the five speeches], underscored that a worldwide tectonic shift is indeed underway, fed by the understanding that a new architecture of peace and development is now a condition of humanity's survival. The BRICS has taken up the responsibility of ensuring that that happens.

### **‘Star Moments of Human History’**

Schiller Institute founder Helga Zepp-LaRouche, after expressing her joy at the accomplishments both of the summit, and of India's space exploration success with *Chandrayaan-3*, said that “only the Global North is now missing” to bring about a true renaissance for all Mankind:

This is the future; ... this is making our campaign which I initiated with the [Appeal](#) to the Citizens of the Global North, that we must convince the countries of the Global North to join with joyful transformation of the history of mankind. Because, if the North, at this point, [catches] up with the cultural optimism which is expressed by the BRICS leaders, it can only be to the benefit of everybody. And I think it's the absolute important moment to stop this geopolitical arrogance—thinking that only the G7 are the good ones and all the other ones are barbarians living in a jungle, as [European Union Foreign Secretary] Josep Borrell had said last October....

So I think this is an incredibly important moment, and I have written this Appeal to the Citizens of the Global North, to absolutely demand that the governments of the Global North join this development and create a new world economic order for the benefit of all of mankind together. That is the demand of the hour, and we must absolutely not let this moment pass, because it is one of these absolute star moments of human history, when you can really change the whole directionality of where things go.

### **A New Architecture**

“The world is changing,” South African President Cyril Ramaphosa emphasized in his remarks opening the Johannesburg summit. Brazilian President Luis Inácio Lula da Silva stressed that the world is facing an extraordinarily dangerous crisis, both economically and politically, and

We are well aware of where this path could lead. The world needs to understand that the risks involved are unacceptable for humanity.... It is unacceptable that global military spending in a single year exceeds \$2 trillion, while the FAO [UN Food and Agriculture Organization—ed.] tells us that 735 million people go hungry every day in the world.

Lula urged that a peaceful, negotiated solution to the Ukraine crisis be found, and praised the peace proposals made by three of the BRICS members: China, South Africa, and Brazil.

Chinese President Xi Jinping also stressed that “the world has entered a new period of turbulence and transformation,” and that peace and development must go hand in hand. As he had emphasized in his remarks to the BRICS Business Forum on Aug. 22:

Should we work together to maintain peace and stability, or just sleepwalk into the abyss of a new Cold War? [This summit] is an endeavor to expand the architecture of peace and development.

That new architecture must assure the security of all nations, large and small, various leaders stressed.

As for overcoming poverty and underdevelopment, President Ramaphosa stated that “we know that poverty, inequality and underdevelopment are the biggest challenges facing humankind.” President Xi said that “development is an inalienable right of all countries, not a privilege reserved for a few,” and that “we need to fully leverage the role of the [BRICS'] New Development Bank.” President Putin called on the BRICS to “build up partnership in science and innovations, healthcare, education, and humanitarian ties as a whole,” and emphasized that they should “develop interbank cooperation, [and] expand the use of national currencies” for trade and investment. President Lula elaborated on the role of the NDB as a source of non-dollar-denominated credit to be channeled to development projects that raise physical-economic productivity, explaining:

The creation of a currency for trade and investment transactions between BRICS members increases our payment options and reduces vulnerabilities.

## BRICS Expansion Ignores the West's Threats

On Aug. 24, the final day of the summit, the leaders announced the long-awaited list of new BRICS members. Following months of U.S. and European media “analyses” which claimed China wanted to expand the BRICS but some (constantly changing) combination of other members would block it, the BRICS summit actually set in motion, *by consensus*, expansion from 5 to 11 member nations, effective Jan. 1, 2024. The specifics show how the entire campaign of threats, blackmail, financial warfare and other dirty operations by the United Kingdom, the U.S. and NATO more broadly, is boomeranging.

For example, the offer of membership to **Iran**—perhaps the most U.S./NATO-sanctioned and targeted nation in the world—was likely the biggest surprise; it

economies. Despite the financial warfare against them—and Russia as well—both nations have immense development potential even based on past decades’ infrastructure investments, and the BRICS offers them the environment to realize it.

**Argentina** had been warned by European Union officials that “this is not the right time” to join the BRICS, as it would supposedly “send the wrong signal” to Russia and China about the Ukraine war. President Alberto Fernández was even pressured, by financial warfare and domestic political destabilization around the upcoming October presidential election in Argentina, to cancel his planned participation in the BRICS-Plus portion of the summit. And yet, Argentina is now part of the expanded BRICS. Finally, the addition of **Saudi Arabia** and the **United Arab Emirates** would

mean four of the world’s top oil and gas exporters (including Russia) would be in the BRICS—along with the two biggest *importers*, India and China. All these major oil producers are already conducting or exploring oil trades with China in national currencies. Saudi Arabia’s statement responding to the BRICS invitation indicated it would make the decision whether to accept it, before the first of the year. It has been under intense, very public pressure—combined with “offers”—from the Biden Administration *not* to join the BRICS.

Moreover, all annual chairs of the G20 from 2023 to 2025 will be BRICS members: India chairs the G20 meeting this year, Sept. 9-10; Brazil takes the chair next year; then South Africa in 2025. As for Western pressure to isolate Russia and prevent Putin from attending in person, he nonetheless was fully involved in the deliberations at the summit via video-conference. Russia will hold the rotating presidency of the BRICS next year, and will host its 2024 summit in Kazan, Russia.

## Tremendous Shift in Trade

Equally significant is the content of the discussion underway to build an alternative—some would say replacement—for the speculative dollar-based trans-Atlantic financial system, with its deadly policies of looting, sanctions and outright theft of foreign assets. BRICS and other developing countries have already begun shifting toward trade and account settlements in local currencies—especially China’s yuan and India’s rupee.



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*India’s Prime Minister Narendra Modi watched his nation’s triumphant lunar South Pole landing during the Summit, and pushed for cooperative scientific, space, and education programs on Earth.*

showed that the BRICS, by consensus, do not *kow-tow* to NATO’s attempts to define “outlaw” or “rogue” nations and push them beyond the pale.

**Ethiopia** has one of the fastest-growing economies in Africa, but was not on any Western “expert’s” list of nations the BRICS might invite in. **Egypt** and **Argentina**, on the other hand, are falsely but loudly called “economic basket cases” by American and European financial elites. This is because they have substantial external debt, greatly aggravated by U.S. interest-rate spikes causing the dollar to appreciate; the IMF is squeezing them as brutally as it can while negotiating “support programs” full of austerity conditionalities that ensure the collapse of their physical





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*The leaders' meeting arrangement shows the importance given New Development Bank President Dilma Rousseff: She is seated with the five national leaders—in this photo, near the far right.*

From fossil fuel shipments on down, trade among the BRICS members and trade between them and the rest of the “Global South” is growing. Meanwhile recessionary Europe, in particular, sits in the middle of a contracting sinkhole of trade among “Global North” nations and between those nations and Asia. One extraordinary example is the large increases in recent years in trade of African nations with the four non-African members of BRICS (China, Russia, India, and Brazil), even as G7 nations’ trade with Africa has shrunk. In 2022, these four BRICS nations’ two-way trade with Africa reached about \$425 billion, larger than the Africa trade of any group of nations in the world. By contrast, the once-mighty British Empire’s two-way trade with Africa, which was \$43 billion in 2012, fell to \$14 billion in 2020. As for the United States, for the first half of 2023 its two-way trade with Africa fell to \$34.3 billion, compared with \$37.6 billion for the first-half of 2022.

Moreover, China and other Asian nations right now see their trade with Europe—especially with Germany and the northern European nations—falling due to European economic contraction, while with the United States, whole sections of trade are being shut off at the American end. Whereas two years ago, container ships from Asia piled up at U.S. West Coast ports with huge pandemic backlogs of ordered consumer and producer goods, now the Singapore Strait is filled with stalled container vessels out of the South China Sea, whose cargoes, above all to Europe, are being “blanked,” or cancelled.

Why should the “Global South” nations continue

indefinitely to settle this trade in dollars, requiring their central banks and companies constantly to buy U.S. Treasury securities so as to have dollars for settlements? United States policy, through the Federal Reserve’s monetary policy and the U.S. Treasury’s sanctions, is forcing devaluations of developing nations’ currencies, extorting capital flight from them and cutting into their ability to get imports necessary for development.

But, should the United States decide to turn away from endless wars, exert control over Wall Street banks’ speculation, and export capital goods for economic development, the expanding BRICS and the nations participating in the Belt and Road Initiative are waiting to cooperate. And the New Development Bank is ready for new development capital.

### ‘BRICS Bank’ To Drive Development

As urgent as the trade matter is, the more fundamental issue of providing long-term credit for productive investment, especially in infrastructure projects, is now an immediate focus in the expanded BRICS. Such investments are ultimately the only source of value backing up any currency, as Lyndon LaRouche repeatedly explained.

All eyes are on the New Development Bank (NDB).

The NDB, established by the BRICS nations in 2015, has turned around from stagnation, to accelerating expansion under its new president, Dilma Rousseff. As former president of Brazil, and a close political ally of Brazilian President Lula, Rousseff is the most influential and far-sighted chief the NDB has had. At the summit plenary Aug. 23, she was in the circle of leaders’ desks along with the national leaders of the five BRICS nations.

After being appointed in 2022, Rousseff stated her intention and policy to make it the central institution for development funding in the “Global South.” The Bank will now be gaining four new BRICS members from the Mideast, Africa and Ibero-America (the other two, United Arab Emirates and Egypt, were already members of the Bank before being admitted into the BRICS group of nations at this summit); it will lend much more

than before, for development projects and with no conditionalities, either of the financial austerity or the “zero carbon” kind. The new members of the Bank will be Iran, Ethiopia, Argentina, and Saudi Arabia.

Upon arriving in Johannesburg with Brazil’s President Lula da Silva, Rousseff said,

We expect to lend between \$8bn-\$10bn this year. Our aim is to reach about 30% of everything we lend ... in local currency.

The lending in 2023 will therefore be nearly one-third again of the total lent by the NDB since its founding in 2015. The Bank had spent 2022 and part of 2023 effectively under sanctions by “Global NATO” nations and their financial centers, unable to issue bonds in dollars or euros after being overwhelmingly dependent on those currencies; and therefore effectively unable to lend.

But in June 2023 the NDB issued \$1.5 billion equivalent in “panda bonds” in China’s bond market, denominated in yuan. It went on to issue just under \$80 million in rand-denominated bonds in South Africa, following that up with a \$170 million loan (guaranteed by South Africa’s government) for the Lesotho Highlands Water Project. Rousseff said in the Aug. 22 interview:

We’re going to do the same thing in Brazil with the real. We’re going to try to either do a currency swap or issue debt. And also in [Indian] rupees.... We repudiate any kind of conditionality. Often a loan is given upon the condition that certain policies are carried out. We don’t do that. We respect the policies of each country.... We’ll transform ourselves into an important bank for developing countries and emerging markets. Our focus has to be that: a bank made by developing countries for themselves.

As the New Development Bank increasingly issues bonds in national currencies to the domestic institutions and individual investors of its member nations—which now will total a dozen strong economies—its no-conditionalities development lending will keep escalating. Its capital can grow even faster, because any of the NDB’s member governments can also issue *sovereign* bonds directly to the Bank. This is a step—albeit a small one—in the direction of the kind of Hamiltonian credit generation central to any viable new financial architecture to replace the current bankrupt system.

## One Humanity

But perhaps most indicative of the sea-change underway, the emerging new paradigm of cooperation and dialogue of civilizations that was palpable at the BRICS summit, were the numerous comments from the leaders about the common philosophical roots and commitments of each of their cultures to all of Humanity, to the good of mankind. Indian Prime Minister Modi began his remarks to the plenary by noting:

At some distance from [Johannesburg] is the Tolstoy Farm, which was built by Mahatma Gandhi 110 years ago. By combining the great ideas of India, Eurasia and Africa, Mahatma Gandhi laid a strong foundation for our unity and mutual harmony.

Similarly, Brazil’s President Lula welcomed the expansion of the BRICS:

Many said that BRICS were too different to shape a common vision. But experience demonstrates the opposite. Our diversity strengthens the fight for a new order which accommodates the economic, geographical, and political plurality of the 21st Century.

Sounding a similar note, President Xi wrote an article published in a number of South African newspapers on Aug. 21:

South Africa’s *Ubuntu* philosophy advocates compassion and sharing. It resonates well with the values of Confucianism—“Love the people and all beings, and seek harmony among all nations.”

He concluded his remarks to the plenary session with the following call:

As an African proverb puts it, “If you want to go fast, go alone; if you want to go far, go together.” The philosophy of *Ubuntu*, which believes that “I am because we are,” highlights the interdependence and interconnectedness of all peoples. Similarly, harmonious coexistence has been the aspiration of the Chinese nation for thousands of years. China is ready to work with BRICS partners to pursue the vision of a community with a shared future for mankind ... and march together on the journey toward modernization.



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South Africa's President Cyril Ramaphosa (left), who hosted and chaired the Summit, kept the industrialization of the poorest nations front and center. Indonesia's President Sukarno (right), organized, with India's Nehru, the 1955 conference of the non-aligned nations in Bandung, and told them, "We are united by a common detestation of colonialism."

## Leaders Speak on New International Architecture

*Each of the five BRICS leaders addressed the Aug. 23 plenary session of the BRICS Summit. The excerpts below are presented in the order they were delivered.*

### **South African President Cyril Ramaphosa:**

BRICS stands for solidarity and for progress. BRICS stands for inclusivity and a more just, equitable world order.... We know that poverty, inequality and underdevelopment are the biggest challenges facing humankind....

Advancing the African agenda is a strategic priority for South Africa during its Chairship of BRICS....

As nations of the world confront the effects of climate change, we must ensure that the transition to a low-carbon, climate resilient future is just, fair and takes into account differing national circumstances....

Peace and stability are preconditions for a better, more equitable world. We are deeply concerned about conflicts across the world that continue to cause great suffering and hardship. As South Africa, our position remains that diplomacy, dialogue, negotiation, and adherence to the principles of the United Nations Charter are necessary for the peaceful and just resolution of conflicts.

We are concerned that global financial and payments systems are increasingly being used as instruments of geopolitical contestation.... We will continue discussions on practical measures to facilitate trade and investment flows through the increased use of local

currencies....

While firmly committed to advance the interests of the Global South, BRICS stands ready to collaborate with all countries that aspire to create a more inclusive international order.

### **Brazilian President Luis Inácio Lula da Silva:**

In just a few years, we have left behind a scenario of benign multipolarity towards one that resumes the obsolete mentality of the Cold War and geopolitical competition. This folly creates great uncertainty and corrodes multilateralism. We know where this path can lead us. The world must understand that the risks involved are unacceptable to humanity.

We cannot avoid dealing with the main current conflict taking place in Ukraine with global effects.

Brazil's historic stance is to defend sovereignty, territorial integrity, and all the United Nations' purposes and principles. We find it positive that an increasing number of countries, among them the BRICS countries, are also engaged in making direct contact with Moscow and Kiev....

BRICS must act as a force towards understanding and cooperation. Our willingness is expressed in the contributions of China, South Africa and my own country to the efforts to resolve the conflict in Ukraine....

It is unacceptable that global military spending in a single year exceeds \$2 trillion, while FAO tells us that 735 million people go hungry every day in the world.

The search for peace is a collective duty and an imperative for fair and sustainable development.... It is