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Modernizing Subordination: Brazil's Integration into the Global Economy in the BRICS Era

A Thesis submitted in partial satisfaction of the
requirements for the degree Master of Arts
in Global Studies

by

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June 2026

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by

Larissa Silva Coelho

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This thesis would not exist without my parents, Edson and Elisa. They made education the priority of our family's life, and the greatest inheritance they chose to leave me. The opportunity to pursue this degree, so far from home, rests entirely on the foundation they built, often at the cost of opportunities they set aside for themselves. To them I owe more than these pages could ever record.

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ABSTRACT

Modernizing Subordination: Brazil's Integration into the Global Economy in the BRICS Era

by

Larissa Silva Coelho

When Brazil joined the BRICS bloc in 2009, the project was framed as a vehicle for South-South cooperation that could alter the terms of its integration into the global economy: new trade partners, development finance free from IMF conditionality, and instruments for reducing dependence on the U.S. dollar. This thesis asks whether BRICS delivered that transformation, inverting the question the existing literature has asked to examine what the bloc produced for one of its members whose structural position most needed to change. Combining historical-structural analysis, quantitative data, and interviews with officials inside the institutions examined, and drawing on dependency theory, International Financial Subordination, and the currency hierarchy framework, it argues that BRICS did not break Brazil's pattern of subordinated integration but modernized it. Across trade, finance, and money, Brazil gained new creditors, new buyers, and a seat at a new multilateral table, but not the structural transformation the bloc promised.

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I. Introduction

The literature on BRICS has been asking, for more than a decade, what the bloc means for the global order. Optimistic readings see in it the promise of a multipolar system capable of offering alternatives to the Bretton Woods institutions, while critical readings see a reorganization of existing hierarchies under new language. Both sides, however, treat BRICS as the unit of analysis and leave a prior question in the background: what has the bloc produced for the countries that compose it, and particularly for those whose structural position in the global economy most needed to be transformed? This thesis inverts the direction of the question. Rather than examining what Brazil contributes to BRICS, it examines what BRICS has contributed to Brazil.

The argument developed in the pages that follow is that BRICS did not break Brazil's pattern of subordinated integration into the global economy, it modernized it. Across three empirical dimensions (the country's productive and trade structure, its external financial position, and its currency hierarchy position) the mechanisms through which the Brazilian economy connects to the international system were reconfigured during the BRICS period, but Brazil's relative position within that system was not altered. The country gained new creditors, new buyers, and a seat at a new multilateral table, but did not gain the productive transformation, the financial repositioning, or the monetary autonomy that the BRICS project seemed to promise.

To sustain that argument, the thesis draws on three traditions that insist the world economy is structured by hierarchy rather than symmetry: Latin American structuralism and dependency theory, in the formulations of Prebisch (1962), Furtado (1967), and Cardoso and Faletto (1979); the more recent literature on International Financial Subordination (Alami et

al. 2023); and the currency hierarchy framework developed by Latin American post-Keynesian and structuralist economists (Paula, Fritz, and Prates 2017; Kaltenbrunner and Paineira 2018). Each of these traditions illuminates one of the three dimensions of subordination examined here: dependency theory speaks to Brazil's productive position, IFS to its financial position, and the currency hierarchy framework to the constraints on its monetary policy.

Empirically, the thesis is combining a historical-structural analysis of Brazil's 20th century trajectory, a descriptive quantitative analysis of trade, investment, reserves, and cross-border payments data, and a set of semi-structured interviews with individuals who operated inside the institutions this thesis examines.

The contribution of this thesis is, mostly, analytical. Both the optimistic and critical literatures on BRICS, reviewed in Chapter 2, discuss what the bloc means for the international order, for multipolarity, for dollar hegemony. By shifting the unit of analysis from the bloc to one of its members, this thesis shows that BRICS can produce real diplomatic and institutional gains while leaving intact the structural conditions it claimed to change. Brazil, among the five original members, is the case in which this appears most clearly. The thesis does not attempt to do a comparative study of BRICS members, although it occasionally draws comparisons with India, South Africa, Russia and China, it is deliberately a single-country study, grounded in primary and secondary sources on Brazil.

The thesis is organized in four chapters. This first chapter establishes the research question, the theoretical framework, the rationale for the Brazilian case, and the method. Chapter 2 reconstructs Brazil's trajectory of subordinated integration across the 20th century (Import Substitution Industrialization, the neoliberal opening, and reprimarization) and

reviews the BRICS literature. Chapter 3 conducts the empirical analysis of the BRICS period across its three dimensions: trade and productive structure, direct investment and the New Development Bank, and money and the currency hierarchy. Chapter 4 synthesizes the findings, distinguishes the BRICS contributions to Brazil that have materialized (diplomatic and institutional) from those that have not (structural), and situates what may yet change in the years ahead.

A. Research Puzzle and Argument

BRICS is the acronym used to designate a grouping of large emerging economies (originally Brazil, Russia, India, and China, joined by South Africa in 2010) whose governments have coordinated since 2009 on a shared agenda covering finance, trade, development, and international governance. The term itself predates the political bloc: it was coined in 2001 by Jim O'Neill, then chief economist at Goldman Sachs, as shorthand for four emerging markets he projected would reshape the global economy by mid-century. What began as an investment thesis turned into a diplomatic project. The first formal BRIC summit was held in Yekaterinburg in 2009, at the height of the global financial crisis, and over the following years the bloc built a thickening agenda of joint declarations, working groups, currency swap arrangements, and eventually two multilateral institutions of its own: the New Development Bank and the Contingent Reserve Arrangement.

On July 15, 2014, the original members gathered in Fortaleza, on Brazil's northeastern coast, to sign the agreement that created the New Development Bank. Two days earlier, the same city had hosted a World Cup semifinal. Now it was hosting what looked like the founding act of an alternative financial order: a multilateral bank built by the emerging world, headquartered in Shanghai, capitalized at fifty billion dollars, and owned in equal

parts by all five members. Alongside it, the summit launched a one hundred billion dollar Contingent Reserve Arrangement, a kind of emergency fund that member states could draw on during currency crises without having to knock on the door of the International Monetary Fund.

For Brazil, the moment carried a particular weight. The country had spent most of its modern history as a supplier of raw materials to richer economies, first to Europe, then to the United States, and the BRICS project promised something different. The bloc was supposed to be a vehicle for South-South cooperation, a platform from which middle-income countries could renegotiate their place in the world economy.

A little more than a decade after Fortaleza, the numbers tell a different story. If BRICS had broken Brazil's pattern of subordinated integration into the global economy, the evidence would appear in the composition of what Brazil exports, in the sophistication of its productive structure, and in the diversification of its external partners. On each of these fronts, the data point in the opposite direction. In 1995, primary commodities accounted for 44.9 percent of everything Brazil exported. By 2024, that share had climbed to 75.6 percent. Three out of every four dollars Brazil now earns abroad come from selling raw materials. China alone absorbs 28 percent of Brazilian exports, and 96 out of every 100 dollars Brazil earns from its BRICS partners come from primary goods. Over the same period, Brazil's score on the Economic Complexity Index, which measures how sophisticated a country's productive capabilities are, fell from 0.82 to 0.35, dropping the country from 29th to 59th place in the world ranking. An economy that specializes in raw materials is not, by that fact alone, a poor economy because commodity exports generate foreign exchange, tax revenue, and employment. But this kind of specialization carries specific costs that manufacturing

does not. Commodity prices fluctuate a lot on cycles set abroad, leaving export revenues exposed to demand and weather conditions that the producing country cannot control. Demand for primary goods grows more slowly than demand for manufactures as global income rises, which means commodity exporters face persistent balance-of-payments pressure unless prices are booming. And the productive knowledge accumulated by extracting and shipping raw materials does not, on its own, generate the technological capabilities that allow an economy to move into higher-value activities.

BRICS was framed as a project that would give countries like Brazil more room to maneuver in the global economy. The empirical record points the other way: Brazilian exports became more concentrated, its industrial base eroded rather than expanded, and its largest trading partner became a single country whose own productive sophistication was growing at exactly the pace Brazil's was shrinking.

This thesis works within the tradition of Latin American structuralism and dependency theory, from Prebisch (1962) and Furtado (1967) to Cardoso and Faletto (1979), and engages with its more recent extension into the literature on International Financial Subordination (Alami et al. 2023). What these traditions share is the insight that a country's position in the global economy is not determined only by what it produces, but by the structural relationships through which it produces, finances, and trades. From this perspective, the question to be answered in this thesis is whether the terms of its integration changed. By subordinated integration, this thesis means a structural condition in which a country's productive, financial, and monetary reproduction depends on forces set elsewhere: on commodity prices it does not control, on currencies it does not issue, and on technologies it does not produce. In concrete terms, it describes an economy whose export revenues rise

and fall with commodity cycles determined by demand in Beijing or weather in the American Midwest, whose external debt is denominated in a currency, the U.S. dollar, that its own central bank cannot print and whose value moves with decisions made by the Federal Reserve, and whose industrial sector, when it expands, does so by importing the machinery, components, and patents produced in the economies it is trying to catch up with. Subordination, in this sense, is a specific form of integration, one in which the most consequential decisions about a country's economic life are continuously made elsewhere.

The argument of this thesis is that BRICS did not break Brazil's pattern of subordinated integration into the global economy, it modernized it. By modernization, this thesis means a transformation in the institutional form through which subordination operates, without a change in Brazil's relative position within the system. In the productive and trade dimension, modernization meant that the dependence on commodity exports, historically directed toward Europe and the U.S., was reorganized around a dominant partner, China, while the share of primary goods in the export basket grew rather than fell. In the financial dimension, it meant the addition of new creditors (the New Development Bank, Chinese state-owned banks, and direct investment from Chinese firms) without altering the dollar-denominated architecture in which Brazilian external debt continues to be issued and serviced. In the monetary dimension, it meant the proliferation of bilateral currency settlement agreements and de-dollarization rhetoric at the BRICS level, while the share of the dollar in Brazilian trade invoicing, in reserves, and in private cross-border flows remained essentially unchanged. The country gained new creditors, new buyers, and a seat at a new multilateral table, but it did not gain the productive, financial, or monetary transformation that the BRICS project promised.

B. Theoretical Framework

This thesis draws on three traditions that insist the world economy is structured by hierarchy rather than symmetry. The first is dependency theory, understood in the broad sense proposed by Kvangraven (2021) as a research programme rather than a single doctrine. The second is International Financial Subordination (IFS), the umbrella concept developed by Alami et al. (2023) to bring dependency analysis into conversation with the architecture of contemporary global finance. The third is the currency hierarchy framework advanced by Latin American post-Keynesian and structuralist economists which provides the vocabulary for how monetary subordination operates at the everyday level of interest rates, exchange rates, and central bank decisions. These three traditions do complementary work in this thesis, and each speaks to one of the three empirical dimensions examined in Chapter 3. The dependency research programme provides the framework for analyzing Brazil's productive and trade integration: the composition of its exports, the technological density of its productive structure, and the geographic reorientation of its commercial partners during the BRICS period. International Financial Subordination provides the tools for examining Brazil's external financial position, including the role of new creditors such as the New Development Bank and Chinese direct investment. The currency hierarchy framework provides the analytical vocabulary for the constraints on Brazilian monetary policy, the limits of de-dollarization, and the persistence of the dollar in trade invoicing, reserves, and cross-border flows.

Dependency theory is better understood, as Kvangraven (2021) proposes, as a research programme organized around four continuing commitments: a global-historical approach, attention to the polarizing tendencies of global capitalism, a focus on structures of

production rather than prices alone, and the insistence that peripheral economies face specific constraints that cannot be treated as variations of conditions in the center. What makes the programme distinctive is the combination of those elements into a systemic approach to uneven development (Kvangraven 2023).

The programme has two wings that are relevant to this thesis. Latin American structuralism, associated with Raúl Prebisch (1962) and Celso Furtado (1967), argued that the international division of labor between industrial centers and peripheries that export primary goods tended to reproduce itself because the terms of trade moved against primary goods over time. Furtado extended the analysis to show how this external vulnerability was reproduced at the level of the domestic economy itself: the social classes that grew rich from primary-export cycles had no strong interest in the deeper industrialization that might have altered the country's external position. The second wing is the dependency tradition proper, whose one of the most influential formulations is Cardoso and Faletto's *Dependency and Development in Latin America* (1979). Their contribution was to historicize the concept, arguing that dependency was not a static condition but a set of social relations that took different forms at different moments, depending on how domestic elites and international capital organized their alliances. Industrialization was possible in dependent economies, but it tended to happen through alliances that reproduced hierarchical integration rather than transcending it. The key analytical move, as Cardoso (1977) himself insisted, was not to overemphasize external factors but to examine how global structures shaped internal class dynamics, and vice versa.

The dependency tradition was developed primarily to explain productive subordination. It is less well equipped, in its classical form, to explain the distinctive features of

contemporary financial globalization, in which portfolio flows, foreign exchange derivatives, and offshore dollar markets mediate the relationship between center and periphery in ways that did not exist when Cardoso and Faletto were writing. Kvangraven (2023) identifies this as one of the open frontiers of the research programme: the need to theorize how financialization affects the periphery in ways that change but do not challenge its relationship to the center. Financialization here is understood as the growing weight of financial markets, instruments and objectives in the operation of contemporary capitalism. The gap has been filled, over the past decade, by International Financial Subordination. Alami et al. (2023, 1363) define IFS as "a relation of domination, inferiority, and subjugation between different spaces across the world market, expressed in and through money and finance, which penalizes actors in [Developing and Emerging Economies] disproportionately."

This definition does two things that matter for the argument of this thesis. First, it locates subordination in the global architecture of the system, not in domestic policy failures. A Brazilian finance minister who follows every piece of orthodox macroeconomic advice will still preside over an economy that pays higher borrowing premiums, holds more foreign exchange reserves relative to GDP, and whose monetary policy is continuously shaped by decisions made in Washington. The second is that IFS produces a persistent transfer of value from periphery to core through the small frictions built into the architecture of global finance.

Within the IFS umbrella, the more specific tool this thesis uses is the currency hierarchy framework developed by Paula, Fritz, and Prates (2017) and, for the Brazilian case, by Kaltenbrunner and Paineira (2018). The framework describes the international monetary

system as a hierarchy: at the top sits the U.S. dollar, which functions as the world's reserve currency, the default unit of account in commodity markets, and the principal medium for settling cross-border transactions. At the bottom sit the currencies of peripheral economies, which perform almost no international monetary functions at all.

Three concepts that often get mixed up in the literature need to be kept separate, following the distinctions drawn by Prates (2020). Monetary sovereignty is the most basic: it means a country issues its own currency and can use it to pay its domestic debts. Monetary policy autonomy is something different: it means a country can actually use tools like interest rates and government spending to pursue its own goals (jobs, growth, stable prices) without being forced into decisions by pressures coming from abroad. Currency hierarchy is the concept that connects the two: it describes the ranking of currencies in the international system, from the U.S. dollar at the top, which the world uses to trade, save, and lend, to the currencies of peripheral economies at the bottom, which almost nobody outside the country's borders accepts (Prates 2020; Fritz, de Paula and Prates 2018).

The framework connects to the concept of original sin developed by Eichengreen and Hausmann (1999), which names the inability of peripheral economies to borrow internationally in their own currencies. Paula, Fritz, and Prates (2024) have recently extended the analysis by engaging with the concept of 'original sin redux' developed by Carstens and Shin (2019) to capture the new forms of external vulnerability generated by the rise of non-bank financial intermediaries, derivatives markets, and cross-border portfolio flows. For the Brazilian case specifically, Kaltenbrunner and Paineira's (2018) analysis of subordinated financialisation shows that the financial transformation Brazil underwent in the neoliberal and post-neoliberal period did not converge toward the financialized capitalism of

the center economies. It produced a distinctively subordinate version in which the central bank accumulates reserves to absorb external shocks, domestic banks reorganize their balance sheets around dollar-denominated instruments, and non-financial corporations develop exposure to exchange rate volatility. Together, these three traditions do complementary work: the dependency research programme explains why hierarchy exists, IFS explains how it is reproduced through the architecture of global finance, and the currency hierarchy framework explains what that reproduction looks like at the level of central bank decisions, interest rate differentials, and exchange rate volatility.

C. Why Brazil

The argument of this thesis could, in principle, be tested against any BRICS member. Every country in the bloc has its own trajectory of integration into the global economy, its own history of subordination, and its own relationship with the promises and limits of South-South cooperation. But Brazil is the case that reveals the structural logic of the bloc most clearly, for three reasons.

The first is that Brazil is a paradigmatic semi-peripheral economy. It is large enough to have pursued a serious industrialization project in the twentieth century, and small enough, relative to the center, that the project remained structurally dependent on external finance and external technology. Unlike China, which entered the BRICS period already on a trajectory of productive upgrading, Brazil occupies the classical position that dependency theory was built to describe: a country with industrial capacity but without technological autonomy, with financial markets but without the policy autonomy its position in the currency hierarchy might otherwise allow, with diplomatic weight but without structural power.

The second is that Brazil is the BRICS member whose trajectory within the bloc is most legible as a test of the bloc's promises. The country joined BRICS as one of its founders, hosted the Fortaleza summit that established the New Development Bank, and has consistently articulated, across governments of different ideological stripes, an explicit discourse of South-South cooperation and diversification away from Northern hegemony. India and South Africa have engaged with BRICS more selectively; China and Russia approach the bloc primarily as an instrument of their own geopolitical strategy. Brazil has committed itself to the BRICS project in both rhetoric and institutional practice more consistently than any other member.

Besides that, the Brazilian case also allows for an unusually long comparative timeline. Because Brazil's patterns of external integration have been documented systematically since the 1930s, it is possible to trace how productive transformation, financial repositioning, or monetary policy autonomy have been transformed across three distinct phases: the ISI era, the neoliberal opening, and the BRICS period. Few peripheral economies offer this depth of historical record, and fewer still offer it in combination with an active BRICS participation.

There is also a less methodological reason, but not less serious. I am Brazilian, and the motivation behind this project is, at bottom, the attempt to understand my own country and the global context in which it is inserted.

That literature tends to discuss the bloc in terms of what it means for the global order. What BRICS means for the specific countries that compose it, and especially for the economies whose structural positions most needed to change, has been mostly treated as a secondary question. Studying Brazil within BRICS, rather than BRICS within the world, is a

way of turning that question around: not what Brazil contributes to BRICS, but what BRICS has contributed to Brazil.

E. Methodology

The question this thesis asks is historical, structural, and empirical at once. It asks whether Brazil's participation in BRICS altered a set of patterns that preceded it by decades. Answering that question requires both a long view of how those patterns formed and an examination of what BRICS has produced in practice. This thesis therefore combines three methods: historical-structural analysis, quantitative descriptive analysis, and semi-structured interviews.

The historical-structural analysis forms the backbone of Chapter 2. Its purpose is to reconstruct Brazil's trajectory of integration into the global economy across three phases: Import Substitution Industrialization (roughly 1930s to 1980s), the neoliberal opening (1990s to 2000s), and the BRICS era (post-2009). The method is interpretive rather than chronological: the chapter does not aim to produce a comprehensive economic history of Brazil, but to trace how the mechanisms of subordinated integration were transformed across these three phases.

The sources for this reconstruction are secondary literature in Brazilian and Latin American political economy, combined with quantitative data. The analysis is structural in the sense defined by the dependency research programme: it treats each phase as a moment in a longer process whose underlying logic is the reproduction of hierarchical integration under changing institutional forms.

The quantitative component of this research is descriptive in the sense that the thesis uses data to trace patterns, document transformations, and ground analytical claims that might otherwise remain abstract.

Three types of data carry most of the empirical weight in Chapters 2 and 3. The first is trade data, drawn from the Observatory of Economic Complexity, the Atlas of Economic Complexity, UN Comtrade, and the Brazilian Ministry of Development, Industry, Trade and Services (MDIC). These sources are used to test whether BRICS membership changed the composition of Brazilian trade in the directions the bloc's promises implied. Whether the share of primary commodities in exports rose or fell, whether the technological density of the export basket changed, whether Brazilian trade became more or less concentrated in a single partner, and whether the geographic reorientation toward China and the BRICS bloc was accompanied by qualitative changes in what Brazil sold and what it bought. The second is financial data, including the New Development Bank's project portfolio, disbursement records, and annual reports, as well as Brazilian balance-of-payments series from the Central Bank, and data on Chinese foreign direct investment by sector from the China-Brazil Business Council. These sources are used to examine whether the new creditors of the BRICS period altered the sectoral composition of capital flowing into Brazil, the currency in which Brazilian external obligations are denominated, and the conditionality attached to development finance. The third is monetary data, drawn from the IMF's Currency Composition of Official Foreign Exchange Reserves (COFER), the SWIFT Global Currency Tracker, and Central Bank of Brazil working papers on invoicing currency. These sources are used to document the share of the dollar in global reserves and payments and the trajectory of the renminbi, with particular attention to whether the bilateral currency

settlement agreements signed between Brazil and China have altered the currency composition of Brazilian foreign trade in practice.

The quantitative analysis is used descriptively, and the thesis acknowledges the limits of this choice. Descriptive statistics can show that a transformation occurred, but they cannot, on their own, establish what produced it. The analytical work of attributing those transformations to specific structural mechanisms is done through the combination of historical and theoretical analysis.

The empirical weight of Chapter 3 rests in part on a set of semi-structured interviews conducted between August 2025 and March 2026 with individuals whose professional trajectories placed them in direct contact with the institutional machinery this thesis examines. Fewer than ten interviews were conducted in total. Given the small number and the sensitivity of some of the topics discussed, all interviewees are referenced in the text by institutional role rather than by name. For example, as "a former Executive Director at the International Monetary Fund" or "an ex-president of the New Development Bank." The categories of interviewees include senior officials at multilateral institutions (IMF, WTO, New Development Bank, UNCTAD), Brazilian academics specialized in BRICS and international political economy, and former policymakers with direct involvement in Brazil's BRICS agenda. All interviews were conducted remotely via video call.

The interviews follow a logic of strategic informant selection rather than statistical sampling. The individuals approached were chosen because their professional trajectories placed them inside the specific institutions and processes this thesis examines, not because they constitute a representative sample of opinion on BRICS, Brazilian foreign policy, or international financial governance. The analytical value of their testimony rests on their

positions and experience, on what they observed and decided from inside the institutions in question, rather than on the distribution of views across a larger population. The interviews are used illustratively throughout Chapter 3, selected for the analytical clarity they bring to claims otherwise supported by secondary literature and quantitative data.

In terms of limitations, three are worth naming explicitly. The first is temporal: this thesis examines the BRICS period through mid-2025, which means it cannot assess the institutional consequences of developments that are still unfolding, including the bloc's recent expansion to include Egypt, Ethiopia, Iran, and the United Arab Emirates, or the potential effects of the second Trump administration's tariff regime on BRICS economic cooperation. The second is geographical: although this thesis frequently invokes comparison with other BRICS members, it is a single-country study. Claims about how Brazil's experience compares to that of India, South Africa, or Russia are made with caution and grounded in secondary literature rather than in primary research on those countries. The third is methodological: the combination of historical, quantitative, and qualitative methods allows for a textured analysis but does not permit the kind of causal inference that more narrowly designed studies could produce. What this thesis offers is structural interpretation, supported by evidence from multiple sources.

Within these limits, the methodological combination chosen here is appropriate to the question asked. The thesis does not ask whether BRICS caused any particular outcome, in the narrow sense that econometric analysis would require. It asks whether BRICS altered the structural patterns of Brazilian integration into the global economy.

II. The Structural Evolution of Brazilian Subordination

The central claim of this thesis is that Brazil's participation in BRICS did not break the country's pattern of subordinated integration into the global economy, but modernized it. Before that claim can be assessed against the BRICS period itself, it has to be placed against the trajectory that came before. BRICS arrived in an economy that had already been shaped, over almost a century, by two successive attempts to escape the structural position Brazil occupied in the international division of labor, and by the particular ways each of those attempts failed. This chapter reconstructs that trajectory.

Did Brazil's successive efforts to change its place in the global economy reduce its dependence on that structure, or did they reproduce it under new institutional forms? This is the guiding question of the chapter, and the answer it develops is that each effort reorganized the productive, financial, and monetary dependencies that defined Brazil's position in the international division of labor rather than dismantling it. Import Substitution Industrialization moved Brazil's external vulnerability from commodity markets into capital goods, technology, and external finance. The neoliberal opening of the 1990s resolved the debt and inflation crises of the 1980s by tying Brazilian macroeconomic policy to the discipline of international financial capital. Reprimarization in the 2000s consolidated a productive structure in which Brazil's external performance became more and more dependent on commodity demand, rising Chinese imports, and price cycles set abroad. By the time BRICS was formed, the Brazilian economy that entered the bloc was already a specific kind of economy: semi-peripheral, deindustrialized at the higher end, re-specialized

in primary goods, and part of the global financial markets on terms that consistently lowered its policy autonomy.

The chapter proceeds in four steps. Section A reconstructs the Import Substitution Industrialization era, from its emergence in the 1930s through its collapse in the 1980s, asking how the strategy that was supposed to free Brazil from primary specialization displaced rather than dismantled the country's external vulnerability. Section B examines the neoliberal opening of the 1990s, asking how the policy regime that stabilized prices and reopened access to international finance reorganized dependence around financial discipline rather than reducing it. Section C analyzes the reprimarization process of the 2000s, asking how the combination of an open and appreciated currency regime, persistent high interest rates, and the Chinese commodity boom restructured Brazil's external insertion around primary goods. Section D closes the chapter by reviewing the existing literature on BRICS and identifying the analytical gap this thesis sets out to fill. Together, the four sections establish the structural baseline against which Chapter 3 measures what BRICS membership actually produced.

The analytical vocabulary used here was established in Section 1.2. This thesis uses 'dependency' and 'subordination' largely interchangeably, following the conventions of the literatures it engages: 'dependency' carries the historical weight of the Latin American tradition (Furtado 1967, Cardoso and Faletto 1979), while 'subordination' is the term that the more recent IFS literature (Alami et al.) has consolidated. Both name the same underlying condition described in Section I.A: a structural relationship in which a country's productive transformation, financial repositioning, or monetary policy autonomy

reproduction depends on forces it does not control. Both take different institutional forms in different historical phases, and tracing those forms is what this chapter does.

A. Import Substitution Industrialization

Import Substitution Industrialization (ISI) was one of the most ambitious developmentalist projects Brazil pursued in the twentieth century. In its original form, ISI was a set of policies (tariffs on imported manufactures, subsidized credit for domestic industry, state-led investment in infrastructure and heavy industry, exchange-rate controls to allocate scarce foreign currency, and direct public production through state-owned enterprises) deployed over several decades to build a domestic industrial base capable of producing goods that Brazil had previously bought abroad. Brazil had pursued industrialization measures since the late nineteenth century, and the policies that would later be recognized as ISI emerged in response to external shocks before they consolidated into a strategy. But by the 1950s, under the Vargas and Kubitschek governments, those improvisations had hardened into an explicit developmental project, and it is in that mature form that ISI matters for this thesis.

The argument of this section is that ISI did two things at once, and that holding both in view is the only way to understand what came after. First, it achieved a genuine industrial deepening: between the 1930s and the late 1970s, Brazil built, for the first time, a diversified manufacturing sector that produced goods the country had previously imported, reduced its reliance on consumer imports, and transformed the composition of national output. Second, and inseparable from the first, ISI displaced rather than dismantled the country's external vulnerability. The dependence that had operated through the commodity export sector before 1930, with Brazilian incomes rising and falling with coffee prices, was relocated, over the

following decades, to the capital goods sector, to imported technology, and to external finance. What had been a constraint on what Brazil could consume became a constraint on what Brazil could produce. By the late 1970s the second of these dynamics had overtaken the first: the financial costs of sustaining industrial expansion exceeded what the external sector could generate, and in the early 1980s, under the combined weight of the oil shocks, rising international interest rates, and unsustainable external debt, the model collapsed. The sections that follow document each side of this dual movement in turn: the industrial advance that ISI produced, and the displacement of vulnerability that the same strategy carried with it.

Until 1930, Brazil's economy was organized around externally driven commodity cycles. Successive export booms in sugar, gold, rubber, and coffee generated growth without structurally transforming production (Cardoso and Faletto 1979). The country's commodity structure was different from other peripheral economies in one respect: for more than a century, Brazil was the dominant global supplier of coffee. As a price-making exporter, the Brazilian state had unusual leverage over international terms of trade (Abreu, Bevilaqua, and Pinho 2000), and that leverage created space for rent-seeking coalitions and shaped the political foundations on which later industrial policies were built.

The 1929 crash was a turning point, as the collapse of commodity markets cut export revenues, foreign capital inflows dried up, and fiscal deficits grew as the state (still heavily dependent on import tariffs) lost one of its main sources of revenue (Baer 2008). Faced with a foreign-exchange crisis, Brazil could no longer import what it needed, and domestic production began to expand. The improvised measures taken in those years like import controls, multiple exchange-rate regimes and foreign-exchange rationing, would later be

retrospectively organized into a coherent industrial strategy, but at the moment of their introduction they were emergency responses to a balance-of-payments shock. Once the country moved past the 1930 crisis, its urban-industrial growth and the state's fiscal base no longer depended on coffee accumulation. Instead, the coffee economy gradually fell under the influence of the emerging urban-industrial model, and the government centered its strategy on ISI (Tavares 1985).

Through the 1950s, under Getúlio Vargas's second presidency (1951-1954) and the five-year development plan of president Juscelino Kubitschek (1956-1961), those emergency measures consolidated into a deliberate developmental strategy. The *Plano de Metas* (Targets Plan) launched by Kubitschek in 1956 set thirty sectoral targets concentrated in energy, transportation, heavy industry, and food production, and committed public investment to each. Lessa (1983) describes it as the most coherent and systematic developmental plan ever pursued by the Brazilian state. State-owned enterprises like Petrobras and the National Economic Development Bank, BNDES, became central instruments of the strategy, providing both productive capacity and the long-term credit that private capital markets were not yet able to supply. A parallel instrument, *Instrução 113* of the Superintendence of Money and Credit (SUMOC), issued in 1955, allowed foreign firms to import machinery and equipment into Brazil without using scarce foreign exchange, in the form of direct investment tied to specific industrial sectors. Between 1955 and 1959, 55.4 percent of all foreign equipment that entered Brazil under this mechanism was directed to the basic-industry sectors prioritized by the Plano de Metas, and the single largest recipient sector was automotive manufacturing and assembly, which absorbed roughly 38 percent of the total (Caputo and Melo 2009, pp. 526). The effect was to tie the expansion of

Brazil's industrial base to the arrival of multinational capital, producing what scholars have described as an "associated" pattern of industrialization, meaning a state-led effort in coordination, privately organized in its execution, and dependent, in technology and capital goods, on foreign investment flows. (Cardoso and Faletto 1979; Evans 1979)

In terms of results, between 1947 and 1961, real GDP rose by 128 percent; industrial output rose by 262 percent, more than tripling. Agriculture grew by 87 percent over the same period and accounted for only 18 percent of the total increase in GNP. The share of agriculture in net domestic product fell from 27 to 22 percent, while industry's share climbed from 21 to 34 percent (Baer and Kerstenetzky 1964). ISI reoriented the domestic structure of production toward manufacturing and altered the composition of accumulation. On the productive dimension of subordinated integration, Brazil had never previously achieved a diversified manufacturing base capable of producing goods the country had previously imported.

But the structure of dependence changed along with the structure of production. As industrialization progressed, the reduction in imports of finished consumer goods was accompanied by rising demand for imported machinery, intermediate inputs, and technology. Industrial upgrading required sustained access to foreign exchange, because capital goods production remained technologically and financially outside Brazil's capacity. As Celso Furtado (1967) put it, industrialization in peripheral economies does not eliminate vulnerability but shifts it to a higher level: the industrial sector itself becomes structurally dependent on capital goods imports.

TABLE 1: Changes in Brazil's Commodity Import Structure (Percentage Distribution)

Commodity Groups	1949-1950	1962
Nonmetallic mineral products.....	2.1	1.3
Basic metal industries and metal products.....	11.2	11.6
Machinery.....	18.3	13.0
Electric machinery and appliances.....	6.5	6.3
Transport equipment.....	14.5	10.2
Paper and paper products.....	2.6	2.6
Chemicals and products.....	21.8	18.0
Textiles.....	3.5	0.1
Processed food products.....	1.9	3.0
Beverages.....	0.4	0.2
Printing and publishing.....	0.3	0.5
Miscellaneous.....	2.5	1.2
Nonprocessed raw materials.....	13.6	32.2

Source: Baer and Kerstenetzky (1964, pp. 417)

The shift is visible in the changing composition of imports. Table 1 shows that while the share of processed goods in total imports declined between 1949-50 and 1962, the share of nonprocessed raw materials rose from 13.6 to 32.2 percent. Import substitution reduced reliance on finished consumer goods but intensified dependence on essential intermediate and raw inputs required by domestic industry. The dimension of subordination had shifted: where dependence had previously operated through the external sector of an agricultural economy, it now operated through the external sector of an industrializing one.

The institutional architecture that sustained ISI reinforced this outcome. From 1930 onward, the distribution of scarce foreign exchange became a central instrument of industrial policy (Abreu, Bevilaqua, and Pinho 2000). Import controls and multiple exchange-rate regimes protected domestic producers while keeping imported inputs available at preferential rates. The configuration helped domestic industry, but it also tied its reproduction to administratively managed access to external resources. Because investment carried a high import content, the investment ratio was closely correlated with balance-of-payments deficits (Baer and Kerstenetzky 1964). Sustained growth required inflows of foreign capital, particularly foreign direct investment in heavy industry and transport equipment. Industrial expansion became conditional upon continued access to external financing, pulling Brazil more firmly into international financial circuits even as it pursued domestic industrial capacity.

From a dependency perspective, this trajectory did not represent a failure of industrialization, but a transformation in the mechanisms through which subordination operated. Cardoso and Faletto (1979) argue that industrialization in dependent economies typically proceeds through alliances between domestic elites and international capital that reproduce hierarchical integration into the world economy rather than transcending it. In Brazil, industrialization unfolded within a social structure shaped by export-era coalitions: the agrarian and commercial elites who had grown rich from coffee and other commodity cycles did not disappear. They coexisted with emerging industrial groups in hybrid political arrangements that limited the depth of structural reform and kept ISI dependent on fragile balances between rural, urban-industrial, and financial interests.

The Brazilian state played a decisive role in promoting industrialization through public enterprises, development banks, and sectoral planning. But its capacity to coordinate long-term structural transformation was limited by two features of the political economy within which it operated. The first was distributive conflict: the costs of industrialization (inflation, wage compression, the unequal geographic distribution of industrial investment) generated persistent political tension among rural elites, urban middle classes, organized labor, and the emerging industrial bourgeoisie, and the Brazilian state lacked the autonomy to resolve those tensions in favor of a coherent long-term strategy. The second was institutional fragmentation: industrial policy was dispersed across multiple agencies with overlapping mandates, and vulnerable to the specific sectoral interests each agency was meant to coordinate (Saad-Filho 2010).

These tensions became more visible during the 1970s. The model relied on a delicate combination of foreign borrowing, managed exchange rates, fiscal expansion, and subsidized credit to sustain industrial growth. As long as international liquidity remained abundant, these mechanisms allowed Brazil to postpone deeper structural reforms: petrodollar recycling after the 1973 oil shock channeled abundant credit to developing economies at low (and briefly negative) real interest rates, and Brazil borrowed aggressively to finance continued industrial expansion (Bértola and Ocampo 2012). The international environment then shifted. The second oil shock of 1979 raised import bills further, and the monetary contraction in the United States produced a rise in global interest rates and a sustained appreciation of the dollar, drastically raising the cost of Brazil's debt (Baer 2008). The crisis that followed should not be read as the failure of ISI considered in isolation. The model was vulnerable, but its vulnerability was a function of the specific international

environment that the strategy presupposed: cheap external finance, accommodative interest rates, and access to imported technology on manageable terms. When the United States raised interest rates in 1979 to contain its own inflation, and when the dollar appreciated sharply in the years that followed, those presuppositions collapsed in a matter of months. ISI did not generate the conditions that destroyed it; it had built itself in conditions that the center economies, acting in their own interests, withdrew. The collapse, in this sense, is what subordination looks like when the international foundations of a peripheral growth strategy are removed by decisions taken elsewhere.

Table 2: Brazilian Annual Inflation Rate (CPI %)

1970	17	1982	95
1971	21	1983	164
1972	17	1984	179
1973	14	1985	228
1974	33	1986	68
1975	29	1987	367
1976	38	1988	892
1977	41	1989	1,637
1978	40	1990	1,639
1979	67	1991	459
1980	85	1992	1,129
1981	91	1993	2,491

Source: Saad-Filho (2010, p. 11), based on FIPE, www.ipeadata.gov.br

The inflation figures in Table 2 document, in quantitative terms, the structural limit of ISI as a dependent growth strategy. Inflation in Brazil was the visible surface of a deeper imbalance between a growth model that required continuous external financing and an international environment that no longer provided it on manageable terms. When foreign capital became expensive after 1979, the exchange rate came under pressure; the devaluation of the cruzeiro raised the domestic price of the imported machinery, fuel, and intermediate inputs on which Brazilian industry depended; those higher input costs were passed through to domestic prices, feeding inflation; and the fiscal cost of servicing external debt (now denominated in dollars whose purchasing power in cruzeiros was rising) deepened the state's dependence on further borrowing or monetary expansion. By 1993, annual inflation reached nearly 2,500 percent.

Inflation at those levels was not a technical failure of monetary management, but the macroeconomic manifestation of a growth strategy whose external foundations had given way. In dependency terms, inflation is what structural subordination looks like when the international conditions that had temporarily masked it disappear. The Brazilian state lost control over both its price level and its external accounts at the same time, because both had come to depend on external variables that could no longer be absorbed by the domestic economy.

ISI, in short, should not be understood as a developmental rupture, but as a negotiated restructuring of Brazil's integration into the global economy. The strategy expanded the manufacturing base, reduced exclusive reliance on primary exports, and built genuine industrial capacity. But industrial reproduction had become conditional upon continued

access to foreign exchange, foreign technology, and foreign finance. The mechanisms of subordination were transformed, not dismantled: from commodity exports to industrial and financial dependence. When the international conditions that had supported that transformation shifted in the late 1970s, the model could not sustain itself. The crisis of the 1980s, and the neoliberal reorganization that followed, emerged directly from the structural limits ISI had been unable to transcend.

Two implications follow from this trajectory for the argument the rest of this chapter develops. The first is that, for all its limits, ISI produced forms of structural change that subsequent decades did not preserve. The diversified manufacturing base, the domestic productive linkages, the technological learning embedded in capital goods production within Brazilian borders, all of this was a real accomplishment, and one that the neoliberal opening of the 1990s and the reprimarization of the 2000s did not maintain but actively eroded. The Brazil that joined BRICS in 2009 had less industrial density than the Brazil of 1980, not more. The second is that the failure of ISI to dismantle subordination did not consist in the absence of industrialization, but in the specific way industrialization remained conditional on external resources Brazil could not control. That conditionality is what each subsequent phase will reorganize without resolving. Neoliberalism will absorb the conditionality into the discipline of financial markets, reprimarization will rebuild Brazil's external sector around a commodity profile that resembles the pre-1930 pattern, BRICS will arrive in an economy already shaped by both. The history that follows is the history of those reorganizations.

B. Neoliberalism

The collapse of ISI in the 1980s discredited an entire way of thinking about Brazil's place in the global economy. The developmental model built from the Getúlio Vargas era onward, which had supported industrialization for decades, began to come apart under the pressure of debt insolvency, fiscal crisis, transnationalization, and growing democratization, and the political fragmentation of the developmentalist coalition (Sallum Jr. 1999). The problem was that the ISI policy mix no longer functioned under the international conditions created by the oil shocks and the debt crisis, and Brazil moved into a spiral of fiscal stress, external vulnerability, and hyperinflation (Saad-Filho 2010). Neoliberal reform emerged in that context as a response to the crisis and as a new way of organizing the economy. Across Latin America, the debt crisis opened space for market-oriented reforms (Bértola and Ocampo 2012), and in Brazil this shift took shape through trade liberalization, privatization, and policies designed to attract foreign capital.

The argument of this section is that the neoliberal turn restructured Brazil's subordinate position in the international economy rather than ending it. The country emerged from the 1990s with stable prices, integrated capital markets, and renewed access to international finance. But the mechanisms by which it was integrated into the global economy had shifted: where ISI had tied Brazil's external vulnerability to the flow of foreign capital into industrial projects, neoliberalism tied it to the daily discipline of international financial markets. The Brazilian state gained price stability and lost the policy space for developmental intervention.

The neoliberal reorganization of the Brazilian economy unfolded in two phases. The first, between 1988 and 1994, dismantled the institutional architecture of ISI: average

nominal import tariffs fell from around 40 percent in 1990 to 13 percent in 1995 (Gennari 2012), capital account restrictions were relaxed, and major public enterprises in steel, petrochemicals, telecommunications, and mining were privatized. The second phase, launched with the Real Plan in July 1994, consolidated the opening into a stabilized macroeconomic regime built around four pillars: an anchored (and initially appreciated) exchange rate, persistent trade openness, high real interest rates to attract foreign capital, and fiscal primary surplus targets to preserve investor confidence (Sallum Jr 1999; Saad-Filho 2010). During the two Fernando Henrique Cardoso administrations (1995-2002), policymakers treated openness and currency appreciation as anti-inflation tools: cheap imports were expected to hold prices down, and the dominant policy orientation rejected targeted industrial policy, allowing at most broad horizontal measures and leaving sectoral coordination largely aside (Sallum Jr. 1999). Inflation fell from 2,491 percent in 1993 to single digits by 1997. Foreign direct investment flowed back into the country. Brazilian assets, priced in a stable currency, regained international credibility. On standard macroeconomic metrics, the stabilization was a success.

What the stabilization did not accomplish was an alteration of Brazil's structural position in the global economy. The four-pillar regime worked, but it worked through a specific channel: the appreciated exchange rate held down the price of imported goods, which disciplined domestic inflation; the trade opening reinforced that disciplinary mechanism by exposing Brazilian producers to international competition; and the high interest rates attracted the foreign capital needed to finance the current-account deficits that opening and appreciation generated. The logic was coherent, but each piece of it constrained Brazil's macroeconomic policy in a specific direction.

The mechanism links the domestic macroeconomic regime to Brazil's insertion into the global economy. Trade liberalization, on its own, changes the pattern of domestic prices, but combined with currency appreciation, it shifts the incentive structure facing Brazilian firms: imports become relatively cheap, exports become relatively expensive, and the domestic industrial sectors that face the sharpest foreign competition (typically the more technologically complex ones) lose market share fastest. Between 1992 and 1995, imports jumped from about USD 20.5 billion to USD 49.6 billion, while exports grew only 30 percent, from USD 35.7 billion to USD 46.5 billion (Boito Jr. 1999). The resulting current-account deficits had to be financed, and the mechanism for financing them was capital inflow attracted by high interest rates, producing a vicious circle: preserving the exchange-rate anchor required higher interest rates, which worsened fiscal conditions and increased indebtedness (Baer 2008).

This is where the link to global integration becomes explicit, and where the analytical vocabulary developed in Section 1.2 begins to do its empirical work. The four pillars of the post-1994 macroeconomic regime (appreciated exchange rate, open capital account, high real interest rates, and trade openness) were not policy choices that an alternative government might simply have reversed. They were the specific institutional form that Brazil's position at the bottom of the international currency hierarchy assumed during the neoliberal period. Each pillar, examined separately, describes the same underlying condition: that the real is a peripheral currency that markets hold only when compensated for the risk of doing so.

Interest rates were the most direct expression of this hierarchy. High real rates in Brazil produced what post-Keynesian economists analyzing peripheral economies have described

as a disciplinary channel through which international financial markets shape domestic policy (Paula, Fritz, and Prates 2017). To maintain capital inflows, Brazilian policy rates had to stay elevated above global rates by a margin sufficient to compensate investors for currency risk. That margin could be reduced by demonstrating fiscal discipline (hence the primary surplus targets), monetary orthodoxy (hence the inflation-targeting regime adopted in 1999), and institutional credibility (hence the accelerated integration with OECD norms and IMF surveillance). But it could not be eliminated, because it reflected the structural fact that the real, unlike the dollar or the euro, performs almost no international monetary functions and must therefore be priced as a risk asset rather than as a store of value.

The exchange rate operated as the same hierarchy on a different surface. An appreciated real was not the by-product of strong Brazilian fundamentals; it was the price that had to be paid to maintain the capital inflows that the high interest rates attracted, and it was sustained precisely as long as foreign investors were willing to hold real-denominated assets. When that willingness was withdrawn (as it was in 1998-1999, again in 2002, and again in every subsequent episode of international financial turbulence), the exchange rate moved sharply, regardless of domestic economic conditions. A country whose currency sits at the top of the hierarchy does not experience this volatility, because demand for its currency is structural rather than contingent.

The open capital account institutionalized the asymmetry. By dismantling the foreign exchange controls that ISI had used to allocate scarce dollars, the neoliberal regime gave international portfolio capital direct access to Brazilian financial markets, and gave the Brazilian central bank the impossible task of managing monetary policy in an environment where private cross-border flows could overwhelm its interventions within days. The

trilemma that the literature on currency hierarchies has documented (the impossibility of simultaneously maintaining an open capital account, a fixed exchange rate, and an autonomous monetary policy) operated against Brazil with particular intensity because the real could not function as a substitute store of value when capital outflows began.

Trade openness, finally, completed the architecture. In a world organized by currency hierarchy, trade liberalization does not impose symmetric pressure on all sectors of the domestic economy. It disadvantages those sectors whose costs are denominated in the peripheral currency and whose competitors price in the hegemonic one, and it advantages those sectors that produce goods whose international prices are set in the hegemonic currency regardless of where they are produced. The mechanism is the same one Section C will analyze in detail: an open trade regime, combined with an appreciated peripheral currency, produces systematic incentives to specialize in commodities. Trade openness in a currency hierarchy world is not the same policy as trade openness in a currency-hegemonic one. The same instrument has different distributive consequences depending on where the country sits in the monetary order.

The implication was that Brazilian macroeconomic policy now operated under continuous international scrutiny. Interest rates, fiscal targets, exchange rate interventions — all became decisions made with direct reference to how international capital would react. Neoliberal financial deregulation placed interest rates, the exchange rate, growth, and wages more directly under the demands of international financial capital (Boito Jr. 1999). Bresser-Pereira (2009) called this the interest rate–exchange rate trap: a regime in which real interest rates remain extraordinarily high, debt service consumes a large share of fiscal resources, and the exchange rate appreciates persistently, squeezing tradable sectors.

Employment and productive investment slip down the priority list, because the priority of the regime is the maintenance of financial credibility. One of the clearest features of Brazilian neoliberalism was the central role of finance in economic policymaking, alongside neoliberal macroeconomic policy and democratic institutions (Saad-Filho 2010). In this setting, stability stops looking like one policy goal among others and starts to function as a kind of civil religion: low growth, weak productive investment, and a narrow policy menu are presented not as political choices, but as economic necessity.

High interest rates strengthened Brazilian banks relative to other sectors of capital and placed financial interests at the center of state policy-making. Large domestic banking groups became a dominant fraction of Brazilian capital, aligned in important respects with international financial capital (Boito Jr. 1999). The productive sectors tied more closely to manufacturing, particularly those dependent on domestic demand or on export competitiveness, faced persistent pressure from appreciated currency and high borrowing costs. The line of conflict within the Brazilian dominant bloc ran through monetary and exchange-rate policy: financial interests on one side, industrial interests on the other, with export-oriented agrarian interests able to benefit from selective concessions (Filgueiras 2006).

The industrial consequence was what scholars of the Brazilian economy have called regressive specialization: the thinning out of the industrial sector, especially at its more technologically complex end, and the relative expansion of activities tied to natural resources and labor-intensive production (Carneiro 2002). This was not always visible as factory closures or absolute decline in manufacturing output. The more important change was qualitative: the loss of productive density, the disarticulation of domestic value chains in

capital- and technology-intensive sectors, and the growing reliance on imported intermediate inputs. By the late 1990s, Brazilian industrial reproduction was increasingly dependent on foreign inputs, foreign technology, and internationally-set prices, not because Brazilian firms had become globally competitive, but because the macroeconomic regime made domestic alternatives structurally disadvantaged.

The neoliberal restructuring therefore did not simply fail to reduce Brazil's dependence. It reorganized that dependence around a new set of mechanisms. Under ISI, Brazil had been dependent on continuous inflows of foreign industrial capital and imported capital goods; the crisis came when that flow stopped. Under neoliberalism, Brazil became dependent on continuous inflows of foreign financial capital and on the maintenance of the macroeconomic regime that attracted it; the vulnerability this created would become visible in every subsequent episode of international financial turbulence. From the perspective of subordinated integration, the neoliberal turn was not the solution to the structural problems that brought down ISI. It was the institutionalization of those problems in a new form.

It is against this background that the next section examines reprimarization. Reprimarization is not a separate economic phenomenon, arriving after neoliberalism and unrelated to it. It is what happened to the Brazilian productive structure under the neoliberal macroeconomic regime. A macroeconomic framework built around financial credibility and appreciated exchange rates systematically disadvantages complex industrial production. When that framework meets, in the 2000s, an external commodity boom that makes primary exports extraordinarily profitable, the result is the restructuring of Brazil's external insertion around commodities. Neoliberalism and reprimarization are two moments in the same process.

C. Reprimarization

The neoliberal macroeconomic regime described in the previous section created the conditions for reprimarization in two ways. First, it systematically disadvantaged complex industrial production through the combination of trade openness, appreciated currency, and high real interest rates. Second, it left Brazil's external performance dependent on whatever sectors could most easily generate foreign exchange at international prices, a condition that made the economy extraordinarily responsive to the commodity boom that began in the early 2000s. Reprimarization is the name given to what happened when those conditions met that boom.

Following Cooney (2025), who offers the most systematic recent analysis of the phenomenon in the Southern Cone, reprimarization refers to the growing relative weight of primary commodities and resource-based goods in a country's productive structure and external insertion after a period in which manufacturing occupied a more prominent role. The concept does not require that a country literally return to a pre-industrial state. Brazil did not stop being an industrial economy in the 2000s. The concept describes a structural reorientation: a shift in the pattern through which a country connects to the world economy, visible in the composition of exports, in the relative weight of primary sectors in GDP, and in the technological density of what a country produces and sells abroad (Lamoso 2020; Cooney 2025).

Reprimarization is the structural condition in which Brazil entered the BRICS period. By the time BRICS was formed in 2009, Brazil's external insertion had been reshaped by two decades of neoliberal macroeconomic policy, the accelerating erosion of industrial complexity, and an exceptionally favorable commodity cycle driven by Chinese demand.

The question the BRICS period would pose was whether participation in the bloc could reverse these conditions. The argument this thesis builds is that it did not. But to evaluate that argument properly, it is necessary to understand first what reprimarization had already done to the Brazilian economy before BRICS arrived.

Why does a macroeconomic regime built around price stability, currency appreciation, and financial openness lead a country to specialize in primary commodities? The answer runs through four interacting mechanisms, each of which shifted incentives in favor of commodity sectors and against complex industrial production.

The first mechanism is the relative price effect. Under an appreciated currency, imported industrial goods become cheap, and domestically produced industrial goods become expensive in international terms. Sectors whose profitability depends on the difference between domestic costs and international prices are squeezed. Sectors whose profitability depends on international prices that Brazil cannot influence, but whose costs are denominated largely in reais (agricultural land rent, mineral extraction rights, low-wage labor on commodity plantations) are protected. The appreciated real made soybeans, iron ore, and oil relatively more profitable, and auto parts, machinery, and pharmaceuticals relatively less profitable (Nassif and Castilho 2020).

The second mechanism is the credit cost effect. Persistent high real interest rates raise the cost of capital for any investment with a long payback period, which is to say, for exactly the kinds of investments most characteristic of complex manufacturing: plant construction, technological upgrading, industrial research and development. Commodity production, by contrast, can often be expanded with shorter-horizon investments (additional cultivated area, new mining concessions, expanded port capacity) that are less sensitive to the cost of

capital. The interest-rate environment quietly favored sectors whose investment cycle was compatible with short-term returns.

The third mechanism is the global demand effect. China's entry into the WTO in 2001 and its subsequent construction-led growth transformed the global market for primary commodities. Chinese demand for iron ore, soybeans, petroleum, and other raw materials rose dramatically over the 2000s, and commodity prices rose with it. Strong international demand, rising commodity prices, and easier external financing improved the environment for commodity exporters across South America (Ocampo 2007). For Brazilian producers, this meant that the international market was willing to absorb essentially unlimited quantities of primary exports at rapidly rising prices, an extraordinary external opportunity that, in combination with the domestic incentive structure, drew investment into commodity sectors. At the same time, Brazil's trade relationship with China became increasingly asymmetric: primary goods gained weight in exports, while manufactured imports from China expanded and added pressure on domestic industry (Hiratuka and Sarti 2016).

The fourth mechanism is the political economy effect. As primary exports became more central to Brazilian foreign-exchange generation, the sectors that produced them (agribusiness, mining, oil) gained economic and political weight disproportionate to their share of employment or GDP. From the 2000s onward, agribusiness reorganized a central part of Brazil's external relation through commodity exports, supported by a rearticulation of public credit, land valorization, and agroindustrial chains (Delgado and Leite 2023). This, in turn, made it harder to build political coalitions capable of redirecting macroeconomic policy in a direction more favorable to manufacturing. Andrade (2016) shows that the rise of agribusiness after the neoliberal reforms was part of a broader pattern involving production,

trade, and capital flows, and argues that agribusiness expansion became bound up with policy-induced specialization in primary commodity exports, balance-of-payments fragility, and renewed external dependence.

These mechanisms reinforced one another. Appreciated currency made commodities relatively more profitable; profitable commodity sectors attracted more investment; expanding commodity exports generated trade surpluses that helped sustain the macroeconomic regime; and the political economy that grew around commodity expansion made alternative macroeconomic strategies harder to pursue.

The pattern produced by these mechanisms is visible in Brazilian trade data. The export basket became more concentrated in primary and resource-based goods, especially from the early 2000s onward. Primary goods were the only group of Brazilian exports to post significant gains in world market share over the period; more technologically sophisticated segments performed far more weakly (Nassif and Castilho 2020). As manufacturing lost density and competitiveness, agricultural and mineral commodities gained ground in the country's external insertion, reinforcing a more subordinate position in the international division of labor (Vieira and Santos 2022). The share of primary and resource-based products in total Brazilian exports, which had hovered around 50 percent in the mid-1990s, rose to roughly 60 percent by 2016 and continued climbing thereafter. Total imports, meanwhile, remained relatively stable and remained concentrated (around 40 percent) in technologically sophisticated manufactured goods (Nassif and Castilho 2020).

The geographic dimension of this reorientation is inseparable from its sectoral dimension. China became Brazil's single most important trading partner over the 2000s and 2010s, rising from 1.97 percent of total Brazilian exports in 2000 to 32.40 percent in 2020

(Flexor et al. 2023). That concentration was matched by an even sharper concentration at the product level: exports to China were dominated by soybeans, iron ore, and crude oil, while imports from China were concentrated in manufactured goods of progressively higher technological complexity (Delgado and Leite 2023; Alves-Passoni 2024). The China connection did reduce Brazil's reliance on traditional North Atlantic markets, a diversification that, in another context, might have been read as a reduction in dependence. In practice, it did the opposite: it substituted one dependent relationship for another, with the additional feature that the new relationship was even more sharply asymmetric at the product level than the one it replaced (Hiratuka and Sarti 2016). This is the China-centred pattern of reprimarization that BRICS would, less than a decade later, institutionalize as a multilateral framework and frame as South-South cooperation. The bilateral asymmetry that the data above describes did not appear with BRICS; it appeared before BRICS, and BRICS gave it diplomatic and institutional form.

Behind this external pattern was a domestic one. Industrial density, meaning the depth of linkages between sectors, the capacity to produce capital goods domestically, the share of value-added occurring within Brazilian borders, the sophistication of domestic productive networks, eroded persistently over this period. Where Brazilian industry had, by 1980, built a relatively complete domestic productive chain in sectors like automotive manufacturing, by the 2010s many of those chains had been replaced by assembly operations dependent on imported components.

Why is this a problem? Commodity exports generate foreign exchange. Commodity producers pay taxes. Commodity booms raise national income. If Brazil's comparative advantage lies in primary goods, why not specialize in them? The answer is that

specialization in commodities produces a specific kind of vulnerability, and it forecloses specific kinds of economic transformation. The commodity dependence that reprimarization deepened is distinct from the industrial dependence of the ISI period, but it is a form of dependence nonetheless, and its costs can be stated concretely.

First, commodity specialization exposes the economy to external price cycles over which Brazil has almost no control. When Chinese demand was strong and commodity prices were rising, the 2000s appeared to vindicate the reprimarization pattern: export revenues rose, reserves accumulated, and fiscal space expanded. When Chinese growth slowed in the mid-2010s and commodity prices fell, the same pattern produced a fiscal crisis, currency depreciation, and a protracted recession. The Brazilian economy had become more, not less, exposed to the external cycle (Delgado and Leite 2023).

Second, commodity specialization systematically limits the rate at which an economy can grow without producing balance-of-payments crises. Primary goods have low income elasticity of demand: when global income rises, demand for soybeans does not rise proportionally in the way that demand for smartphones or medical equipment does. Manufactured goods, by contrast, have high income elasticity. A country that exports manufactured goods can grow with the world economy. A country that exports primary commodities, and imports manufactures, runs persistent balance-of-payments deficits unless it is experiencing a commodity boom (Nassif and Castilho 2020). This is the structural reason why export specialization in commodities is associated, empirically, with slower long-run growth rates than export specialization in manufactures.

Third, commodity specialization reshapes the domestic political economy in ways that make structural change harder. Agribusiness, mining, and oil concentrate wealth and

political power in sectors that benefit from the existing pattern of external insertion and have little interest in policies that would restructure it. The 2017 Agricultural Census captured this concentration starkly: Brazilian agricultural establishments of less than 10 hectares made up half of all units but occupied only 2.28 percent of total agricultural land, while establishments of 1,000 hectares or more were just 1 percent of units and controlled 47.52 percent of the land (IBGE 2017). The political power that grew on that agrarian base, reinforced by commodity-based profitability, became a structural obstacle to any policy agenda oriented toward industrial diversification or long-run productive transformation.

The question of whether reprimarization is the result of policy or the consequence of structural forces beyond government control is, in the end, a false dichotomy. Reprimarization is the outcome of specific policy choices (trade liberalization, exchange-rate appreciation, inflation targeting, capital account openness) operating within structural conditions (peripheral currency status, dependence on external finance, concentrated land ownership, the productive advantages of established center economies). Neither the policies nor the structures alone determined the outcome. The two interacted, and the interaction produced a specific trajectory. Different policies within the same structures, as the experience of some Asian economies suggests, might have produced different outcomes. But the structural conditions set the terrain on which those policy choices had to be made, and they shaped which choices were politically feasible.

By the time Brazil joined BRICS in 2009, its external insertion had already been reshaped by two decades of neoliberal restructuring, persistent deindustrialization, and an accelerating reprimarization driven by the China-led commodity boom. Growth, foreign-exchange generation, and external stability had become increasingly tied to

commodity exports and to demand conditions set abroad. Manufacturing had lost relative weight and technological sophistication. Financial markets had been reorganized around short-term capital flows and dollar-denominated assets. The economy that entered BRICS was not a blank slate onto which a new pattern of integration could be imprinted. It was an economy with a specific structural profile, shaped by specific historical trajectories, and already operating within specific constraints.

The central analytical question of this thesis therefore becomes: what did BRICS membership do to an economy already configured this way? Did it provide the institutional basis for reversing reprimarization, recovering industrial density, and reducing external financial vulnerability? Or did it reinforce, under new institutional labels, the pattern of subordinated integration that had been consolidated over the previous three decades? Answering these questions is the task of Chapter 3.

D. BRICS in the Literature

The brief history of BRICS introduced in Section I.A establishes the institutional skeleton within which the literature reviewed here developed. Two points are worth adding before that review begins. The first is that in 2024 and 2025 the bloc expanded further to include Egypt, Ethiopia, Iran, and the United Arab Emirates, alongside a wider partner-state framework. This thesis limits its analysis to the original five-member configuration, which is the one within which Brazil's BRICS experience has primarily unfolded; the implications of the expansion are taken up briefly in the conclusion. The second is that the academic literature on the bloc has developed in two relatively distinct strands since roughly 2010, organized around two different ways of asking what BRICS means. Reviewing those two strands and identifying the gap between them is the work of this section.

What began as an investment thesis turned, almost by accident, into a diplomatic project. The first formal BRIC summit was held in Yekaterinburg in June 2009, at the height of the global financial crisis, South Africa joined the following year, making the group BRICS, and since then, the member states have produced a thickening agenda of joint declarations, working groups, currency swap arrangements, and multilateral institutions, most prominently the New Development Bank (NDB), established 2014, and the Contingent Reserve Arrangement. In 2024 and 2025, the bloc expanded further to include Egypt, Ethiopia, Iran, and the United Arab Emirates, though this thesis limits its analysis to the original five-member configuration, which is the one within which Brazil's BRICS experience has primarily unfolded.

Why this grouping matters depends on the framework through which it is viewed. The academic literature on BRICS has divided, since roughly 2010, into two broad camps: an optimistic reading that sees the bloc as evidence of structural change in the global order, and a critical reading that sees it as a reorganization of existing hierarchies rather than a break with them. Both camps have produced useful insights, and both have analytical limits. This section reviews both and identifies the specific gap in the literature this thesis sets out to address: a gap that is not, primarily, a gap in the coverage of facts, but a gap in the questions the literature asks.

1. The Optimistic View

The literature that first engaged with BRICS received the grouping with considerable enthusiasm. After the 2008 global financial crisis exposed the fragility of the US- and European-led economic order, major emerging economies that had largely avoided the worst of the fallout appeared to offer an alternative. The optimistic reading organized itself around

three claims: that BRICS represented a meaningful platform for South-South cooperation; that its new institutions offered genuine alternatives to Western-dominated finance; and that it was reshaping the global order toward multipolarity.

The South-South cooperation argument began with the observation that BRICS offered developing countries a way to coordinate beyond the frameworks imposed by the Global North. An early marker was the 2003 meeting of Brazil, India, and other developing countries at the WTO Ministerial Conference in Cancún, where they coordinated positions on agricultural market access. The 2008 crisis gave those coordinating efforts new urgency, and the 2009 Yekaterinburg summit institutionalized them (Garcia 2017). What made the BRICS framework attractive as a vehicle for South-South cooperation was its approach to development assistance: unlike the IMF and World Bank, which tied financing to structural adjustment conditionality, BRICS cooperation operated on a principle of non-interference in domestic affairs (Garcia 2017). For optimistic readers, this represented a meaningful departure from the paternalism of Northern-led development institutions.

The institutional argument centered on the New Development Bank (NDB). Signed into existence at the Fortaleza summit in July 2014, capitalized at USD 50 billion, and designed to finance infrastructure and sustainable development projects within BRICS countries and other emerging economies, the NDB was built as a direct alternative to the Bretton Woods financial architecture (Garcia 2017; Nach and Ncwadi 2024). Its governance structure embodied that challenge: voting rights were distributed equally among the five founding members, preventing any single country from dominating, in explicit contrast to the IMF and World Bank, where voting weights reflected economic size and the United States retained effective veto power (Petry and Nölke 2024). The NDB also committed to

local-currency lending as a core operational feature, aiming to reduce the currency-risk burden that dollar-denominated loans impose on developing-country borrowers. The Contingent Reserve Arrangement, a USD 100 billion mutual support mechanism for short-term balance-of-payments pressures, was designed to offer member states a financial buffer outside IMF conditionality. In 2016, the NDB disbursed its inaugural loans totaling USD 811 million, demonstrating that the institution could move from design to operation (Nach and Ncwadi 2024).

The multipolarity argument rested on aggregate economic weight. Between 1990 and 2020, the BRICS countries' combined share of global GDP grew from 7.9 to 24.7 percent. Measured in purchasing power parity, their combined output had surpassed the G7's by the early 2020s. Intra-BRICS trade rose by 56 percent between 2017 and 2022 alone, reaching USD 422 billion (Petry and Nölke 2024). From the first formal summit in 2009, BRICS positioned itself as an advocate for "a more democratic and just multipolar world order based on the rule of international law, equality, mutual respect, cooperation, coordinated action, and collective decision-making of all states" (Pant 2013). Successive summits reinforced these demands, calling for IMF quota reform, greater representation of emerging economies in multilateral institutions, and a more balanced international reserve currency system (Petry and Nölke 2024).

A more ambitious strand within the optimistic literature went beyond institutional reform. This strand, which Bond and Garcia (2015) identify as the "Third Worldist" current, saw in BRICS the potential for a genuinely anti-imperialist realignment rather than a negotiated rebalancing of existing hierarchies. Drawing on traditions rooted in the 1955 Bandung Conference and the Non-Aligned Movement, these analysts argued that BRICS

possessed sufficient collective weight to challenge US hegemony directly. They pointed to the bloc's resistance to Northern-imposed intellectual property regimes, most consequentially in the area of generic medicines, which allowed affordable antiretroviral treatment to reach tens of millions of HIV-positive patients across the Global South, and to its joint opposition to the proposed US military intervention in Syria in 2013. Even Bond and Garcia (2015), whose volume is explicitly anti-capitalist in orientation, acknowledge that such moments represented genuine, if episodic, instances in which the BRICS occasionally adopt inter-imperial stances against Western powers.

2. The Critical View

The most sustained challenges to this optimistic reading came from scholars working within dependency theory, world-systems analysis, and anti-capitalist political economy. The most comprehensive articulation of this perspective appeared in Bond and Garcia's edited volume *BRICS: An Anti-Capitalist Critique* (2015), whose central argument was that BRICS represented not a rupture with existing global hierarchies but their extension and partial reorganization. The phrase the editors used to capture this argument, that the BRICS bloc "aims not to overturn tables at the proverbial temple, but to collaborate in holding them up" (Bond and Garcia 2015, 1), describes a posture in which BRICS states regularly demanded a larger share of institutional power while simultaneously underwriting the stability of the order they claimed to contest.

The critical literature drew heavily on the concept of sub-imperialism, originally developed by the Brazilian theorist Ruy Mauro Marini in the mid-1960s to characterize Brazil's position as a regional power that extended rather than challenged imperial structures. In Marini's original formulation, reconstructed by Luce (2015), Brazil occupied a

historically singular position within Latin American capitalism as the only country to have achieved full sub-imperialist formation, defined by the capacity to exercise a "relatively autonomous expansionist policy" while remaining "within the hegemonic framework exercised by imperialism on the international scene." Applied to BRICS, this theoretical lens suggested that the economic rise of its members did not alter the structural logic of the world system but instead reproduced neoliberal disciplines within each member's own regional sphere of influence.

The critical analysis of the NDB and CRA pointed to specific institutional limits. Accessing the full benefit of the CRA required member states to maintain an active arrangement with the IMF (Panitch 2015), meaning the intended alternative to IMF conditionality was, from its inception, absorbed into the very architecture it was meant to contest. The NDB, rather than becoming the transformative Bank of the South that revolutionary governments in Venezuela and Bolivia had envisioned in the 2000s, was built in the operational image of the development banks it nominally challenged, financing infrastructure projects on commercial terms, in dollars, for creditworthy sovereign borrowers.

On the monetary dimension, the critical literature argued that the BRICS challenge to dollar hegemony was more apparent than real. Despite repeated declarations about currency diversification and the desirability of a multipolar reserve system, the dollar's structural centrality in global trade and finance persisted essentially uninterrupted (Hung 2015). Chinese dollar purchases reached record highs precisely during the period of greatest BRICS rhetoric about de-dollarization (Bond and Garcia 2015). The structural roots of dollar hegemony lay not in institutional design but in the financial markets centered on Wall Street,

which the BRICS had no institutional capacity to replicate. As long as those markets remained the gravitational center of global capital, even the most ambitious BRICS monetary initiatives would operate within, rather than against, the dollar-centered hierarchy (Panitch 2015).

3. The Gap: What the Literature Leaves Unanswered

The optimistic and critical strands of the BRICS literature share a structural limitation: both treat the grouping as the primary unit of analysis and ask what BRICS has done to the global order, without adequately asking what BRICS has done to its individual members. The optimistic literature evaluates the bloc through aggregate economic weight, institutional creation, and geopolitical positioning. The critical literature responds by contesting those claims at the same aggregate level without disaggregating the very different structural positions of Brazil, China, Russia, India, and South Africa. A country whose insertion into BRICS occurred after decades of neoliberal restructuring, deindustrialization, and reprimarization enters the literature largely as a backdrop to the larger drama, rather than as a case whose specific structural trajectory demands its own analytical attention.

The gap is not a matter of Brazil being underrepresented in the BRICS literature, the country appears frequently in both optimistic and critical accounts, but a gap in the terms of the debate. Both literatures ask whether BRICS has shifted the global order. This thesis asks a prior question: what kind of economy did Brazil bring into BRICS, and has BRICS membership altered or reinforced the conditions of productive transformation, financial repositioning, or monetary policy autonomy that were already in place when Brazil joined the bloc? The answer the next chapter develops is that BRICS modernized the mechanisms through which Brazil's subordinated integration into the global economy operates without

altering its fundamental structure. This concept of modernized subordination is the specific contribution that the inversion of perspective makes possible. Both the optimistic and the critical literatures, by remaining at the aggregate level of the bloc, are positioned to argue about whether BRICS has changed the world; neither is positioned to argue about whether BRICS has changed the structural conditions of any specific member. Modernized subordination names what becomes visible when the question is asked at the level of the member rather than the level of the bloc: real institutional reconfiguration, new partners and new creditors, accompanied by the persistence of the underlying hierarchy that defines a member's place in the international division of labor.

The next chapter takes up the question that follows from that baseline: what happened to Brazil's structural position once it became a BRICS member? The chapter asks whether BRICS participation produced the structural transformation it promised. The answer this thesis arrives at, developed in detail across the sections that follow, is that BRICS modernized the mechanisms of Brazilian subordination without altering its fundamental structure.

III. Brazil in BRICS: Empirical Assessment

Chapter 2 established the structural baseline against which BRICS membership must be measured: the industrial deepening and external displacement of ISI, the financial discipline of the neoliberal opening, and the reprimarization consolidated during the 2000s commodity boom. This chapter takes up the empirical of what BRICS membership has actually produced for Brazil since 2009. The chapter proceeds in three sections, each examining one of the three dimensions of subordinated integration that have organized this thesis. Section A examines Brazil's productive and trade structure, drawing on trade composition data, the Economic Complexity Index, R&D expenditure, and interviewee testimony. Section B examines Brazil's external financial position, drawing on data on Chinese FDI, aggregate FDI stock, and the New Development Bank's project portfolio, alongside interviewee testimony. Section C examines Brazil's monetary autonomy and currency use, drawing on SWIFT, IMF reserves data, Central Bank working papers on invoicing currency, and interviewee testimony. Each section opens with what the BRICS project promised in that dimension, examines what the empirical record shows, and closes with a synthesis of how the bloc altered or failed to alter the structural conditions documented in Chapter 2.

A. Trade Reorientation or Reprimarization?

Before turning to the empirical record, it is worth examining what BRICS membership was supposed to mean for Brazil's trade relations, distinguishing between what the bloc formally promised at its summits and what governments and analysts more broadly expected the bloc to produce.

The formal promises were articulated at the diplomatic level, in the language of successive presidential summits. From the first BRIC meeting in Yekaterinburg in 2009, the joint declarations consistently included commitments to deepen commercial ties among member states. By the 2011 Sanya Summit, the group had formally agreed to "continue further expanding and deepening economic, trade and investment cooperation." The 2012 Delhi Declaration called for measures to "intensify trade and investment flows," and the 2014 Fortaleza Summit (hosted in Brazil) went further, committing the bloc to a "road map for intra-BRICS economic cooperation" and pledging to raise that cooperation "qualitatively" (Hooijmaaijers 2021, 5). What these commitments specifically promised, however, is worth being precise about. They were institutional commitments to expand intra-BRICS trade volumes and investment flows; they were not commitments to alter the composition of trade between members, to reduce existing asymmetries, or to coordinate industrial policy across the bloc. In the formal language of the declarations, BRICS was an instrument for intensifying existing economic relationships among its members. It was not, at the level of official commitment, an instrument for transforming what those relationships consisted of.

The expectations attached to the bloc, however, extended beyond what the declarations formally promised. For Brazil specifically, the aspiration was articulated most clearly by Celso Amorim, the country's Foreign Minister throughout the Lula years, in a formulation that captures the spirit of the period: "Being subordinated to a particular leading country, we don't want that." In his account, BRICS offered a platform through which developing countries could coordinate to "avoid being victims of financial maneuvers" and reduce their exposure to the volatility of Western financial cycles (Martins 2025). The expectation was

not just that intra-BRICS trade would grow in volume, but that South-South trade, conducted among countries at comparable levels of economic development, could carry a qualitatively different character from the North-South patterns that had defined Brazil's external sector for centuries. A parallel scholarly literature gave this expectation analytical form. Garcia (2017), among others, framed BRICS cooperation as operating on principles distinct from those of the Bretton Woods institutions and argued that this framework offered Global South countries a way to coordinate beyond the constraints of Northern-led arrangements. The distance between the formal commitments and these broader expectations is itself analytically important: BRICS did not promise to soften Brazil's structural dependence, but the institutional architecture it created was widely read, both inside Brazilian foreign policy and in the academic literature on the bloc, as if it might.

Yet even as those commitments were being signed and those expectations articulated, structural trends in the global economy were pulling in the opposite direction. During the commodity boom of 2003 to 2013, exports from Latin America to China were composed of more than 90 percent commodities (Ocampo 2017). What the academic literature subsequently called "reprimarization" or "recommoditization" was being advanced by the rising tide of Chinese import demand, which simultaneously absorbed Latin American raw materials at unprecedented prices and exposed Latin American manufacturers to Chinese industrial competition. The first stages of this process were already visible when BRICS was formed in 2009; the question that the data examined in the following pages takes up is whether the bloc's formal commitments and the wider expectations attached to it altered that direction, or were absorbed into it.

1. Brazil's Export Structure: Before and After BRICS

By the time Brazil entered BRICS, its export structure had already been reshaped by two decades of neoliberal restructuring and the early effects of the commodity boom. The country had never fully recovered the industrial density it lost during the 1990s, and primary goods had been regaining ground in the export basket since the early 2000s. In 2001, President Fernando Henrique Cardoso, at the swearing-in ceremony of his new Minister of Development, reduced the country's economic strategy to three words: "export or die" (Andrade, 2016). The phrase echoed Brazil's 1822 independence cry "independence or death", but its real meaning was more prosaic. With a widening external deficit and little room for maneuver, the agricultural export sector was repositioned as the country's best asset on global markets.

Figure 1: Primary Commodities as a Share of Brazilian Exports (1995-2024)



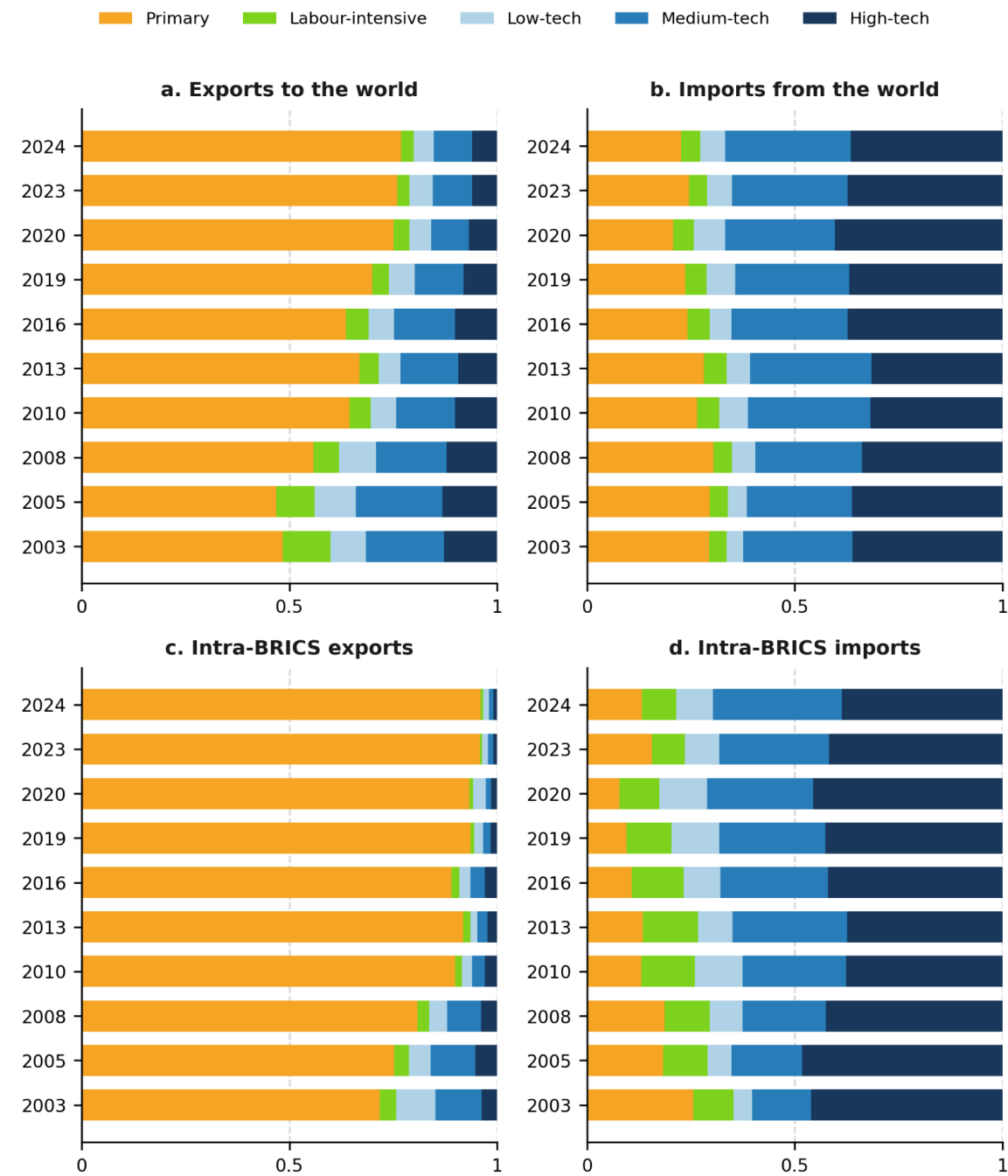
Source: UNCTADstat, Merchandise Trade Matrix. Primary commodities = SITC 0+1+2+3+4+68.

The most straightforward way to understand what happened to Brazil's economy during the BRICS period is to look at what the country actually sold to the world, and how that changed over time. In 1995, primary commodities accounted for 44.9 percent of everything Brazil exported. By 2024, that share had climbed to 75.6 percent (see Figure 1). Three out of every four export dollars today come from primary commodities, goods that required almost no industrial processing whatsoever. This is a structural transformation of the Brazilian economy, and it moved in the opposite direction from what the BRICS project promised.

Figure 2 breaks down Brazil's trade by what kind of goods are actually crossing the border. The top two panels show Brazil's trade with the world as a whole. On the export side, primary commodities have steadily consumed a larger and larger share of what Brazil sells abroad, rising from under half in 2003 to nearly three quarters by 2024. Meanwhile, the blues that represent medium and high-technology manufactures have quietly shrunk. Brazil is selling more to the world, but in an increasingly narrow range of products.

The import side tells the mirror image of that story. What Brazil buys from the world is dominated by exactly what it is selling less of: medium and high-technology goods (machinery, electronics, industrial equipment). The productive complexity that has been fading from Brazil's export basket keeps showing up on the import side instead. The bottom two panels show the same breakdown, but only for trade within BRICS. And here the numbers are almost difficult to look at. By 2024, 96 out of every 100 dollars Brazil earns from exports to its BRICS partners comes from primary commodities and the manufactured goods (low, medium, and high-tech) have nearly vanished from the picture. At the same time, what Brazil imports from BRICS partners is heavily concentrated in medium and high-technology products, a share that has grown over the same period.

Figure 2: Trade structure evolution of Brazil (2003-2024)



Source: UNCTADstat, Merchandise Trade Matrix

The BRICS alliance was framed, at least in part, as a vehicle for South-South cooperation that could offer developing economies a different kind of trade relationship, one less defined by the old hierarchy of raw materials flowing north and manufactured goods flowing south. What the data shows instead is that Brazil's trade within BRICS reproduces that hierarchy almost perfectly, and in some respects more sharply than its trade with the rest of the world.

The commodity boom reversed this temporarily, but that reversal was entirely external in origin. It had nothing to do with Brazil producing better goods or moving up global value chains; it was the result of Chinese construction demanding more steel, and Chinese consumers eating more soy protein. When China's growth rate slowed after 2013, Brazilian export revenues collapsed just as fast as they had risen, triggering the country's deepest recession in decades. Nassif and Castilho (2020, p. 672) describe this dynamic as "regressive specialisation", a pattern in which both production and export structures become concentrated in goods with low technological sophistication and low income elasticity of demand, leaving the economy structurally exposed to cycles it cannot control.

In an interview conducted for this research, Interviewee 1 described reprimarization not as a deliberate policy choice but as "a consequence of the structuring of the Brazilian economy over decades." For them, the relevant question is not whether Brazil exports commodities – it would be, in their words, "a sin" if it did not, given its natural endowments – but whether the country has used the revenues from those exports to build competitiveness elsewhere. The problem, in his view, lies in a domestic industrial sector that remains oriented almost exclusively toward a captive internal market of 200 million consumers, a legacy of import substitution that removed the incentive to compete globally. Brazilian

manufacturers, shielded by tariffs and anti-dumping measures, have not made the investments needed to match international competitors. Those competitors, meanwhile, have become productive enough to clear Brazilian tariff barriers and still sell at competitive prices inside the country. Reprimarization, in this reading, is less about what Brazil chose to export and more about what it failed to build at home.

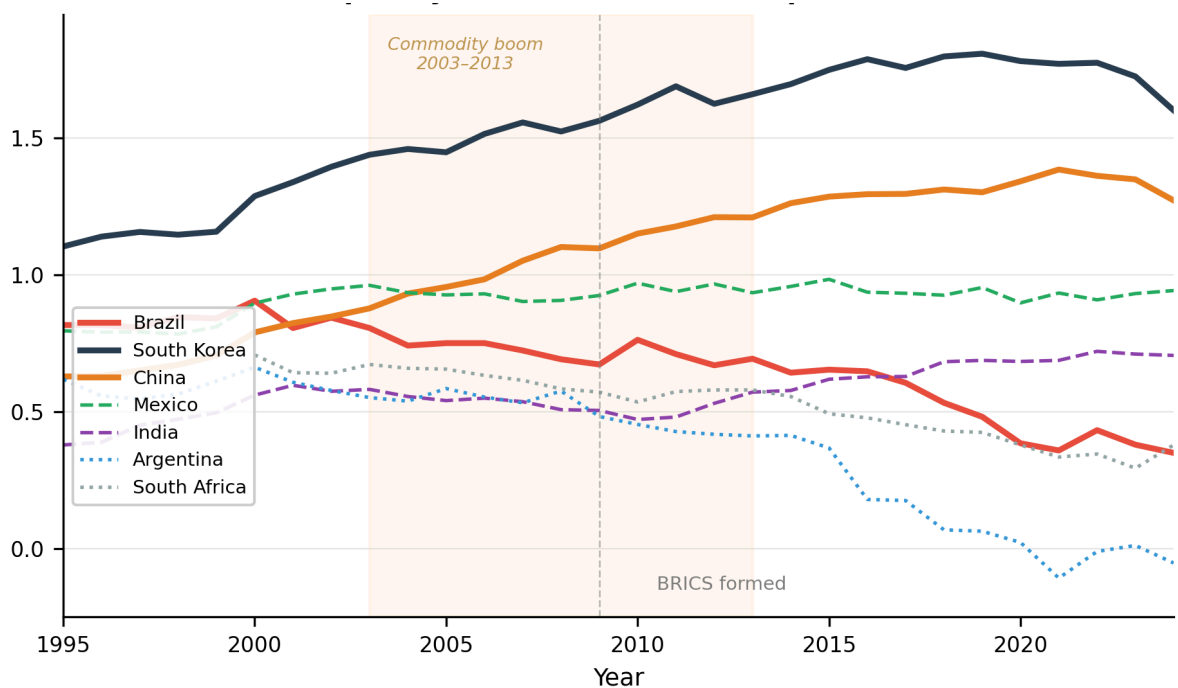
This argument finds support from a different angle. In a separate interview, Interviewee 2 made a similar point through a different metaphor: the division of economic activity into primary, secondary, and tertiary sectors, he argued, has lost much of its usefulness. What matters is the amount of technology and value added embedded in each activity, regardless of whether the output is a grain of corn or an auto part. In their view, a protected auto parts manufacturer surviving on tariff walls and government subsidies may carry less technological content than a Brazilian soybean engineered through decades of agronomic science. The real question would be not what a country exports but what it does with the surpluses, and Brazil has left too little room for the research and development spending that would drive diversification.

Both arguments point in the same direction: reprimarization is not just a trade pattern but a failure of reinvestment. The commodity boom of 2003-2013 gave Brazil a window in which record export revenues could have financed a push toward greater productive complexity. The data suggests that window was missed.

The Economic Complexity Index (ECI) offers a way to measure what the trade composition data in Figures 1 and 2 cannot capture on its own. Developed by researchers at Harvard and MIT, the ECI measures how sophisticated and diversified a country's export basket is by looking at both the variety of goods exported and how few other countries are

able to produce them. A country that exports many different products that only a handful of other economies can make scores high. A country that exports a narrow range of goods that nearly everyone else also produces scores low. The index is normalized so that its mean across countries is zero and its standard deviation is one, with positive values indicating productive structures more complex than the global average and negative values indicating less complex structures. In the most recent data, scores range from around -2 (for the least diversified primary-export economies) to around $+2.5$ (Japan, Switzerland, Germany). The index, in other words, is a proxy for the productive knowledge embedded in an economy, like the skills, institutions, and technological capabilities that determine what a country is able to make.

Figure 3: Economic Complexity Index: Brazil and Comparators (1995-2024)

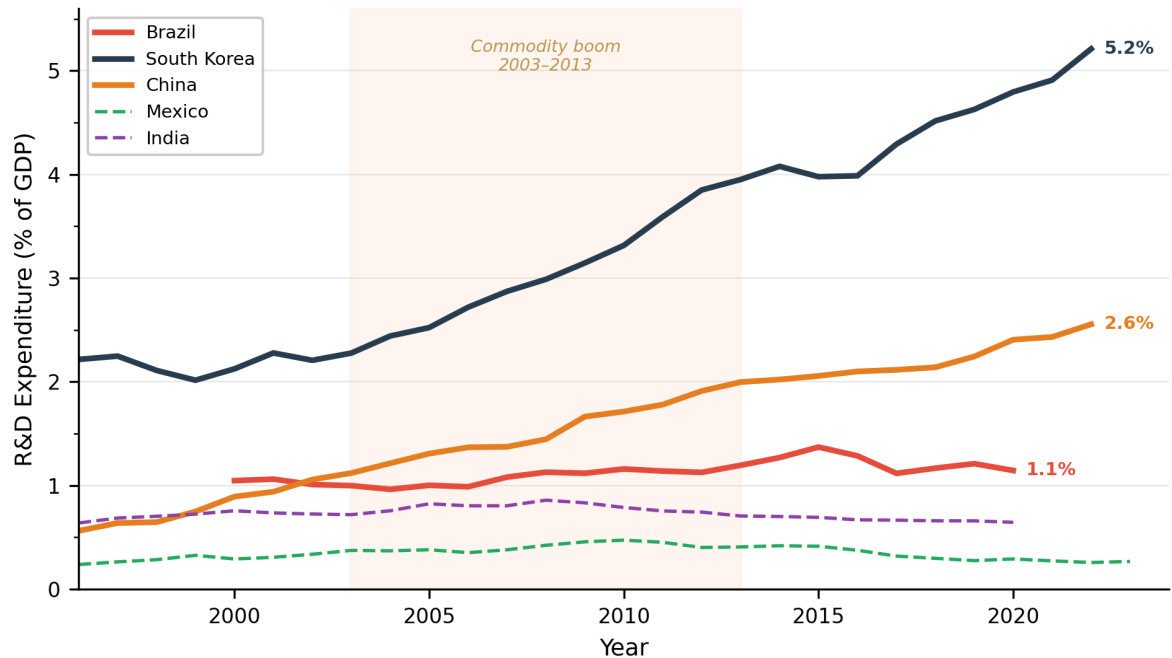


Source: Growth Lab at Harvard University, Atlas of Economic Complexity

Figure 3 tracks the ECI for Brazil and six comparator economies from 1995 to 2024. In 1995, Brazil ranked 29th in the world with an ECI score of 0.82. China, at the time, ranked 42nd with a score of 0.63, well below Brazil. Three decades later, the positions have reversed completely. By 2024, China had climbed to 10th place with a score of 1.27, while Brazil had fallen to 59th with a score of 0.35. The country that became Brazil's largest trading partner within BRICS was building productive complexity at exactly the pace Brazil was losing it.

What makes the ECI data especially relevant for the BRICS question is the timing. Brazil's complexity score was already declining before BRICS was formally established in 2009, which means the bloc cannot be blamed for starting the process. The declining trajectory is, however, inseparable from the relationship that BRICS would later institutionalize. The Chinese commodity demand that drove Brazil's pre-2009 reprimarization, documented in Chapter 2, is the same demand that BRICS would, after 2009, embed in a multilateral framework. The bloc did not begin the process visible in the ECI series; what it did was provide diplomatic and institutional form to the bilateral relationship that was already producing it. But BRICS membership did nothing to reverse it either. The shaded area in Figure 3 marks the commodity boom of 2003-2013, the period during which Brazil's export revenues were at their highest. During those same years, the ECI fell from 0.81 in 2003 to 0.69 in 2013. The boom generated foreign exchange, but it did not generate productive sophistication. If anything, it accelerated the shift in the opposite direction by concentrating incentives around the sectors that were already globally competitive (soy, iron ore, oil) while the rest of the productive structure continued to erode.

Figure 4 Research and Development Spending as Share of the GDP (1996-2023)



Source: UNESCO Institute for Statistics, via World Bank World Development Indicators.

The Research and Development data makes the failure of reinvestment concrete. Figure 4 tracks research and development spending as a share of GDP for Brazil and four comparator economies. Between 2000 and 2020, Brazil's R&D expenditure barely moved, hovering between 1.0 and 1.2 percent of GDP throughout the entire period. South Korea, which already spent 2.2 percent in 1996, more than doubled its commitment to reach 5.2 percent by 2022. China's trajectory is equally telling: in 1996, it spent just 0.6 percent of GDP on R&D, less than Brazil. By 2002, it had caught up. By 2022, it had reached 2.6 percent, more than twice Brazil's level. The same country that was absorbing Brazilian iron ore and soybeans was simultaneously pouring resources into the productive capabilities needed to sell manufactured goods back to Brazil. The shaded area in the figure marks the commodity boom of 2003-2013, the years in which Brazilian export revenues were at their

highest. During that window, the R&D line does not move. Brazil did not use the windfall to close the technology gap; it watched the gap widen.

There is, however, a counterargument worth addressing. In an interview for this research, Interviewee 2 pushed back against the use of "reprimarization" as a straightforward indicator of dependency. The traditional division between primary, secondary, and tertiary sectors, they argued, has lost much of its analytical usefulness. Brazilian agriculture is not the extractive, low-technology activity that classical dependency theorists had in mind. It is, in many of its most productive segments, intensive in science.

They are right on the narrow point: reprimarization, on its own, is not what marks dependency. But the relevant category was never the technological content of what is produced, it is Brazil's subordinated position within an international division of labor whose terms are set elsewhere. For Brazil, subordination has a concrete shape: the country specializes in supplying raw inputs whose prices, demand cycles, and strategic value are determined in foreign markets, while importing the manufactured goods, technology, and capital from the very economies that absorb those inputs. The sophistication of the soybean does not change the rung Brazil occupies on that ladder.

The productivity numbers do back them up¹. But productivity is not the same diagnostic as dependency. The question is not whether Brazilian agriculture is sophisticated; it is whether that sophistication alters Brazil's structural position in international trade. It does not. The earnings generated by a high-productivity export sector flow disproportionately

¹ One way to measure this is through what economists call total factor productivity (TFP), which captures how efficiently an economy turns inputs (land, labor, machinery, fertilizer) into output. Between 1975 and 2021, Brazilian agricultural output grew at 3.77 percent per year while inputs grew at only 0.44 percent, almost all of the 88 percent increase came from productivity gains. Brazil's agricultural TFP grew at 3.31 percent per year over this period, nearly three times the global average of 1.12 percent, and above the rates of the United States (1.48%), Argentina (2.0%), and Australia (1.56%). (Gasques et al. 2023)

into servicing external obligations, importing the capital goods and inputs Brazil does not produce, and stabilizing a currency whose value tracks commodity cycles set abroad. Even the technology embedded in the soybean is, in significant part, imported. Higher productivity has made Brazil's specialization more profitable while it lasts, it has not made the country less dependent on the cycles that determine how long it lasts.

A separate 2025 study by researchers at MIT, Princeton, and the Inter-American Development Bank estimated that the Embrapa system (Brazil's public agricultural research corporation) was responsible for a 110 percent increase in the country's agricultural productivity since its founding in 1973, with a return of 17 reais for every 1 real invested (Akerman et al. 2025). This is not the agriculture of Gunder Frank's periphery. It is a sector built on engineered seeds, satellite-guided precision farming, and decades of accumulated agronomic science.

But sophisticated production is not the same as a different structural position, and this is where the dependency argument reasserts itself. Figure 5 tracks Brazil's net barter terms of trade from 1995 to 2023. The terms of trade measure, in simple terms, how much a country can buy with what it sells: when the index goes up, each ton of exported soy or iron ore buys more imported machinery or electronics; when it goes down, the same ton buys less. During the commodity boom, Brazil's terms of trade climbed, peaking at 127 in 2011. After the boom ended, they fell back to 100 by 2015, meaning Brazil lost in four years all the purchasing power it had gained in the previous eight.

The index has since partially recovered, but it reveals a pattern where Brazil's capacity to trade on favorable terms rises and falls with commodity prices that are set entirely outside the country's borders, like Chinese construction demand, global weather patterns, and

speculative markets. A country can have the most technologically advanced soybean on earth, but if the international price of soybeans drops by 30 percent, its export revenues drop by 30 percent regardless. The sophistication of the production process does not insulate the economy from the volatility of its terms of trade. This is the classical dependency argument in updated form. The vulnerability lies not in how a good is produced, but in the structural position of an economy that depends on selling it.

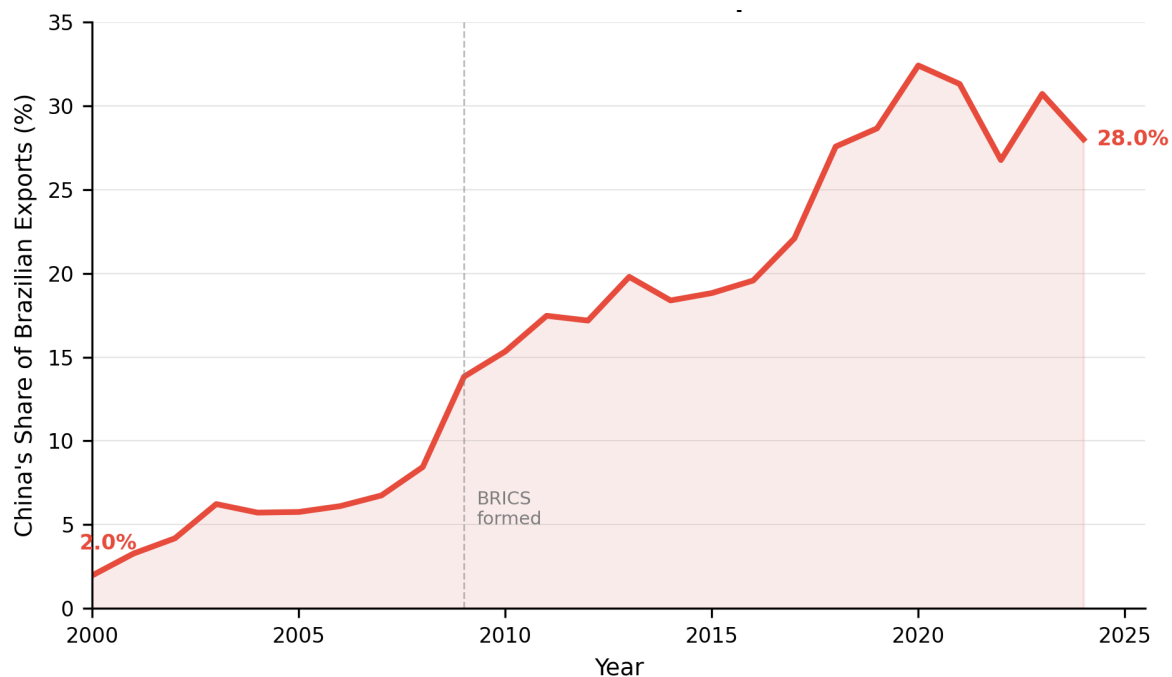
2. The China Factor

In 2000, China absorbed 2 percent of everything Brazil exported. By 2024, that figure had reached 28 percent. At its peak in 2020, it was above 32 percent, meaning that nearly one in every three dollars Brazil earned from selling goods abroad came from a single country (Figure 5). For comparison, the United States, Brazil's second-largest market, accounts for roughly 12 percent. This is not a gradual broadening of commercial ties across BRICS partners. It is a gravitational pull toward one economy.

The mechanism behind this shift was described in strikingly similar terms by two of the people interviewed for this research. Interviewee 2 explained it through the lens of income growth: when a country of over a billion people rises from a per capita income of roughly \$1,800 in the early 2000s, the first things that absorb the additional income are food, protein, and infrastructure, like soybeans, beef, iron ore, products that Brazil had in abundance. China's ascent, in their words, was "a huge tailwind" for Brazil's agribusiness and mineral exports. Interviewee 1, speaking separately, made the same observation but arguing that China and Brazil have complementary trade structures in the commodity space, but those

complementarities do not extend to manufacturing or technology. In the commercial arena, the BRICS countries have, in their assessment, "absolutely divergent interests."

Figure 5: China's share of total Brazilian exports (2000-2024)

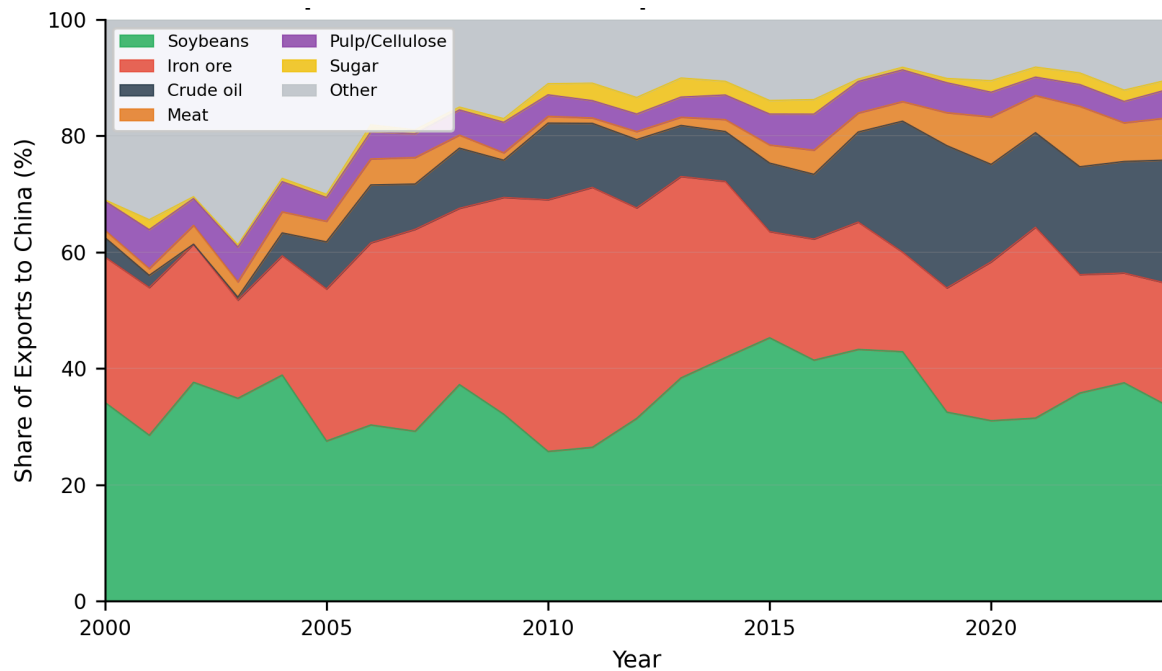


Source: MDIC/COMEXSTAT.

Figure 6 shows what Brazil actually sells to China, and the picture it reveals is one of extreme concentration. Three product groups (soybeans, iron ore, and crude oil) have dominated the export basket throughout the entire period, and their combined share has grown over time as smaller categories shrank. In 2024 alone, Brazil shipped 74.6 million tons of soybeans to China, worth \$36.5 billion, alongside iron ore worth over \$25 billion and growing volumes of crude petroleum (MDIC/COMEXSTAT 2025). Meat, pulp, and sugar add secondary layers, but the pattern is clear: Brazil's exports to its largest trading partner

consist almost entirely of goods that come out of the ground or off the farm. Manufactured goods are virtually absent.

Figure 6: Composition of Brazilian Exports to China (2000-2024)



Source: MDIC/COMEXSTAT. Classified by product category (NCM).

This is the structure that Delgado and Leite (2023) describe as the "agribusiness pact": a state policy consensus, spanning two decades, that repositioned primary commodity exports as the central pillar of Brazil's external insertion. China's role in that pact was not incidental. By the time soy, iron ore, and oil had become the three dominant items on Brazil's export ledger, Chinese demand accounted for over 70 percent of the total value of soybean exports and a comparable share of iron ore. The concentration was not just in product type, it was also in destination. A narrow set of goods flowing to a narrow set of buyers is the definition of structural vulnerability.

The asymmetry runs deeper than what appears in the export data alone. On the import side, what Brazil buys from China is dominated by manufactured goods of medium and high technological intensity like machinery, electronics, electrical equipment, auto parts, and increasingly electric vehicles. Chinese competition was already displacing Brazilian manufacturers in both the domestic market and in third-country markets such as the United States and the European Union as early as the 2000s (Jenkins 2015).

The result is a commercial relationship that looks nothing like what South-South cooperation was supposed to deliver. Brazil sends raw materials and receives finished industrial goods. The external link changed – it is now centered on Beijing rather than Washington or Brussels – but the structure of the exchange did not. In an interview for this research, Interviewee 3 made the point that if one just replaced the bilateral relationship with the United States with the bilateral relationship with China, the division of labor pushing Brazil toward primary goods and away from industry would be, in their words, "even greater and even more entrenched." This is not an argument against trade with China, but an observation about what kind of trade that relationship has produced, and what kind it has not.

Jenkins (2012) argued that the net economic impact of China on Brazil was complex. On one hand, Chinese demand raised commodity prices and generated windfall export revenues; on the other, Chinese competition displaced Brazilian manufacturers in both domestic and international markets. More than a decade later, the ambiguity has largely resolved, but apparently in China's favor. The windfall phase ended when the commodity boom broke after 2013, but the competitive displacement, meanwhile, has only accelerated. Brazil's export basket to the world became more primary, its manufacturing sector became more

penetrated by imports, and its largest trading partner consolidated a position in which it simultaneously buys Brazil's raw materials and sells it the manufactured goods that Brazil's own industry can no longer produce at competitive cost.

What makes this dynamic particularly relevant for the BRICS question is that the bloc provided no mechanism to address it. There is no intra-BRICS industrial policy. There are no agreements to promote technology transfer between members, no joint programs to support manufacturing diversification, and no institutional framework within which Brazil could negotiate a more balanced commercial relationship with China. The BRICS declarations speak of "deepening economic cooperation" and "intensifying trade flows," but the largest economy pulled the others into its orbit, and the pattern of exchange that resulted reflected the existing distribution of productive capabilities, not a new one. For Interviewee 1 the BRICS has become "a political forum" rather than an economic mechanism, one in which the commercial interests of members are too divergent for meaningful coordination.

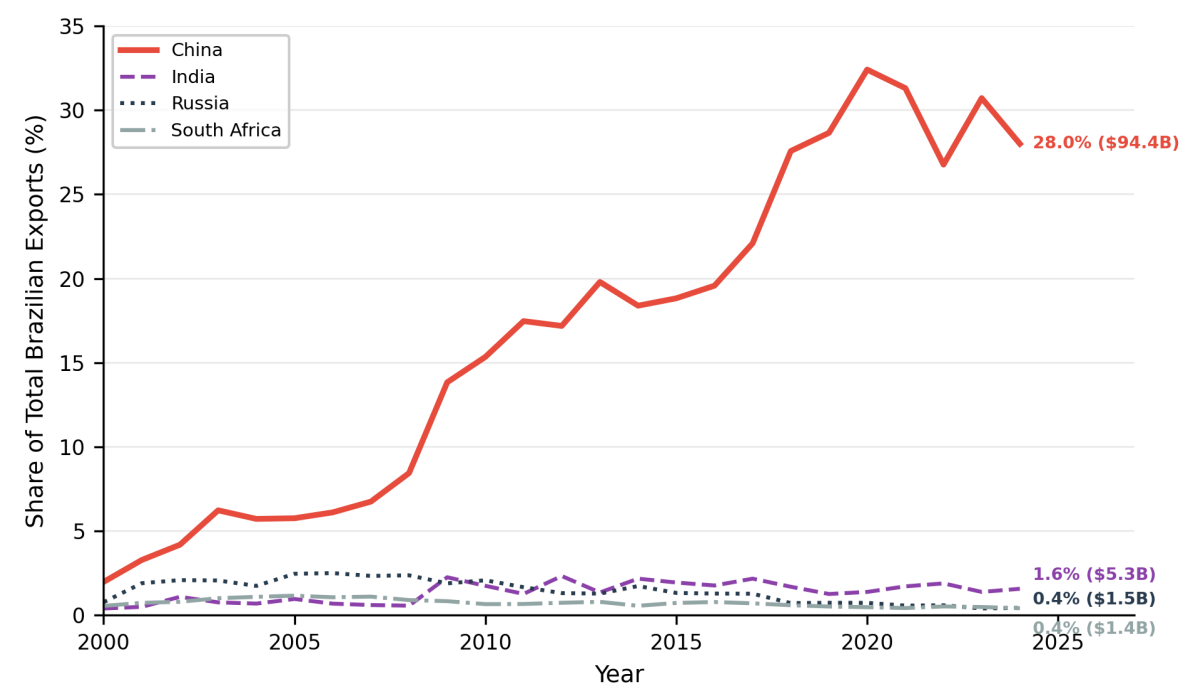
3. Trade with Other BRICS Partners

As stated before, China's share of Brazilian exports rose from 2 percent in 2000 to 28 percent in 2024 but over the same period, India went from 0.4 to 1.6 percent, Russia from 0.8 to 0.4 percent, and South Africa from 0.5 to 0.4 percent. In absolute terms, Brazil exported US\$94.4 billion to China in 2024, compared to US\$5.3 billion to India, US\$1.5 billion to Russia, and US\$1.4 billion to South Africa. The three non-China original BRICS partners combined account for less than a tenth of what China absorbs alone.

Russia is Brazil's most imbalanced BRICS partner. In 2024, bilateral trade reached a record US\$12.4 billion, but the distribution was lopsided: Russia exported roughly US\$11

billion to Brazil, while Brazil exported only US\$1.5 billion in return. The relationship is defined by a single product: fertilizers, which accounted for approximately 34 percent of Brazilian imports from Russia in 2024 (Brazil 2025). Brazil, one of the world's largest consumers of agricultural inputs, depends on Russian potash and nitrogenous fertilizers to sustain the very commodity exports that anchor its trade with China. On the export side, Brazil sells Russia meat, coffee, and soybeans, the same primary goods it sends everywhere else (Brazil 2025). Russia's share of Brazilian exports actually fell during the BRICS period, from 2.5 percent in the mid-2000s to 0.4 percent in 2024.

Figure 7: Brazil’s Exports to BRICS Partners as Share of Total Exports (2000-2024)



Source: MDIC/COMEXSTAT

India, despite being the world's most populous country, has remained a surprisingly small trade partner for Brazil. Its share of Brazilian exports has never exceeded 2.3 percent

in any single year over the past quarter century. Interviewee 1 explains that India is "very protectionist," especially in agriculture, which is precisely the sector where Brazil has the most to sell. Indian tariff and non-tariff barriers on agricultural imports remain among the highest in the G20, limiting the scope for Brazilian soy, sugar, and meat exports.

South Africa is the smallest of the original BRICS economies and its trade relationship with Brazil reflects that scale. Bilateral exports have never surpassed US\$2 billion in any year. Recent initiatives – including cooperation agreements on micro and small enterprises, expanded air connectivity, and discussions around a South Atlantic corridor linking Africa and Latin America – point to a willingness to deepen ties, but these remain aspirational rather than transformative (TV BRICS 2026).

In 2025, intra-BRICS trade surpassed US\$1 trillion for the first time, but China alone accounted for 64 percent of the bloc's total exports (Khristoforova 2026). For Brazil, intra-BRICS trade is, in practice, trade with China. The other partnerships produce diplomatic meetings, memoranda of understanding, and occasional cooperation frameworks, but they have not generated the kind of sustained commercial integration that would diversify Brazil's external insertion. Interviewee 2 points out that the BRICS has "an epicenter that is China," and the other members are "supporting players of much, much smaller scale."

The trade evidence examined across this section converges on four findings. First, the BRICS period did not produce the qualitative reorientation of Brazilian trade that the bloc's declarations and the broader expectations attached to it implied. The composition of Brazilian exports shifted, but the share of primary commodities rose, the technological intensity of the export basket fell, and the Economic Complexity Index trajectory placed

Brazil further from, rather than closer to, the productive structures of the economies it sought to converge with. Second, this trajectory was driven not by BRICS as a multilateral framework but by the bilateral relationship with China, which functioned as the gravitational center of the bloc's economic life. The other three founding members combined absorb less than a tenth of what China alone takes from Brazilian exports, and the products that flow through that bilateral channel are concentrated in a narrow set of primary commodities while what comes back is concentrated in manufactures of progressively higher technological complexity. Third, the commodity boom of 2003 to 2013 generated a window of foreign-exchange abundance that was not used to finance the kind of productive upgrading that might have altered Brazil's structural position. R&D expenditure stagnated, manufacturing density continued to erode, and when the boom ended, Brazil had retained neither the exceptional revenues nor the productive capacities that those revenues could, in principle, have built. Fourth, and finally, the BRICS institutional architecture does not contain the instruments that would have made such a redirection possible. There is no intra-BRICS industrial policy, no technology-transfer framework, no coordinated mechanism for managing the asymmetric trade balance with China. The bloc's economic governance, in this respect, is structurally incomplete in a way analogous to the original architecture of the European Union, which adopted a common currency without a common fiscal policy: BRICS adopted a discourse of cooperation without the industrial-policy instruments that cooperation, to alter productive structures, would require. The result for Brazil is a modernization of the geography and institutional language of its external integration, accompanied by an intensification of the productive subordination that has organized Brazilian external trade for nearly a century.

B. Financial Subordination and the NDB

1. The Promise of Escaping Financial Subordination

On July 15, 2014, in Fortaleza, Brazil, the heads of state of the five BRICS members signed the agreement that created the New Development Bank. The bank was to be headquartered in Shanghai, capitalized at USD 100 billion in subscribed capital, and owned in equal shares by all five founding members (New Development Bank 2025). No IMF conditionality was attached. Within the broader BRICS project, the NDB was the most concrete institutional expression of the bloc's commitment to building an alternative architecture for development finance: a bank designed by emerging economies, governed by emerging economies, and intended to lend on terms different from those that the Bretton Woods institutions had imposed on the Global South for half a century. It was, in this sense, the institutional centerpiece of the BRICS challenge to what Section 1.B and the literature on international financial subordination identify as the disciplinary architecture of global finance, an architecture that this section now turns to examining in detail.

The previous section documented what BRICS membership produced for Brazil in trade: a deepening concentration in primary commodities, a gravitational pull toward China as a single dominant partner, and no institutional mechanism to alter the structure of exchange. The trade dimension of subordination, in other words, was modernized rather than dismantled. This section asks the same question of the financial dimension. Did the creation of the NDB, the broader institutional infrastructure of BRICS financial cooperation, and the rise of Chinese capital as a new source of investment in Brazil alter the structural terms on which the country participates in the global financial system, or did they reproduce, under

new institutional forms, the financial subordination that has historically organized that participation?

Financial subordination, as defined by Alami et al. (2023), describes a structural condition in which the currencies, financial systems, and institutions of developing economies occupy subordinate positions within a hierarchical global monetary order. At the top of that hierarchy sits the U.S. dollar, which functions as the world's reserve currency and the universal unit of account for cross-border finance. At the bottom are the currencies of peripheral economies, which barely fulfill any international monetary functions and whose holders must accumulate dollar reserves, pay higher interest rates, and accept continuous exposure to capital flight driven by decisions made in the financial centers of the Global North. This is a structure reproduced by the routine functioning of the global financial system, not by any single act of policy.

The lineage of this argument is the same one developed in Chapter 1. Prebisch (1939) argued that peripheral economies were subordinated not only through the structure of their productive sectors, but through their financial systems' dependence on liquidity and business cycles generated in the core: the fundamental obstacle to peripheral development was financial dependency itself, the inability of peripheral economies to borrow in their own currencies and the resulting need to accumulate reserves of currencies they did not issue. The IFS literature extends this argument into the era of contemporary financial globalization, in which portfolio flows, foreign exchange derivatives, and offshore dollar markets mediate the relationship between center and periphery in ways that did not exist in Prebisch's time. What both traditions share is the insistence that financial hierarchy is not a technical feature of the international system to be fine-tuned, but a relationship of power that

shapes the policy autonomy, the development financing options, and the macroeconomic stability of peripheral economies.

This is the framework against which the BRICS financial project must be measured. The empirical examination that follows is organized around three indicators of how that project actually operated for Brazil. The first is the composition and sectoral allocation of Chinese foreign direct investment, the most visible new source of capital to enter Brazil during the BRICS period. The second is the operational record of the New Development Bank, examined through the scale of its Brazilian lending, the currency composition of its portfolio, and the institutional decisions it has made under structural pressure (most notably, the suspension of lending to Russia in 2022). The third is the relationship of the NDB to the existing Bretton Woods architecture and the role of the Contingent Reserve Arrangement, which together test the claim that BRICS built an alternative to the IMF-World Bank system rather than an addition within it. Across these three indicators, the section develops the argument that the BRICS period diversified Brazil's financial partners without altering the power structure of its relationships, and that the institutional architecture of the bloc was built in a way that reproduces, rather than challenges, the financial subordination it was rhetorically designed to escape.

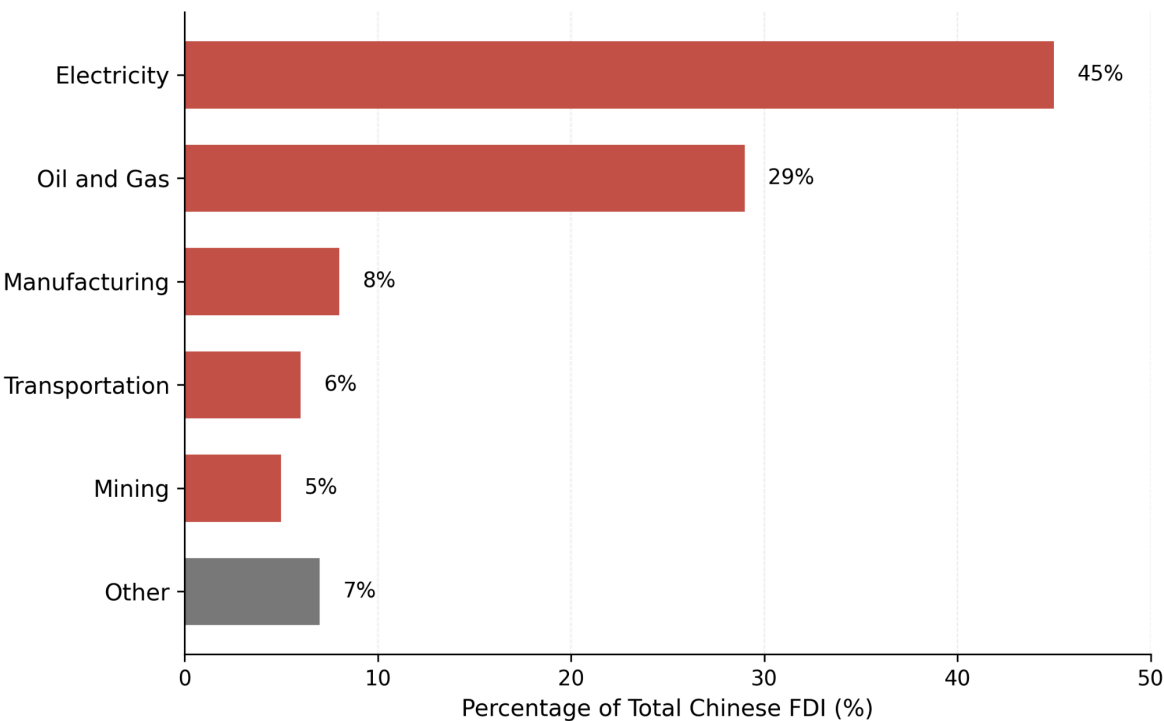
2. Where the Money Comes From: FDI and Sector Concentration

The promise of escaping financial subordination was never just about Chinese credit lines or the New Development Bank. It was also about attracting a different kind of foreign investment: capital that would help Brazil build the infrastructure, technology, and industrial capacity it needed to break out of its commodity trap. The story of Chinese foreign direct

investment in Brazil offers a test of that promise. Did the new capital come with a new model, or did it follow the old grooves deeper?

China became one of Brazil's largest sources of greenfield investment during the BRICS period, and the country rose from a marginal investor in the early 2000s to a central one by the late 2010s. But where that money went matters more than how much arrived. Of the total invested over those eighteen years, 45 percent went to electricity generation, mostly hydroelectric dams, wind farms, and solar parks (see Figure 8). Another 29 percent went to oil and gas extraction. Together, those two sectors absorbed nearly three-quarters of all Chinese FDI in Brazil. Manufacturing took just 8 percent (see Figure 8).

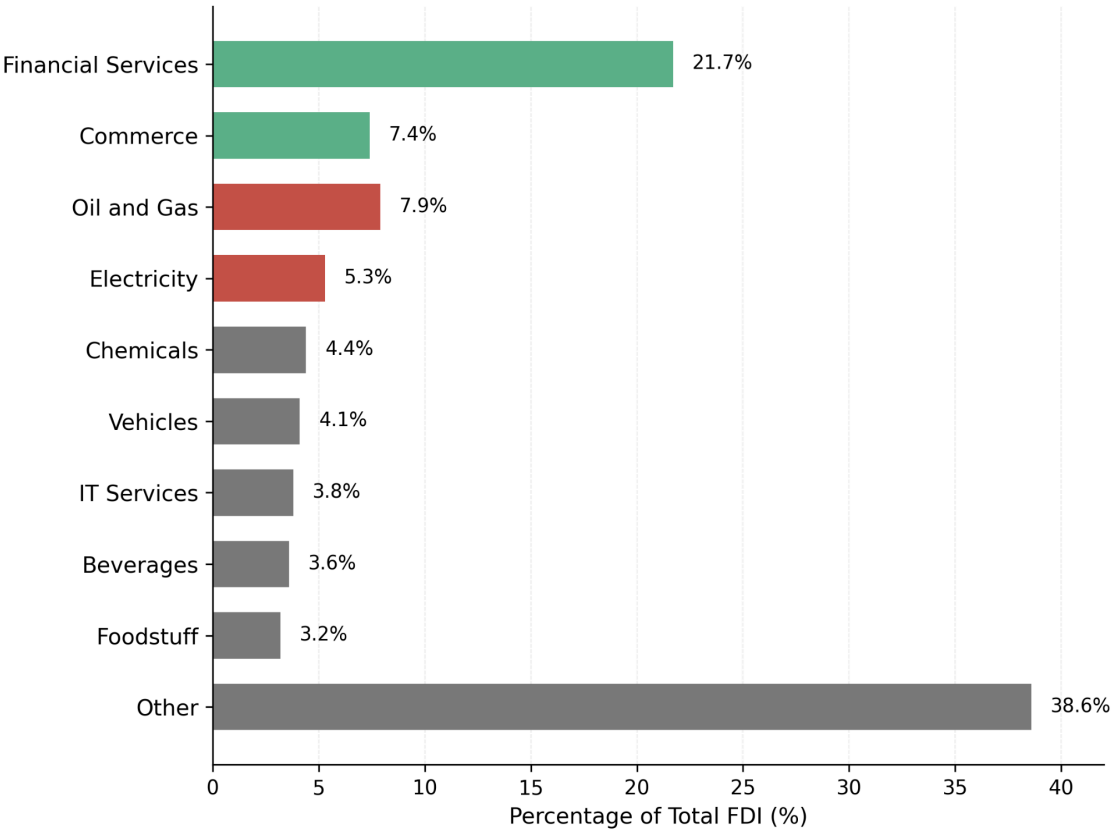
Figure 8: Chinese FDI in Brazil by Sector (2007-2024)



Source: CEBC (2024)

To understand the significance of that concentration, it helps to compare it to the aggregate pattern of foreign investment in Brazil from all sources. As of December 2024, the total stock of foreign direct investment in Brazil stood at \$884.8 billion (Banco Central do Brasil 2025). The sectoral breakdown shows that financial services alone accounted for 21.7 percent of that total, more than \$191 billion. Commerce took another 7.4 percent. Electricity, by contrast, represented just 5.3 percent of aggregate FDI, and oil and gas just 7.9 percent (see Figure 9). In other words, when the world invests in Brazil, it invests heavily in services, retail, and finance. When China invests in Brazil, it invests in the machinery that extracts, processes, and exports raw materials.

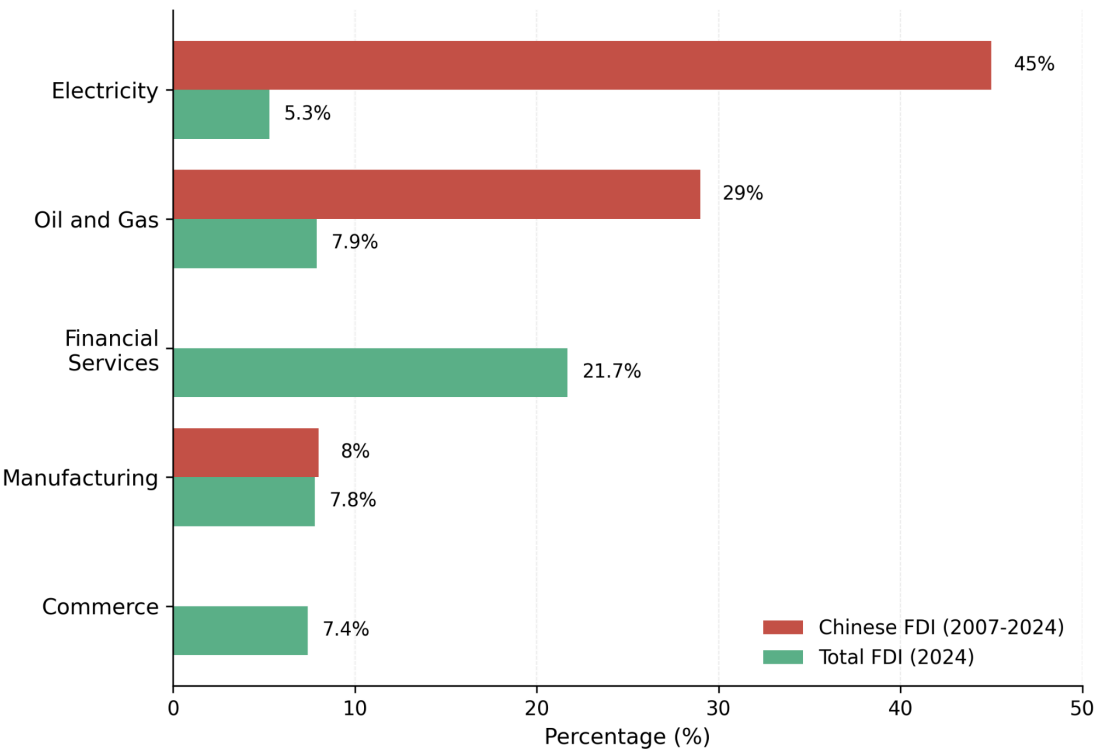
Figure 9: Total FDI in Brazil by Sector (December 2024)



Source: Banco Central do Brasil (2025). Direct Investment Report 2024.

Chinese FDI is eight and a half times more concentrated in electricity than the aggregate. It is nearly four times more concentrated in oil and gas. And it is almost entirely absent from financial services, which is the single largest destination for foreign capital overall (see Figure 10). The pattern is consistent whether measured by dollar value or by number of projects. In 2024 alone, Chinese companies initiated 39 new investments worth \$4.18 billion. Electricity led with 34 percent of the total, oil took 25 percent, and automotive manufacturing, mostly electric vehicles and batteries, took 14 percent (CEBC 2024). Even when Chinese capital went to manufacturing, it went to the parts of manufacturing tied to energy transition and resource extraction, not to high-tech services or consumer goods.

Figure 10: Sectoral Concentration - Chinese vs. Aggregate FDI



Sources: CEBC (2024); BCB (2025)

This pattern is not an accident, and it is not the product of Chinese companies making isolated commercial decisions. It reflects the strategic priorities of the Chinese state. Chinese overseas investment, unlike investment from the United States or Western Europe, is not primarily market-driven. State-owned enterprises accounted for 70.8 percent of all Chinese outward FDI in Latin America between 2000 and 2024 (Peters 2024), and Beijing's "Going Global" strategy, launched in the early 2000s and expanded under the Belt and Road Initiative (China's flagship infrastructure and investment program announced in 2013, designed to finance ports, roads, energy systems, and other infrastructure projects across Asia, Africa, Latin America, and Europe) after 2013, explicitly targeted resource security and infrastructure development in the Global South (Peters 2024). Chinese investment in the region must be understood as an extension of a domestic development model in which state planning coordinates capital flows to serve national strategic objectives (Stallings 2020). For China, investing in Brazilian electricity, oil, and mining was not about helping Brazil industrialize, it was about securing access to the energy and raw materials China needed for its own industrialization. This observation, on its own, does not distinguish Chinese capital from the FDI Brazil has historically received from the United States or Western Europe. Foreign direct investment, whether sourced from Washington or from Beijing, follows the logic of the investor, not the development needs of the host. The BRICS project, in its founding rhetoric, suggested that South-South cooperation might offer something qualitatively different from the North-South investment flows that had organized Brazil's external sector for a century. The sectoral pattern of Chinese FDI shows that it did not. China entered the spaces that Western capital had occupied, in many cases displaced

Western capital in those spaces, and operated within them on broadly comparable extractive logic.

This is what international political economy scholars mean when they describe Chinese FDI as "state-capitalist" rather than liberal. While Brazil and South Africa have largely liberalized their foreign investment regimes, China has retained tight state control over outbound capital, selecting targets based on strategic priorities rather than returns alone (Petry and Nölke 2024). When that state-directed capital arrives in a liberal investment destination like Brazil, the encounter is asymmetric: Chinese state planners pursuing long-term strategic objectives meet Brazilian regulators operating under rules that treat all foreign capital as equivalent. The pattern of Chinese investment in Brazil over the last decade is the predictable outcome of that asymmetry.

To put this in the language of dependency theory, the sectoral concentration of Chinese FDI reinforces Brazil's position in the international division of labor rather than transforming it. The argument here is not that Chinese capital displaced Western capital in absolute terms because it did not, and the aggregate FDI stock data examined above shows that Chinese investment remains a fraction of total foreign investment in Brazil. The argument is about the function of the new capital that did arrive. Chinese FDI was the most visible new source of investment introduced to Brazil during the BRICS period, the source that, by the bloc's own founding rhetoric, was supposed to differ from the existing pattern. What the sectoral distribution shows is that the new capital reinforced the same productive specialization that the existing capital had already established. Brazil sells primary goods to China and receives investment in the sectors that produce those primary goods. Interviewee 5 described the broader pattern within the bloc: there are "enormous internal asymmetries"

within the BRICS, with China occupying a position of overwhelming economic weight while other members remain primary exporters, even if, like South Africa and Brazil, their export baskets are relatively diversified. The BRICS, in other words, reproduce internally the same center-periphery division that they ostensibly challenge externally².

The data mirrors the trade findings from Section 3.1. Just as Brazil's export basket to China reprimarized, the composition of Chinese investment reinforced the same pattern. The structural pressures that shaped what Brazil sold also shaped what foreign capital funded. Interviewee 1 said that Brazil and China have "absolutely divergent interests" in the commercial arena.

This is not a story about China "buying up Brazil" or displacing Western investors. Chinese FDI remains modest relative to the United States (\$232.8 billion), France (\$69.3 billion), or Spain (\$50.0 billion) when measured by total stock (BCB 2025). The point is not volume, it is function. Chinese capital flowed to the sectors that Brazil was already exporting from, or to the infrastructure that made those exports possible. It built the dams that powered aluminum smelters, bought stakes in offshore oil fields and financed the ports and railways that moved soybeans and iron ore to the coast.

Does this mean Chinese FDI was "bad" for Brazil? Not necessarily. The dams got built. The oil got extracted. The jobs were created. State Grid Corporation of China and China Three Gorges became major players in Brazil's renewable energy sector, contributing to a country that already had one of the cleanest electricity matrices in the world. But the

² The structural position of China within the framework of dependency theory is itself contested in recent literature. While China remains classified as a developing economy in most international indicators, its capacity to organize regional production networks, deploy state-directed outward investment, and reshape commodity demand cycles increasingly places it in the position of a center in relation to other developing economies. This thesis treats China analytically as occupying the dominant position within the BRICS-Brazil relationship without resolving the broader theoretical question of its overall placement in the international division of labor.

question the BRICS project raised was never whether foreign capital helped. The question was whether it could transform. And on that metric, the record is clear. Chinese FDI was a new source of capital, but it was not a new development model. It financed more of what Brazil was already doing, not a departure from it.

If the goal was to reduce Brazil's structural dependence on commodity exports, attracting more FDI to the commodity sectors was not a solution. The BRICS era did not lack capital, it lacked capital that flowed to the parts of the economy that could lift Brazil out of its position in the global division of labor. That capital went elsewhere: to financial services, to commerce, to the high-margin sectors that shape where value gets captured. Chinese investment, for all its scale and visibility, followed the grooves that were already there.

3. The New Development Bank: Reformism Within the Dollar System

The creation of the New Development Bank in 2014 has been read by many observers, and presented by its founders, as the most concrete institutional expression of the BRICS challenge to the Western-dominated financial order. The bank was announced at the Sixth BRICS Summit in Fortaleza with \$100 billion in authorized capital, with equal voting rights among its five founding members and an explicit mandate to finance infrastructure without the policy conditionalities that had long accompanied IMF and World Bank lending. Dilma Rousseff, Brazil's former president and the bank's current leader, described its mission in unambiguous terms: "The NDB rejects the imposition of conditionalities related to the definition of public policies. It is in the bank's DNA that each country defines its own development strategy" (New Development Bank 2023). For a country like Brazil,

historically constrained by balance-of-payment crises, IMF structural adjustment programs, and the disciplining pressure of Wall Street investors, the promise of an alternative source of development finance was very important.

Before turning to that argument, it is worth setting out concretely how the NDB was designed to differ from the World Bank, and where the two converge. First, regarding governance, at the World Bank, voting weights track capital contributions and the United States retains effective veto power, while at the NDB the five founders hold equal shares and equal votes. Second, there's the matter of conditionality, as the World Bank lending has historically come with policy conditions on borrowing governments, while the NDB's founding documents explicitly reject the practice. Third, about currency: the World Bank lends overwhelmingly in U.S. dollars, while the NDB committed itself, from its charter, to a substantial share of lending in member-state currencies. Both institutions raise capital through international bond markets, lend to creditworthy borrowers primarily for infrastructure, rely on Western credit rating agencies to access those markets, and extend financing on terms calibrated to their dollar-denominated cost of capital. The differences are real, as the project-level evidence below shows. The convergences are structural, and the rest of this subsection argues that they limit, in foreseeable ways, the alternative the NDB was supposed to constitute.

This section argues, however, that the NDB is better understood not as an alternative to the existing financial architecture but as a reformist addition within it. The distinction changes what the bank's record actually tells us. If the NDB is an alternative institution that failed to live up to its promise, the story is one of disappointed expectations. If it is a reformist institution operating within structural constraints it was never designed to

transcend, the story is about what the constraints themselves reveal. This section argues for the second reading. The bank's own Articles of Agreement describe it as "complementing the existing efforts of multilateral and regional financial institutions" (New Development Bank 2025). Within three months of its creation, the NDB signed a Memorandum of Understanding with the World Bank formalizing that complementary relationship.

The BRICS emerged in 2009 with a fundamentally reformist agenda, seeking to reshape the International Monetary Fund and the broader Bretton Woods system from within rather than to replace it, and the creation of the NDB and the Contingent Reserve Arrangement in 2014 marked not a break with this reformism but its institutional expression. When the BRICS set up alternative institutions such as the NDB, CRA, and Asian Infrastructure Investment Bank, they do not replace liberal conditionalities with state-capitalist conditionalities. Rather, they design "far less intrusive international institutions" that demand a different seat in the same room (Petry and Nölke 2024). The NDB is the clearest example of this logic in practice.

The first evidence for this reading is scale. Between 2015 and 2023, the NDB approved \$6.1 billion in financing for Brazil across 21 projects, an average of approximately \$760 million per year (New Development Bank 2023a). By 2025, the total had grown to \$7 billion across 29 projects (New Development Bank 2025b). These are substantial commitments by any ordinary measure, but they must be placed in comparative perspective. During the same period, the World Bank's International Bank for Reconstruction and Development lent Brazil \$9.6 billion between fiscal years 2012 and 2017 alone, and committed to an average of \$2 billion per year under its 2024-2028 partnership framework (World Bank 2024). The NDB was not designed to rival the World Bank in scale, and it does

not. For Brazil, it represents a marginal addition to the pool of available development finance, perhaps fifteen percent of what the country could access through traditional multilateral channels in any given year. Interviewee 5 points out that in terms of lending volume, the NDB is "still not a bank that compares to other sources of financing, still in general and global terms, still quite reduced."

Scale alone, however, does not establish the deeper structural point. The more revealing dimension of the NDB's operation is its currency composition. The rhetoric surrounding the bank's creation was heavily inflected with the language of de-dollarization. The bank would issue bonds in the currencies of its members, lend to borrowers in local currency, and reduce the exchange-rate vulnerability that had historically plagued peripheral economies. The actual record is considerably more modest. As of 2023, loans denominated in local currencies represented 21.2 percent of the NDB's total portfolio, with the remainder, approximately 78 percent, denominated in hard currencies, overwhelmingly the U.S. dollar (New Development Bank 2025a). The NDB's current strategic target is to reach 30 percent local currency lending by 2026, an incremental adjustment that would still leave the bank's operations structurally anchored in the dollar system.

This is a structural constraint, and it reveals how international financial subordination operates in practice. A multilateral bank that wants to lend at scale must first borrow at scale, and borrowing at scale in the international bond market means borrowing in dollars. The NDB depends on the confidence of institutional investors in New York, London, and Frankfurt, who demand dollar instruments to maintain the bank's AA+ credit rating (New Development Bank n.d.-d). To lend overwhelmingly in local currencies, the NDB would have to accept a lower credit rating, higher funding costs, and reduced access to the very

markets that make its operations possible. This is the structural condition that the IFS literature identifies: an institution created by peripheral states to escape dollar hegemony must itself operate in dollars to function at scale, because the alternative architecture that would allow it to operate otherwise does not exist.

In March 2022, the NDB suspended all new transactions with Russia following the invasion of Ukraine. Russia was, and remains, a founding member of the bank, holding 18.98 percent of its capital and a permanent seat on its board (New Development Bank 2025a). The decision to freeze lending was framed in the bank's own language as a matter of "sound banking principles" in light of "unfolding uncertainties and restrictions" (New Development Bank 2022). What the decision revealed, however, was the nature of those principles. A bank founded by the BRICS, including Russia, whose explicit purpose was to reduce the Global South's exposure to the weaponization of Western financial power, responded to the first serious test of that mission by aligning with Western sanctions against one of its own founders. As Interviewee 5 puts out: "How is it that a BRICS bank, which has Russia putting money in year after year, in turn freezes loans to Russia itself? It doesn't make sense."

It does make sense, however, if the NDB is understood not as an alternative institution but as a subordinate one. Continuing to lend to Russia after February 2022 would have meant losing the cooperation of Western clearing systems, facing credit rating downgrades, and, most consequentially, being effectively locked out of the dollar bond markets on which the bank's entire operational model depends. The NDB chose to preserve its access to the existing financial architecture rather than to challenge it. Even with the freeze in place, Fitch Ratings downgraded the bank's outlook from stable to negative in

mid-2022, citing reputational risks associated with Russian ownership. It took until October 2023 for Fitch to restore the outlook to stable (New Development Bank 2025a). Partial lending to Russia resumed only in 2025, and even then for a narrow set of infrastructure projects. The episode demonstrates the gap between the rhetorical commitment to BRICS mutual solidarity and to insulation from Western financial coercion and the operational reality of a bank whose lifeblood is dollar-denominated liquidity.

The Contingent Reserve Arrangement (CRA), the other institution created alongside the NDB in 2014 to provide balance-of-payments support during financial crises, reveals the same pattern in an even starker form. The CRA was designed to offer BRICS members short-term liquidity support during currency crises on terms that were supposed to differ from the IMF in three respects. First, it was to operate without the policy conditionality that has accompanied IMF lending since the 1980s, allowing borrowing members to draw on the facility without committing to fiscal austerity, structural reform, or monetary policy adjustments. Second, it was to provide faster disbursement than IMF programs, which typically require months of negotiation and surveillance review before funds become available. Third, it was to operate among peers, with member states sharing the obligation to support one another rather than receiving support from an institution whose governance reflects the geopolitical priorities of the Global North. Unlike the NDB, which has at least functioned and disbursed loans, the CRA has never been used in a decade of existence. More revealing is the institutional design. The CRA's founding treaty ties a significant portion of available drawing rights to the existence of an IMF program in the borrowing country. A BRICS member in a balance-of-payments crisis can access up to 30 percent of its drawing quota from the CRA without IMF conditionality. Anything beyond that requires an IMF

program (Chin 2024). The instrument designed to reduce BRICS dependence on the IMF was, from its constitutive document, designed to preserve that dependence. Interviewee 5 explained the logic directly: "It's not only the capacity to lend money. In the case of the CRA, it's not a loan for a project that will be executed and accounted for. It's a loan to save a country in balance-of-payments crisis. So it's a loan that generates debt on top of a debt crisis. That's why the IMF became so relevant. And there has to be a capacity to supervise. That supervision capacity, the BRICS have already stated in so many letters: they don't have it. Who has it is the IMF." The institutional decision to tie the CRA to the IMF was not a rhetorical failure. It was an acknowledgment of structural subordination.

For Brazil specifically, what has the NDB actually delivered? The evidence suggests something more modest, and in some respects more politically interesting, than the founding narrative implied. The bulk of NDB financing to Brazil has flowed through the Brazilian Development Bank (BNDES) as a financial intermediary rather than directly to projects. The bank's largest Brazilian commitments have financed renewable energy, including a \$300 million facility for wind, solar, and small hydro projects, with the first disbursement directed to the Araripe 3 Wind Complex in Piauí and Pernambuco; climate adaptation, through a \$500 million capitalization of Brazil's national climate fund, Fundo Clima; and emergency support for small and medium enterprises, through a \$1 billion credit guarantee facility approved in 2023 (BNDES 2018; New Development Bank n.d.-a; New Development Bank n.d.-c). These are useful projects. They finance real infrastructure, reach sectors that matter for Brazil's energy transition, and often extend credit at terms more favorable than what would be available commercially. But they concentrate in precisely the sectors that also dominated Chinese foreign direct investment in Brazil during the BRICS period: energy,

infrastructure, and resource-adjacent activities. The pattern reinforces rather than disrupts the sectoral structure of Brazil's economy.

A more distinctive contribution, and one that has received less attention in the literature, has been the NDB's role at the subnational level. During the Bolsonaro administration, when the federal government's relationship with China cooled significantly, several Brazilian states with political orientations at odds with the federal government turned to the NDB for direct financing. The GATE transmission project in Maranhão and Tocantins, financed through approximately RMB 2.15 billion, roughly \$300 million, in NDB lending, exemplifies this capillary reach (New Development Bank n.d.-e). More recently, the NDB has participated in financing a high-technology hospital expansion at Hospital das Clínicas in São Paulo, a project combining Chinese industrial expertise with NDB credit (New Development Bank n.d.-b). These subnational and sector-specific interventions represent the most politically significant contribution of the NDB to Brazil, as it manages to be more capillary in Brazil than the loans that go to national funds.

The broader theoretical point is one that the dependency tradition anticipated and that the international financial subordination framework has extended. The post-2008 period, characterized by the volatility of cross-border capital flows, repeated cycles of risk-on and risk-off positioning by Northern investors, and the eventual flood of Global North central bank liquidity that followed the COVID-19 crisis, reproduced rather than altered the structural dependence of emerging economies on the financial cycles set in the Global North. Throughout this period, the policy autonomy of peripheral states remained subject to the discipline of what Christian Marazzi called the "terrorism of money," the abstract power of capitalist finance to shape state behavior through the threat of capital flight (Alami et al.

2023). What the BRICS project promised, against this backdrop, was an alternative source of development finance with a bank owned by peripheral states, capitalized by their reserves, and operating outside the conditionalities that the Bretton Woods institutions had attached to their lending. What it could not promise, and what it could not deliver, was an escape from the dollar system within which any multilateral bank operating at scale must necessarily function. A development bank that wants to lend in volume must raise capital in volume, and raising capital in volume in the contemporary global financial system means issuing bonds in dollars, on terms set by Western credit-rating agencies, to institutional investors in Northern financial centers. The NDB was created to address the symptoms of subordination, the imposition of austerity conditions on developing-country borrowers, but it was constructed in a way that reproduces the dominance of the dollar system and the constraints that dominance imposes on peripheral institutions that seek to operate at scale within the global economy.

What the NDB represents, therefore, is not an alternative financial architecture but an expanded node within the existing one. It provides Brazil with an additional source of credit, on terms sometimes more favorable than the market and without the explicit policy conditionalities that historically accompanied World Bank loans. That is a real contribution, and one that should not be dismissed. But it does not alter Brazil's fundamental position as a borrower in a dollar-dominated system, does not provide the scale of financing needed to support a different development strategy, and, most revealingly, cannot escape the logic of the global financial hierarchy even when the political case for doing so is overwhelming. The NDB broadens Brazil's creditors; it does not change Brazil's position in the global monetary order.

C. Monetary Sovereignty and Currency Hierarchy

1. Currency Hierarchy and Where the Real Stands

The previous two sections of this chapter documented what BRICS membership produced for Brazil in trade and finance. Section 3.1 showed that the bloc deepened rather than reversed Brazil's structural concentration in primary commodities, pulling export revenues toward a narrower range of products and a single dominant partner. Section 3.2 showed that the New Development Bank, the bloc's most tangible institutional creation, provided useful but modest financing that did not alter Brazil's fundamental position as a borrower in a U.S.-dollar denominated financial system. Section 3.C turns to the promise that BRICS would reduce its members' dependence on the U.S. dollar across the multiple monetary functions the currency performs internationally (as the unit in which commodities are priced, as the medium through which cross-border payments are settled, as the asset in which central bank reserves are held, and as the currency in which external debt is denominated), expand the use of their own currencies in those functions, and thereby recover a degree of monetary sovereignty that peripheral economies have historically been denied.

To understand why, it helps to start not with BRICS but with a more basic question: when a currency operates internationally, what does it do? Money performs four functions: a medium of exchange (in which transactions are settled), a unit of account (in which prices are set), a store of value (in which wealth is held), and a means of deferred payment (in which credit and debt are denominated). In domestic economies, the national currency performs all four by default. Internationally, this is not the case. A small number of currencies perform some or all of these functions globally; most perform none outside their

own borders. This uneven distribution is what the currency hierarchy literature describes as the international monetary order (Paula, Fritz, and Prates 2017).

At the top sits the U.S. dollar, which performs all four functions: cross-border payments are settled in dollars, commodities are priced in dollars, central banks hold reserves in dollars, and external debt (including Brazil's) is denominated in dollars. At the bottom sit peripheral currencies like the Brazilian real, which perform almost none of these functions internationally, the structural condition that Eichengreen and Hausmann (1999) named "original sin." This matters because each function performed by a foreign currency transfers an element of economic control outside the country: dollar-priced exports expose revenues to a currency Brazil does not issue, dollar-denominated debt rises with every depreciation of the real, and dollar-routed payments leave the country vulnerable to sanctions and freezes imposed through those systems. For BRICS, monetary reform mattered because, for as long as peripheral economies operate within a system in which the four functions of money are performed by a currency they do not issue, their structural subordination has a permanent monetary dimension that no productive or financial diversification can fully address.

The academic literature that captures this condition most precisely is built around the concept of "original sin", a phrase made to describe the inability of peripheral economies to borrow abroad in their own currencies (Eichengreen and Hausmann 1999). Because Brazil cannot issue debt internationally in reais, it must borrow in dollars. This creates a currency mismatch: when the real depreciates, the cost of dollar-denominated debt rises automatically, without any change in domestic economic conditions. The mismatch is not a policy failure that better management can correct, it is a feature of Brazil's position in the global monetary hierarchy, reproduced every time a Brazilian firm prices an export contract

in dollars, every time the Brazilian Treasury services external debt, and every time the Brazilian central bank defends the real against speculative pressure by spending down its foreign exchange reserves.

When the U.S. Federal Reserve raises interest rates, as it did aggressively between 2022 and 2024, capital migrates from emerging market economies back toward dollar denominated assets. The mechanism is: higher U.S. interest rates raise the return on the safest assets in the global financial system, making peripheral-economy assets relatively less attractive on a risk-adjusted basis. International investors sell Brazilian assets, buy dollar-denominated ones, and in doing so push the real down against the dollar. Brazil is exposed to this dynamic with unusual intensity because its financial markets are among the most open in the developing world. Capital outflows put downward pressure on the real, which raises the domestic price of imports, which pushes inflation upward, which forces the Brazilian central bank to raise the Selic rate, even when the domestic economic situation would call for the opposite. Brazilian monetary policy is not fully sovereign in the conventional sense. Its most important parameters are shaped, through the transmission mechanism of the exchange rate, by decisions taken in Washington. The international financial subordination framework, which this thesis has applied throughout, describes precisely this condition: a structural relationship in which the policy autonomy of developing economies is continuously constrained by their position in the global monetary hierarchy (Alami et al. 2023).

It is in this context that the BRICS de-dollarization agenda must be evaluated, not as an abstract geopolitical proposal, but as a response to a real and costly structural condition that shapes the everyday functioning of the Brazilian economy.

2. The Promise: What BRICS Said It Would Do

From its earliest summits, the BRICS bloc produced consistent rhetorical commitments to reforming the international monetary order. The language varied across years and presidencies from "reducing dollar dependence," and "promoting the use of local currencies," to "building a multipolar financial system", but the direction was clear. The bloc presented itself as the most credible institutional force capable of challenging the dollar's hegemony, not by confronting it directly, but by building parallel structures that would gradually reduce its necessity.

The first concrete step was an agreement between Brazil and China in 2013 establishing a bilateral currency swap worth USD 30 billion (Arnold 2025). The arrangement allowed for direct exchanges between reais and renminbi without routing transactions through the dollar as an intermediary. A decade later, in March 2023, the two countries went further, signing an agreement to settle bilateral trade directly in their own currencies. The announcement was celebrated in Brazilian government communications as a historic milestone in South-South financial cooperation. At the BRICS summit in Johannesburg in August of the same year, the leaders of all five founding members issued a formal declaration expressing their intention to expand the use of national currencies in cross-border payments.

The most dramatic moment came at the Kazan summit in October 2024, hosted by Russia, when President Vladimir Putin appeared on stage holding what appeared to be a prototype banknote for a proposed BRICS currency unit, informally called the "Unit," backed by a basket of member currencies and gold reserves. BRICS, the framing suggested,

was not merely discussing monetary reform but preparing to deliver it. The Kazan summit also produced a series of technical proposals like the BRICS Clear settlement mechanism, a cross-border payment messaging system called BRICS Pay, and a framework for expanding local currency use in intra-bloc trade, all framed as voluntary and non-binding to accommodate the divergent preferences of member states.

Less than a year later, under Brazil's rotating BRICS presidency, the July 2025 summit in Rio de Janeiro produced a 31-page final declaration that contained no reference to a common currency, no implementation timeline for any of the Kazan proposals, and no coordinated strategy for reducing dollar dependence (BRICS 2025). What remained was a vague exhortation to "encourage the use of local currencies in trade", language present in every BRICS declaration for over a decade and unaccompanied by any mechanism for making it operational.

3. *Why It Does Not Advance: The Structural Problem of the Yuan*

The failure of the BRICS monetary agenda to produce operational results is not primarily a failure of political will, though political will has certainly been uneven. It reflects a structural paradox at the core of the project: the only BRICS member with the productive capacity and financial scale to issue a genuine alternative to the dollar is also the member that has the least institutional ability to do so.

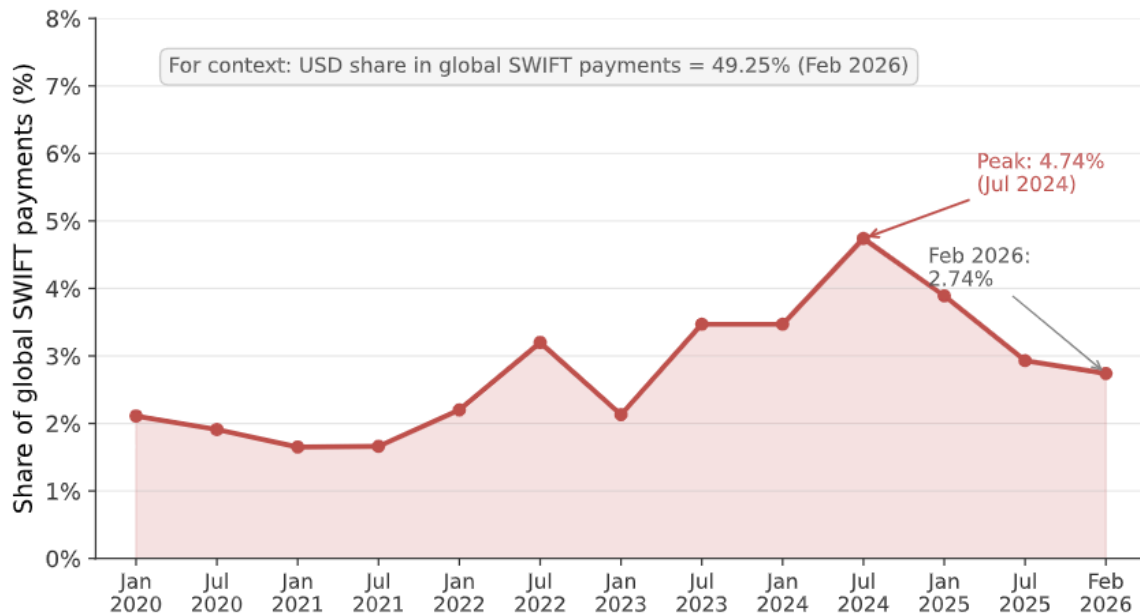
One of the conditions for a currency to function as an international reserve asset, meaning a currency that central banks worldwide will hold as a store of value and a medium for settling global transactions, it must be freely convertible. Investors and central banks must be able to buy and sell it without restriction, hold it without fear of confiscation, and

use it to purchase assets denominated in the same currency in a deep and liquid financial market. The U.S. dollar satisfies these conditions through the combination of Wall Street's capital markets, the legal architecture of American financial institutions, and, above all, the Federal Reserve's standing as a lender of last resort willing to provide dollar liquidity to the global system in moments of crisis.

The Chinese renminbi satisfies none of these conditions, and this is not an oversight but a deliberate policy choice. China maintains strict controls over capital flows, limiting the ability of foreigners to hold renminbi assets and of Chinese residents to move capital abroad. These controls are the mechanism through which China has insulated its economy from the speculative volatility that has periodically devastated more financially open emerging markets. As Interviewee 5 explained: "China doesn't break because it controls the entry and exit of capital. For China to have a global liquidity currency, it would have to open those borders. But to do that, it would no longer be China."

An episode from 2015 illustrates the tension. When the IMF was considering adding the renminbi to the basket of currencies that compose its Special Drawing Rights, Beijing was asked to demonstrate a degree of capital account openness as a precondition. The partial liberalization that followed was brief. Within months, hundreds of billions of dollars had left China as Chinese savers and investors, finally able to diversify, moved their wealth into dollar-denominated assets. The authorities reimposed controls (Prasad 2017). The episode demonstrated in real time the central contradiction: the domestic political economy that sustains Chinese economic growth is incompatible with the open capital account that would be required for the renminbi to function as a global reserve currency.

Figure 11: Chinese yuan as share of global SWIFT payments (2020-2026)



Source: SWIFT Global Currency Tracker (March 2026). Monthly data, global payments (MT103+MT202).

The result is a paradox that Interviewee 1 expressed with characteristic clarity in an interview for this research: "Who has more interest in de-dollarization than China? No country in the world. Do you hear China talking about de-dollarization? No. Do you think they're not working on it? They are. Under the radar." The renminbi's actual role in global payments reflects this constraint. According to SWIFT data from February 2026, the renminbi accounted for 2.74 percent of global payments by value, down from a peak of 4.74 percent reached in July 2024, a spike driven primarily by the surge in Russia-China trade following Western sanctions on Russia, and not by broader international adoption (see Figure 1). The dollar, in the same period, accounted for 49.25 percent of global payments, nearly eighteen times the renminbi's share.

The limits of renminbi internationalization matter for Brazil specifically because the logic of the BRICS monetary agenda, at its most concrete, depends on China's currency

becoming something other than what it is. In the absence of a freely convertible, internationally trusted renminbi, the de-dollarization project reduces to a collection of bilateral arrangements whose scope is limited to the specific commercial relationships they govern.

4. The Real-Yuan Agreement: What Exists in Practice

The 2023 Brazil-China currency settlement agreement is the most frequently cited evidence that BRICS has produced concrete monetary results for Brazil. It allows importers in both countries to settle transactions in their own currencies rather than converting to dollars first. But the distance between the agreement's existence and its actual use has been considerable.

Interviewee 4 described the operational reality in direct terms during an interview for this research: "Apart from Chinese banks in Brazil, which are incentivizing it, usage has been minimal. If I'm a beef exporter to China, I want to be paid in dollars, not in renminbi." The commercial logic behind this preference is straightforward. A Brazilian exporter who accepts payment in renminbi must then decide what to do with the renminbi. Because the currency is not freely convertible on global markets, the exporter's options are essentially limited to: converting back to dollars at a cost, holding the renminbi and using it for future imports from China, or investing in Chinese financial assets that are themselves subject to capital controls.

The structural problem is compounded by Brazil's trade position. Brazil runs a substantial surplus in its bilateral trade with China, it exports far more than it imports. If bilateral trade were settled in renminbi, Brazil would accumulate renminbi reserves at a

rapidly growing rate. As Interviewee 2 noted: "If I receive renminbi, what do I do with that money? I automatically create a kind of straitjacket to make a tied purchase of whatever I need as an input from the Chinese market. Whereas if I receive dollars, I can do business with everyone." Accumulating renminbi is not equivalent to accumulating dollars. Dollar reserves can be deployed anywhere in the global economy. Renminbi reserves can be deployed predominantly within the constraints of China's capital account.

The data on global invoicing confirm this picture at the aggregate level. An IMF Working Paper published in 2025 examining invoicing currency patterns across 132 countries from 1990 to 2023 found that the U.S. dollar remained dominant in trade invoicing globally, with the renminbi's share growing but still modest and concentrated primarily in Asia (IMF 2025). The Central Bank of Brazil's own Working Paper on invoice currency documented that Brazil's foreign trade was recorded almost entirely in dollars, with the renminbi's role remaining negligible even after the 2023 agreement (Reiss 2015). The agreement changed the legal architecture of bilateral settlement. It did not change the currency in which Brazilian exporters chose to price their contracts.

5. The Political Dilemma

If the structural constraints on renminbi internationalization explain why the de-dollarization agenda cannot advance quickly, the political dynamics around it explain why it costs more than it gains.

The first element of the political problem is that Brazil's situation is structurally different from the BRICS members for whom de-dollarization is a genuine operational necessity. Russia and Iran have been excluded from the dollar-based payments system through

sanctions. For them, developing alternatives is not a matter of preference but of survival, a point Interviewee 5 made explicitly in the interview for this thesis, noting that Russia's partial de-dollarization after 2022 was "not a choice but an expulsion." Brazil, on the other hand, is not subject to SWIFT exclusion, as its dollar access is not threatened.

The second element is the absence of internal consensus. De-dollarization is not a unified Brazilian government position. The Ministry of Foreign Affairs (Itamaraty) has used the BRICS platform to advocate for monetary reform as part of a broader multipolar foreign policy agenda. The Finance Ministry has maintained a commitment to market credibility and OECD membership requirements that sit uneasily with aggressive currency diversification. Brazil's Central Bank has operated under institutional independence since 2021 and has consistently prioritized exchange rate stability over structural monetary experimentation.

The third element is the external cost of advocacy. The United States has responded to BRICS de-dollarization rhetoric with escalating threats. In December 2024, President Donald Trump posted on Truth Social that any country creating or backing an alternative to the dollar would face 100 percent tariffs. For Brazil, a country whose largest single export market is the United States and which has been navigating the Trump administration's broader tariff escalation, the cost of being prominently identified with a dollar-replacement project is real and immediate.

The fourth element is the implausibility of the alternative most frequently proposed: a common BRICS currency. The idea has been raised repeatedly, most vocally by President Lula himself in the years before Brazil assumed the BRICS presidency in 2025. But the institutional prerequisites for a common currency are demanding. They require, at minimum, a high degree of macroeconomic convergence among member states, willingness to cede

monetary sovereignty to a shared institution, and the deep integration of capital markets across the currency area. The European Union took decades to approximate these conditions, and did so among economies that share a continent, a common legal tradition, and broadly comparable income levels. The BRICS economies span four continents, range from China's 18 trillion dollar GDP to Ethiopia's 156 billion dollar economy, and include a liberal democracy, a single-party state, two countries that have fought each other in a border war within living memory, and a state that is currently under comprehensive Western sanctions.

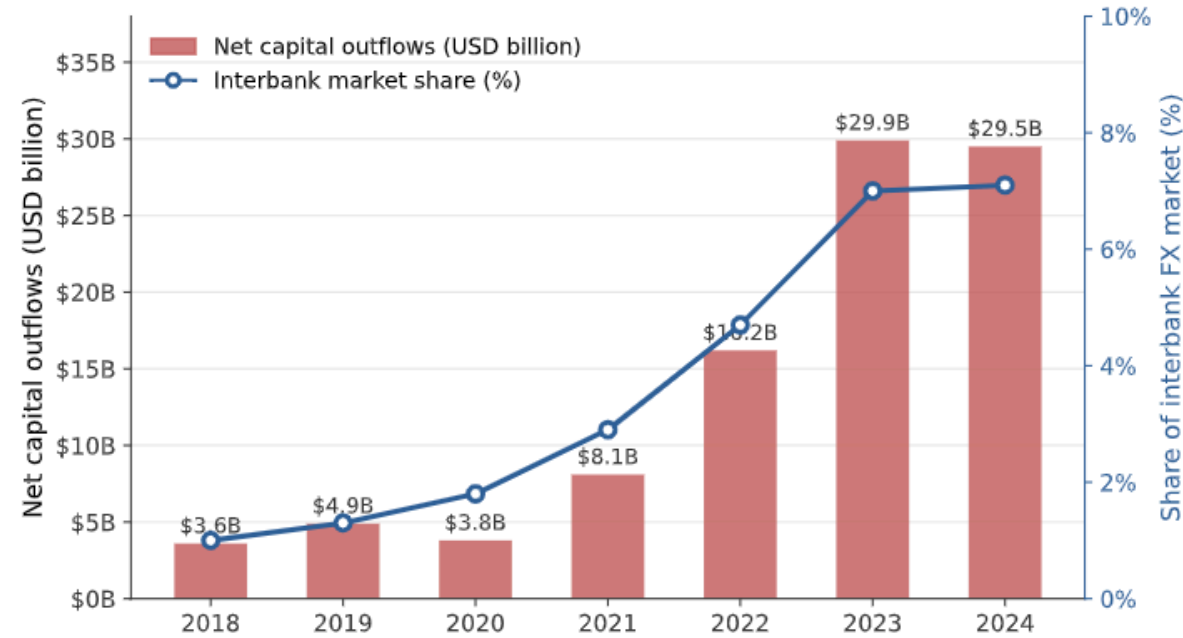
6. The Subordination That Deepened Digitally

While BRICS summits debated the architecture of a post-dollar world, a different monetary transformation was taking place in the everyday financial lives of Brazilian citizens, one that moved in precisely the opposite direction from what the de-dollarization agenda promised.

The emergence of the financial technology sector known as ForexTech, a subset of the broader fintech ecosystem composed of digital banks and platforms that facilitate access to foreign currency-denominated accounts and crypto-assets, created a new channel through which dollar subordination deepened. Between 2018 and 2024, the eleven largest ForexTech institutions operating in Brazil increased their share of the country's interbank foreign exchange market from 1 percent to 7.1 percent. In both 2023 and 2024, these institutions facilitated the transfer of nearly USD 30 billion out of Brazil on a net basis, excluding trade in goods and services (see Figure 12).

Digital banks such as Nubank, Banco Inter, and C6 Bank offer Brazilian residents the ability to hold dollar-denominated accounts, purchase dollar-pegged stablecoins, and invest in U.S. financial assets through their mobile phones. The friction that once accompanied moving capital offshore has been dramatically reduced. What previously required a relationship with a private bank, a minimum investment threshold, and the navigation of foreign exchange regulations can now be accomplished in minutes, from a smartphone, by anyone with internet access.

Figure 12: ForexTech net capital outflows and market share in Brazil's foreign exchange market (2018-2024)



Source: Silva & Zucker-Marques (2025), based on Central Bank of Brazil data. Figures in USD billion, net outflows excluding trade.

According to data from the Brazilian Ministry of Finance covering the period from August 2020 to December 2024, U.S. dollar-pegged stablecoins accounted for 65.1 percent

of all crypto-asset transactions in Brazil by value, while real-denominated stablecoins accounted for just 3.1 percent (Silva and Zucker-Marques 2025). The Brazilian citizen seeking to protect savings from real depreciation, hedge against domestic inflation, or simply diversify financially did not turn to BRICS mechanisms, they bought Tether.

Silva and Zucker-Marques (2025) describe this process as "digital sin", meaning a deliberate echo of the "original sin" concept that describes the structural inability of peripheral economies to borrow internationally in their own currencies. If the original sin refers to the failure of the international monetary system to recognize peripheral currencies as legitimate stores of value at the level of cross-border finance, the digital sin refers to the active dollarization of the domestic financial system from the ground up, driven not by external imposition but by the rational choices of millions of individual residents responding to the incentive structure that the monetary hierarchy creates. The BRICS de-dollarization agenda was designed to address the former. The latter was not on the agenda at all, and it accelerated precisely during the BRICS era.

The political constraints on addressing this dynamic were significant. The liberalization of Brazil's foreign exchange regime, the independence of the Banco Central do Brasil from 2021 onward, and Brazil's pursuit of OECD membership made it politically and institutionally harder for the government to impose the outflow controls that might have moderated the ForexTech driven capital flight. As Silva and Zucker-Marques (20225) document, the combination of institutions, ideas, and interests that had enabled Brazil to successfully manage capital inflows in the early 2010s had substantially eroded.

7. *Same System, New Partners*

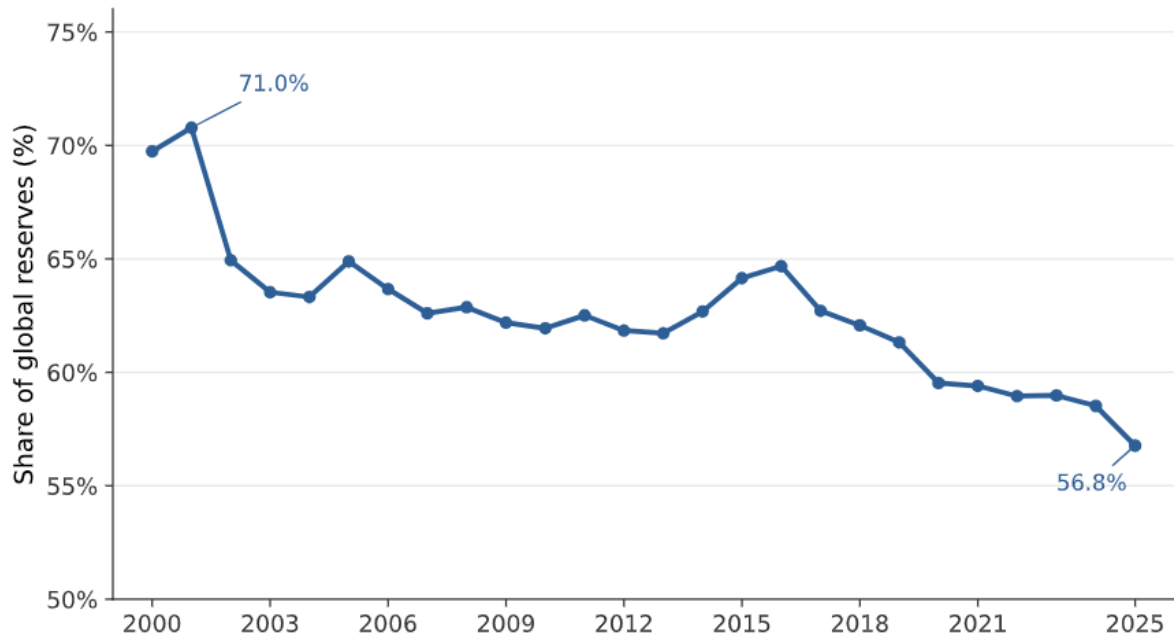
Looking across the three sections of this chapter, it is possible to see that section 3.1 documented that BRICS membership deepened Brazil's structural concentration in primary commodity exports and produced no institutional mechanism to reverse the trajectory of productive subordination. Section 3.2 found that the New Development Bank, despite real contributions at the project level, could not escape the disciplinary logic of the dollar-denominated financial architecture on which it depends and did not alter Brazil's fundamental position as a peripheral borrower in the global monetary hierarchy. Section 3.3 finds that the BRICS de-dollarization agenda produced rhetoric that preceded reality, while the structural conditions it was designed to address persisted.

The dollar's share of global foreign exchange reserves fell from approximately 71 percent in 2000 to 56.8 percent in 2025, a decline, but a gradual one spread over a quarter century, with no discernible acceleration during the BRICS era (see Figure 13). The renminbi's share reached a modest 2.1 percent of global reserves in 2025, a number that reflects its growth since 2016, when it was first separately tracked, but not a number consistent with a currency in the process of displacing the dollar as the world's primary reserve asset (IMF Cofer 2026).

Interviewee 5 offered a historical observation that locates the BRICS moment within a longer pattern: "Every time, since the 1980s, that proposals for alternatives to the dollar emerged, they were moments of crisis. And afterwards they retreated." The debt crisis of the 1980s produced Latin American experiments with local currency compensation mechanisms. The Asian financial crises of the 1990s produced proposals for regional

monetary cooperation. The 2008 global financial crisis produced the most serious push for IMF reform since Bretton Woods.

Figure 13: U.S. dollar share of global foreign exchange reserves (2000-2025)



Source: IMF COFER database (2026). Annual data, world total, percentage of allocated reserves.

The BRICS case may yet prove different. The sanctions imposed on Russia after 2022 accelerated the development of alternative payment infrastructure in ways that are not easily reversed. The expansion of the bloc to include Gulf states, which control significant shares of global energy export revenues, creates at least the structural possibility of commodity pricing outside the dollar. Trump era tariff threats may yet produce the adversarial pressure that, historically, has been one of the few forces capable of shifting monetary arrangements against the grain of incumbent advantage. But these are possibilities that lie beyond the period this thesis examines.

Within the BRICS period studied here, the conclusion is more modest and more precise. The bloc produced new bilateral agreements, new institutional forums, and new rhetorical frameworks for discussing the global currency hierarchy, but it did not produce a currency that the world trusts as a store of value, a payments system that operates at the scale needed to supplement SWIFT, or a domestic financial architecture in Brazil that is less exposed to dollar volatility than it was when the first BRICS summit convened in Yekaterinburg in 2009.

IV. Conclusion

The optimistic and critical strands of the literature both treated BRICS as the primary unit of analysis, debating its meaning for the global order while leaving the specific structural trajectories of its individual members in the background. Holding Brazil's structural position as the dependent variable, and measuring BRICS membership with the theories of Latin American structuralism and dependency theory established, produces a clearer picture than the one available at the level of aggregate analysis.

The picture is this. Brazil entered the BRICS period with a long history of subordinated integration into the world economy, restructured in the 1990s by the neoliberal opening that had already begun the process of reprimarization. BRICS arrived as an institutional vehicle that promised to alter the terms of that integration: to provide new partners for South-South trade, new sources of development finance free from IMF conditionality, and new instruments for reducing exposure to the dollar system. After more than a decade and a half of full participation, the empirical record shows that the bloc did not deliver on those structural promises. Brazil's exports became more concentrated in primary commodities and its largest trading partner became a single country whose own productive sophistication grew at exactly the pace Brazil's was shrinking. The financial relationships intensified, but they did not transform. The monetary dependence on the dollar, which the bloc explicitly set out to weaken, remained as structural in 2026 as it had been in 2009.

BRICS modernized and diversified the mechanisms of Brazilian subordination without altering its fundamental structure. Brazil gained new creditors, new buyers, and a seat at a new multilateral table, and therefore access to more FDI, but the country did not gain a

productive transformation, financial repositioning, or monetary policy autonomy that the BRICS project promised.

The empirical chapter of this thesis traced three dimensions of that pattern, and the closing argument is best made by reading them together. The trade dimension showed the most direct evidence of structural continuity. Primary commodities rose from 44.9 percent of Brazilian exports in 1995 to 75.6 percent by 2024 (UNCTADstat). Within the BRICS bloc itself, the figure reached 96 percent. Brazil now sells almost exclusively raw materials to its partners and buys back manufactured and high-technology goods, in a pattern that reproduces the classical center-periphery division more sharply within the bloc than against the rest of the world. The commodity boom of 2003 to 2013 produced a temporary illusion of prosperity, but the recession that followed the slowdown in Chinese demand revealed how fragile that prosperity had been. Brazil had not reorganized its productive structure during the boom; it had specialized in serving it.

The financial dimension showed the same logic operating through different institutions. Chinese foreign direct investment, the most visible new source of capital in the BRICS period, concentrated almost three-quarters of its inflows in electricity generation and resource extraction, the sectors that locked Brazil more deeply into primary specialization rather than out of it. The New Development Bank, the most prominent institutional creation of the bloc, operated at a scale modest by comparison with the Bretton Woods institutions it claimed to challenge, lent overwhelmingly in dollars rather than local currencies, and froze Russian operations in 2022 to preserve its access to Western capital markets. The Contingent Reserve Arrangement, designed as a buffer against IMF conditionality, was bound to that conditionality from its founding documents.

The monetary dimension was the most ambitious in rhetorical terms and the most modest in operational ones. The BRICS de-dollarization agenda confronted a structural paradox: the only member with the productive capacity to issue an alternative reserve currency was also the member whose domestic political economy depended on the capital controls that made such a currency impossible. The 2023 Brazil-China currency settlement agreement, repeatedly cited as the most concrete evidence of monetary cooperation, has gone largely unused by Brazilian exporters whose commercial logic still favors dollar invoicing. By February 2026, the renminbi accounted for 2.74 percent of global SWIFT payments to the dollar's 49.25 percent.

The point, however, is not that BRICS has contributed nothing to Brazil. It is that the contributions BRICS has made operate at a different level than the structural transformation the bloc promised. The distinction matters, both for the integrity of the argument and for the political question of what should be done with the BRICS framework going forward. This section brings into view what BRICS has produced for Brazil, and the next reconciles those contributions with the structural findings above.

The first contribution is institutional. BRICS gives Brazil membership in a multilateral group of middle and regional powers, and that membership has become a stable platform from which the country articulates its claim to Global South leadership. The objective of positioning Brazil as a leading voice for the Global South has been a continuous strand of Brazilian foreign policy since 2003, predating the bloc itself, but it is within BRICS that the objective has acquired institutional form. Without the bloc, the diplomatic project would lack a permanent vehicle. With it, Brazil enters every conversation about the international order from a position that no other framework provides.

The second contribution is reformist. BRICS was built around a reformist agenda directed at the Bretton Woods institutions and the United Nations Security Council, and Brazil has been the member that has carried that agenda most consistently across changes of government. As Interviewee 5 argued even as the bloc has shifted toward a more geopolitical character with the entry of newer members, Brazil has maintained the original orientation toward institutional reform from within: greater voice for developing economies in IMF quotas, redistribution of voting weights at the World Bank, expansion of the Security Council to reflect the world that exists rather than the one that ended in 1945. None of this is structural transformation in the sense this thesis has used the term. But it is a form of multilateral engagement that Brazil values, that it has limited ability to pursue through other forums, and that has produced incremental results.

The third contribution is the most concrete. Brazil's 2025 BRICS presidency, conducted under unusual time pressure between the country's 2024 G20 presidency and its incoming COP30 presidency in November of the same year, produced an institutional output that exceeded the expectations of most observers going in. The XVII BRICS Summit in Rio de Janeiro adopted, alongside the traditional Leaders' Declaration, four substantive documents that crystallized priorities Brazil had spent its presidency negotiating: the Rio de Janeiro Vision for IMF Quota and Governance Reform, the Leaders' Framework Declaration on Climate Finance, the Leaders' Statement on the Global Governance of Artificial Intelligence, and the BRICS Partnership for the Elimination of Socially Determined Diseases (BRICS 2025; BRICS Brasil 2025). The summit also endorsed a BRICS Multilateral Guarantee Initiative, to be piloted by the New Development Bank, designed to de-risk strategic investment in developing economies. Beyond these documents, Brazil successfully

embedded BRICS endorsement of priorities it had advanced during its G20 presidency the year before, including the proposal for cooperative taxation of ultra-high-net-worth individuals and the Global Alliance Against Hunger and Poverty launched at the Rio G20 summit in November 2024 (UN Sustainable Development Group 2024).

These outcomes are concrete, and they are the result of Brazilian diplomatic work. They demonstrate that the BRICS, when channeled through a presidency with a clearly articulated agenda and prepared institutional groundwork, can produce coordinated positions on issues that matter to Brazil and to the wider Global South.

The fourth contribution is at the level of working agendas. Below the visibility of leaders' summits and final declarations, the BRICS structure includes thematic working groups whose progress is rarely reported in the press but which has, over the past decade and a half, generated substantive cooperation in areas like public health and the energy transition.

The fifth contribution is the relationship with China specifically. BRICS gives Brazil an institutionalized framework for engaging China as a fellow founding member of a multilateral bloc, rather than only as a single dominant trading partner with which it negotiates bilaterally and from a position of asymmetry. That standing distinguishes Brazil from the many Global South countries that engage China without the multilateral overlay, and it has practical consequences for how Brazil can frame disputes, articulate priorities, and access institutions like the New Development Bank. The standing does not eliminate the asymmetries that the empirical chapters of this thesis have documented, but it provides Brazil with diplomatic instruments for managing those asymmetries that no other framework offers.

In the diplomatic dimension, BRICS has given Brazil a platform, a coalition, and a procedural infrastructure for advancing positions it would struggle to advance alone. At the institutional level, BRICS has produced incremental reforms, working agendas, and concrete outputs like the 2025 Rio declarations that constitute genuine multilateral achievement. At the structural dimension, where the analytical apparatus of dependency theory and international financial subordination operates, BRICS has not altered Brazil's productive specialization, has not built financial institutions capable of operating independently of dollar-denominated capital markets, and has not produced a credible alternative to the global currency hierarchy.

These three levels are not in contradiction. They describe different orders of phenomena. A platform for Global South leadership is not a substitute for a productive structure that does not depend on selling iron ore and soybeans. A reformed IMF quota is not a substitute for a Brazilian central bank whose policy autonomy is shaped by the Federal Reserve. A BRICS health cooperation working group is not a substitute for monetary policy autonomy.

The literature on BRICS has tended to slide between these dimensions, treating progress at one as evidence of progress at another. The optimistic strand has read diplomatic and institutional gains as proxies for structural transformation. The critical strand, in pushing back against that conflation, has sometimes ended up dismissing the diplomatic and institutional gains entirely. The argument of this thesis is that both readings miss the same point. BRICS has produced real outcomes for Brazil at the diplomatic and institutional levels, but it has not produced the structural transformation it promised. Holding both observations simultaneously is the analytical task.

1. Limits and What May Yet Come

Three developments lie outside of this analysis but warrant attention going forward. The first is the acceleration of alternative payment infrastructure following the imposition of Western sanctions on Russia in 2022. Cross-border settlement systems that operate outside SWIFT, currency arrangements that bypass the dollar, and bilateral trade settlement mechanisms have all advanced more in the four years since 2022 than in the decade before. Whether these developments will eventually produce the structural shift in monetary relations that BRICS leaders have advocated remains an open question. The data examined in this thesis suggest that the structural advantages of dollar incumbency remain large. But the assumption that incumbency cannot be challenged is itself a product of the period in which it has not been seriously challenged.

The second is the expansion of BRICS to include Egypt, Ethiopia, Iran, and the United Arab Emirates in 2024, with additional partner-state arrangements concluded in 2025. The expansion has changed the bloc in ways the original five-member configuration did not anticipate. The inclusion of Gulf states with significant oil-export revenues creates structural conditions for commodity pricing in non-dollar currencies that did not exist before. Whether the expanded bloc will function as a more or less effective vehicle for structural change is among the most important questions for any continuation of this research.

The third is the changing posture of the United States toward BRICS itself. The tariff threats and rhetorical hostility that have characterized U.S. engagement with the bloc in the period of writing this thesis are, historically, the kind of external pressure that has occasionally produced shifts in monetary arrangements against the grain of incumbent advantage. As Interviewee 5 observed, every serious moment of dollar challenge since the

1980s has been a moment of crisis, and each was followed by a partial retreat as the immediate pressure subsided. Whether the current pressure will produce a different outcome, or whether it will instead consolidate the bloc's existing patterns, is a question the period of this research cannot answer.

2. Closing

The country that Lula da Silva had described, through his foreign minister Celso Amorim, as wanting to be neither East nor West but Global South, came into BRICS as the dependable advocate of an institutional project larger than itself. It hosted the summit that founded the New Development Bank. It articulated, more consistently than any other member, the claim that the bloc could be a vehicle for a more democratic and just international order. It carried the reformist agenda across changes of government. By the metrics that matter to Brazilian diplomacy, the bloc has been a success.

By the metrics that matter to the structural transformation of the Brazilian economy, it has not. The country that exported 44.9 percent primary commodities in 1995 exports 75.6 percent today. The country that wanted to escape financial subordination borrows from a multilateral bank that itself borrows in dollars from the markets the bank was supposed to bypass. The country that signed currency agreements to settle bilateral trade in reais and yuan continues, in practice, to invoice and settle in dollars, because dollars are what the global commercial logic requires.

Brazil's dependence shifted from the North Atlantic to the Pacific, and the institutional vocabulary of its participation in the world economy expanded to include South-South cooperation, BRICS multilateralism, and the language of de-dollarization.

The conclusion is that the BRICS project has been, for Brazil, a modernization of subordination rather than its overcoming. That modernization includes real diplomatic gains, real institutional achievements, and real coordinated outputs of the kind the 2025 Rio summit produced. It does not include a different productive structure, a different financial position, or a different rung on the global currency hierarchy. The question of whether those structural conditions can be altered at all, within or outside the BRICS framework, is the question the next generation of work in this tradition will have to take up.

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Appendix A: List of Interviewees

Identifier	Institutional role
Interviewee 1	Former Director-General, World Trade Organization
Interviewee 2	Former senior official, New Development Bank (incl. presidency)
Interviewee 3	Former executive, World Bank (Brazilian development specialist)
Interviewee 4	Former Executive Director, International Monetary Fund
Interviewee 5	Academic specialist on the BRICS project
Interviewee 6	Senior official, United Nations Conference on Trade and Development (UNCTAD)