



Leaning on the BRICS as a Geopolitical Counterweight Leads Only to Faux-Polyarchic, Subimperial “Spalling”

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A global theory of uneven development, for which the world-systems perspective is a vital geopolitical accompaniment, contributes to an explanation of the current global geopolitical chaos, so well expressed by Joe Biden in his 2020 *Foreign Affairs* lament: “the international system that the United States so carefully constructed is coming apart at the seams.” Biden aimed to consign to history his predecessor Donald Trump’s “paleoconservative” nationalism, instead yearning for Obama-style fusions of neoliberalism and neoconservatism in foreign policy.

This was witnessed in key appointments to the State Department, his boost to the Pentagon budget (far more generous than Trump’s), and his reassertion of pro-corporate multilateralism even in areas such as climate policy. At the 2021 United Nations climate summit in Glasgow, his team had no real intention of taking the steps necessary to avert global catastrophe, whether in terms of the competing climate-justice or ecological-modernization (“climate action”) ideologies. The European Union and United Kingdom would readily fall in line, especially insofar as Brexit compelled some Tory strategists to take up an “Empire 2.0” agenda; although the term soon became unfashionable, the intent was realized nevertheless in practice via the Commonwealth and bilateral trade and investment relations.



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A different nostalgia—to reconstruct an ancient Russian empire—was Vladimir Putin’s territorial agenda for the illegal invasion of Ukraine on February 23, alongside offering resistance to the North Atlantic Treaty Organization’s eastward creep, ending persecution of Russian speakers in the eastern Donbass region and denazifying the Ukrainian National Guard’s Azov Battalion. Putin’s fear of encirclement reflected what he and many others claimed (and U.S. leaders dispute) was a broken promise from then U.S. President George H.W. Bush to Mikhail Gorbachev in 1990, that in exchange for German reunification, NATO would not expand. Yet it did so, to the Czech Republic, Hungary and Poland (1999), Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia (2004), Albania and Croatia (2009), Montenegro (2017) and North Macedonia (2020) – even though numerous U.S. imperial strategists including current Central Intelligence Agency director William Burns had warned the Clinton, GW Bush, and Obama regimes not to, for fear of provoking potentially extreme animosity.

Regardless, no justification could ever exist for Putin’s opportunistic, malevolent, murderous land grab. Accusing Lenin of giving away the Russian family silver by allowing ethnic nationalities too much decentralized power a century ago, Putin’s pre-invasion speech included this mafioso-style threat: “*You want decommunization? Very well, this suits us just fine. But why stop halfway? We are ready to show what real decommunizations would mean for Ukraine.*”

A former Putin ally, Czech President Milos Zeman, responded as did many: “The madman must be isolated. And that means defending against him not just with words but with concrete measures too,” including international financial sanctions. There followed a surprisingly powerful set of asset freezes including more than \$300 billion in Russian foreign reserves and at least \$100 billion worth of pro-Putin oligarchs’ property, expulsion of nearly all Russian banks from the Society for Worldwide Interbank Financial Telecommunication SWIFT payment system, massive trade disruptions and major Western corporate disinvestments. As a result, Russia was expected to lose around ten percent of its 2022 GDP, and inflation was amplified there and globally especially due to price hikes in energy and Russian mineral commodities. (Inflation in the stock market valuations of Western oil and armaments companies also spiked.)

But as former Greek finance minister Yanis Varoufakis predicted on *Democracy Now!* the day after the invasion, “there is one sanction that could work—one sanction that Putin fears—and that is ending the purchases of natural gas from Gazprom. As we speak, Nord Stream 1 is feeding the German industrial machine with 40% of its energy from natural gas... This is a sanction they are not prepared to make.” By mid-March Berlin’s reluctance was confirmed by (Green Party) economy and energy minister Robert Habeck: “we can’t do it in an instant. That’s bitter, and it’s not a nice thing morally to confess to, but we can’t do it yet.”

A countervailing source of power was Russia’s potential to default on its foreign debt, as had happened in 1998, when Boris Yeltsin’s government ran out of hard currency and before that in 1917, when revolutionaries repudiated Czarist debt. At \$478 billion in 2021, it was mostly private and had been declining, and was far less than the end-2021 foreign reserves of \$650 billion. Although oil and gas prices soared in late February, providing Russia with more foreign exchange, its forex squeeze provoked fears of missing foreign debt payments.

In mid-March, Moscow attempted to repay New York banks using \$120 million in frozen assets and (at the time of writing) appeared likely to get U.S. financial regulators' support for this, because of the repercussions of default on the world economy. However, two multilateral banks Russia had enthusiastically supported since the early 2010s—the Brazil-Russia-India-China-South Africa (BRICS) New Development Bank which was 20 percent Russian-owned (and with nearly \$5 billion in Moscow debts) and the Asian Infrastructure Investment Bank (with \$800 million in Russian liabilities)—suddenly joined Western lenders in early March, refusing to do further business so as to respect “sound banking principles.”

The Vain Hope for Solid BRICS to Undergird Global Rebalancing

Third, in addition to the neoliberal West and authoritarian Russia, a Third Worldist nostalgia emerged in a few important capital cities over the past decade, one mainly dormant (aside from parts of Latin America) since its 1970s peak: a search for some version of the unity of militant voices from the leading South states as was heard at the 1955 Afro-Asian meeting in Bandung, Indonesian. This nostalgia became especially important during the 2010s, when the Latin American Pink Tide of center-left (and also some genuinely-left) social and then political movements began to ebb. A view emerged in some sections of the world left, that instead, the Bandung spirit would be found within the BRICS bloc of countries. The BRICS, after all, were ostensibly reconfiguring what Immanuel Wallerstein had described as a semi-peripheral location. Though fluid, the realities of global uneven development prevented all but a few well-managed (and super-exploitative) of these economies (notably in East Asia) from advancing to the per capita income levels and technological prowess of the West.

Setting the first force against the second, through financial, trade, investment and targeted-elite sanctions, was unconvincing. Both sides are partially coexisting within the kind of globalized, corporate-integrated system of mutual self-interest that was meant to prevent precisely these kinds of conflicts. But just as strong as such capitalist logic, so too is the conflict-riddled territorial logic, one in which Putin's regional geographical ambitions loom large—just as do China's territorial interests in the South China Sea and in relation to Taiwan and Hong Kong.

This conjuncture reminds of Brazilian *dependencia* analyst Ruy Mauro Marini: during the 1960s–1970s, he described the “antagonistic cooperation” of Brazilian elites in relation to the United States, as a subimperial-imperial division of labor. Brasilia was the region's deputy sheriff, protecting both globalizing and home-based corporations. For Samir Amin, Marini's theory “addresses a very real problem raised here: that of inequality in peripheral development.”

That unevenness leaves all three nostalgic forces definitively in trouble, especially what with the BRICS' mortar obviously crumbling, e.g. in bizarre Sino-Indian Himalayan border battles since 2017. Xi Jinping's 2015 promises at the BRICS summit in Ufa, Russia, included efforts to boost “the centripetal force of BRICS nations, tap their respective advantages and potentials and carry out cooperation in innovation and production capacity.” But the *centrifugal* forces of the world economy took over, as the spinning globe left the bloc ever less connected. Even the

hallmark of BRICS economics—rising intra-BRICS and international trade as a share of GDP—suddenly reversed from the 2008 peak, falling steadily before the 2020 crash.

Construction-industry terminology refers to a ‘spalling’ process in which—mainly due to the freezing-thawing cycle—a wall’s masonry and bricks crack, crumble, flake, and even pop out of the wall. Indian and Brazilian elections in 2014—won by rightwing Hindu nationalist Narendra Modi—and 2018—by the far-right “Trump of the Tropics” Jair Bolsonaro—contributed to what became a chaotic and often directionless drift. In 2019, the latter’s foreign minister even suggested to his BRICS counterparts that they should engage in punitive sanctions against Venezuela. Another reflection of the unseemly descent into political incoherence was also evident in Brasilia in 2022, where just as Russia began the Ukraine invasion, the country’s vice president (military leader Hamilton Mourão) appealed for a counter-invasion: “If the West simply lets Ukraine fall, Moldova will be next, then the Baltic states, just like Hitler’s Germany did in the late 1930s.” Bolsonaro scolded him, because the week before during a Moscow visit, he expressed his government’s *solidarity* with Putin.

Meanwhile in South Africa, the presidency of the classically populist “talk-left walk-right” Jacob Zuma ended in early 2018. He had repeatedly claimed Pretoria’s ascent to BRICS membership in 2010 was the reason the West arranged to have him replaced by his deputy president, Cyril Ramaphosa (even by poisoning, he regularly claimed). The switch—a palace coup within the ruling party—[occurred five months before South Africa hosted the BRICS leadership. One sign of residual hopes there, was the summit promise that a BRICS Vaccine Center would be set up in Johannesburg (possessing a high-functioning pharmaceutical industry and extensive generic-drugs production capacity). As Covid-19 hit, no such facility had been established, through China and Russia were extremely quick to market their own vaccines—but not willing to share Intellectual Property with Brazil, India or South Africa.

Multilateral Muddling

Indeed if the BRICS were meant to genuinely challenge Western domination of multilateralism, how was it that during the 2010s, everything they tried failed? In 2011–2012, an even more neoliberal leader was imposed by the European Union at the International Monetary Fund (Christine Lagarde replacing Dominique Strauss-Kahn) and at the World Bank, the United States replaced a notorious neocon (Robert Zoellick) with a jejune neolib (Jim Yong Kim)—in both cases, without a unified BRICS posing alternative candidates. In 2015 the IMF’s recapitalization did indeed give the BRICS a much greater share of the vote, just short of the 15 percent required to veto the institution’s policies and loans (a share held traditionally only by the United States). But when China’s IMF voting share increased by 37 percent, Brazil’s by 23 percent, India’s by 11 percent, and Russia’s by eight percent, this was not mainly at the West’s expense. Those countries that lost vast shares included Nigeria and Venezuela (41 percent each) and even South Africa (21 percent).

Were there not meant to be alternative institutions, especially to challenge Western domination of financial multilaterals and credit rating systems? From the Fortaleza meeting in 2014, the BRICS Contingent Reserve Arrangement (CRA) would have provided short-term emergency funding, but it turned out, first, that it gave the IMF even more leverage (because only 30% of the borrower's CRA quota could be accessed before getting an IMF structural adjustment package). Second, in the hour of greatest need, mid-2020 when South Africa's leaders felt compelled to take a \$4.3 billion IMF loan in spite of hard-wired austerity conditionality that reversed the fiscal stimulus, there was no sign of the CRA.

One BRICS institution did emerge (with Western credit rating agency approval): the New Development Bank (NDB). It was initiated to finance infrastructure with greater potential environmental sensibilities, but never achieved the lofty goals of becoming a green bank set by two early consultants who had both been World Bank chief economists, Joseph Stiglitz and Nicholas Stern. In its South African portfolio, indeed, there was not a single NDB loan in the period 2016-22 that could be considered free from corruption.

Most importantly, there was no ideological deviation from predatory, neoliberal financial capitalism when BRICS' delegations entered the Bretton Woods Institutions. As Xi himself explained his own country's approach at the World Economic Forum in 2017, "Any attempt to cut off the flow of capital, technologies, products, industries and people between economies, and channel the waters in the ocean back into isolated lakes and creeks is simply not possible... We must remain committed to developing global free trade and investment, promote trade and investment liberalization."

Theorizing the flow of capital back into the lakes and creeks

The subimperial BRICS' extremely contradictory modes of antagonistic cooperation within global capitalism, as witnessed in the run-up to the 2022 explosion, certainly do not excuse the impulses of the imperialist powers to establish NATO military capacity on Russia's immediate borders. But the dynamics of such geopolitics do correlate to the uneven development of the global system as a whole. An overarching problem for the likes of Putin, is his own capitalist class reaching limits to the accumulation of capital, as typically happens in a semi-peripheral economy based on export of raw materials suffering highly-volatile prices. Marx's general theory of uneven development, updated by Neil Smith and David Harvey, accounts for geopolitical tensions during a 'devaluation' process in which excess capital exposed to global capital flows must either be defended – or left to collapse due to uncompetitiveness.

In his *Limits to Capital*, Harvey explained, "Under threat of devaluation, each regional alliance seeks to use others as a means to alleviate its internal problems. The struggle over devaluation takes a regional turn. But the regional differentiations are rendered unstable thereby." The core problem for leaders, then, is that "Regional alliances founder on the rock of international competition and the impulsion to equalize the rate of profit."

The semi-periphery becomes the layer of the global power structure which first takes these problems on the chin. Again, Harvey described how not only would northern rust-belt deindustrialization suffer from recessions and broader downturns, so too would emerging economies with more instability. This was especially in the wake of 1990s-era Washington Consensus liberalizations: “The opening up of global markets in both commodities and capital created openings for other states to insert themselves into the global economy, first as absorbers but then as producers of surplus capitals.”

Russia’s rise up the commodity super-cycle from 2002-14 – before the 2015 oil and minerals price crash – reflected a shift from 1990s-era capital flight by oligarchs, to Russia’s hosting fully-fledged overaccumulated capital. It was at that point in the 2010s, predicted Harvey back in 2003, that such economies “then became competitors on the world stage,” albeit in the form of “what might be called ‘subimperialisms’... [in which] each developing centre of capital accumulation sought out systematic spatio-temporal fixes for its own surplus capital by defining territorial spheres of influence.”

To deal with economic crisis at home, it’s logical then that Putin seeks more active territorial expansion options. The last time (2021) the IMF published a review of the overaccumulation of Russian capital – which is termed the “output gap,” reflecting “excess capacity” – its economists were blunt:

“Assessing the amount of spare capacity in the economy is critical for economic policymaking, particularly in a crisis where there is an urgent need for supportive macroeconomic policies. Spare capacity, as measured by the gap between actual and potential output (the output gap), gives policymakers an indication of the extent to which fiscal policy can be used to stimulate the economy... The ‘lockdown’ supply shock is estimated to have reduced potential GDP by nearly 2¾% in 2020. In 2021 potential real GDP rebounds as the lockdown is lifted but is weighed down by the impact of the decline in investment during the crisis on the productive capital stock. Sensitivity analysis suggests the finding of a large and persistent output gap... The results suggest that the (negative) output gap in 2020 is likely to be in the range of 2–3 percent, and is likely to be as large, if not larger, in 2021.” (original emphasis)

Making it clear that such excess capacity and resulting devaluation in the Ukraine is on his mind, Putin himself remarked on the Kiev economy in his invasion announcement speech. He included choice words about devalued capital, especially since the 2014 coup:

“Sectors including machine building, instrument engineering, electronics, ship and aircraft building have been undermined or destroyed altogether. There was a time, however, when not only Ukraine, but the entire Soviet Union took pride in these companies. In 2021, the Black Sea Shipyard in Nikolayev went out of business. Its first docks date back to Catherine the Great. Antonov, the famous manufacturer, has not made a single commercial aircraft since 2016, while Yuzhmash, a factory specialising in missile and space equipment, is nearly bankrupt. The Kremenchug Steel Plant is in a similar situation. This sad list goes on and on.”

The BRICS offer no alternative to a system where, driven by overaccumulation of capital (mostly derived from China's extremely productive east-coast factories), territorial tensions to accept or reject such devaluation only worsen. A wide variety of historical and political features are typically cited to 'explain' why Russia's trajectory of regional expansion represents a major threat. But those won't be complete with contemplating the dynamics of uneven development, *especially because they aren't a matter, just, of Putin's militant exceptionalism*. They are hard-wired into the world-system, and the BRICS and other semi-peripheral sites are just some of the more extreme cases.

About the Author: Patrick Bond received a doctorate in economic geography at Johns Hopkins under David Harvey's supervision (1993) and—based at universities in Johannesburg and Durban—has worked with South African and international social movements since, including the periodic brics-from-below networks that offer counter-summits. Currently professor of sociology at University of Johannesburg, his books include *Politics of Climate Justice: Paralysis Above, Movement Below* and *Elite Transition: From Apartheid to Neoliberalism in South Africa*, as well as two co-edited analyses of the BRICS.

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