

Multilateralism in crisis: can BRICS fill the void left by a retreating United States in Global Governance?

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In June 2025, the G7 summit concluded without a *joint communiqué*, highlighting growing divisions among member states. The impasse followed strong disagreements between the United States and its allies over trade protectionism and unilateral sanctions, exposing growing fractures even within the Western alliance (Boak, 2025). This episode signals a broader shift: a possible erosion of US global leadership and a growing uncertainty surrounding the liberal international order². As Washington's foreign policy grows increasingly unpredictable – oscillating between global engagement and nationalist retreat – questions about the future of multilateral governance have intensified.

Against this scenery, emerging powers from the Global South have sought to reposition themselves within the international system. The BRICS bloc – initially composed of Brazil, Russia, India, China and South Africa – has advanced initiatives such as the New Development Bank and proposed reforms to global institutions, framing itself as a collective alternative to Western-dominated governance. Then, this analysis seeks to investigate in what ways the weakening of US leadership in global governance³ may have enabled the BRICS to position themselves as a platform for Global South alternatives to rise. By examining shifts in US foreign policy and the BRICS's evolving role, the discussion explores the dynamics of global power reconfiguration in an increasingly multipolar world.

²Theorists of the liberal international order understand it as an “open and rule-based” arrangement that is established in institutions such as the United Nations and norms such as multilateralism (Ikenberry, 2011 *apud* Kundnani, 2017, p. 1).

³Global governance, in a broad definition, consists of some sort of order – based on rules, patterns, institutions, norms etc. – that attempts to manage an anarchic system of states (Ba; Hoffmann, 2005, p. 2). However, this term can be understood in multiple ways, one of them – which connects more with other discussions in this analysis – defines it as institution arrangements used to identify problems, facilitate decision-making and promote rule-based behavior to the international actors (Barnett; Pevehouse; Raustiala, 2021).

The crisis of multilateralism and the role of the US

The postwar liberal order, largely constructed and sustained by the United States, has been increasingly questioned in recent decades. As Ikenberry (2011) explains, this order was not only a reflection of US economic and military primacy but also a strategic project intended to mold a stable, rules-based international environment aligned with liberal values. However, despite being historically central to institutions such as the United Nations (UN), the World Trade Organization (WTO) and the International Monetary Fund (IMF), the United States has increasingly adopted unilateral and contradictory stances that weaken the very frameworks it helped to build.

According to Ruggie (1992, p. 571), multilateralism should not be understood merely as the coordination of national policies among three or more states, but by the presence of generalized principles of conduct – rules that specify appropriate behavior for a class of actions and apply uniformly, regardless of the specific interests or strategic considerations of individual actors. What distinguishes this institutional form is precisely its emphasis on impersonal, rule-based coordination among states. Yet, a core contradiction lies in the fact that the United States has historically acted inconsistently, selectively engaging or withdrawing from international commitments, regardless of commonly agreed norms. From repeated interventions in Latin America throughout the 20th century (Operation..., 2020), to the 2003 invasion of Iraq against the opposition of the UN Security Council (Iraq..., 2023), US foreign policy has routinely contradicted the very principles it claims to uphold.

Another clear example is the US' withdrawal from the Paris Agreement in 2017 under the Trump administration (UNFCCC, 2017), a move that signaled distrust in collective environmental governance. In his second presidential term, Trump reinforced this position by issuing a new executive order in 2025 to again exit international environmental accords, claiming that the Paris Agreement “unfairly burdens the United States” (White House, 2025a). This oscillation was evident when the Biden administration, in contrast, rejoined the Paris Agreement in 2021, reaffirming US commitment to global climate goals and emphasizing multilateral cooperation (UNFCCC, 2021). The alternation between retraction and re-engagement reflects a broader

pattern of inconsistency in US foreign policy that undermines its leadership in global governance.

On May 24, 2025, the Trump administration issued a presidential action formalizing new “reciprocal tariff” rates, explicitly justifying the measures as necessary to counter what it described as “non-reciprocal” trade practices by countries such as China (White House, 2025b). Previously, the World Trade Organization (WTO) had warned that these tariff increases could lead to a significant contraction in global trade, exacerbating economic uncertainty and threatening the stability and predictability of global trade governance (Edwards, 2025). These developments illustrate the United States’ growing reliance on unilateral trade measures, deepening tensions within the global trading system.

This pattern of inconsistent engagement also extends to US security commitments and underscores a broader distrust of multilateral defense arrangements. In March 2025, President Trump openly questioned whether the United States should defend NATO allies who “don’t pay” implying that without increased defense contributions, those allies should not expect American military support (Trump..., 2025). He also expressed skepticism about whether key members such as France would come to the US’s aid in a crisis, despite NATO’s collective defense obligations (Trump..., 2025).

These actions reveal a longstanding contradiction: although the US remains institutionally immersed and economically dominant, its foreign policy has historically oscillated between internationalism and isolationism. This enduring inconsistency weakens the normative foundations of the liberal order and opens space for alternatives – such as the BRICS initiatives – to emerge, not necessarily due to the strength of alternative powers, but because of the accumulated vulnerabilities and contradictions within US leadership itself. While this pattern has deep historical roots, it has become particularly visible during the Trump administration in recent years. However, rather than a rupture, Trump’s approach represents a continuation and amplification of a longer-standing dynamic in the US foreign policy.

BRICS as a response to the US's declining influence in Global

Governance

The history of BRICS group formation dates to 2001, when Jim O'Neill of Goldman Sachs – a financial institution from the US – created the acronym BRIC (Kirton, 2018, p. 27). This term was first used to conceptualize a group of countries (Brazil, Russia, India and China), which had an enormous potential for gross domestic product (GDP) growth, in the following years, among the developing states (O'Neill, 2001). However, the BRIC institution itself was just formalized years later, having its first stand-alone summit in 2009 at Yekaterinburg, Russia; and on its second one, in 2011, they admitted South Africa as a member of the group, thus becoming BRICS (Kirton, 2018).

Initially, BRICS members came together to establish a platform for dialogue and cooperation in areas such as peace, security and development, based on multilateral decision-making (BRICS, 2012 *apud* Larionova, 2018, p. 6). Since then, the group has broadened its agenda for various themes, but economic, financial and trade are the most prominent ones (Larionova, 2018, p. 9). In that sense, BRICS has been interested and engaged in the transformation of the global financial architecture dominated by Western-led institutions (Morozkina, 2018).

BRICS's first major step toward promoting global financial reform was the creation of the New Development Bank (NDB), launched in Shanghai in July 2015. The NDB can be considered a pioneer for being the first institution of a global scale established only by emerging countries (Demeulemeester; Suchodolski, 2018). The main purpose of the NDB is to mobilize resources for infrastructure and sustainable development projects in BRICS and other developing countries (BRICS, 2014 *apud* Morozkina, 2018, p. 91). For this instance, it can be argued that this institution seeks to be a funding alternative for the Global South countries that are looking for economic and social development.

Another important movement of BRICS is related to its active discussions towards a de-dollarization process. The original members of BRICS have increasingly engaged in currency swap agreements to facilitate trade and investment among them by using local currencies in their transactions, bypassing the need for the US dollar (Arnold, 2025). Although the dollar's reign in international transactions does not seem likely to end overnight, BRICS's movements are clearly a sign of a slow process toward the

end of US currency global dominance (Sullivan, 2023).

In addition, it can be argued that the BRICS expansion, in January 2024 – with the accession of five new members (Egypt, Iran, Ethiopia, Saudi Arabia and the United Arab Emirates) – has the potential to strengthen the institutions created by the group and can also enable the implementation of new projects that could be even more ambitious in scope (Oliveira, 2024). If this really happens, it is possible that the US dominance in the countries of the Global South decreases to the extent that BRICS mechanisms offer them more favorable alternatives.

Opportunities of the BRICS as an alternative to the Western-led Global Governance

The BRICS countries have been the main drivers of global growth in the past few years, representing over 30% of the world's GDP per capita (Demeulemeester; Suchodolski, 2018). Notwithstanding, its economic importance has not been reflected in an equal space in multilateral institutions, thus this group has united their efforts to change or at least adapt the current governance framework for a model that is more beneficial to them and to other developing countries in the Global South.

The creation of new institutions by BRICS can slowly reduce the institutional centrality of the US in the global order (Stuenkel, 2016). In that case, the establishment of non-Western institutions, such as the NDB, allows emerging countries to choose among flexible frameworks, with fewer political conditionalities imposed by the Western countries, enabling them to pursue their national interests, which remains a demand of most Global South countries. Thus, BRICS members can reduce their dependence on Western-led institutions when they are apparently instrumentalized to serve the interests of states such as the US (Stuenkel, 2016, p. 40).

Regarding the process of de-dollarization promoted by the BRICS initiatives, it is important to emphasize that the loss of US dollar power would weaken its ability to alter the behavior of other states through measures such as sanctions, for example (Liu; Papa, 2022, p. 2). In that context, a nondollar financial system has the potential to immunize its members from both exchange and sanction risks imposed by the US

hegemonic position in this area (Liu; Papa, 2022, p. 4). In addition, if these reform-oriented initiatives are successful, it also opens up the possibility for a more representative financial system to non-Western states.

Furthermore, the group's efforts to de-dollarize the global economy and financial system would also foster economic independence and mitigate vulnerabilities caused by dollar fluctuations in developing countries (Arnold, 2024, p. 82). Through the promotion of transactions in local currencies and the creation of alternative financial institutions, such as the NDB, BRICS could contribute to the redistribution of global economic power towards a multipolar order. Moreover, this movement has the potential to enhance financial sovereignty in emerging nations and help to build a more equitable system, especially for the Global South countries (Arnold, 2024). However, although BRICS presents a range of opportunities for the creation of an alternative order, it also faces limitations and internal contradictions that constrain this project.

Limits and contradictions of the BRICS as an alternative platform for the Global South

Despite presenting themselves as an alternative to Western-led institutions, the BRICS face internal contradictions that may limit their capacity to act as a coherent bloc. One of the main tensions arises from geopolitical disputes, particularly between India and China. The two countries have a history of enduring border disputes, as exemplified by the 2020 Galwan Valley clash (India, 2024). These disputes not only undermine trust but also paralyze joint strategic actions, especially in areas like defense and technology.

In addition, the bloc brings together countries with diverse political systems and governance models. While critics have long argued that these regime differences could undermine cooperation – especially in sensitive areas such as human rights and governance –, Stuenkel (2015) observes that, although these divergences may limit the depth of normative alignment, they have not prevented cooperation on technical matters. In fact, after comparing the BRICS and the IBSA Dialogue Forum – India, Brazil and South Africa –, Stuenkel concludes that there is no evidence that differing regime types have posed an obstacle to intra-BRICS technical cooperation. The bloc has managed

to sustain coordination, although selective and relatively superficial when it comes to broader normative or institutional reform issues (Stuenkel, 2015, p. 88-89). Thus, while internal heterogeneity may constrain the BRICS's capacity to act as a unified political platform, it does not appear to undermine cooperation at the technical level.

Nevertheless, when it comes to the BRICS agenda of de-dollarization, there are important structural and institutional challenges that may limit its transformative potential. While politically important, this effort faces significant barriers that undermine its viability as an alternative to the dollar-dominated financial system. A key problem is the dominance of the US dollar as the global reserve currency and its central role in international trade and finance. According to the International Monetary Fund (2024), around 57% of global foreign exchange reserves remain denominated by US dollars, showing continued global dependence on the currency – including by BRICS members.

In addition, technical and institutional barriers limit the broader use of local currencies in cross-border transactions. The Bank for International Settlements (2023) reports that the dollar is involved in approximately 88% of all foreign exchange operations, while currencies such as the yuan or the real have limited global liquidity and convertibility. According to Northern Trust (2024), despite efforts to develop alternative payment systems, including CIPS or BRICS Pay, their implementation faces significant legal, regulatory and technological barriers. For this reason, integration with existing national systems will require complex standardization. Thus, regardless of its strategic motivations, the BRICS de-dollarization effort faces substantial practical constraints in the short to medium term.

Another criticism is that BRICS may primarily serve as a vehicle for Chinese and Russian geopolitical ambitions. As Stuenkel (2015, p. 158) observes, China's economy is larger than the other BRICS members combined and it "clearly controls the BRICS grouping's key decisions" especially through initiatives such as the New Development Bank (NDB). At the same time, Russia has used the BRICS platform to counter Western isolation. According to Stuenkel (2015, p. 153), the bloc collectively resisted efforts to marginalize Russia, issuing statements against "hostile language, sanctions and counter-sanctions" in international politics. These dynamics suggest that while BRICS promotes multipolarity, it also reflects the geopolitical priorities of its most assertive members.

Therefore, such contradictions indicate that, although BRICS may symbolize a challenge to Western hegemony, structural factors – such as institutional fragility, limited cohesion, underlying geopolitical rivalries and persistent dependence on the US dollar – could constrain its capacity to consolidate itself as a viable alternative to the US liberal order.

Final remarks

The current state of global governance is surely alarming. Trump's approach to undermining liberal order and multilateralism poses several challenges, especially for Global South countries that seek to advance their development through existing institutions. Although the declining process of the US global leadership does not mean the end of its influence, this scenery generates a more fragmented system, where emerging powers and groups such as BRICS have greater room to maneuver.

In this context, the bloc takes advantage of the vacuum left by the US within the liberal multilateral order to create a more multipolar framework that creates space for the developing world to rise. Even though this route is full of challenges – and it's a slow process of change –, including internal limitations and contradictions, BRICS continues to emerge as an alternative for the Global South to reform the current order. Thus, the group functions not only as a reaction to the US decline but also as a proactive platform for political and economic coordination among rising powers seeking to reshape the current global order.

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