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Gold Is Once Again Becoming The World's Favorite Reserve Asset: The Dynamics of De-dollarization

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ABSTRACT

The acceleration of the trend toward de-dollarization reflects structural transformation in the global financial architecture. This study aims to analyze the main drivers of this phenomenon and the strategic role of gold, which has once again become the preferred global reserve asset. Using a descriptive qualitative approach with secondary data from the World Gold Council and the IMF (2010-2024 period), this study identifies three key factors: geopolitics (financial sanctions and rivalry between major powers), economics (US fiscal deficits and inflation), and structural factors (BRICS efforts to establish a non-dollar payment system). The results show that gold has been repositioned as a strategic "shield" against the risks of sanctions and monetary uncertainty, rather than merely an investment commodity. In conclusion, the aggressive accumulation of gold by central banks signals a shift towards a multipolar order, where economic stability and sovereignty take precedence over the efficiency of the dollar-based system.

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1. Introduction

The modern international monetary system has its roots in the 1944 Bretton Woods Conference, which established the US dollar as the global anchor currency, backed by convertibility to gold at USD 35 per ounce. This mechanism placed the dollar at the center of global financial trust and stability (Eichengreen, 2011). However, this structural advantage also gave rise to the Triffin Dilemma, namely the global need for dollar liquidity, which in turn drove the US external deficit and eroded confidence in its value (Bordo & McCauley, 2019).

After the Bretton Woods system collapsed in 1971 through the Nixon Shock, the world shifted to a floating exchange rate regime, but the dominance of the dollar remained. More than 60% of global foreign exchange reserves are held in dollar denominations, while oil and major commodity trading is conducted within the petrodollar system (IMF, 2024). This dependence gives the US geopolitical and fiscal advantages, but also makes global stability vulnerable to Washington's economic and political policies.

Entering the 21st century, the dominance of the dollar began to face structural challenges. Geopolitical tensions, unilateral economic sanctions, and the increasing role of developing countries such as China, India, and Russia have given rise to a trend of de-dollarization. BRICS countries, for example, are actively promoting the formation of a more multipolar global financial system through the New Development Bank and the use of local currencies in cross-border trade (Subacchi, 2023b). One of the most obvious indicators of this shift is the increase in gold purchases by central banks around the world. Data (World Gold Council, 2024) shows that the period 2018-2024 saw the highest gold purchases in more than five decades. Countries such as China, Russia, Turkey, and India are increasing the share of gold in their foreign exchange reserves as a form of protection against political risks and dollar volatility (Aizenman et al., 2020). Gold is seen as a neutral asset with no counterparty risk, as well as a symbol of monetary sovereignty amid global uncertainty.

The Russia-Ukraine war and the freezing of Russia's foreign exchange reserves in 2022 further accelerated this trend. These actions raised concerns that dollar-based reserves were no longer safe from political intervention. It is in this context that gold has regained its strategic significance, not only as a traditional asset, but also as an instrument of stability and trust in an era of multipolar economy.

Thus, the increase in gold accumulation by central banks around the world reflects a structural transition in the international monetary system from sole dependence on the dollar to a more diverse and balanced configuration. This phenomenon is not merely an economic issue, but also reflects a shift in power and paradigm in global monetary politics. This article aims to analyze the economic and geopolitical factors behind the rise of gold as a major reserve asset in the context of global de-dollarization.

2. Literature Review

2.1 Global Gold Purchasing Trends (2010-2024)

Gold assets have continued to experience an increase in global purchases over the past decade, which cannot be separated from the dynamics of de-dollarization that can strengthen the repositioning of gold as a strategic reserve. Geopolitical pressures, particularly economic sanctions against Russia and rivalry between the United States and China, can be an alternative for countries seeking assets that are free from political risk. Other countries may choose gold as an alternative asset that is free from political risk (Ocampo, 2019; Subacchi, 2023). According to data from the World Gold Council, central banks have recorded the highest level of gold purchases in the 2018-2024 period. This was done in line with the increasing need for foreign exchange reserve diversification (World Gold Council, 2024). Looking at global macroeconomic conditions such as high inflation, low confidence in the US dollar, and the chronic fiscal deficit in the United States, this has also triggered a shift in reserve asset preferences (Aizenman et al., 2020). Gold is considered a safe haven that can maintain its value amid high demand for fiat currencies. Therefore, countries such as China, India, and Turkey have significantly increased their gold holdings (Aizenman & Inoue, 2013). Thus, the increasing number of investors buying gold globally indicates a structural change in the international monetary system, which is no longer dependent on the US dollar.

Some literature also explains that the trend of gold purchases follows geopolitical and strategic dimensions. Gold assets are viewed by BRICS countries and other developing countries as instruments that have good financial sovereignty so that they can reduce dependence on Western financial infrastructure (Todorova et al., 2024; Liu & Papa, 2022). In 2022, the freezing of Russia's foreign exchange reserves was an important event that increased the perception of risk towards dollar-based assets and also accelerated the accumulation of gold as a neutral asset (Hananto & Dwi Astuti, 2025). On the other hand, the emerging multipolar system and Asian economic growth could strengthen the trend of shifting gold investments from the West to the East. This is similar to what India, China, and Poland did in their gold purchases in 2024 (World Gold Council, 2024). These developments signal a recalibration of global monetary power toward a more diverse configuration (Subacchi, 2023). The increase in gold purchases reflects the need for diversification, stability, and monetary sovereignty amid global uncertainty.

2.2 The Dynamics of De-dollarization and the Repositioning of Gold

In the last decade, the phenomenon of de-dollarization has grown stronger in response to geopolitical dynamics and the instability of the global monetary system. High dependence on the US dollar has created structural risks, particularly due to unilateral economic sanctions and persistent fiscal deficits in the United States. Geopolitical tensions, such as the dispute between the US and China and the freezing of Russia's foreign exchange reserves in 2022, have accelerated efforts by many countries to seek alternatives and reduce their exposure to the dollar. BRICS countries are actively playing a strategic role in building a multipolar financial architecture through the development of non-USD payment systems and increased use of local currencies, marking a gradual shift towards a more diverse global monetary system that is less dominated by the dollar.

The repositioning of gold as a strategic reserve asset has emerged as an important response in the context of de-dollarization. Gold is considered a neutral asset that is independent of any country's political authority, with a lasting intrinsic value. Since 2018, central banks in various countries, particularly China, India, Turkey, and Russia, have aggressively strengthened their gold reserves to increase monetary resilience amid global uncertainty. Gold is also seen as capable of strengthening monetary sovereignty because it is free from the risk of freezing or blockade often experienced by dollar-based assets. In the effort to create a multipolar financial system, gold acts as a trusted reserve asset that balances the dominance of the dollar alongside other major currencies such as the yuan and the euro. Thus, the process of de-dollarization, which involves a shift toward the use of gold as the primary reserve asset, reflects a fundamental transformation in global monetary strategy toward greater stability and sustainability.

2.3 BRICS as a Catalyst for Global De-dollarization Effots

The BRICS alliance has emerged as a dominant force in challenging the financial supremacy of the United States, with an agenda to build a new framework that strengthens the economic sovereignty of Global South countries (Arnold, 2025). The main impetus for this initiative stems from the aspiration to end the hegemony of the US dollar, while protecting members from unilateral sanctions and market volatility dependent on the dollar (Alrefai, 2024). Operationally, BRICS has established the New Development Bank and initiated alternative payment systems to minimize dependence on Western financial infrastructure (Iqbal et al., 2024). Expansion to BRICS+ further solidifies this approach through the involvement of new economic actors who share a geopolitical vision to restructure the global balance of power (Saaida, 2024). On the other hand, increasing bilateral transactions based on local currencies such as the real, ruble, and rupee is a concrete strategy to reduce the role of the dollar in international trade and reduce vulnerability to US monetary policy (Mosharrafa, 2024).

Although based on a collective vision, the implementation of de-dollarization within this bloc is complicated by divergent national interests and structural constraints. For example, India has adopted a cautious approach by rejecting the concept of a common BRICS currency, while promoting the internationalization of the rupee for trade settlements to avoid domination by other members (Iqbal et al., 2024). Empirical evidence indicates that intra-BRICS trade encourages the diversification of short-term foreign exchange reserves away from the dollar, despite being hampered by old contracts and immature financial infrastructure (Fliagin & Abdulganiyu, 2025; Mosharrafa, 2024). A systematic review emphasizes that de-dollarization is a strategic political-economic transformation, not merely a financial phenomenon, leading to a more egalitarian trading system amid issues of liquidity and convertibility (El Zein et al., 2025). Overall, the BRICS-driven financial architecture has the potential to foster a multipolar global order, although it requires sustained consensus and a long time horizon (de Castro & Santiago, 2025).

3. Research Methods

The type of research used in this study is a descriptive analytical, qualitative method. This study aims to gain an in-depth understanding of the phenomenon of dedollarization and the increase in gold purchases by central banks around the world in response to the instability of the global monetary system, which is still centered on the US dollar. This method allows researchers to explore various theories, concepts, and empirical findings from relevant scientific sources, thereby gaining a comprehensive understanding of changes in the structure of the international monetary system. The data used was secondary literature from internationally indexed journals sourced from the Scopus database using the keywords “de-dollarization” and “BRICS.” After the classification process, a thematic analysis was conducted by identifying patterns of relationships between variables. Of the total 39 articles identified, 14 articles were found to be eligible for this study.

This study uses secondary data obtained from official institutions and credible international publications, including the International Monetary Fund (IMF) through Currency Composition of Official Foreign Exchange Reserves (COFER), the World Gold Council (WGC), the Bank for International Settlements (BIS), as well as annual reports and monetary statistics from several central banks such as the People's Bank of China (PBoC), the European Central Bank (ECB), and the Central Bank of Russia (CBR). The observation period used covers 2010 to 2024, in order to capture the latest dynamics of the de-dollarization process and the increase in gold accumulation in the context of global monetary system instability.

This study uses qualitative-descriptive analysis techniques with an international political economy approach. The analysis was conducted through a review of secondary data from official institutions such as the IMF and the World Gold Council, as well as academic literature related to de-dollarization. The stages of analysis included trend analysis, which compared the development of gold purchases by central banks with changes in the proportion of US dollar-based foreign exchange reserves, and an analysis of the cause-and-effect relationship between geopolitical dynamics and reserve asset diversification. Furthermore, the findings were interpreted theoretically using an international political economy framework to explain shifts in the global monetary power structure. This approach was chosen because the focus of the research was on interpreting policy and geopolitical meaning, rather than on statistical testing.

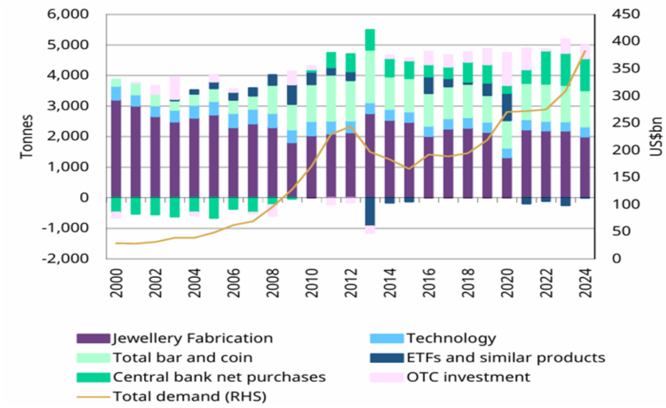
4. Results And Discussion

4.1. Global Gold Purchasing Trends (2010-2024)

Global trends in gold purchases and demand since the early 2000s have shown stability at moderate levels, followed by a significant increase after the 2008 financial crisis as investors responded to the need for hedge assets. Gold demand peaked in the 2011-2012 period, driven by a surge in investment in bars and coins. However, in the 2013-2015 period, demand declined as a result of price corrections and withdrawals from gold exchange-traded funds (ETFs). Since 2018, there has been a strengthening of demand, dominated by aggressive purchasing by central banks. The most substantial increase occurred in the period from 2022 to 2024, when tense geopolitical situations, high global inflation, and the acceleration of the de-dollarization process motivated countries such as China, India, Turkey, and Poland to increase their accumulation of gold as foreign exchange reserves (see figure 1). This phenomenon has pushed global gold demand to its highest level in two decades, while also reinforcing gold's role as the strongest value-preserving asset amid the dynamics of global economic uncertainty.

Global demand for gold has shown fluctuating patterns with a significant upward trend since 2018. This increase has been driven primarily by increased gold purchases by central banks (central bank net purchases), reflecting strategies to diversify foreign exchange reserves and respond to global geopolitical uncertainty. The surge in demand during the 2022-2024 period indicates that gold is once again serving as a strategic reserve asset and a key safe haven amid the process of de-dollarization of the international financial system

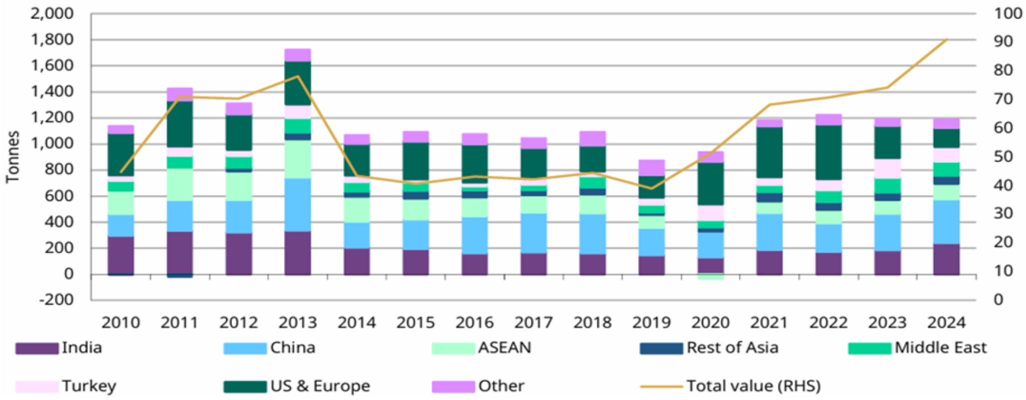
Figure 1. Total annual gold demand by sector, tons



Source: *World Gold Council, Gold Demand Trends (2024)*

The graph shows the development of gold demand from various regions of the world during the period 2010-2024, measured in tons and value in billions of US dollars. It can be seen that gold demand peaked in 2011-2013, mainly driven by India, China, and the US and Europe. After 2013, global demand declined and remained relatively stable until 2018, before weakening again in 2019. Entering 2020, there was a sharp increase in demand, in line with rising global uncertainty. India and China remained the largest contributors throughout this period, followed by the Rest of Asia and the US & Europe. The Middle East and Turkey also showed fluctuations but with smaller contributions. Meanwhile, the total value of gold demand in US dollars tended to increase even though the volume in tons did not always rise. A significant increase in value was seen from 2020 to 2024, indicating higher gold prices. Overall, this graph illustrates that the dynamics of gold demand are greatly influenced by global and regional economic conditions, as well as movements in world gold prices (see figure 2).

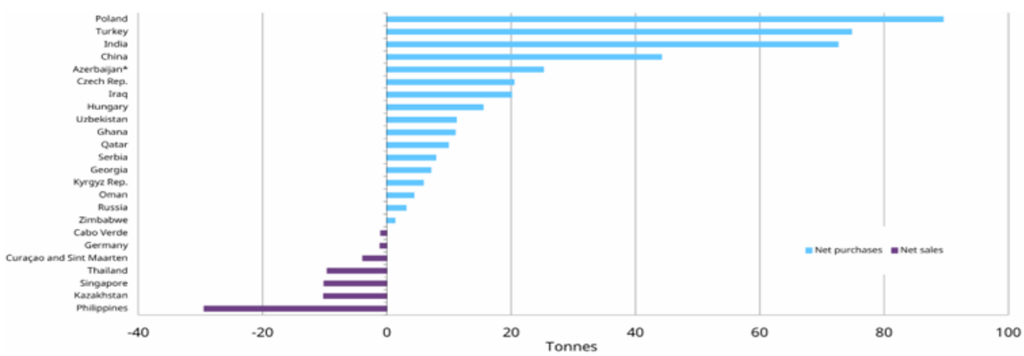
Figure 2. Global gold bar and coin investment by region, 2010-2024



Source: *World Gold Council, Gold Demand Trends (2024)*

The graph shows net gold purchases and sales by various countries, with blue bars indicating net purchases and purple bars indicating net sales, measured in tons. Poland is the country with the largest net gold purchases, reaching nearly 90 tons, followed by Turkey with around 75 tons and India with around 73 tons. China and Azerbaijan have also consistently added to their gold reserves, while countries such as the Czech Republic, Iraq, Hungary, and Uzbekistan show a trend of net purchases, albeit in smaller amounts. On the other hand, the Philippines is the largest net seller of gold with sales of nearly 30 tons, while other countries such as Kazakhstan, Singapore, and Thailand also sell gold, albeit in smaller volumes. Countries such as Germany, Zimbabwe, Oman, and Georgia only showed minor changes in their gold holdings. This graph illustrates that most countries tend to increase their gold reserves as part of a strategy to maintain economic stability, reflecting different monetary approaches in response to current global economic conditions. Data shows that throughout 2024, gold purchases by central banks, particularly Poland, Turkey, India, and China, significantly exceeded sales, reflecting an increase in global foreign exchange reserve diversification strategies (see figure 3).

Figure 3. Net purchases and sales of central banks by country in 2024



Source: *World Gold Council (2024). Gold Demand Trends Report*

4.2 The Dynamics of De-dollarization and the Repositioning of Gold

The phenomenon of global de-dollarization reflects a systemic response to structural imbalances in the international monetary system. Geopolitical, economic, and structural factors play an important role in driving the shift towards diversification of national reserve assets. From a geopolitical perspective, the escalation of tensions between the United States and China, as well as the imposition of financial sanctions on Russia since 2022, have been major turning points. The freezing of Russian foreign exchange reserves in Western banks has reinforced the perception that the dollar-based system is no longer completely neutral, but rather vulnerable to political intervention. This has prompted many countries to strengthen alternative reserves, particularly in the form of gold, which is independent of the Western financial system. Economically, the United States' growing fiscal deficit, high post-pandemic inflation, and uncertainty over the Fed's monetary policy have led to a crisis of confidence in the dollar as a store of value. Countries with large reserves, such as China, India, and Saudi Arabia, are increasingly seeking long-term stability through non-USD assets, including gold. From a structural perspective, the emergence of a multipolar system and the growing influence of non-Western economic blocs such as BRICS are accelerating changes in the global financial landscape. The BRICS initiative to establish a cross-border payment system based on local currencies and the formation of the New Development Bank (NDB) reflect efforts to reduce the dominance of the dollar in international transactions.

In this context, gold is undergoing a strategic repositioning. It not only functions as an investment commodity, but is once again considered a symbol of economic sovereignty and a neutral asset free from political and credit risk. The significant increase in gold purchases by central banks since 2018, particularly by China, Russia, Turkey, India, and Poland, indicates a shift in the orientation of global foreign exchange reserves. Gold now de facto replaces some of the dollar's functions in the international reserve system, serving as a guarantee of monetary stability and a hedge against global uncertainty.

4.3 The Impact of De-Dollarization on BRICS

Dedollarization has a significant strategic impact on the BRICS alliance, as it strengthens economic sovereignty while accelerating the formation of a multipolar global order. As noted by Arnold (2025) and Alrefai (2024), this initiative is a key step in challenging the dominance of the US dollar and reducing member countries' vulnerability to Western financial sanctions. By shifting away from the dollar, BRICS countries are seeking greater autonomy in their monetary policies. Furthermore, Fliagin & Abdulganiyu (2025) show that increased intra-BRICS trade based on local currencies has successfully reduced dependence on dollar reserves. This shift not only protects their economies from external geopolitical turmoil, but also strengthens economic integration among members in a more independent manner. Dedollarization has profound strategic implications for the BRICS alliance, strengthening economic sovereignty and promoting the acceleration of a multipolar world order. According to Arnold (2025) and Alrefai (2024), this effort is essential to counter US dollar hegemony and minimize the risk of financial sanctions from the West for its members. By abandoning the dollar, BRICS countries have gained greater control over their domestic monetary policies. Furthermore, Fliagin & Abdulganiyu (2025) prove that the surge in intra-BRICS trade using local currencies effectively reduces dependence on dollar foreign exchange reserves. This kind of transformation not only maintains economic stability from external geopolitical disturbances, but also strengthens intra-block economic ties independently.

However, this major transition also has repercussions in the form of economic risks and complex institutional challenges for BRICS internally. Khan et al. (2025) warn that the dedollarization agenda could trigger speculative currency attacks that could potentially undermine the macroeconomic stability of member countries. This indicates that the process of abandoning the established dollar system carries the risk of high market volatility. On the institutional side, Wang (2025) highlights that membership expansion creates negotiation complexities that can hinder the efficiency of the bloc's strategic decision-making. Furthermore, El Zein et al. (2025) add that local currency liquidity and market confidence issues remain major obstacles to building a credible alternative payment system. Therefore, BRICS must carefully address these structural barriers to ensure the long-term success of their strategy.

Table 1. Literature study

No	Writer	Year	Topic	Key Finding	Relevance
1	El Zein, S.A., Clemente-Almendros, J.A., Boldeanu, F.T.	2025	Understanding De-dollarization Among BRICS Nations: Systematic Review of the Factors and Fallout	Identifying that BRICS' dedollarization is driven by geopolitical (sanctions) and economic (US	Serving as an anchor article that validates the use of the SLR method for this topic and provides a “Factors vs. Fallout” framework for

No	Writer	Year	Topic	Key Finding	Relevance
				inflation) factors, but faces major challenges in terms of market confidence and local currency liquidity	mapping the global impact of BRICS policies.
2	Arnold, Theryn D.	2025	De-dollarization and global sovereignty: BRICS' quest for a new financial paradigm	Dedollarization is not merely an economic strategy, but a movement to free oneself from US financial hegemony that limits the collective action of developing countries. BRICS offers a new paradigm to avoid sanctions and create a more equitable economic framework for the Global South.	Providing a strong theoretical/ideological foundation for why BRICS is pursuing de-dollarization (sovereignty aspect). This article complements economic data analysis with a geopolitical and power struggle perspective.
3	Arapova, Ekaterina Kudinov, Alexei S.	2025	Influence of U.S.-led Integration Initiatives and China-India Controversy on the BRICS Development	BRICS has specific priorities, namely financial cooperation towards de-dollarization, alternative energy development, and food security (with the UAE playing an active role).	focusing on the transition of the global order towards multipolarity, in which BRICS evolves into a counterweight to Western financial hegemony through its agenda of de-dollarization and strategic resource alliances, while highlighting the complexity of its member countries' multi-alignment strategies in navigating internal frictions.
4.	Kashif Hasan Khan, Iman Bastanifar, Zahra Mohammadi	2025	Sanctioned and speculated: The currency crisis dilemma in BRICS nations	The de-dollarization agenda is very risky if economic fundamentals are not strong. Speculative	The BRICS' ambition to de-dollarize faces significant risks from speculative attacks that asymmetrically damage the real economic

No	Writer	Year	Topic	Key Finding	Relevance
				attacks act as a market “disciplinary mechanism” that makes it difficult for BRICS countries to break out of the dollar orbit.	fundamentals of its members, thus emphasizing the urgency of establishing a robust regional monetary defense mechanism to ensure stability amid external pressures.
5.	Charles Pennaforte	2025	The Ukrainian War As An Anti-Systemic Imperative And Its Geopolitical Consequences: The Rise Of The Brics Influence	The future success of BRICS depends not only on political diplomacy (balancing India's position), but more on their ability to build a monetary institutional shield (alternative payment systems & joint reserves) capable of withstanding market shocks caused by confrontation with the West.	The Ukraine war as a systemic turning point which, through the boomerang effect of Western sanctions, drastically accelerated the consolidation of the “BRICS Plus” powers and the process of de-dollarization, marking the inevitable transition from US hegemony to a multipolar world order.
6.	Peter Brian M Wang	2025	Assessing the impact of an expanded BRICS on the international order: The role of power and legitimacy	The transformation of BRICS triggered by the Ukraine War and the expansion of its membership has strengthened the bloc's potential to challenge Western hegemony through its de-dollarization agenda. However, its effectiveness is highly dependent on its ability to overcome the dilemma between increasing geopolitical power and the complexity of internal negotiations, as well as mitigating macroeconomic risks from	BRICS aims to reform, not destroy, the global order, but also warns that increasing power through expansion carries the risk of high internal complexity, requiring BRICS to build legitimacy beyond mere anti-Western sentiment in order to remain effective.

No	Writer	Year	Topic	Key Finding	Relevance
				speculative attacks that threaten the stability of member countries.	
7.	Shubhraje Konwer		An expanded BRICS: Agenda and stakes for India	BRICS has successfully built a solid alternative financial architecture through the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA) to reduce dependence on Western institutions, although internal coordination challenges and China's economic dominance remain major obstacles to completely overhauling the global financial order.	This study is highly relevant for international policymakers because it examines how the strengthening of parallel financial institutions by emerging economies can create a more multipolar monetary system and challenge the hegemony of traditional financial institutions such as the IMF and the World Bank.
8.	Danil Fliagin, Mutiu Ab dulganiyu	2025	Impact of intra-BRICS trade on the share of United States dollar in international reserve composition	Intra-BRICS trade significantly promotes currency diversification by reducing US dollar reserves in the short term through the use of local currencies, although in the long term dependence on the dollar remains in order to facilitate global transactions outside the bloc.	The results of this study are highly relevant to policymakers because they provide empirical evidence that strengthening economic integration and long-term trade partnerships among BRICS countries can serve as a strategic approach to reducing dependence on the dollar and enhancing financial stability through diversification of foreign exchange reserve portfolios.
9.	Suhayla KhalIL Viana de Castro, Anabela Rodrigues	2025	The evolution of financial architecture supporting the	Intra-BRICS trade significantly promotes currency	The results of this study are highly relevant to monetary

No	Writer	Year	Topic	Key Finding	Relevance
			BRICS: reshaping the global financial order?	diversification by reducing the share of US dollar reserves in the short term through the use of local currencies, although dependence on the dollar is likely to persist in the long term to facilitate global transactions outside the bloc.	authorities because they provide empirical evidence that strengthening regional economic integration and using mechanisms such as currency swaps can be effective strategies for reducing dependence on the US dollar and mitigating political risks related to international financial sanctions.
10	Rana Al Mosharrafa	2024	Navigating the Tides of De-dollarization: Impact on Global Economy and BRICS Initiatives	The global dominance of the US dollar is facing significant systemic challenges due to the acceleration of de-dollarization efforts by BRICS countries through the use of local currencies, the development of alternative payment systems, and the strengthening of the role of the Chinese yuan in international trade.	These findings are highly relevant to policymakers and global economic actors as they provide strategic insights into the shift towards a more multipolar monetary system, which requires adaptation to changes in the global financial infrastructure and risk mitigation against reduced dependence on a single currency.
11	Badar Alam Iqbal, Mohd Nayyer Rahman, Munir Hassan	2024	India’s Position and Key Strategies during the 15th BRICS Summit	India supports de-dollarization through the use of national currencies in bilateral transactions. However, India remains cautious and has not yet agreed to the creation of a single BRICS currency in order to maintain economic autonomy and avoid Chinese dominance within the bloc.	This finding is highly relevant to observers of geopolitics and the international economy, as it highlights the internal dynamics and differences in vision among BRICS members that could influence the speed and direction of the transformation of the global financial order towards a more multipolar system.

No	Writer	Year	Topic	Key Finding	Relevance
12	Saaida Mohammed	2024	BRICS Plus: de-dollarization and global power shifts in new economic landscape	The BRICS Plus alliance is actively weakening the dominance of the US dollar through strategies of diversifying foreign exchange reserves, using local currencies in trade, and establishing new financial infrastructure in response to the “weaponization” of the dollar and economic instability in the US.	This study is highly relevant to global policymakers as it explains how the shift towards a multipolar monetary system by BRICS Plus not only challenges Western financial hegemony, but also demands the restructuring of international economic governance for more inclusive global financial stability.
13.	Ahmed Alrefai	2024	BRICS Alliance: A SWOT Analysis and the Potential Implications for Ending the Dominance of the USD	This study shows that the BRICS bloc has consistently weakened the dominance of the US dollar through the strengthening of internal financial infrastructure such as the New Development Bank (NDB) and the use of local currencies in bilateral trade, although its long-term effectiveness is still limited by persistent global dependence on dollar liquidity and differences in political interests among members.	This finding is highly relevant for international economic policymakers as it provides a strategic roadmap for the transition to a multipolar monetary order, enabling developing countries to reduce the risks of Western financial weaponization and create greater economic independence through diversification of foreign exchange reserves.
14.	Vinicius G. Rodrigues Vieira	2024	The limits of weaponised interdependence after the Russian war against Ukraine	This study shows that the BRICS bloc has consistently weakened the dominance of the US dollar through	This finding is highly relevant for international economic policymakers as it provides a strategic roadmap for

No	Writer	Year	Topic	Key Finding	Relevance
				the strengthening of internal financial infrastructure such as the New Development Bank (NDB) and the use of local currencies in bilateral trade, although its long-term effectiveness is still limited by persistent global dependence on dollar liquidity and differences in political interests among members.	transitioning to a multipolar monetary order, enabling developing countries to reduce the risks of Western financial weaponization and create greater economic independence through diversification of foreign exchange reserves.
15	Mozaffari Falarti & Hussain Naqvi	2024	De-dollarization dan financial autonomy in the Eurasia area	US sanctions and the Russia–Ukraine conflict accelerate de-dollarization in Eurasia through the use of local currencies, BRICS, and SCO cooperation	Providing regional evidence that de-dollarization can reduce vulnerability to US policy shocks but creates new risk configurations.
16	Gouvea & Gutirrez	2023	De-dollarization and the architecture of a new globalization	De-dollarization has emerged as a response to the “weaponization” of the dollar and could lead to a more fragmented multi-reserve currency regime	De-dollarization could change the pattern of globalization and affect the stability of the global financial system.
17	Mulugeta	2024	De-dollarization and the future of the international monetary system	The evolution of the international monetary system and concludes that the trend toward a multipolar reserve system requires more ambitious reforms to prevent socioeconomic instability	The historical and normative framework of how de-dollarization could either improve or weaken global financial stability
18	Li	2023	Trends, reasons and prospects of de-dollarization	The imbalance between the shrinking weight of the US economy and the continued dominance of the	The economic and political motives behind de-dollarization and its implications for systemic risk and the

No	Writer	Year	Topic	Key Finding	Relevance
				dollar is a source of systemic risk; de-dollarization is gradual but likely to spread	need for global governance reform
19	Todorova, Moraliyska & Raycheva	2024	De-dollarisation in international payments	Empirical analysis of SWIFT shows that the de-dollarization of international payments is slow and uncertain; the dollar remains dominant in the short and medium term	Indicates that the impact of de-dollarization on global financial stability is still limited and evolutionary in nature.
20	Aizenman, Cheung & Qian	2019	Currency composition of reserves & global safe assets	With relatively large foreign exchange reserves, countries tend to diversify away from the "big four currencies," but remain dependent on global safe-haven assets to manage crises	there is a mechanism whereby diversifying reserve currencies can simultaneously reduce risk concentration and maintain financial stability
21	Weiss	2025	Gold purchases and the dollar's role in international reserves	Showing that central bank gold purchases generally reflect moderate diversification, not aggressive de-dollarization; only a few countries have actually reduced their dollar holdings sharply	Clarifying that an increase in gold reserves does not automatically pose a major threat to the dominance of the dollar or systemic stability
22	Arslanalp, Eichengreen & Simpson-Bell	2022	Stealth erosion of dollar dominance & rise of nontraditional reserve currencies	a decline of around 12 percentage points in the dollar's share of official reserves since 1999, replaced by the renminbi and other non-traditional currencies	strong evidence that de-dollarization is occurring primarily through gradual diversification, which has the potential to reshape global liquidity and safe-haven assets
23	Gerding & Hartley	2024	De-dollarization? Not so fast	found in various dimensions (reserves, trade, debt, FX markets) the change in the dollar's role is still	literature balance by emphasizing that e-dollarization has not yet caused major shocks to

No	Writer	Year	Topic	Key Finding	Relevance
				small, so the narrative of a “rapid decline” of the dollar is not supported by data	international financial stability.

5. Discussion

The current dynamics of dedollarization reflect a fundamental shift from unipolar hegemony to a multipolar order, driven by a combination of sovereignty imperatives and reactions to geopolitical pressures. Arnold (2025) and Pennaforte (2025) agree that de-dollarization is not merely an economic strategy, but rather an “anti-systemic” movement to break free from Western hegemony, accelerated by post-war Ukraine sanctions as a systemic turning point. This argument is supported by El Zein et al. (2025), who identify US sanctions and inflation as the main drivers, while Arapova & Kudinov (2025) and Wang (2025) emphasize that the expansion of BRICS strengthens the bloc's legitimacy to challenge the old order through a priority on more autonomous financial cooperation. In the context of strategy, Hananto & Dwi Astuti (2025) highlight the freezing of Russia's foreign exchange reserves as evidence of the risk of dollar-based assets, which encourages the repositioning of gold as a neutral asset, in line with the findings of Vieira (2024) and Weiss (2025), who see this transition as a long-term effort by developing countries to build an “institutional shield” against the volatility of US monetary policy. This dialogue between the literature confirms that dedollarization is a manifestation of the search for greater monetary sovereignty amid global fragmentation.

Despite its strong political vision, the technical implementation of dedollarization faces significant structural challenges and divergent internal interests. Fliagin & Abdulganiyu (2025) and Todorova et al. (2024) find that while intra-BRICS trade effectively reduces the share of the dollar, alternative payment infrastructures are not yet mature enough to fully replace Western systems. This is complicated by the market realities highlighted by Gerding & Hartley (2024), who are skeptical of the pace of de-dollarization, as well as warnings from Khan et al. (2025) that weak economic fundamentals make BRICS members vulnerable to speculative attacks and currency crises. Furthermore, Iqbal et al. (2024) and Konwer (2025) highlight internal frictions, particularly India's cautious stance in rejecting a common currency in order to maintain its own strategic autonomy, a dynamic that, according to Mosharrafa (2024), requires member countries to navigate local currency diversification with great care. Therefore, the success of this agenda heavily depends on BRICS' ability to balance geopolitical ambitions with concrete macroeconomic stability.

6. Limitation

a. Dependence on Secondary Data This study relies entirely on secondary data sourced from international institutions such as the World Gold Council (WGC), the IMF, and central bank reports. The validity of the analysis is highly dependent on the accuracy and consistency of the data published by these third parties. There is a possibility of time lags or differences in reporting standards between countries, particularly with regard to strategic foreign exchange reserve data, which can sometimes be sensitive to the national security of certain countries.

b. Descriptive Qualitative Analysis Due to its descriptive-qualitative approach within an international political economy framework, this study focuses more on interpreting the meaning of policies and geopolitical trends than on testing statistical causality. This study does not present a quantitative econometric model to precisely measure the extent to which geopolitical variables (such as sanctions) influence the volume of gold purchases. Therefore, the cause-and-effect relationship described is associative and interpretive, rather than mathematically proven.

c. Regional Focus and Specific Assets The analysis in this study focuses on the BRICS economic bloc and major emerging market countries (such as China, Russia, India, Turkey) as well as gold as a key asset. This study does not yet discuss in depth the role of central bank digital currencies (CBDCs) or cryptocurrencies, which are also beginning to be considered as alternatives to the dollar in the new financial architecture. Furthermore, the perspective of developed countries (Global North) that still support the status quo of the dollar is not discussed proportionally.

d. Rapidly Changing Geopolitical Dynamics The observation period of this study is limited from 2010 to 2024. Given the highly volatile global geopolitical situation (such as the development of the Russia-

Ukraine conflict or the expansion of BRICS+ policies), the conclusions drawn may need to be adjusted in the future if there are drastic changes in monetary policy or unexpected shifts in political alliances after the research period.

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