

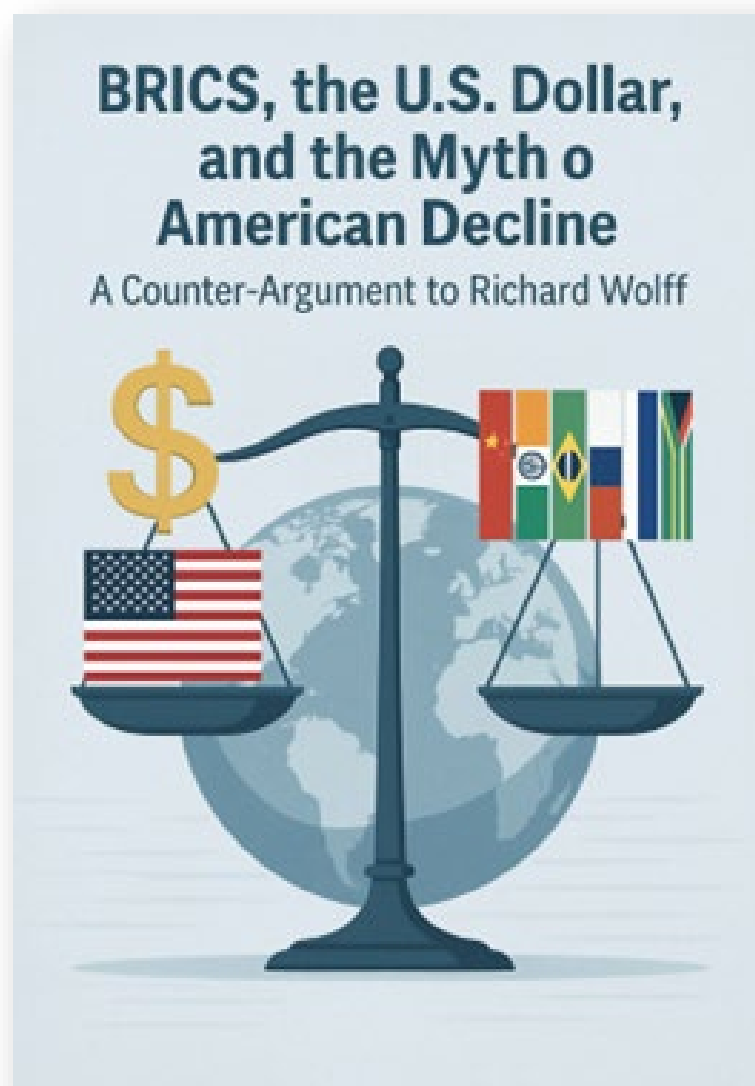
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BRICS, the U.S. Dollar, and the Myth of American Decline: A Counter-Argument to Richard Wolff

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Within my doctorate research I came across a video of Dr. Richard Wolff, who claims that the age of the U.S. Empire is over and that the BRICS coalition is on the rise. I wish to share a brief position and opinion, as this subject is becoming increasingly relevant. I also refer here to the microeconomic perspective for 2025 on India—one of the key BRICS members—that was recently shared within our network.

 Watch Richard Wolff on TikTok: “The American Empire is over... we peaked about 12–15 years ago.”

Abstract

Economist Richard Wolff argues that the United States is an empire in terminal decline, undermined by its overreliance on financial hegemony and challenged by the rise of BRICS. This essay counters such claims by examining the structural resilience of the U.S. economic system, the limitations of BRICS as a unified alternative, and the historical persistence of global reserve currencies. While acknowledging the trend toward multipolarity, the essay concludes that U.S. power is not collapsing but recalibrating within an evolving international order.

1. Introduction

Richard Wolff’s assertion that “*The American Empire is over*” (Wolff, 2023) resonates in a period of accelerating geopolitical flux. He situates the United States on a trajectory akin to Britain after World War II or Rome in its late imperial stage: overextended abroad, hollowed domestically, and soon to be overtaken by more dynamic powers.

Yet this argument underplays three enduring dynamics:

1. The inertia of global institutions anchored in U.S. leadership.
2. The persistent asymmetries among emerging challengers.
3. The adaptability of the U.S. economy and statecraft when confronted with systemic crises.

This essay reframes the debate: rather than decline, what we observe is **recalibration**—a shift from U.S. unipolarity to a complex multipolar environment in which America remains the pivotal actor.

2. Historical Context of “Decline” Narratives

Predictions of U.S. decline are as old as the postwar order itself. In the late 1960s, the Vietnam War and domestic unrest were taken as signs of overstretch. The collapse of Bretton Woods in 1971, coupled with stagflation, triggered a wave of scholarship on “imperial exhaustion” (Kennedy, 1987). In the 1980s, Japan’s rise and trade surpluses provoked fears of American industrial obsolescence. After the 2008 Global Financial Crisis, analysts like Arrighi (2007) saw the “end of financial dominance” and the coming Asian century.

Yet in each of these crises, the United States demonstrated remarkable resilience. It restructured its economy, reinvented its technological base, and leveraged alliances to maintain primacy. By the 1990s, the so-called “unipolar moment” emerged, showing that narratives of collapse underestimated adaptive capacity.

The key lesson: **relative decline does not equal absolute decline**. Rising powers gain ground, but U.S. systemic leadership has repeatedly endured.

3. BRICS: Strengths and Structural Limits

The BRICS grouping—Brazil, Russia, India, China, South Africa, and now expanded to BRICS+ with Egypt, Ethiopia, Iran, and the UAE—constitutes a visible alternative pole. It represents:

- **42% of global population**
- **Nearly 40% of world GDP (PPP)**
- **A collective push for South–South cooperation**

The **New Development Bank (NDB)** and currency swap agreements are mechanisms to reduce dependency on Western institutions. Calls for de-dollarization, particularly by Russia and China, highlight dissatisfaction with U.S.-led financial structures.

However, BRICS faces **systemic limitations** that undermine its cohesion:

- **Geopolitical rivalries:** India–China border conflicts, Russia’s pariah status under sanctions, and Brazil’s ambivalence weaken unity (Lo, 2024).
- **Institutional asymmetries:** China’s state-capitalist model contrasts with India’s democratic pluralism and Brazil’s commodity-driven economy.
- **Economic dependence:** Despite rhetoric, IMF (2024) data shows that **over 80% of BRICS+ cross-border trade is still dollar-denominated.**

The bloc is a **coalition of convenience**—effective as a bargaining platform but structurally incapable of forming a coherent hegemonic order.

4. The Endurance of Dollar Hegemony

Wolff highlights U.S. vulnerability in global finance. But the empirical record suggests resilience, not fragility.

- As of Q1 2025, the dollar accounted for **57.7% of disclosed FX reserves** (IMF COFER, 2025).
- The euro followed at 19.7%, and the Chinese renminbi remained marginal at **2.5%**, despite Beijing’s intense push for internationalization.
- **SWIFT data (2025)** shows the dollar anchors **~50% of all international payment flows**, compared to 23% for the euro and less than 5% for the RMB.

Why does the dollar endure?

1. **Network effects:** Once embedded, global reliance sustains itself (Eichengreen, 2019).
2. **Depth and liquidity:** The U.S. Treasury market, exceeding \$27 trillion in outstanding debt, remains the largest pool of safe assets worldwide.
3. **Legal and institutional credibility:** U.S. contract enforcement and transparency outcompete BRICS counterparts.
4. **Energy linkages:** The “petrodollar system” persists, with Gulf Cooperation Council currencies pegged to the dollar and oil still priced globally in dollars (Fattouh, 2023).

These conditions suggest that de-dollarization will be gradual and partial, not disruptive.

5. U.S. Structural Resilience

Beyond finance, U.S. power rests on multiple structural pillars:

- **Energy independence:** The U.S. is the world’s largest producer of oil and LNG, reshaping its geopolitical flexibility (IEA, 2024).
- **Technology ecosystems:** Silicon Valley and U.S. biotech lead in AI, cloud infrastructure, aerospace, and life sciences.
- **Alliance depth:** NATO, AUKUS, the Quad, and Indo-Pacific frameworks extend U.S. reach into every major region.
- **Soft power:** Universities, Hollywood, music, and digital media remain unmatched in cultural influence.

In contrast, BRICS lacks an integrated military alliance, a unified technological base, or a common cultural narrative.

6. Structural Headwinds Facing BRICS

While the bloc gains symbolic strength, it faces profound challenges:

- **China’s slowdown:** Growth fell below 4% in 2024, with debt-to-GDP exceeding 280%.
- **Russia’s sanctions trap:** Limited access to Western markets drives overdependence on China.
- **India’s balancing act:** While benefiting from BRICS visibility, India deepens defense ties with the U.S. through the Quad.
- **Brazil’s volatility:** Domestic political cycles often reorient policy toward the West.
- **South Africa’s governance challenges:** Persistent energy shortages and corruption weigh on credibility.

These divergences reveal that BRICS is **a counterbalance, not a successor.**

7. From Unipolarity to Managed Multipolarity

The international system is indeed moving toward multipolarity. BRICS+, the EU, and regional coalitions (ASEAN, AU, GCC) are asserting influence. Yet multipolarity is not synonymous with U.S. collapse.

Instead, the emerging order is one of **managed competition**, where:

- The U.S. dollar remains first among global currencies, though flanked by alternative payment rails.
- The U.S. military maintains unmatched expeditionary capacity.
- Innovation hubs remain U.S.-centric, with selective competition from China and the EU.
- Institutional ecosystems—World Bank, IMF, WTO—remain U.S.-anchored, even as BRICS builds partial alternatives.

Thus, rather than a decline into irrelevance, the U.S. is entering a **“first among equals” phase**.

8. Conclusion

Richard Wolff is right to note the rise of BRICS and the diversification of global power. However, his thesis of terminal U.S. decline overlooks the **durability of dollar hegemony, the adaptive capacity of U.S. institutions, and the internal contradictions within BRICS**. The coming decades will not be defined by U.S. collapse, but by **plurality**—a global order where multiple poles emerge, but where U.S. leadership remains pivotal. The empire is not over. It is evolving—transforming into a more balanced system in which America remains the anchor of financial, technological, and institutional power.

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