**BRICS Currency Plans and the US**

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Many years ago, I traveled to Rome to savor its glorious past and glamorous present. I then headed off to the sole superpower of the world, the United States of America for educational purposes. While in the US, I spent the first few days marvelling at the grandeur of the superpower of the day. I kept wondering how could such great powers get destroyed.

Rome got weakened by its wars with Persia, and then the armies of Islam conquered both their territories. Then the sophisticated and scientifically advanced Islamic empire in Baghdad was reduced to ruins by the Mongol invasion in 1258. The next superpower Great Britain got weakened by the two world wars and its colonies seized the day to claim independence. The current superpower, the US, has been on a war frenzy since the beginning of the new millennium.

With 750 military bases around the world in 80 countries, the US has the globe covered on land and sea.

Drunk on power, the US forgot this nugget of wisdom that the threat of war is always more effective than an actual confrontation. The war on terror was an embarrassing series of disasters for the US, when it failed to subdue war-ravaged Iraq and Afghanistan, despite its military might. The US war machine is however still running full throttle. It moved on to fight wars in other energy-rich countries.

The US is currently occupying a third of Syria, where the oil reserves are located. It’s fighting a proxy war in Ukraine, over liquified natural gas. The war in Ukraine is also about preventing any German-Russian alliance. This is why the Nord Stream pipeline was blown up. Germany’s technology and capital and Russia’s natural resources could have joined forces to become a formidable force. The US is also saber-rattling with China at the moment.

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The wars are all about hegemony, imperialism and economics. This greed is what eventually destroys mighty empires.

The Ukraine war was a watershed moment. Russia’s $630 billion reserves were frozen by the US and European central banks and they cut off Russia from SWIFT, the international payment system. Even Switzerland abandoned historic neutrality to impose sanctions on Russia. The trans-Atlantic coalition weaponized the international financial system. Europe also weaponized its energy dependence on Russia by vowing to end it.

Russia retaliated by enlisting the support of China, India and Saudi Arabia who are buying Russian oil and keeping its economy afloat. This has posed a threat to the US Dollar as for the first time global energy trade is being conducted in the Yuan, Ruble and Indian Rupee. Japan has also announced plans to buy Russian oil above the price cap imposed by the US.

BRICS is the greatest beneficiary of the Ukraine war, as it is rising in stature and expanding in size with Saudi Arabia planning to join it. Saudi Arabia is moving away from the US to ally itself with China. China will now be building an oil refinery for $12 billion. China also recently brokered a peace agreement between Iran and Saudi Arabia, taking the lead in international diplomacy.

Even Malaysia and Kenya have spoken against the

The hegemony of the US Dollar. The most interesting development is that BRICS is now planning to launch a new currency.

In the wake of this growing new nexus of regional powers, POTUS Joseph Biden signed Executive Order 14067 on March 9, 2022, officially titled Ensuring Responsible Development of Digital Assets.

I have read the document. It is a very prescient move by the United States to preserve its global leadership in finance.

It is helpful to remember that in 2019 El Salvador declared Bitcoin as legal tender but the country soon found itself on the verge of economic collapse. However, non-state-issued digital assets grew from $14 billion in 2016 to $3 trillion in November 2021. Mark Zuckerberg’s Meta sent alarm bells ringing within the highest echelons of the US government with its plan to launch a currency.

Countries are exploring, and in some cases introducing, central bank digital currencies (CBDCs).

The United States plans to reinforce its leadership in the global financial system, technology and economic competitiveness, through the responsible development of digital assets. All sectors of the US government have been engaged to play critical roles in establishing protections across the financial system to safeguard its integrity and promote its stability.

The United States has been a global leader in the development and adoption of digital assets and related innovations. Through this executive order, it plans to mitigate systemic risk. Illicit actors, including the perpetrators of ransomware incidents and other cybercrime, are a real risk in jurisdictions that have not yet effectively implemented the international standards set by the Financial Action Task Force (FATF). This fact is of special significance to countries like Pakistan and Turkiye, which faced serious economic difficulties due to being grey listed by FATF. Anti Money Laundering (AML) and Counter-Terrorist Financing (CTF) not being effectively implemented in certain jurisdictions is a cause of concern for FATF.

Growth in decentralized financial ecosystems, peer-to-peer payment activity, and obscured blockchain ledgers without controls to mitigate illicit finance could also present market and national security risks in the future.

In the current scenario, cybersecurity and market failures at major digital asset exchanges and trading platforms have resulted in billions of dollars in losses. The United States plans to develop safeguards for the responsible development of digital assets to protect consumers, investors, and businesses; maintain privacy; and shield against unlawful surveillance, which can contribute to human rights abuses.

What gives the US’ proposed system an edge – over any such attempt by BRICS – is its power and influence in important global fora dominated by the Western world. As President of the FATF, the United States led the group in developing and adopting the first international standards on digital assets. As President of the G7 in 2020, the United States established the G7 Digital Payments Experts Group to discuss CBDCs, stablecoins, and other digital payment issues. The US continues to support the G20 roadmap for cross-border funds transfers and payments.

The Financial Stability Board (FSB) based in Switzerland, is leading work on issues related to stablecoins, cross-border funds transfers and payments, and other international dimensions of digital assets and payments.

The US’ core competencies aided by its power and influence in the G7, G20, FATF, and FSB are likely to ensure its dominance of the global financial and monetary system for a considerable time.

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