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The role of BRICS in challenging dollar dominance: Prospects of a common currency

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ABSTRACT

In this paper, the researcher examines how the BRICS can break the global hegemony of the United States Dollar (USD) and the future of establishing a common currency. The paper is concerned with economic and political reasons behind the initiative, the viability of such a project, and its larger implications in the world context. The study applies a qualitative, comparative and analytical design to use secondary materials such as scholarly research, policy documents and foreign financial information. The Eurozone and de-dollarization in Russia and China are also the case studies that may be viewed as providing comparative information. Results indicate that dissatisfaction with dollar hegemony is increasing especially among emerging economies that are considering it as an instrument of vulnerability to external shocks and sanctions. The BRICS members also seek to cut on the use of USD by encouraging the local currencies trade, creating systems of payment and discussing a common currency. Nonetheless, the project has major challenges such as economic heterogeneity, leadership asymmetry, poor institutions, and lack of credibility. This paper concludes that although a BRICS common currency is still a distant dream, current efforts already portend a slow transition to financial multipolarity. This adds to the world discussions of currency power and brings about the possibility of a more pluralistic world monetary system.

Keywords: BRICS; dollar hegemony; common currency; multipolar finance; World trade.

1. INTRODUCTION

The United States Dollar (USD) has been a monopolist in the world currency system. The USD has served as the major reserve currency, an exchange medium in international commerce, and a template of financial security over decades. This hegemony gives the United States major economic and geopolitical leeway whereby Washington can influence the policies of global finances and release sanctions with global consequences. Nevertheless, concerns of the sustainability of dollar supremacy have been on the rise over the past years. The BRICS bloc of countries, Brazil, Russia, India, China, and South Africa, has become one of the most vocal critics of this system and has talked a lot about the widespread establishment of a common currency as an alternative strategic measure.

In the recent geopolitical and macroeconomic developments, the issue of whether or not there has been an increase in the debates regarding the sustainability of dollar dominance. The conflict between Russia and Ukraine was a pivotal moment in the global financial system when the US and its allies imposed never before used financial sanctions, which limited access to dollar-based payment systems and foreign reserves by Russia. This showed the extent to which the dollar is incorporated into international finance, and at the same time illustrates how fragile states dependent on high levels of dollar-denominated transactions and reserves are. Researchers believe that the weaponization of finance has converted the dollar as a neutral medium of exchange into a geopolitical weapon, prompting emerging economies to raise their concern over the issue of financial sovereignty and systemic exposure (Farrell & Newman, 2019).

Simultaneously, the reinforcement of asymmetries in the global financial system has been caused by the tightening of U.S. monetary policy. After 2022, aggressive interest rate increases by the U.S. Federal Reserve to manage domestic inflation have brought about capital flight, currency depreciation and debt-servicing pressures in most developing and emerging economies. These spillover effects underscore the level of impact of domestic U.S. policy-making which produces worldwide outcomes within a dollar-based system. According to empirical studies, these kinds of monetary shocks have a greater impact on those countries in the Global South, restricting policy discretion and increasing macroeconomic instability (Rey, 2015). Consequently, the level of dissatisfaction with structural privileges of dollar dominance has increased.

In these settings, the de-dollarization has ceased to be a theoretical discussion and now a policy trend. Some of the up-and-coming economies have begun using more local currency in their bilateral trade, diversified their reserve sources, and experimented with other payment systems. It is observed that the presence of rising, albeit mild, but significant in non-traditional reserve currencies has been accompanied by a gradual decrease in the proportion of the U.S. dollar in the world foreign exchange reserves (Arslanalp et al., 2022). In spite of the fact that the dollar continues to be dominant, these changes are indicative of reconfiguring, as opposed to monetary power disintegration, a more fragmented and multipolar financial order.

These developments have a special urgency as far as the Global South is concerned. Most developing states are struggling with the systemic problems of external debt, volatility of exchange rates and inaccessibility to international liquidity, and the latter are complicated by the use of the dollar. The BRICS project to minimize dollar vulnerability and consider other monetary solutions is highly sensitive to these issues because it will ensure that external shocks and exposure to sanctions are minimized. The international political economy scholars contend that monetary diversification is gaining popularity among the economies of the Global South not only as an economic policy, but also as a means of achieving increased freedom and resiliency in an unequal global financial environment (Gabor, 2021). The discussion on whether there should be a BRICS common currency, then, should be viewed in this wider context of global financial transformation with its calls of fairness, stability, and sovereignty growing louder than any time since the fall of the cold war.

The idea of BRICS common currency is not only an economic but also a geopolitical declaration. Together, with the BRICS countries constituting over 40 percent of the population on the planet and

almost quarter of the world GDP, this gives them a significant counter-punch against Western-dominated financial institutes like IMF and the World Bank (Alrefai, 2024).

The BRICS currency drive is an indication that there is a need to decrease the dependence on the USD in trade settlements, reserves and finances. Proponents claim that this action would protect BRICS economies against the impact of U.S. monetary policy, financial sanctions and systemic risks of dependent dollar-dependent economies (Hussein & Farahat, 2024). This brings up a bigger question: are BRICS really realistic in destroying the position of the dollar that has become a standard in the global economy? The query is of particular interest, given current geopolitical changes. Russia is under all-encompassing Western sanctions due to the invasion of Ukraine and has sought greater financial partnership with China and the other BRICS members. Meanwhile, the swift pace of Chinese economic growth, together with such programs as the Belt and Road, reinforced the demands to alter the monetary order (Lages & Shepelyansky, 2023).

A BRICS currency, to most Global South countries, is attractive not only as an economic alternative, but also as a resistance to Western financial domination. Nonetheless, the road to BRICS common currency is not a simple one. The bloc is very heterogeneous in terms of the economic systems, political systems, and priorities in strategies. China is the economic leader of BRICS with more than two-thirds of its total GDP, which has raised the concern that a common currency only may offer a substitute to U.S. hegemony with Chinese hegemony (Hussein & Farahat, 2024). In addition, there are internal differences: Russia and China are very eager to eliminate the dependence on the USD; India and Brazil are more reserved and prefer to secure their monetary independence and policy autonomy. Such contradictions within it indicate that the project faces severe leadership issues that should be overcome in order to succeed. Considerations of theory also make a new reserve currency more complex. A global currency needs political good will, but also extensive financial markets, institutional credibility and international trust. The USD is held in primacy due to the fact that it is supported by the biggest and most liquid financial markets, well-developed regulatory system, and political stability. Conversely, BRICS nations do not have the same financial richness or institutional fit, and this constrains their capacity to put forward an alternative that is plausible (Lages & Shepelyansky, 2023). However, the current trend of the BRICS initiative underlines a lack of satisfaction with the existing order. Most of the emerging economies consider the dollar system to be unfairly favouring the United States at the expense of the others to external shocks (Alrefai, 2024). Measures include encouraging the use of local currency settlements, bilateral swap deals, and creating a BRICS-based payment platform show that the bloc cares about lessening the reliance on the dollar. Although having a single currency is still a long-term dream, these steps indicate a progressive movement to the financial multipolarity. The prospective BRICS currency therefore functions practically and symbolically. It would cut down transaction expenses and exposure to dollar fluctuations as well as articulate group autonomy in international relations. The dilemma though is leadership and governance. This will be important to ensure equal participation, transparent decision-making, and systems to balance the national interests. Devoid of such safeguards, the effort is likely to be sabotaged by internal rivalries and asymmetries (Hussein & Farahat, 2024).

This study occupies a position in-between international political economy and global financing. It also discusses the contribution of BRICS to the dollar hegemony challenge and future of common currency. The problem goes beyond economics into matters of sovereignty, world power and institutional reform. As BRICS continues to rise in power on the international stage and other emerging economies start to show interest, the value of the discussion is constantly increasing. To sum up, although the design of a BRICS currency union encounters many difficulties, the fact itself that the discussion is taking place is an indication of the major paradigm change in economic thinking in the world. It shows a wish to question the West-dominated mechanisms and establish a more multipolar economic order. Regardless of the success of BRICS in its attempt to introduce a shared currency, the project constitutes a significant move toward refashioning international finance, in which dollar hegemony no longer goes uncontested.

2. LITERATURE REVIEW

The hegemony of the United States Dollar (USD) in the global monetary system has always been viewed as an economic and a political fact. This dominance has been explained by scholars using the hegemonic stability theory, which opines that the world financial stability is secured when a state is economically and institutionally powerful to impose rules and to offer liquidity. Since the middle of the twentieth century, USD has played this role and it has become the cornerstone of international reserves, settlement of trade, and international finance. Its power is not only based on the size of the American economy, but also founded on the richness of the U.S. financial markets, institutional trust and the sense of political stability. Such a monopolization of financial resources gives the United States the ability to borrow at a low cost, exert policies with the means of sanctions and ensure strategic positions in the economic regulation of the world economy (Van Niekerk, 2025).

However, the hegemonic stability theory also outlines that no system of dominance is eternal. Challengers emerge when the hegemon is in relative decline, or when the hegemon faces some challengers, pressures to change increase. The formation of BRICS bloc, Brazil, Russia, India, China and South Africa, is one such time in the global financial system. BRICS represents a significant portion of world GDP and trade as a set, and the economic emergence has been matched by political aspirations to redefine world finance. Mohamed (2024) argues that, despite the dominance of the dollar in reserves and in trade invoicing, the growth trends of BRICS economies are slowly undermining the exclusive privileges of the dollar, although the dollar remains dominant at the present time (Mohamed, 2024).

This conflict between established superiority and the emerging substitutes can be said to be the primary theme of the modern debate. In the light of the international political economy of money, currencies are not given status only in accordance with their economic characteristics. They are also political tools and geopolitics. The hegemony of the USD is not merely a measure of market efficiency, but one of institutional and military strength of the United States, its partnerships with other countries around the world and capacity to influence the rules in multilateral organizations. According to Gürçan, (2024), the current BRICS push should be regarded as a constituent of a larger multipolar game, whereby emerging powers would not merely want to diversify monetary arrangements but also cut the geopolitical capital that the U. S. accrues through the primacy of the dollar.

In this regard, the financial arguments cannot be dissociated with the restructuring of international politics. A valuable comparative frame is provided by the experience of the Eurozone. The integration of regional currencies in Europe came as a culmination of years of economic coordination, convergence conditions and the creation of supranational organizations including the European central bank. Although the euro gave the European Union independence in most aspects over the USD, it also highlighted the structural risks as is evidenced during the sovereign debt crisis where asymmetries between member states revealed vulnerabilities in fiscal/monetary governance. Firdaus et al. (2023) stress that BRICS cannot be compared to the institutional maturity, political cohesion, and convergence that the Europe enjoyed before the euro. What this means is that although the euro experience has shown the potential merits of monetary integration, on the flipside, it also shows the risks of trying such an undertaking without thorough institutional congruence. In the case of BRICS, the political systems, economic systems, and strategic perspectives of these countries are heterogeneous and pose great challenges to a shared currency. In spite of these obstacles, the Global South has been increasingly becoming dissatisfied with dollar hegemony. Dollar dependence puts economies at risk of foreign shocks, fluctuations in U.S. monetary policy, and geopolitical risk to restrictions. Bacchoo (2025) emphasizes that the dollar-centric order seems to many states to Favor the U.S. at their cost, which is the fuel behind the popularity of alternative arrangements.

On the same note, Van Niekerk (2025) notes that even though the U.S. economy is resilient to date, the fact that de-dollarization discourse continues to resonate shows that emerging powers seek to protect themselves against the vulnerabilities that come with American monetary prominence. The academic discussion of BRICS alternatives has thus become wider over the last few years. According to Hussein & Farahat (2024), the biggest threat to any BRICS currency initiative is linked to leadership dynamics. The sheer economic dimensions of China in the bloc causes suspicion among other members

who suspect that substituting the U.S. hegemony could easily result in Chinese financial dominance (Mohamed, 2024).

India and Brazil, e.g., have shown prudence, choosing to use gradual measures like local currency settlements, bilateral swap agreements instead of making a commitment to a supranational project. Such a difference in preference among BRICS makes it hard to pursue a single monetary system. There are other studies that dwell on the BRICS in the international trade networks. This argument is supported by Jayaram (2025) who opines that a multi-currency system or not a single BRICS unit may be the more viable approach to weakening dollar dominance in the short term (Jayaram, 2025).

This would allow member states to test bilateral and regional solutions, but without the institutional challenges of their implementation in the form of a monetary union. BRICS also has a way forward as judged in strategic evaluations. Using a SWOT analysis, Alrefai (2024) states that the bloc has advantages in terms of demographics, economic growth and similarity of dissatisfaction with Western institutions, and weaknesses that include shallow institutional depth, political conflict and the absence of a unified system of governance (Jayaram, 2025). The prospects are to increase the trade in local currencies and involve other emerging economies into BRICS networks, whereas threats include external opposition by the U.S. and domestic disunity. Ullah et al. (2024) also emphasize that the incorporation of BRICS with new members like Saudi Arabia, Egypt and Iran might enhance the power of the bloc in the energy markets but at the same time add to the complexity of governance.

Such scholars as Obasun stress that the initiatives of BRICS cannot be only perceived through the prism of the shared currency but also in terms of local currency use development and alternative payment methods. Such break with dollar hegemony is being manifested in the establishment of new financial platforms and in bilateral trade contracts in terms of national currencies. By so doing, although a BRICS currency may fail to materialise in the foreseeable future, the actions of the bloc already play a role in the gradual erosion of the dollar monopoly. Collectively, the literature depicts a rather intricate equilibrium between opportunities and challenges. On the one hand, BRICS has the economic weight, resource and political incentive to go against the centrality of the dollar. Conversely, internal differences, asymmetry in leadership and institutional weaknesses are impediments to the possibility of credible common currency. Mohamed (2024) outlines that even though the growth of BRICS is remarkable, it has not turned into the financial infrastructure, liquidity, and trust that the dollar has.

According to Bacchoo (2025), and others, the best way to ensure that external trust in a new currency is high is to ensure that BRICS has well-structured governance mechanisms. However, the proliferation of arguments concerning de-dollarization is an indicator of a changing global financial imagination. Although BRICS is not likely to roll out a common currency any time soon, its trial of local settlements, payment systems and coordination mechanisms all suggest a more multipolar order. Gürçan, (2024) underlines that the issue at hand is more a symbolic than a material one: merely stating an alternative is enough to take away the illusion of the invincible supremacy of the dollar. In spite of this development, there are still critical research gaps. A lot of the literature has been devoted to whether a BRICS currency is economically viable and what it would entail with respect to the U.S. dominance, yet the literature has not dealt much with the actual design of governance structures that would benefit such a currency. Issues of how convergence criteria would be established, how a supranational monetary authority would operate, and how to develop trust between the countries themselves and outside parties remain mostly untapped. Likewise, although the resilience of dollar networks has been extensively discussed, little attention has been given to the measures BRICS needs to take to achieve credibility with the international markets, investors, and central banks. Lastly, there is a scholarly tendency to interpret the BRICS initiative in terms of the U.S. BRICS rivalry but little is mentioned about the responses of other regions, especially Africa, Latin America and Southeast Asian where adoption of a BRICS currency would be crucial to its international success. Such gaps imply that more research is necessary to extend past feasibility studies to explore institutional design, credibility-building, and vistas to more widespread acceptance across the globe.

2.1. Contribution and Research Gap

Although the literature has already explored the economic magnitude, volume of trade and geopolitical interests behind the process of de-dollarization by BRICS, a relatively smaller focus has been made on the institutional and governance principles behind a currency to attain international credibility. The literature gives little attention to how the material capability or strategic will to emerge into a BRICS currency is constructed, instead of giving less attention to how trust, policy coordination, and leadership legitimacy are built into the heterogeneous monetary coalitions. This paper fills this gap with a theory-oriented comparative institutional analysis, which prefigures governance asymmetry, formation of credibility, and adoption of the Global South as boundary conditions which determine the boundaries of monetary challengers.

3. METHOD

3.1. Research Design

The research design is a qualitative and comparative and analytical research to explore how BRICS can threaten the U.S. dollar dominance and how the future of a common currency would be. The qualitative method suits well due to the presence of the research question on the basis and nature of institutional structures, governance processes, credibility building, and geopolitical interests that cannot be well reflected using only quantitative indicators. It is an explanatory type of study, which seeks to explain the how and why of the exercise and contest of monetary power instead of predicting definite outcomes of the economy.

3.2. Unit of Analysis

The BRICS grouping is the main unit of analysis as a group that is a collective actor in the global monetary system. Moreover, specific experiences of member states are considered to reflect internalization variation in the block. The comparative institutional cases have also been included in the study to put BRICS initiatives into contexts of larger tendencies of monetary integration and de-dollarization. This is a multi-level unit of analysis, which can be used to study collective and intra-group dynamics

3.3. Data Sources

The research uses secondary qualitative data only. The sources will consist of academic literature written by scholars, the official declarations of the BRICS summits, official governmental policies, reports provided by international financial institutions, and publicly accessible macroeconomic and trade statistics. These sources can shed some light on the formal policy plans of the members of BRICS, and the structural nature of the global monetary system at large. The triangulation due to the use of several types of secondary sources will help in strengthening the validity of the analysis.

3.4. Case Selection Logic

Three comparable cases are picked, on the basis of their analysis. The Eurozone is analysed in the first instance as a prime example of supranational monetary integration to indicate institutional pre-conditions and governmental issues related to a common currency. Second, de-dollarization projects at the national level by a few BRICS members are examined to evaluate incremental options to complete monetary union. These instances are selected due to the fact that they reflect two different ways in which the monetary autonomy and the currency effects have been sought, and that they can be compared with the BRICS suggestion to some extent.

3.5. Techniques and Justification of Analytics

The following analysis utilizes a blend of institutional analysis, comparative analysis, as well as, strategic assessment. The institutional analysis is applied to the assessment of governance institutions, asymmetries of leadership, or credibility mechanisms that apply to monetary arrangements. Thanks to the comparative analysis, it is possible to determine the similarities and differences between BRICS initiatives

and current monetary systems, especially in terms of convergence, coordination, and enforcement. Besides this, a systematic strategic analysis model is utilised to analyse the strengths, weaknesses, opportunities and limitations involved to a possible BRICS money. Such methods of analysis are quite appropriate to the research question because they provide the opportunity of conducting the systematic analysis of the internal and external conditions, which influence the monetary power.

3.6. Minimization of bias and Research Rigor

In order to reduce chances of bias, the study will use a balanced method of analysis which involves the consideration of various perspectives of various scholarly and policy materials. There is no one national or ideological perspective that is given a privilege. Triangulation of sources is done in order to cross-verify claims so that no conclusions are made on the basis of an isolated or anecdotal conclusion. The comparative design also contributes to rigor by avoiding the tendency to overgeneralize based on one case and by placing BRICS initiatives in the context of a larger institutional setting.

The methodological limitations are as follows.

The nature of the study (qualitative and secondary data based) does not offer the chance to develop causal relationships, or to measure the extent of possible currency changes. There are no primary data and econometric modelling which limits predictive accuracy. Nevertheless, due to the forward-looking and exploratory nature of the BRICS currency initiative, the chosen methodology will be suitable in producing theoretically based insights into the institutional feasibility, issue of governance and credibility relations.

4. RESULT AND DISCUSSION

The BRICS initiative to discuss the possibility of a common currency and to challenge the world dominance of the U.S. dollar should be interpreted within the framework of motivation behind it, viability of its realization, the comparative lessons that it can learn over other monetary integration experiences, and the overall global consequences. It is on this basis that this discussion would place the BRICS project within the broader context of the global political economy, as well as highlight the opportunities, and the intrinsic challenges that define its course.

4.1. Motivations Behind BRICS Currency Push

Economically, among the leading indignations, which led to the BRICS currency initiative, is the need to settle trade not through the dollar-based system. The U.S. dollar has dominated the international trade, as it has been invoiced over the decades, despite the fact that the people who expect payment are neither the exporter nor the importer, neither has any direct relation to the U.S. This puts BRICS members at the risk of fluctuations in the exchange rates, decisions made by the U.S. Federal Reserve monetary policy, and financial shocks that are instigated within the American economy. Through seeking out a currency structure that will minimize the dependence on the dollar, BRICS will aim to cushion itself against the monetary shocks of the U.S., stabilize the regional economic activity, and increase financial sovereignty. According to [Liu and Papa \(2022\)](#), the attempts to de-dollarize should be seen as the efforts to reassert control over the national financial systems and minimizing the exogenous vulnerability to the exogenous policy decisions.

On political front, the urge is based on displeasure with Western control of the international financial framework. The U.S. dollar does not only serve as a reserve currency but also as a power tool, especially since it is central to the world payment system. Depending on the dollar has enabled Washington to impose sanctions that are not limited to the domestic borders but in fact dominates access to the global financial system. The necessity of the development of alternative mechanisms is especially high in such countries as Russia that have already been targeted by the waves of Western sanctions. [Kondratov \(2021\)](#) emphasizes the fact that the mutual political desire of BRICS to have sovereignty and autonomy is the basis of their economic collaboration and the reason behind their unified opposition to dollar hegemony.

Moreover, the BRICS members consider financial collaboration as a manifestation of their larger contribution to evolve a multipolar world order. The bloc does not only aim to get economic gains but to

indicate its emergence as an opposition to the U.S.-led West. The wish to update the global governance institutions, decentralize the centres of power and increase the influence in the Global South all intersect with the currency project. [Obajinmi and Garba \(2025\)](#) note that the rise of BRICS is another indicator of the desire of the bloc to restructure the world economic order, and financial innovation is the logical continuation of this objective. Therefore, the currency project is not only a material policy, but also a political message, reflecting the common frustrations of BRICS with current hierarchies and their search of alternatives.

4.2. Feasibility of a BRICS Common Currency

There is no doubt about the motives, but the viability of BRICS common currency is a highly controversial topic. The economic heterogeneity of the member states is a central impediment. BRICS economies are extremely different in size, shape, and developmental paths. China is an industrial giant boasting a large export base, and Brazil and South Africa lead with the dependence on commodities, and Russia boasts an economy, which is largely based on energy exports. The economy of India on the other hand is service based and consumption-driven. This economic model's difference makes it difficult to come up with a common monetary policy.

Another risk is the imbalance in leadership. With its economic gravity, China would automatically take control of any BRICS currency program. Although this has the potential to provide stability in terms of technology, it presents political issues in the eyes of other members. India is especially opposed to replacing one form of domination with another, as it does not want to lose to Beijing its imposing power. The outcome is contradiction between the necessity of the tight link to the currency and the risk of domestic dependence. According to [Olawore et al. \(2025\)](#), the imbalance reminds readers of the troubles experienced in the Eurozone, where Germany is frequently dictating the atmosphere of the whole block, but in the BRICS situation the asymmetry is even higher. These are aggravated by institutional weaknesses. BRICS have established institutions such as the New Development Bank and the Contingent Reserve Arrangement, which are nonetheless small in scale and scope. It has no supranational central bank, no convergence criteria, and no binding measures to impose any fiscal discipline among members. In the absence of such institutions, one can hardly conceive of how a common currency can be credible and stable. One should not ignore the fact that much of the economic potential of BRICS is still unexplored, but, at the same time, the institutional basis of monetary integration is not developed yet ([Afridi et al., 2025](#)).

Lastly, there is a lack of trust and credibility, which is another obstacle. To make a currency a global reserve, it has to be viewed as stable, liquid and supported by the rule of law. Investors, central banks, and traders should be assured that its value will not be affected by political interference. The U.S. dollar has a long reputation of credibility which was supported by well-developed financial markets and transparency of U.S. institutions. In contrast, BRICS states have difficulties such as capital restrictions to political unrest. Theorize that credibility is the most challenging aspect to attain and the lack of credibility cannot be counterbalanced by solid economic fundamentals to ensure the international acceptance ([Olawore et al., 2025](#)).

4.3. Comparative Insights

The Eurozone experience can be helpful to BRICS. The success of the euro is the resultant decades of progressive integration, through agreements on trade and finally monetary union. Convergence criteria came up to bring inflation rates aligned, budget deficits, and public debt levels, and guaranteeing a minimum of macroeconomic similarity. The central bank in Europe was established as a supranational body that was mandated to have power, and the member states agreed to limitations to their monetary policies. All these factors prove that the common currency cannot be possible without political will, institutional architecture, and macroeconomic convergence. The Eurozone experience however also brings forward the dangers of asymmetry. The vulnerability of the integration without fiscal union during the sovereign debt crisis was indicated in the disparities between the northern and the southern members. It can be best enlightening to BRICS, which is experiencing even more asymmetries. As opposed to

Europe, BRICS does not have a common political identity, past integration, or supranationalism institutions. The bloc is rather a coalition of convenience than a community of shared destiny. In this regard, the use of the Eurozone model in BRICS indicates more dissimilarities than similarities. According to [Olawore et al. \(2025\)](#), even though the euro proves what can be done, it also indicates how hard it can be to maintain integration even in an advantageous environment.

4.4. Global Implications

In case BRICS came up with a joint currency, the effect on global trade would be significant. An alternative with credibility would lower the portion of the global trade that is completed in dollar, particularly in energy and commodity markets where BRICS members dominate. Such a move would undermine U.S. position in sanction regimes and diminish the systemic privilege that the U.S has because of dollar hegemony. According to [Afridi et al. \(2025\)](#), BRICS have enough economic weight to change the dynamics of the trade, although not enough to replace the dollar completely.

In the case of global governance, the project would constitute a vital action to multipolarity. The presence of a BRICS currency would entrench an alternative to Western-dominated financial institutions, and this will indicate the disintegration of the postwar order. On the one hand, multipolarity would democratize the system, offering more choices to the states. Conversely, it may disintegrate the system, which lowers efficiency, as well as volatility. [Kondratov \(2021\)](#) stresses that diversification of monetary power can minimize the U.S. dominance, but at the same time, it may produce overlapping spheres of influence, with poorly defined coordination.

New opportunities and new risks would be encountered by emerging economies that are not BRICS. By gaining access to a BRICS currency, they may diversify their reserves and lower the susceptibility to U.S. sanctions, which will increase their autonomy. The reliance of BRICS might however also bring up new hierarchies, especially when China turns into the de facto anchor. [Obajinmi and Garba \(2025\)](#) also point to the fact that expansion as such creates exactly this dilemma: with expansion, the bloc expands, but at the same time, it increases the complexity and reliance of its internal members on the strongest members ([Kondratov, 2021](#)). The outcome is a fine line between the opportunity and the risk, a wider uncertainty of a changing world order.

4.5. Implications and Theoretical Interpretation

The findings are that despite the BRICS initiative expressing an increasing discontent of the dollar hegemony, its ability to fundamentally transform the world monetary framework is limited due to the institutional, political, and credibility-related limitations. Theoretically, the findings confirm the thesis that monetary power is not solely accounted by the economic size alone, but also market depth, institutional trust, and network effects. Its prevailing status in the world financial markets and its use as a coordinating mechanism that minimises transaction costs and uncertainty then explain its continued hegemony in the U.S. dollar.

The de-dollarization efforts led by BRICS seem to be mostly in the form of risk mitigation and hedging due to geopolitical tension and asymmetric exposure to American monetary and sanction policies, and not necessarily direct alternatives to dollar-based finance. This indicates that some form of gradual diversification takes place in conjoin with monetary structures in place and not replaced. These findings can only be applicable, under the condition of continued political cohesion among BRICS, more institution-building, and an opportunity of good external conditions. All in all, the findings provide an emphasis on the fact that any significant threat to dollar hegemony must be met with enduring governance systems, plausible policy responsibilities, and extensive global credibility.

4.6. General Social and Policy Repercussions

The study indicates essential social and policy aspects especially to countries in the Global South. Global inequality, in which economies with limited resources are disproportionately affected, is becoming a more significant factor in digital transformation and enterprise compliance. The vulnerabilities can be compounded by sanctions and other pressures in international financial assets and restrict economic and

operational autonomy. The robustness of the financial and regulatory systems can increase the resilience of the nation and minimize the reliance on foreign players. The policymakers should take into account these dynamics to provide the equitable access to the technology and compliance tools to enable sustainable development and address the systemic risk of the global power imbalances.

5. CONCLUSION

The analysis of the initiative by BRICS to threaten the dominant role of the dollar by a possible common currency demonstrates the opportunities available to it as well as its challenges. The United States Dollar has long been the mainstay of the global financial system with strong financial markets, institutional credibility and international trust having held the currency. However, there has been an increasing dissatisfaction regarding this setup, especially by the emerging economies who consider dollar dependence as a conduit to the exogenous shocks, sanctions and policy actions beyond their control. In this regard, the idea of BRICS to have a common currency is both a pragmatic attempt to diversify the financial models and a sign of taking control toward becoming sovereign in international relations.

The initiative is based on economic reasons as BRICS aim to decrease the dependence on the dollar in settling trade and financial operations. On the political front, the move is an indicator of the desire by the bloc to redefine the power balance in the international finance. Nonetheless, economic heterogeneity, leadership asymmetry, ineffective institutional structures and lack of credibility relative to USD limit the viability of BRICS currency. The experience of the Eurozone shows that convergence and robust supranational institutions are the essential conditions of integration which BRICS does not yet have. In spite of these constraints, BRICS gradual measures such as using local currencies to trade, bilateral swaps, and alternative payment systems are an indicator that financial multipolarity is gradually being realized. Although introducing a shared currency is a long-term goal, the effort per se has already shaken the sense of unquestioned monetary hegemony of the U.S. In the end, the activities of BRICS will be a significant move towards the reform of the world financial system in more multipolar and pluralistic directions.

6. POLICY RECOMMENDATIONS

Regulatory bodies and governments in the Global South ought to focus more on improving the digital compliance systems. On the national level, they should introduce well-developed monitoring and reporting systems, which should be matched with capacity-building programs. The international bodies can help by providing technical advice and knowledge transfer in improving resilience to sanctions and financial pressures across the globe.

Ethical Approval

Not applicable.

Informed Consent Statement

Not applicable.

Authors' Contributions

Conceptualization, W.A. and S.B.; methodology, W.A and Z.A.; validation, S.B., and Z.A.; formal analysis, W.A., Z.A and S.A.; resources, W.A.; writing - original draft preparation, W.A.; writing -review and editing S.B., Z.A and S.A. The published manuscript has been read and consented with by all the authors.

Its purpose is to enhance the discipline and respect among individuals within an organization. It is done with the view of promoting order and respect amongst others in an organization.

Disclosure Statement

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Availability of Data on the Web.

The evidence of the results of this research will be based on the publicly available materials, such as scholarly publications, policy briefs, and governmental publications, mentioned in the reference list. This research did not generate or create any new data.

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