



## The Challenges of BRICS on the Global Landscape

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### JCSP 49

#### Exercise Solo Flight

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### PCEMI n° 49

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## **The Challenges of BRICS on the Global Landscape**

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## A House of BRICS: Analysing the Challenges of BRICS on the Global Landscape

In 2001, Goldman Sachs published a report highlighting the growth of Brazil, Russia, India and China (BRICs<sup>1</sup>) and advocating for its limited involvement in the global economy (through the G7)<sup>2</sup>. The premise of the report projected that the combined economic power of the BRICs countries by 2011, specifically China, would rival the strength of the G7 member states, making their involvement in the economic system inevitable<sup>3</sup>. While largely rhetorical in 2001, the BRICs concept would be formalized by the first summit in 2009 and the next year with the admission of South Africa, become BRICS. This pattern would continue, on an annual basis, with its members states rotating hosting duties. While early meetings between the member states focused on economic cooperation between them, recently there has been a movement to expand the BRICS to include other member states (of varying economic strength). Despite the continued presence of the BRICS bloc, the G7 has done little to bring them into economic discussions (the lone exception was with Russia who joined the G7 in 1998 but was suspended in 2014 after it's annexation of Crimea). While this aspect of O'Neill's report has not been addressed, how accurate has his projects been regarding the economic prowess of the BRICS?

Using the metric purchasing power parity (PPP) (a key metric used in O'Neill's analysis), currently China and India are first and third respectively with Russia and Brazil both in the top ten and ahead of many G7 nations. Of the BRICS members, only South Africa appears to lag behind. Using raw GDP numbers, the picture is a little different with only China and India ahead of the bulk of the G7 nations (only Italy is lower on the list), however Russia and Brazil are very close<sup>4</sup>, demonstrating the accuracy of O'Neill's claim more than 20 years later.

China, People's Republic of	18.91
United States	15.23
India	7.45
Japan	3.74
Germany	3.19
Russian Federation	2.74
Indonesia	2.54
Brazil	2.3
United Kingdom	2.28
France	2.24
Türkiye, Republic of	2.06
Italy	1.82
Mexico	1.78
Korea, Republic of	1.7
Canada	1.37

Figure 1: Global leaders in PPP

United States	26.19 thousand
China, People's Republic of	19.24 thousand
Japan	4.37 thousand
Germany	4.12 thousand
India	3.82 thousand
United Kingdom	3.48 thousand
France	2.81 thousand
Canada	2.33 thousand
Russian Federation	2.14 thousand
Brazil	2.06 thousand

Figure 2: Global Leaders in GDP

<sup>1</sup> In 2010, South Africa joined BRICs (lowercase s), making it BRICS.

<sup>2</sup> O'Neill, Jim. "Building Better Global Economic BRICs". (Goldman Sachs, Global Economic Paper Vol 66: 2001).

<sup>3</sup> O'Neill. "Building Better Global Economic BRICs" P. 6-8.

<sup>4</sup> All statistics and figures are according to the International Monetary Fund

This critical question that this paper will try to answer is how does the continued presence of BRICS affect the global landscape? On one hand, rhetoric from its members postulates the formation of new international order which challenges the “dominance of global superpowers”<sup>5</sup>. This has manifested in challenges to the established economic system through the creation of the New Development Bank (NDB), the BRICS Contingent Reserve Arrangement (CRA) and a joint payment system. However, at the same time, this is not the golden age for the BRICS member states. With the current conflict in Ukraine, we have seen the shine of Russia as a global power get tarnished. Regional tensions between India and China over territory continue to exist with no real projections for any sort of solution. Both South Africa and Brazil have their own respective problems regarding water and political turmoil respectively. Despite these problems, this paper will attempt to demonstrate that while not as powerful as it may seem, BRICS will continue to play a role in global politics both economically and in the security realm and its position should be challenged by the west through active engagement in the area that caused the formation of the bloc. This paper will look at two areas that BRICS seeks to affect the global order, in the international economy and security dimensions. Following that, the paper will look at how the west can address these developments in order to maintain the status quo. However, before any substantive analysis can be done regarding the challenges that a rising BRICS can have on the international order, it is prudent that there is a common understanding of what BRICS is and what it is not.

## What is BRICS?

BRICS was formed by a group of loosely aligned marginalised states that all had a similar interest in reinventing the global economic order that was established during the 1944 Breton Woods Agreement. The Breton Woods system required the international economy to be run through the US Dollar (USD) (put against gold), which would be monitored through the International Monetary Fund (IMF). From there, the IMF would develop the World Bank to assist in the rebuilding of countries in economic crises. The problem with the Breton Woods system<sup>6</sup> is that it propped up the USD as countries that wished to participate in international trade had to borrow USDs, creating a demand, and thus inflating it against the global economy. Further to this, as time progressed, control of the IMF continued to reside in the west and was not reflective of the growing strength of other nations. As of 2013, “the BRICS countries represent[ed] over 40 percent of the world’s population, contribute[d] over 20 percent of the world’s Gross Domestic Product (GDP) and around 20% of total world trade... However, these countries still have only 11 percent of the voting rights at the World Bank”<sup>7</sup>. As is relatively understood, if the conditions established post World War I led to the frictions that started World War II, it can largely be similarly inferred that the conditions established by the Breton Woods system have created the frictions we see today with the BRICS member states<sup>8</sup>. This system or propping up the USD, coupled with the influence the IMF has had on the imposition of strict

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<sup>5</sup> Smith, Elliot. “Russia, South Africa and a ‘redesigned global order’: The Kremlin’s hearts and minds machine is steaming ahead”. (South Africa, CNBC Africa: 2023).

<sup>6</sup> Understanding officially, it has ended as the USD is no longer backed to a fixed price of gold. However, trade in USD continues and will be what is referred to here.

<sup>7</sup> Asuelime, Raquel. “From Delhi, Durban to Fortaleza: The Birth of New Development Bank and the Contingent Reserve Agreement”. (London, Journal of African Union Studies Vol 7, Issue 1: 2018). P. 202.

<sup>8</sup> Keen, Steve and Dobbie, Phil. “Who will win the money war between BRICS and the West?” (Debunking Economic Podcast: 2022).

rules governing loans (which imposes neoliberal conditions for access to loans<sup>9</sup>) has created a systemic imbalance that favoured the western neoliberal structure of government, leading to disdain towards the west. This resulted in the marginalised BRICS countries to look at alternative models for the global economy, which is the position we see ourselves today. Establishing the root cause of BRICS establishes the first step in attempting to identifying it. In the next section, this paper will look at what the bloc is and where it could possibly go in the future.

The difficulty in finding a definition of what BRICS is lies in the fact that there are very few comparables between BRICS and any other formed body. When formed in 2009, it was “created as a platform for dialog and cooperation between countries”<sup>10</sup>, however it has developed into something much more. Over time, this economic focused institution has continued to evolve, and in its 2019 meeting highlighted cooperation in several other areas to include “foreign policy, national security, environment, infrastructure, trade, health, technological and scientific innovation”<sup>11</sup>. On the surface, these qualities are not dissimilar to the EU or ASEAN, however unlike those institutions, BRICS does not have a governing body, nor any charter dictating its regulation. Further to this, geographical distances between the members of BRICS create additional considerations when comparing it to one of these regional economic alliances. However, this has not deterred its continued presence in the global order, and recently it has begun floating ideas of expanded membership.

If BRICS is not a formal economic union, it is neither a military alliance. There is no collective defence agreement like in NATO, nor is there any historical close relationship in past conflicts. When looking at overall military strength, it is easy to fall into the trap of declaring BRICS bloc a military threat. In fact, while the 2023 Military Strength Rating places the United States as the world leader, they are closely followed by Russia, China and India respectively<sup>12</sup>. However, this needs to be taken with a grain of salt as the collective power of NATO and other western alliances is significantly stronger. This coupled with the fact that because BRICS is not a formal military alliance, we cannot combine their individual strengths as we could with NATO member states. However, it is important to note that all BRICS members “have risen in their respective regions to [become] pivotal actors against whose opposition established powers might not want to mobilize their military resources... [which] provide the BRICS grouping with a strategic advantage... but falls short of acquiring capabilities to play a global dominant role. In other words, BRICS countries are too large to just be followers of others but too small to occupy a fully dominant role”<sup>13</sup>. So, while regional powers, BRICS does not have the history, nor infrastructure to act as a military alliance.

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<sup>9</sup> Mueller, Julie. “The IMF, Neoliberalism and Hegemony”. (Global Society, Vol 25, Issue 3: 2011). P. 377-402.

<sup>10</sup> Bussani, Mauro and Mancuso, Salvatore. “The Principles of BRICS Contract Law: A Comparative Study of General Principles Governing International Commercial Contracts in the BRICS Countries”. (Switzerland, Springer Nature AG: 2022).

<sup>11</sup> Bussani and Mancuso. “The Principles of BRICS Contract Law”. P. 4.

<sup>12</sup> Global Firepower. “2023 Military Strength Rankings”. (Global Firepower: 2023).

<sup>13</sup> Brosig, Malte. “The Role of BRICS in Large-Scale Armed Conflict: Building a Multi-polar World Order”. (Johannesburg, Palgrave Macmillan: 2019). P. 19.

What BRICS is however, is a grouping of like-minded economic powerhouses (or at least regional powerhouses) that continue to be disillusioned by the established economic and political order, whose messaging is gaining traction amongst the global south. In the next sections of the paper, we will look at the current challenges that BRICS poses in the current global landscape, beginning with the most important, the economic challenge.

### **The Economic Challenge**

Underpinning the strength of the BRICS bloc lies in its monetary foundation. Having member states who remain in the top echelon of economic powers provides it a degree of credible authority. While the earliest BRICS summits focused on cooperation between member states, there have, more recently, been more tangible developments to include institutions that provide alternatives to the established systems. These institutions, namely the NDB, CRA and the recent push to create another currency that challenges the USD has the potential to uproot the current economical landscape. This section will look at each of these new institutions in turn and discuss their potential implications on the existing system.

One of the more pivotal BRICS summits occurred in 2014 in Fortaleza, Brazil with the formal announcement of the creation of the NDB and CRA. While the idea of creating new institutions to challenge the IMF was not new, it did come as a surprise to the west as it was believed that “BRICS countries were too different from each other to ever agree on much”<sup>14</sup>. Despite this, the NDB was created to “support infrastructure and sustainable development projects in alignment with the development objectives of our members and their commitments under the SDGs and the Paris Agreement”<sup>15</sup>. What differs between the NDB and the IMF is through the policies that they impose when handing out loans to developing countries. As John Manning writes, “the World Bank and the IMF, particularly the latter, tend to attach often unacceptably harsh conditions to the funding they provide. The IMF does not ask for collateral when it lends money to troubled countries; instead, it prescribes economic policies that the country must follow”<sup>16</sup>. These economic policies infringe on a given countries sovereignty as it forces them to put in place changes to receive funding. This approach taken by the NDB on the other hand attempts to work within the established systems of each borrowing country to “strengthen local frameworks... [something that has been] appreciated by clients due to the greater flexibility it offers”<sup>17</sup>. In other words, it works within the country systems of the borrowing state when offering loans. Another unique aspect of the NDB is its willingness to move away from the USD and conduct business in local currency, which in 2020 amounted to roughly 27% of exchanges between the NDB and its borrowers<sup>18</sup>. This combination of movement away from the USD coupled with the less stringent loan conditions makes the NDB a much more desirable partner to the developing world, and by turning to it instead of the IMF would put more power (by virtue of

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<sup>14</sup> Asuelime, Raquel. “From Delhi, Durban to Fortaleza: The Birth of New Development Bank and the Contingent Reserve Agreement”. (London, Journal of African Union Studies Vol 7, Issue 1: 2018). P. 201.

<sup>15</sup> New Development Bank. “New Development Bank”. (2023)

<sup>16</sup> Manning, John. “Can the BRICS New Development Bank Compete with the World Bank and IMF?”. (International Banker: 2014).

<sup>17</sup> New Development Bank. “New Development Bank General Strategy for 2022-2026: Scaling up development finance for a sustainable future”. (2023). P. 9.

<sup>18</sup> Mehra, Aashna. “BRICS New Development Bank: Last five years and looking ahead to the next five”. (Financial Express: 2020).

being the loan holder) towards the BRICS member states and away from the west. Further to this, it also provides the BRICS states with an institution that puts a hold on western neoliberal expansionism.

Another area that augments the benefits of the NDB is the creation of the CRA. Where the NDB focuses on countries outside of BRICS, the CRA is an internal institution whose purpose is to “forestall short-term balance of payments pressure, provide mutual support and further strengthen financial stability”<sup>19</sup>. In effect, by establishing the CRA, the BRICS member states are providing themselves with an alternative solution to economic pressures outside of the established IMF. While the CRA does involve swapping currency for USD, it does also allow for temporary relief without the strict requirements of the IMF. If the IMF can be considered a tool that facilitates the spread of western neoliberalism in the world, both the NDB and the CRA can be seen to counter it. While the NDB and the CRA were formed as a method of moving influence away from the western led IMF on economic matters, ultimately the success of both rests largely in the social influence realm when discussing BRICS. In other words, as they currently stand, they provide alternatives to western institutions but do not overtly attack the west nor prop up BRICS significantly. They are merely a form of “soft power” when looking at them from an international relations perspective, a way to slow the spread of western neoliberalism. However, they are not the only method BRICS has utilised to shift power from the west, in the next section we will look at their movement to shift trade away from the USD.

To bring any discussion on the effect that covers the impacts of moving away from the USD, it is important that it is understood that the current economic system can be seen as propping up the economic strength of the USD. The effects of running the entire global economy on the USD ensures that demand for it remains high, which increases its value and power in the international system. As Zongyuan Liu summarises, “the US dollar is the dominant currency in the global financial and monetary system and affects various aspects of global affairs. As such, the dollar’s power and prestige have been central to American global leadership”<sup>20</sup>. Understandably, should demand for the USD decrease, there theoretically should also be a decline in value associated. This devaluing of the USD would have significant impact on the efficacy of it when discussing western foreign policy staples like sanctions and embargoes.

With that understood, the push towards moving away from the USD began in 2012 during the Delhi summit when the BRICS members moved towards trade in their own local currency<sup>21</sup>. In fact, “share[s] of the US dollar in Russia–China bilateral trade settlement fell from nearly 90 percent in 2015 to 46 percent in 2020”<sup>22</sup>. Further to this, China has made a significant push to de-dollarize and conduct trade in the yuan with several different countries to include the UAE, Pakistan, Iraq and Saudi Arabia. While this increase in willingness for countries to trade in the yuan appears to be a deal with China alone, it does demonstrate a willingness of countries to

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<sup>19</sup> BRICS Ministry of External Relations. “Treaty for the Establishment of a BRICS Contingent Reserve Agreement”. (Brazil, BRICS Ministry of External Relations: 2015).

<sup>20</sup> Liu, Zongyuan and Papa, Mihaela. “Can BRICS De-dollarize the Global Financial System”. (Cambridge, Cambridge University Press: 2022). P. 1.

<sup>21</sup> Asuelime, R. “From Delhi, Durban to Fortaleza”. P. 195.

<sup>22</sup> Liu, Z and Papa, M. “Can BRICS De-dollarize the Global Financial System”. P. 1.

begin conducting trade in alternative currencies, thus continuing the movement away from the USD.

While on the surface, these appear to have the potential of driving significant changes in the global economy, what has transpired paints a less bleak picture. While there has been an increase in global shares in BRICS local currencies, they have done little to affect the strength of the USD. One would expect that the significant loss of demand of the USD in trade amongst BRICS countries post conversion would inevitably cause a drop in its strength globally. However, looking at the dollar index since 2012 illustrates that the USD remained relatively stable after 2012 and has become stronger since.



Figure 3: Strength of USD from 2012 to 2022<sup>23</sup>

This is further amplified by the fact that global shares in the USD have not decreased in any significant way either. From 2004 to 2019, global shares in the USD have remained relatively stable at 88%. It appears the increase in demand for BRICS local currencies did not come at the expense of the USD, but rather at the expense of other major currencies like the Euro, Yen and Pound.

	Currency	2004		2007		2010		2013		2016		2019	
		Share	Rank	Share	Rank	Share	Rank	Share	Rank	Share	Rank	Share	Rank
Leading global currencies	USD	88.0	1	85.6	1	84.9	1	87.0	1	87.6	1	88.3	1
	EUR	37.4	2	37.0	2	39.0	2	33.4	2	31.4	2	32.3	2
	JPY	20.8	3	17.2	3	19.0	3	23.0	3	21.6	3	16.8	3
	GBP	16.5	4	14.9	4	12.9	4	11.8	4	12.8	4	12.8	4
BRICS currencies	CNY <sup>1</sup>	0.1	29	0.5	20	0.9	17	2.2	9	4.0	8	4.3	8
	INR <sup>1</sup>	0.3	20	0.7	19	0.9	15	1.0	20	1.1	18	1.7	16
	RUB <sup>1</sup>	0.6	17	0.7	18	0.9	16	1.6	12	1.1	17	1.1	17
	BRL <sup>1</sup>	0.3	21	0.4	21	0.7	21	1.1	19	1.0	19	1.1	20
	SAR <sup>2</sup>	0.0	33	0.1	33	0.1	33	0.1	34	0.3	26	0.2	33
Other currencies		36	-	42.9	-	40.7	-	38.8	-	39.1	-	41.4	-
Total <sup>3</sup>		200	-	200	-	200	-	200	-	200	-	200	-

Figure 4: Changes in Global shares in currency from 2004-2019<sup>24</sup>

<sup>23</sup> “United States Dollar”. (Trading Economics: 2023).

<sup>24</sup> Liu, Z and Papa, M. “Can BRICS De-dollarize the Global Financial System”. P. 22.



This might be a direct result of the BRICS countries not being wholly reliant on each others' economies. Other than trade with China, it appears trade amongst the BRICS members remains relatively low. In the case of South Africa, while its biggest economic partner was China in 2022 (\$33B USD), it was followed by non-BRICS countries like the US (\$18B USD) and Germany (\$16B USD). The next closest BRICS country was India (\$13B USD). This discrepancy is magnified in countries like India whose trade with the US (\$112B USD) exceeds that of China (\$110B USD)<sup>25</sup>. Until this reliance on countries outside the BRICS bloc is rectified, or we see a more significant increase in diversification in the global economy away from the USD the internal trade between member states will not have any significant impact on the strength of the USD. That being said, the increasing discontentment of the global south regarding the hegemony held by the west in the global economic arena should be a trend that is closely followed. In the next section of the paper, we will look at the other ways that BRICS can influence the international order, the security realm.

### **The Security Challenge**

Earlier sections of this paper highlight the economic areas of influence that BRICS has on the global landscape. This section of the paper will look at the impact of BRICS in the global security domain. While it has been established that it is not a military alliance like NATO or CSTO, it would be a mistake to ignore the impact that the individual BRICS countries have in the global security context. This paper discussed earlier the implications of de-dollarization and the potential impacts that would have on the west's ability to impose sanctions to achieve desired results. In addition to that, there are two other areas of influence when studying the impact of BRICS regarding global security, firstly the support that the member states enjoy vis-à-vis other members when engaging in conflict, and secondly in their ability to use military force to provide a challenge to the west when determining the outcomes of conflict. To begin we will first look at the BRICS block and their influence on the current Russia-Ukraine war.

It is natural to only look through a military alliance and capability lens when discussing conflict. However, by having a non-traditional focus, we can see the significant role that BRICS is playing in supporting the Russian war effort in Ukraine. When the conflict broke in February 2022, one of the immediate actions taken by the west was to sanction large swaths of the Russian economy. This was done through a robust embargo on goods, services, and financial sectors. The goal was to make the conflict so costly that Russia would eventually acquiesce and withdraw. However, over a year into the war, the effects of the sanctions have not enjoyed their projected successes<sup>26</sup>. This is largely because Russia continues to enjoy trade with many countries including with fellow BRICS members India (trade increased by 310% post invasion), Brazil (increased by 106%) and China (increased by 64%)<sup>27</sup>. This increase in trade has a direct relationship with the continued functioning of the Russian economy, which in turn plays a significant role in circumventing the sanctions imposed by the west. In fact, even during the initial sanction phases after Crimea, "the BRICS group was lending Russia critical support by

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<sup>25</sup> All statistics drawn from "Trading Economics".

<sup>26</sup> Moens, Barbara and Kijewski, Leonie. "Western sanctions didn't stop the war: were they worth it?". (Politico: 2023).

<sup>27</sup> Gamio, Lazaro and Swanson, Ana. "How Russia Pays for the War". (New York, The New York Times: 2022). Numbers were taken from the Observatory of Economic Complexity.

not following Western calls to sanction and isolate Russia”<sup>28</sup>. While the overall resilience of the Russian economy over the next couple of years remains undetermined, it is clear at least temporarily, the BRICS member states have done its fair share in propping up the losses of the European markets and prolonging Russia’s continued war effort in Ukraine.

Another area in which the BRICS states continue to provide a challenge to global security is in their ability to provide a counterbalance to the western push for democracy. To demonstrate this, one only needs to look at the conflict in Syria, where in early 2011 President Assad found his government in a civil war between his government and opposition groups. While these opposition groups were being supported by the west, Russia began directly supporting President Assad. In the initial stages of the conflict, it appeared as though “the Assad government was seriously weakened and might have collapsed at some point... [however] Russia’s military intervention from September 2015 is generally seen as having prevented this”<sup>29</sup>. However, military intervention is only one aspect of how BRICS member states can influence international security. Prior to Russia’s military intervention, BRICS was able to prevent any significant traction in the UN Security Council (UNSC) regarding resolutions. At the onset of the conflict, all five member states had seats in the UNSC, with Brazil being the first to leave at the end of 2011, with India and South Africa following a year later. During this time, no resolutions regarding Syria were passed, with Russia and China vetoing any attempt. However, during this time it is also important to note that the other three non-permanent members would also continue the BRICS key concern of “forceful regime change” and abstain from supporting any resolution as well. These voting tendencies stemmed from a unified concern of BRICS states that as Brosig writes “have settled on a neo-Westphalian notion of order which emphasizes the centrality of independent statehood”<sup>30</sup>. Further to this, “BRICS is pursuing a global order where great power is contained so that it is impossible for one state, or group of states, to impose their specific ideology on the rest of the system”<sup>31</sup>. While having all BRICS members in the UNSC was a happy coincidence at the time, it is important to underscore how having a united foreign policy narrative that realistically plays positively in the international system is a strength that BRICS can enjoy.

In summary, BRICS will continue to challenge the global security landscape. On one-hand, as demonstrated in the Ukraine conflict, the BRICS member states provide enough economic power to provide an alternative to countries facing western sanctions. On the other hand, having a singular foreign policy narrative also plays strongly in the international system. When leveraged in organisations like the UN, especially with Russia and China holding veto power in the Security Council, BRICS will continue to play a significant role in determining the global security landscape.

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<sup>28</sup> Brosig, Malte. “The Role of BRICS in Large-Scale Armed Conflict: Building a Multi-polar World Order”. (Johannesburg, Palgrave Macmillan: 2019). P. 188

<sup>29</sup> Brosig, M. “The Role of BRICS in Large-Scale Armed Conflict”. P. 94.

<sup>30</sup> Brosig, M. “The Role of BRICS in Large-Scale Armed Conflict”. P. 9.

<sup>31</sup> Brosig, M. “The Role of BRICS in Large-Scale Armed Conflict”. P. 9.

## A Pathway to Success

This paper has established the ways that BRICS can affect both the global economic and security landscapes. It is prudent that it now highlights methods at which the western world can counter its growth. Given that the group is at its best, dispersed and has its own internal frictions either between other members or within its own state, the easy proposal would be to exploit these cracks. However, at its base, the successes of BRICS have been amplified by the global souths growing discontent at how the west has imposed its will on the countries on the outside. The best way for the west to counter this narrative is embracing the theme of inclusion articulated by Jim O’Neill’s original paper in Goldman Sachs. However, this must be caveated by stating that the time to include BRICS as a while has likely passed. Due to the growing antagonistic tendencies of both Russia and China, there are no immediate solutions to bring them in line with the west. Instead, the strategies should look at embracing not only the other states but use their regional influences to spread to the global south as a whole. In this section, this paper will propose a solution based on addressing the root cause of the discontent, the lingering effects of the Breton Woods system and the push for neoliberalism. From these, we will look at how the west can leverage the strength of South Africa, Brazil, and India as regional powers to spread to the global south.

As previously established by this paper, the utility of the IMF and World Bank as a tool for international development has been hampered by its imposition of neoliberal policies that have pushed countries towards the other development banks (NDB included). While the ideas of neoliberalism (free trade) seek to bring the world together, it also “deems inequality not only acceptable but also necessary... and this value is reinforced through the bilateral policies of states and through international organisations, such as the IMF”<sup>32</sup>. It is this rampant acceptance of inequality that has in fact weakened the standing of the IMF (and the west) in the global south. These policies can exacerbate wealth disparities in these countries with the imposition of austerity measures that unequally target the poor. In order to move forward, the IMF needs to reorient itself and focus on its overarching priority of “achieving sustainable growth and prosperity”<sup>33</sup>, within the systems established by its member states. To infer that growth and prosperity can be had through a strict economic lens vice a social development one paints too simplistic a picture that cannot fully address the problem at hand. As Julie Mueller writes, “a new ethical approach would replace the values of neoliberalism with a new set of values, centred on individual welfare, an emphasis on human development over economic development, economic growth from the bottom up, and transparency and equality within governance institutions”<sup>34</sup>.

If the lustre of the IMF and World Bank has indeed waned, it is important that the west turn its strategies to enabling other regional development banks to sustain and promote growth in the global south. Banks like the Corporacion Andina de Fomento (CAF, Development bank of Latin America), the African Development Bank, and the Asian Development Bank can be supported as tools to promote growth. These banks can be leveraged to lower the stranglehold of BRICS in these countries. To do so however, means establishing strong relationships with the regional

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<sup>32</sup> Mueller, Julie. “The IMF, Neoliberalism and Hegemony”. (*Global Society*, Vol 25, Issue 3: 2011). P. 378.

<sup>33</sup> International Monetary Fund. “International Monetary Fund”. (2023)

<sup>34</sup> Mueller, J. “The IMF, Neoliberalism and Hegemony”. P. 402

economic powers in the area, which coincidentally enough are also members of BRICS<sup>35</sup>. While their roles in their respective development banks are not necessarily consummate with their roles as regional powers, the potential influence that Brazil, South Africa and India can have is significant. The best way of establishing these economic ties would be to bring back a solution posed by Jim O'Neill and include them in the global economic discourse. While Brazil, India and South Africa are members of the G20, they should be included in the G7 as well. Growing economies need a voice in the system, and by including them, it may serve as an olive branch in nullifying their leaning to an alternative system.

In by addressing the fundamental issues that pushed the global south away from the west, the strength of BRICS may be weakened. The west and its prosperity is still looked at as a net goal for the south to achieve, it is the methods used that have these states looking for alternatives. By loosening the relationship between BRICS and these countries, it can also be inferred that support for security issues can also be attained. As an example, if we use the recent UN Human Rights Council (UNHRC) vote on China's mistreatment of its Uyghur population<sup>36</sup>, we can see the sway that China holds over other states. This can be attributed to the number of countries that rely on China for economic reasons, who may not want to upset that relationship. However, if this reliance was dampened by a more open alternative system using western backed funds, one could expect to see lower support for Chinese policies. While just one example, it does demonstrate the correlation between economics and other issues.

#### Conclusion

There are several compelling reasons to argue for BRICS positioning itself to become the largest threat to the established order. The creation of the NDB and CRA, coupled with the momentum gained in using an alternative currency to the USD has the potential to topple the position of power currently held by the west. This coupled with a slow progression towards military and foreign policy cooperation as well as its potential growth with other members makes BRICS a challenge to the west. Further, economic ties often lead to cooperation in other areas to include the security realm. These threats in the security realm will only be exacerbated should BRICS be allowed to grow in membership, which will inevitably happen if the root of the problem is not addressed immediately.

By increasing representation in the global economic discourse through the G7, this growth may be addressed. While the ship may have sailed regarding China and Russia, due to the increase in antagonistic and aggressive policies vis-à-vis Ukraine and Taiwan, we can still leverage the regional power held by South Africa, Brazil and India. Their role in their respective development banks should be grown and fostered as it is a significant area of potential. There is an old fairy tale that talks about the strength of a house made of bricks. However, if the west stops trying to knock it down forcefully, and instead addresses the root causes of why it was made in the first place, it may tumble upon itself naturally.

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<sup>35</sup> Though it is important to note that regarding the Asian Development Bank, both China and India are members, but the power rests with Japan and the US.

<sup>36</sup> The UNHRC voted down a motion to condemn China's treatment of the Uyghur's as a human rights violation in a vote of 19 for, 17 against and 11 abstains.

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