

Western Sanctions against Russia in the Ukraine War: Effects of Russian Strategies on the Development of Multilateralism

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Abstract

This paper examines how Western economic sanctions against Russia have accelerated economic dynamics among emerging economies through bilateral, multilateral, and institutional alliances that favor Russian economic development in the face of sanctions. Although sanctions have been characterized as an isolationist action by a state actor in an international environment market by American interests, after the start of the Ukrainian War, sanctions have gradually had less negative effects on Russia, both due to low international support and the European economic slowdown. In this sense, Russia has benefited from Chinese interests in the internationalization of the Renmimbi to strengthen economic relations decoupled from the dollar, in addition to opening new opportunities for other emerging countries to adopt collaborative economic policies, contributing significantly to multilateralism. The article proposes that Russian actions have generated new perspectives for emerging countries, since, following the various arbitrary sanctions, Russia had advanced with constant economic development and new commercial partnerships outside the Western axis, which is unique even within the context of emerging countries.

Keywords

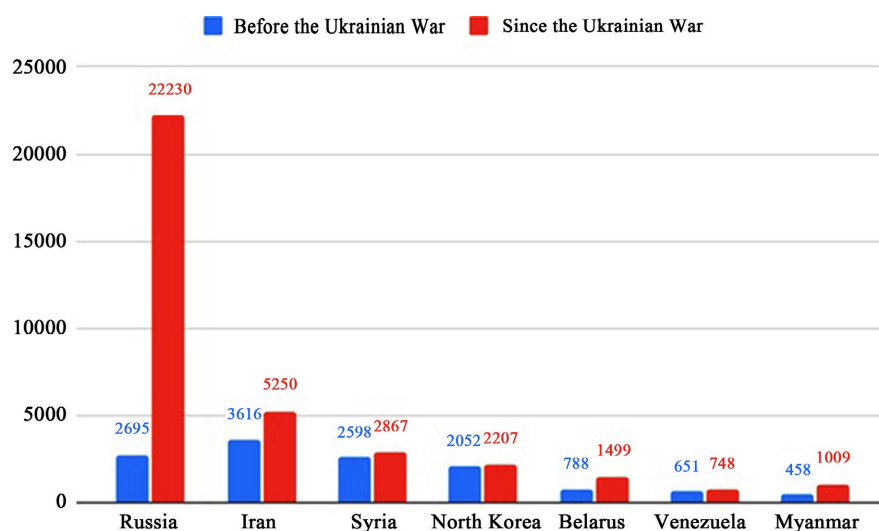
Russian Sanctions, Ukrainian War, Multilateralism, BRICS Plus, Global South, De-Dollarization

1. Weakening of Western Economic Sanctions within a Russian Context

The development of relations between European economies and Russia has been

characterized by tensions and easing, especially in recent years. Through the consecutive application of economic sanctions against Russia, the Eurasian country has implemented different strategies to overcome potential economic and development difficulties within an isolationist Western international expectation. Russia has established new international political, economic, and trade alliances that are progressively related to its interests, one of which is combating potential economic stagnation. In this way, these partnerships are configured in a deeper relationship between Russia, both with China and with other emerging countries that are part of international cooperation institutions, such as BRICS—which has been expanding rapidly over the last years.

However, the very application of sanctions by European countries, which are essentially based on an opposition to Russian political conduct, gradually evolved into a process of reverse effect on the economies of the sanctioning European states. According to a document from the [European Parliament \(2022\)](#), the consequences of the Ukrainian War led to greater financial instability in the price policy within the Eurozone, given the deterioration of the public trust in the European Central Bank through the increase in inflation in Europe. This is because, through the application of economic sanctions by European countries and the United States (US) against Russia, there was a worsening of Europe's financial and commercial intermediation, especially in key sectors, such as energy ([Kammer et al., 2022](#)).



Source: Author's estimates based on [Castellum.AI, 2024](#).

Figure 1. Most sanctioned countries. (In total numbers)

As shown in [Figure 1](#), after the start of the Ukrainian War, sanctions targeting Russia increased by more than 824% over the past two years, drastically surpassing the total number of economic sanctions against Iran, the country with the highest number of sanctions until the start of the war. Comparatively, it can be seen that, with the support of the European powers in adhering to the sanctions, in a short

space of time a severe amount of sanctions was established to, in addition to demonstrating international retaliation for Russian actions, unbalance the Russian economy through trade instability with the West. As highlighted in **Table 1**, Russia's Gross Domestic Product (GDP) in 2011 fell from 5.9 to -1.2 in 2022, given the harmful effects that the sanctions had on the Russian national economy.

Not being a mere coincidence, Russian growth from -1.2 in 2022 to 3.59 in 2023 (O'Neill, 2024) contrasts with the deceleration in real GDP of other European economies due to the outbreak of the Ukrainian War in 2022 and, subsequently, the economic sanctions against Russia in the same year. According to Kuehnlenz, Orsi and Kaltenbrunner (2023: p. 7), "the recent exclusion of Russian banks from SWIFT¹ was led by the EU in consultation with the US, Canada and the UK as members of SWIFT in an attempt to hinder Russia from accessing international financial markets".

Nevertheless, as emphasized by Russian President Vladimir Putin in an interview², although the US expected the Russian economy to collapse after the economic sanctions, the Russian financial and economic system remained balanced due to the trade diversification developed by Russia with China. Based on the demonstration in **Table 1**, it can be seen that, even with an economic recovery after the pandemic period of 2020 in all the countries listed, Russia stands out for having high economic growth in 2023 if compared with other developed European economies that got less than half of Russian growth. This is because, before the Ukrainian War, Russia had previously developed important actions to combat possible economic sanctions from Western countries and strengthened its financial defenses, accumulating considerable international reserves in the Bank of Russia, in addition to replacing part of its international reserves composition with other currencies outside the dollar, such as Renmimbi (RMB) and gold (Frankel, 2023: p. 8).

Table 1. Real GDP growth. (annual percentage change)

Countries	2018	2019	2020	2021	2022	2023
France	1.6	2.1	-7.6	6.8	2.6	1.1
Germany	1.1	1	-4.1	3.7	1.4	-0.3
Italy	0.8	0.4	-8.9	8.9	4.7	0.7
Netherlands	2.3	2.3	-3.9	6.3	5	0.1
Poland	5.9	4.4	-2	6.9	5.6	0.2
Russian Federation	2.8	2.2	-2.7	5.9	-1.2	3.6

¹SWIFT is the acronym for Society for Worldwide Interbank Financial Telecommunication, which is a major communication system for international financial and banking transactions between private and public institutions.

²Kremlin. Interview to Tucker Carlson. Youtube, 9 February 2024. Available in: <https://www.youtube.com/watch?v=hYfByTcY49k>. Accessed at: 21/04/2024. Interview between Tucker Carlson and Vladimir Putin.

Continued

Sweden	1.9	2.5	-2	5.9	1.5	-0.2
Switzerland	2.9	1.2	-2.3	5.6	3.1	0.7
United Kingdom	1.4	1.6	-10.3	8.6	4.8	0.3

Source: Author's estimates based on *International Monetary Fund, 2024*.³

Following *Frankel (2023: p.8)*, the countries that are geopolitically furthest from US interests are those that, because they are the most exposed and likely to suffer economic sanctions, establish strategies to transfer their dollar reserves. China's rapprochement with Russia is not consolidated within a perspective of unilateral advantages but of closer economic relations based on mutual interests in overcoming financial and economic difficulties in a dollarized international scenario. The "weaponization of the dollar", also called by *Frankel (2019)*, is the meeting point of the economic concerns of both developed and emerging countries, given the use of the dollar as an international political tool for US prerogatives. Through the centrality that the dollar has in current monetary processes, the US takes advantage of the economic weaknesses in the system to define conducts that are more favorable to its interests.

Although developed economies have historically had closer relations with the political and economic approaches of the US in the international context, there has been a distancing from these inter-state alliances. *Frankel (2023: p. 8)* shows that, as a result of the use of sanctions, there is a tendency for some countries to move away from dependence on the dollar. However, this perspective can also be expanded even to US alliances with Western European countries, especially after the economic slowdown resulting from the Ukrainian War. For example, while French President Emmanuel Macron declared in 2023 that the expansion of BRICS is a "fragmentation of the world" and that it violates both international law and the agreement of the global trade order (*Sputnik, 2023*), the following year Macron stressed that Europe is not a priority for the US geopolitical vision, even though the alliance between the two countries is strong⁴.

In this regard, with European opposition to the development of BRICS⁵, as an institution that groups emerging peripheral economies, and the distancing of US interests in Europe, the French president's analysis of the current context is based on an isolationist perception of Europe. This European position was built over the last 15 years, because, through the gradual reduction of "multilateral support"

³Information used on **Table 1** related to countries' real GDP growth is from the official International Monetary Fund website. International Monetary Fund, Real GDP growth, 2024. Available in: https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/EURO/GBR.

⁴**FRANCE (2024)** 24 English. **REPLAY: French President Macron's speech on the EU · FRANCE 24 English**. Youtube, 25 April 2024. Available in: <https://www.youtube.com/watch?v=CZzt-9SgZns>. Accessed in: 11/21/2024.

⁵Prior to 2024, BRICS consisted of Brazil, Russia, India, China and South Africa, but Saudi Arabia, the United Arab Emirates, Egypt, Iran and Ethiopia joined.

among developed countries for sanctions, the application of sanctions has itself deteriorated. Thus, based on the fact that international economic sanctions need to be adopted collectively to be effective, we can see the loss of multilateral support from the West since the first government of Donald Trump (2017-2021) for the effectiveness of sanctions (Frankel, 2023: p. 7).

Table 2. Composition of US financial sanctions programs.

Country	2021
Venezuela	5%
Russia	5%
Iraq	6%
Syria	7%
North Korea	9%
Iran	21%
Others	47%
-	Total financial sanctions: 176

Source: Author's estimates based on U.S Department of the Treasury, 2021.⁶

According to the U.S. Department of the Treasury, as shown in **Table 2**, Russia is one of the countries with the largest accumulation of U.S. financial sanctions in 2021. Based on the published document (U.S. Department of the Treasury, 2021: p. 2), between 2000 and 2021, sanctions designated by the U.S. Office of Foreign Assets Control increased by more than 933%. Iran is an example of this, the U.S. assigned a contingent of economic sanctions with the aim of consolidating strong restrictions on Iranian financial institutions, promoting the disconnection of Iranian banks from SWIFT. Drezner (2019: p. 17) highlights that the Trump administration's unilateral sanctions on Iran not only degrade the U.S.'s long-term ability to exercise financial sanctions but also demonstrate Europe's lack of support for this decision.

In Cox's (1981: p. 231) view, the foundations of the international economy are founded on delimitations within an American paradigm, which undergoes frequent adjustments to preserve the maintenance of power hierarchies. It can be analyzed that the very structures of a system centered on American interests are increasingly finding it difficult to establish their maintenance within the expected hierarchies. Given the inconsistencies in the cooperation of developed European economies to maintain sanctions against Russia in recent years, a tendency is identified not only for the weakening of relations between the parties but also for the weakening of the system itself in order to preserve itself.

⁶Information used on **Table 2** is from the U.S Department of the Treasury, there was no calculation from author's part because the document already had the percentages available. U.S. Department of the Treasury. The Treasury 2021 Sanctions Review. Published in: Out/2021. Available in: <https://home.treasury.gov/system/files/136/Treasury-2021-sanctions-review.pdf>.

Furthermore, the production of new alternatives to circumvent US sanctions is observed in both Iran and the EU, since, due to their strong trade with Iran, new European vehicles for cross-border transactions with Iran of a special nature have been created (Drezner, 2019: p. 17). As a result, through the EU's organization in creating new ways to avoid Iranian sanctions, it is understood that US sanctions, in addition to progressively having less support from its allies, open spaces for new decentralized international cooperation mechanisms from the US and/or the dollar.

Although Fritz, Kaltenbrunner, Mühlich, and Orsi (2023: p. 2) argue that South-South integration efforts help to overcome problems related to intra-regional asymmetries, rivalry, and hierarchy, it is worth noting that the Global South also uses the aggressiveness of sanctions as a starting point for the creation of new economic alternatives between North-South Relations. The strategies established by Russia and Iran demonstrate the continued resilience of their understandings as producers of solutions in the face of the adversities arising from Western sanctions. This is because, essentially, the monetary characteristics of the international context based on the dollar are already linked to intrinsic difficulties of the system, with the establishment of Russian-Chinese relations being fundamental for the continuation of new dynamics in multilateralism.

2. Chinese Goals in Accordance with Russia's Needs: Sino-Russian Economic Relations in the Context of the Ukrainian War

In 2016, with the "13th Five-Year Plan for National Economic and Social Development of the People's Republic of China", the Chinese state officially expressed not only its interest in the internationalization of the RMB, which was planned to be aided by the internationalization of Chinese financial institutions, but also in the flexibility of transactions abroad (National Development and Reform Commission People's Republic of China, 2016). In addition to being the first mention of the internationalization of the RMB in the five-year plans, at the end of 2016, the RMB was also included in the Special Drawing Rights (SDR) basket. According to Prasad (2016: p. 85), in a publication by the U.S-China Economic and Security Review Commission, the inclusion of the RMB in the basket resulted in a substantial increase in the volume of foreign exchange transactions, although it was at a low level.

As stated by the economist (Prasad, 2016: p. 89), through the symbolic effect of the RMB's presence in the basket, recognizing the RMB as an official reserve currency would encourage central banks around the world to include RMB assets in their reserve portfolios due to their sufficiently high quality, "making it a secondary reserve currency, similar to the pound sterling or the yen" (Cintra & Pinto, 2017: p. 393, translated by the author). Even though the author identifies that there are economic risks arising from certain weaknesses that the Chinese domestic environment may present, Prasad (2016: p. 91) argues that China's particular

character of having the possibility of opening up financially is a catalyst for the development of the financial market and the improvement of institutions. Thus, the growth of the RMB as an international reserve is conditioned by the stability of China's regional and financial systems (Prasad, 2016: p. 104).

The publication of the "14th Five-Year Plan" of 2021 placed greater emphasis on the objective of improving China's institutional systems for foreign investment. Even though it has a direct connection with the Chinese state's interest in the internationalization of the RMB, the document emphasizes caution in this regard, as it is necessary to foster new mechanisms of mutual cooperation to develop the free benefit of the use of the RMB (National Development and Reform Commission People's Republic of China, 2021). It is observed that there is a security character in Chinese policies and structures that will promote the internationalization of the RMB. This is because this caution can be considered a means that allows China to make financial, economic, and political adjustments in the dynamics linked to the RMB without drastically compromising its development in the international environment.

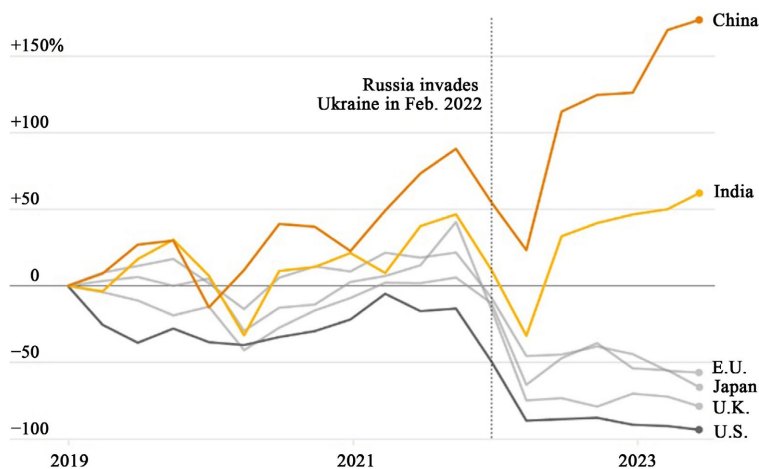
As analyzed by Martins (2018: p. 14), "the entry of the renminbi into the SDR basket does not aim to increase its demand by central banks in the short term, but rather to incorporate this currency into the international system and encourage further financial reforms in China" (Martins, 2018: p. 14). To the extent that the clarity given to the 13th Five-Year Plan is a result of the transparency of Chinese interests with the RMB in 2016, Martins already identified that Chinese institutional reforms would be part of a present and future process, given the opening of new financial mechanisms linked to the currency since that period. The creation of the Cross-Border Interbank Payments System⁷ (CIPS) in 2015 is an example of this, since, through a system developed to make inter-bank communication more effective in relation to the RMB, the CIPS, at the end of 2020, already covered 99 countries and regions, with the participation of all countries of the Association of Southeast Asian Nations (ASEAN) and another 876 direct and indirect participants from Asia (Gao, 2023: p. 239).

"Recent crises have motivated policymakers to establish entirely new sub-regional, regional and transregional institutions; to build out existing, substantially increasing their funding and capacity" (Grabel, 2019: p. 49). Since China holds large-scale bilateral and multilateral cooperation projects, such as the New Silk Road, the effects on institutional processes are incorporated through greater adherence by emerging peripheral economies that have weaknesses in the financial or economic contexts, given the issue of sanctions previously. Based on Cox (1981), bottom-up counter-hegemonic movements must be strengthened by a sense of collaboration and "transnational solidarity", which are necessary to resist the imposed system. In this sense, Chinese institutional developments are established through a perspective of more collaborative cooperation, mainly among

⁷Chinese financial monitoring system, which is attributed the characteristics of replacing the use of SWIFT within monetary transactions linked to RMB.

emerging economies, given the Chinese development of new systems, institutional processes, and economic arrangements.

According to Robert Cox (1981: p. 232), “national corporate and industrial structures can raise protectionist or restrictive obstacles to adjustments required for adaptation of national economies to the world economy in a hegemonic system”. Through Russia’s integration into China’s digital yuan pilot initiative in 2023, the collaboration between both countries is seen within an analysis of cooperation to create more dynamic alternatives to dollar-based financial structures (Zharikov, 2023: p. 14). This is because, with the milestone of the Ukrainian War in 2022, there was a rapid increase in Sino-Russian trade exchanges, with both a decline in Russian imports from developed countries and in Russia’s rapprochement with other emerging economies.



Source: Wu, Ashley, 2023, apud *The New York Times*, 2023

Figure 2. Change in imports from Russia by country. (2019-2023)

Based on **Figure 2**, there is a reduction in the focus of Russian imports from the European Union, Japan, England, and the USA and a significant increase with China and India. With the growing rapprochement between both economies to Russia, essentially after the Ukrainian War, there was a greater debate about the structuring of new financial systems between Russia and China. This would not only favor greater trade flows between both countries but also allow for a broader development of the necessary ways to overcome economic disadvantages arising from the West. This process, in addition to benefiting relations between Russia and China, establishes a favorable environment for the projection of the RMB and other currencies in the Russian financial system because, according to the Deputy Prime Minister of Russia Andrei Belousov in the end of 2023, bilateral trade between Russia and China was defined as 95% use in yuan and ruble⁸, with the yuan currently being the primary foreign currency in Russia⁹ (Chen, 2024).

⁸Official currency of Russia.

⁹Prior to the economic sanctions on Russia, the country traded mainly in dollars or rubles (Chen, 2024).

Although some authors such as [Saxena \(2024\)](#) argue that, in the course of an increasingly unfavorable and hostile international order from the Russian and Chinese perspectives, “unshakable” mutual support bonds are developing between the parties, Chinese retreat movements are also observed ([Essen, 2024](#)). According to the China Belt and Road Initiative (BRI) Investment Report 2023 ([Wang, 2024](#)), there was a 100% drop in BRI engagement in Russia in 2022, making it necessary to establish agreements between Russia and China to promote new engagements in 2023. In the view of Hugo von [Essen \(2024\)](#), this position is defined within an aspect of political differences between the agents, since China is careful to perform neutrality to avoid negative impacts on its international reputation. Furthermore, [Essen \(2024\)](#) substantiates the concept of “secondary sanctions” as an important aspect to be analyzed, as Western sanctions imposed on Russia indirectly affect Chinese economic planning that is predominant for China and its allies. Sino-Russian distancing and rapprochement are highlighted within specific contexts, and this is not necessarily a static interstate relationship because, given significant reforms in the economic and financial landscape of both countries, the economic aspect focused on trade and monetarism between them can be categorized as more referable to be reciprocal than other points.

Since China began to more actively encourage foreign importers to make payments in RMB, the New Silk Road project has become a catalyst for investment in China, which has used CIPS as a facilitator of trade transactions. Although Russia is integrated into the Chinese transcontinental project, the deepest relationship between Russia and China, for the development of business through Chinese financial institutions, began before the Ukrainian War and thus contributed to a Russian accumulation of profits in RMB, which was used for trade exchanges, financing Chinese construction companies and investing in Chinese government bonds ([Eichengreen, 2022: p. 6](#)).

According to the Board of Governors of the US Federal Reserve System, Russia’s response to increasing its use of the RMB in its international transactions following the sanctions not only made the RMB attractive to the Russian economy, but also opened up potential opportunities for other countries to use the RMB to reduce their economic exposure to future Western sanctions. From 2023 to 2024, there was a substantial increase in RMB trade turnover¹⁰, in the share of global payments—which surpassed the Japanese yen—and in the share of global trade finance, almost reaching the same level as the euro ([von Beschwitz, 2024](#)). “The bank loans are also supported trade but also supported liquidity needs of partners, such as the recent surge in renminbi loans of some USD 10bn by major Chinese banks to Russian bank’s” ([Poenisch, 2023: p. 3](#)).

It is analyzed that, even though the relationship between Russia and China has been established in an ongoing process of bilateral partnerships to construct new mutual economic mechanisms since the 2010s, the Ukrainian War significantly changed the Sino-Russian configurations, enhancing the trade and monetary

¹⁰Regarding the participation of RMB in payment and trade credit.

processes between both. Although the war is a recent event, a rapid Russian mobilization to confront sanctions and other international economic penalties is highlighted due to Russia's strategic rapprochement with the Asian giant. Nevertheless, it provided an eventual change in the way emerging economies can resist US and Western actions, generating essential geopolitical openings within the context of the fragility of emerging peripheral economies. Thus, as described by Sergey Glazyev, former Russian Minister of Foreign Economic Relations, sanctions were imperative to accelerate the beginning of the dismantling of the dollar-based economic order (*Janata Weekly*, 2022).

3. Multilateralism: BRICS as an Institutional Agent to Mitigate the Effects of Economic Sanctions

According to Arrighi (2021: p. 159), studies on Gramsci's concepts of hegemony defined that the hegemonic power of a dominant group is used to, in addition to fostering the interests of that same group, guide society and subordinate groups to believe that they are at the service of collective interests. Not categorized as an exception, the dimension of the international monetary system is established within a hierarchical dynamic of economies and national currencies, with emerging markets and economies in subordinate positions, which mostly face external vulnerabilities, structurally high interest rates, and constraints on macroeconomic policy-making (Kuehnlenz et al., 2023: p. 2). To the extent that institutions can create tendencies to oppose the system, as defined by Cox (1981: p. 219), the current processes of greater institutionalization permeate deeper developments among countries of the Global South in traditional economic structures, being part of a multilateralism.

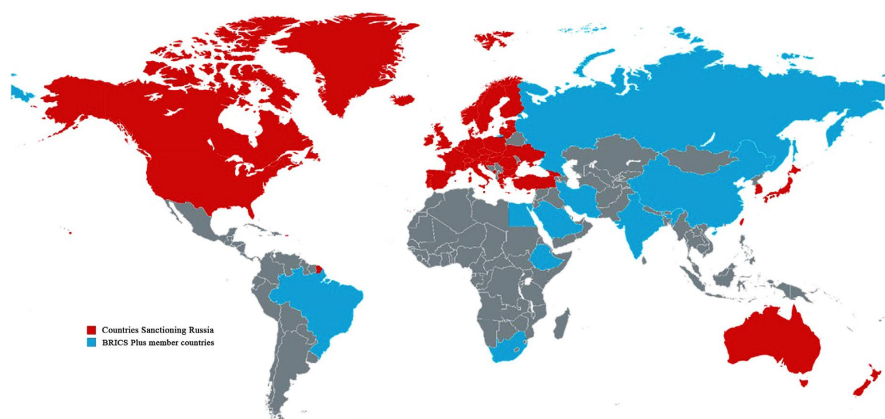
Based on Cox's perception (Garcia & Borba de Sá, 2013: p. 309), the emergence of a "more plural world" would be manifested from the end of the dollar as the sole international currency. This is because, while international financial institutions—such as the International Monetary Fund (IMF) and the World Bank—are aligned with the interests of the United States and other developed economies, the dollar serves as a tool for maintaining the status quo. In the light of David Calleo (Arrighi, 2021: p. 159), declining powers cause the division of the international system, because, in order to reinforce their hegemonic position, they create an "exploitative domination". Although the hegemonic domination of the dollar could already be consolidated as exploitative from the perspective of emerging peripheral economies, it is observed that the application of economic sanctions is a coercive practice by the US that exploits both the economic difficulties of emerging economies and intimidates questions about the existing order.

Within a common international trend, there is an increasingly rapid creation of national development banks, given that, while in the last two decades of the 20th century, there were 120 new institutions, the first two decades of the 21st century had 143 new national development banks (Ocampo & Ortega, 2022: p. 238). The significant increase in the creation of new national economic

alternative destination for Russian exports, given the 247% increase in total Russian exports from 2021 to 2023, with more than half of total Russian exports in 2023 going to BRICS countries. In addition to the drastic reduction in Russian exports to the G7 countries, the high growth in Indian and Chinese figures is linked to Russia's focus on international trade, as shown in **Figure 1**. Even with realignments in Russian interstate relations, it is clear that the G7 countries' trade distancing from Russia represents both collusion with the sanctions imposed and a defense of US interests in international geopolitics. As highlighted by Wang Wenbin, spokesperson for the Chinese Ministry of Foreign Affairs,

“China advocates an equal and orderly multipolar world and universally beneficial and inclusive economic globalization, upholds the purposes and principles of the UN Charter, and believes in open cooperation and mutual benefit. The G7, however, has held fast to the Cold-War mentality, cobbled together small exclusive groupings, and escalated regional tensions and conflicts. It has also engaged in trade protectionism and disrupted world economic order under the pretext of de-risking and less reliance” (Ministry of Foreign Affairs the People's Republic of China, 2024).

Although Western sanctions against Russia have led to adjustments in the Sino-Russian “comprehensive strategic partnerships” and in China's cooperation with other countries, the Ukrainian War has allowed Russian and Chinese new perspectives on their actions in global institutions (Sagild & Hsiung, 2024: p. 13). The official integration of Saudi Arabia, the United Arab Emirates, Egypt, Iran, and Ethiopia into BRICS in 2024 is an example of this action, as there was participation by economies that suffered US economic retaliation in recent years, such as Iran, Saudi Arabia, and the United Arab Emirates. In the same year, the current president of the NDB highlighted the importance of defending the use of national currencies in a multipolar world economy (New Development Bank, 2024). Thus, it is analyzed that the inclusion of countries from the Middle East and Africa, in addition to configuring BRICS in a plural institution, consolidates an international geopolitical planning based on economic multilateralism.



Source: Author's estimates based on [Castellum.AI, 2024](#).

Figure 3. Countries sanctioning Russia and BRICS Plus member countries.

Figure 3 illustrates that, through the geographic differentiation between the sanctioning countries and the BRICS Plus member countries, there is a divergence of interests divided into regional spaces around the globe. Given the alliances between most developed economies to promote sanctions, the BRICS Plus countries not only stand out for being configured within a more orientalized and “continentalized”¹² geographic dynamic, but also being geared towards constructing new trade routes and decentralized economic flows from the North Atlantic. In this way, BRICS Plus develops the introduction of emerging countries into multilateral perspectives that enable greater continental and regional insertion, mainly due to the more pluralistic nature of interstate relations between peripheral economies that distance themselves from Westernized interests.

According to Grabel (2019: p. 62), the development of BRICS results from a history of overcoming differences through consensus, with the evolution of BRICS being a continuous institutional process of commitment and capacity to engage in problem-solving. The position of BRICS Plus within the current international system is to create new economic possibilities for its member countries, being, mainly, an institutional agent that serves as a mechanism to mitigate arbitrary Western actions against emerging economies. The “anti-hegemonic” character, as described by Batista Jr. (2016: p. 180), highlights BRICS’s position against adhering to precepts pre-established in the international economic system, with BRICS being a new path for national development based on multilateralism among developing economies.

By creating new means of economic development through institutions linked to BRICS, there is the possibility of creating an economic system that allows greater access to sources of financing and sales markets for emerging countries (Bryndin, 2023: p. 4). Changing the balance of power, which is centralized in the US, would further weaken the use of economic sanctions as a foreign policy tool, with the proposal for a common currency for BRICS countries being a direct clash with the current economic and political structure (Saaida, 2023). As a reflection of this issue, US President-elect Donald Trump has threatened to apply 100% tariffs if BRICS member countries create a new currency that rivals the US dollar (Wearden, 2024). This is because, given the creation of an alternative currency to the dollar, not only would the unilateral position of the dollar in international trade be threatened, but it would also make the “weaponization of the dollar” for maintaining US interests in the world increasingly ineffective.

The expansion of the new institutional financial alternatives in BRICS Plus emphasized the greater participation of central banks in the development of larger currency swap lines, because it promotes advances in regional investment platforms, with the BRICS’s Payment Platform initiatives in the NDB being an example of this. Based on the difficulty of challenging SWIFT’s hegemony, different strategies are being applied to reduce the dependence of BRICS member countries

¹²In addition to the BRICS Plus members having a significant territorial area in Asia, the Middle East, Africa and Latin America, the countries benefit from their extensive maritime coastlines for the development of foreign trade.

on US-linked financial structures, given the incentive for financial reforms and the adhesion to collective reserve funds to facilitate access to the use of local currencies (Saaida, 2024). As the NDB is gradually moving away from issuing loans in dollars, targets are already being set for 30% of loan issuances to be made in the local currencies of its clients or members (Gouvea & Gutierrez, 2023: p. 799).

Based on the *Joint Statement of the BRICS Ministers of Foreign Affairs/International Relations (2024)*, BRICS Ministers highlighted the better use of local currencies not only between BRICS countries but also with their trading partners, as established in paragraph 45 of the Johannesburg II Declaration of 2023. The reinforcement of the use of local currencies in trade and financial transactions was part of an encouragement to enhance multilateral activities. The Joint Statement's paragraph 25 also encouraged the NDB to create "innovative financing mechanisms to mobilise financing from diversified sources" (2024), given the development of alternatives more efficient and effective to achieve further multilateral development.

Multilateralism and the trend towards de-dollarization are interconnected in the process of formulating more innovative economic, financial, and cooperation institutions to establish effective strategies to contain crises arising from the system's status quo (Gouvea & Gutierrez, 2023: p. 800). As the change in the international economic architecture occurs mainly as a result of the Russian-Ukrainian conflict, the need for Russia and its trading partners to create economic alternatives is a fundamental part of understanding the effects that sanctions have had on the specific Russian context. This is because, through institutional alliances, such as BRICS Plus, Russia has dynamized its international economic relations more effectively, reducing deteriorating effects on the national economy. Thus, as discussed by Cox (1981: p. 219), the possibility of institutions producing tendencies towards opposition allowed BRICS to expand into a more complex structure within the current economic architecture, being an institution of coalition and promotion of multilateralism among emerging economies.

4. Conclusion

It is possible to analyze that the multilateralism among emerging economies developed in a chain of effects that, although related to the common desires among emerging countries to be more independent about the dollar, began in a process of cooperation between sanctioned countries, which had healthy relations with other important economies in the world. Through the creation of new institutional mechanisms that bypassed dollarized structures, there was an opening for more active participation of the interests of other emerging economies without facing direct retaliation from Western countries. Even though Iran has suffered several economic sanctions and international retaliation in recent years, Russia's preparation and more plural approach to action options against Western sanctions have provided a more favorable environment for Russia to increase its multilateral institutional and commercial relations. Comparatively, as shown in Graph 2 and **Table 3**, Russia used

its closer economic relations with emerging economies, such as China and India, to replace trading partners without disrupting the national economy, given the growth of Russian GDP in relation to other European powers.

While European economies were dependent on Russian trade to better nourish their economic developments, Russia established alliances that made European economies not only replaceable but also regressive, as post-sanctions Russian GDP was higher than in the years before the Ukrainian War and the COVID-19 pandemic period in 2020, according to Graph 2. Given the expansion of BRICS as an institution opposing the current international order, BRICS Plus is configured as an alternative for emerging countries that aim to have more economic autonomy over the dollar because, as defined by Cox (2007), international institutions can bring changes in political orders by creating new social, productive and political structures. Currently, the institutional representation of BRICS Plus for its members and other peripheral countries is the development of new opportunities that benefit economies of the Global South more broadly.

Although Russian economic relations with various emerging countries have progressed since the beginning of the Ukrainian War, China stands out for presenting both a destination for exports and a monetary option other than the dollar, with the RMB being used for transactions with China and other Asian economies. Sino-Russian proximity is based on a context of mutual benefits between the parties, given the Russian interest in embracing the use of different currencies and financial institutions and the Chinese interest in promoting the use of the RMB with important partners. In other words, economic sanctions have decisively transformed the new non-dollarized economic dynamics between Russia and China, introducing banks, institutions, and individuals into Chinese financial institutions to promote more efficient financial transactions between the economies, which do not adhere to or reduce the use of the dollar.

In addition to Western sanctions against Russia proving ineffective in promoting economic isolationism, Russia has encouraged the development of more decentralized economic institutions in the US. Russia has built alternatives for its own needs within a vision focused on its economic characteristics, as a country integrated in the Global South. As a result, BRICS Plus has become a pillar within Russian political and economic strategies to overcome the adversities associated with sanctions, as the expansion of BRICS has provided greater connections and trade opportunities with the new member countries of the bloc. The structuring of BRICS Plus as an institution detached from Western interests strengthens the fight against possible arbitrary actions by the US in the face of its non-adherence to the system, with BRICS Plus holding intrinsic advantages of the institution, given mainly by the multilateral versatility that the continental and economic diversity of its members provides.

5. Methodology

Based on the approach of Robert Cox related to the importance of institutionalizing

international arrangements for the development of more effective cooperation between member states, mainly emerging economies. Robert Cox, as a neo-Marxist author who used Gramsci's theory, develops perspectives about how international cooperation among emerging economies with institutions create opportunities for their development. Given the Western sanctions, Russian development within an economically unfavorable context is analyzed by Cox's view as correlated with the establishment of new international partnerships, such as China and other BRICS members, to avoid economic dependence and instability from the hegemonic system.

Information available in publications by official institutions, such as the International Monetary Fund, was used to prepare the data used in the tables and figures to ensure greater data reliability. Although it is not known to the general public, the table referring to international trade was developed with information from Trade Map, which is an initiative made by the International Trade Centre UNCTAD/WTO (ITC) that is related to the World Trade Organization. In relation to the counting of international sanctions, Castellum.AI was used as a platform that groups national sanctions programs from different major sanctioning jurisdictions, using location data to better compute information about international sanctions against Russia.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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