



## **BRICS: The Mortar of a New World Order?**

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### **JCSP 50**

#### **Exercise Solo Flight**

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# BRICS: THE MORTAR OF A NEW WORLD ORDER?

## Introduction

The world's geopolitical landscape is in a current state of flux. The United States' hegemony and its ability to exert unopposed dominance is overtly being challenged. This will undoubtedly shape the new world order in the coming decades. How the world arrived at this point, given the unmatched status of the US since the end of the Cold War, is an interesting case study. China, and other Emerging Market Economies and Developing Countries (EMDCs), have done something remarkable that has completely changed the narrative on global economic and political dynamics.

In 2001, a Goldman Sachs Chief Economist first coined the term "BRIC" referring to Brazil, Russia, India and China as emerging economic powers, however this significant group of countries can be dated back to 1996 when the Russian Federation stated goals of developing relationships with these countries in order to counter the Western expansion.<sup>1</sup> The first BRIC meeting took place in 2006 and since then, the group has expanded to BRICS with the addition of South Africa in 2010<sup>2</sup> and BRICS+ with the addition of Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates in 2024.<sup>3</sup> While countering Western expansion was the original reason for this alliance, other reasons include the United States' wars in Iraq in 1991 and 2003, the latter under questionable principles<sup>4</sup>, economics and the financial shocks caused by the G7 such as in 2008<sup>5</sup>, and the need for additional funding in emerging and development economies<sup>6</sup>.

The BRICS bloc is significant for several reasons. First, the combined GDP of the BRICS bloc with its latest addition of members adds to \$58.5 Trillion USD.<sup>7</sup> The BRICS overtook the G7 in GDP in terms of purchasing power parity (PPP) in 2020, and in 2024

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<sup>1</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance." *Pacific Review* 34, no. 1 (2021): 29-55. <https://www.tandfonline.com/cfc.idm.oclc.org/doi/full/10.1080/09512748.2019.1649298>

<sup>2</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>3</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7." *The Economists' Voice* 20, no. 2 (2024): 259-265. <https://www-degruyter-com.cfc.idm.oclc.org/document/doi/10.1515/ev-2023-0065/html>

<sup>4</sup> Zaki Laidi. "BRICS: Sovereignty Power and Weakness." *International Politics (Hague, Netherlands)* 49, no. 5 (2012): 614-632.

<sup>5</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

<sup>6</sup> Democracy Now Video. "Nobel Economist Joseph Stiglitz Hails New BRICS Bank Challenging U.S.-Dominated World Bank & IMF". 2014. Retrieved April 24, 2024. [https://www.democracynow.org/2014/7/17/nobel\\_economist\\_joseph\\_stiglitz\\_hails\\_new](https://www.democracynow.org/2014/7/17/nobel_economist_joseph_stiglitz_hails_new)

<sup>7</sup> AIA. Video. "Iran vs. Israel: Is BRICS in Crisis?" April 20, 2024. <https://www.youtube.com/watch?v=w56D8Cn1hXw>

BRICS holds 34% of the world's GDP compared to 30% held by the G7.<sup>8</sup> Second, the share of the world's population is set to increase to 46% with the addition of the six new members.<sup>9</sup> Lastly, this bloc demonstrates that the United States no longer dominates in trade, in savings, and in other areas which limit its influence over the global order.<sup>10</sup> With such significance, it is important to analyze: What benefits do states stand to gain in the BRICS partnership and what is its overall value, and what long-term costs could there be? Could BRICS be the mortar of a new world order?

This essay will attempt to demonstrate that the BRICS partnership offers many advantages to member states and developing nations; however, this alliance has substantial drawbacks and enduring risks that can curtail its efficacy in the years ahead. This paper will be divided into two parts. Part one will analyze the potential benefits of this bloc including economic advantages, how members benefit politically or strategically within this bloc, the growth and contributions of new members, and the overall value added to sustainable development of humankind. Part two will analyze how this alternative to the western states' dominance has serious pitfalls such as economic disparities and power dynamics, realism and acting in self-interest, difference in governance structures, and differences in foreign policy that can lead to conflicting national interests and a lack of a coherent strategy.

## **Part 1 - Benefits of the BRICS:**

### **An Alternative to the Breton Woods institutions**

The Breton Woods institutions comprising of the International Monetary Fund (IMF) and the World Bank were established to finance the rebuilding and development of nations after the Second World War. Globally, there is an urgent need for increased investment, particularly in developing countries, amounting to trillions of dollars annually, as existing Breton Woods institutions lack resources, typically covering only 2 to 4 percent of the required funding.<sup>11</sup> This is due to the development needs that far exceed the countries affected by WWII. During the 2014 BRICS Summit, the group announced the establishment of "the New Development Bank (NDB), with the purpose of mobilizing resources for infrastructure and sustainable development projects in BRICS

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<sup>8</sup> Lena Petrova. Video. "BRICS Will ACCELERATE Launch of Its Financial System Following Russian Asset Seizure, Sanctions" April 22, 2024. <https://www.youtube.com/watch?v=0ul23YUKDmw>

<sup>9</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

<sup>10</sup> Democracy Now Video. "Web Special: Joseph Stiglitz on TPP, Cracking Down on Corporate Tax Dodgers & New BRICS Bank". 2014. Retrieved April 24, 2024. [https://www.democracynow.org/2014/7/17/web\\_special\\_joseph\\_stiglitz\\_on\\_tpp](https://www.democracynow.org/2014/7/17/web_special_joseph_stiglitz_on_tpp)

<sup>11</sup> Democracy Now Video. "Nobel Economist Joseph Stiglitz Hails New BRICS Bank Challenging U.S.-Dominated World Bank & IMF".

and other emerging and developing economies".<sup>12</sup> By pooling together resources, BRICS countries can bridge the required funding gap. This addresses the infrastructure and development needs of the poorest countries<sup>13</sup> and will be of great benefit to the global economy.

A major criticism by the international community towards the Breton Woods institutions is its nepotism and lack of democratic governance. "The heads of these institutions should be chosen on the basis of merit, not just because you're an American...so [the NDB counteracts] the disparity and the democratic deficiency in the global governance".<sup>14</sup> The BRICS' NDB is a step towards a more representative and equitable governance<sup>15</sup> since it will be led by an Indian, located in Shanghai and with a governing structure of equal voting share that does not involve a single country with a veto power like in the IMF.<sup>16</sup> This enhances unity and the effectiveness of the strategic partnership.

Another problem inherent in the Breton Woods institutions is the stringent criteria for development loans and the policy requirements that come with such loans. This was evident during the 1997 Asian economic crisis where the IMF was heavily criticized.<sup>17</sup> The BRICS bank presents an alternative avenue for developing countries, diverging from the standards and conditions imposed by the Bretton Woods Institutions, and offering flexibility to nations that may find the terms of the World Bank overly stringent.<sup>18</sup> The "new industrial and skill revolutions in China and India and commodity booms in Brazil and Russia enabled these large emerging markets to evade the policy conditionality used by the Washington-based [International Financial Institutions]" hence, the BRICS' NDB can extend similar support for other states in the 'Global South'<sup>19</sup>. The development loans provided by the NDB without the stringent policy requirements enables development and "reflects the BRICS strong determination to protect national sovereignty".<sup>20</sup> This

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<sup>12</sup> Anonymous. "Sixth BRICS Summit-Fortaleza Declaration." *Law and Business Review of the Americas* 20, no. 3 (2014): 483.

<sup>13</sup> Democracy Now Video. "Nobel Economist Joseph Stiglitz Hails New BRICS Bank Challenging U.S.-Dominated World Bank & IMF".

<sup>14</sup> Ibid.

<sup>15</sup> Anonymous. "Sixth Brics Summit-Fortaleza Declaration."

<sup>16</sup> Democracy Now Video. "Web Special: Joseph Stiglitz on TPP, Cracking Down on Corporate Tax Dodgers & New BRICS Bank".

<sup>17</sup> Mark Weisbrot. "Ten Years After: The Lasting Impact of the Asian Financial Crisis." Woodrow Wilson International Center for Scholars. August 2007.

[https://cepr.net/documents/publications/asia\\_crisis\\_2007\\_08.pdf](https://cepr.net/documents/publications/asia_crisis_2007_08.pdf)

<sup>18</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>19</sup> Cornel Ban and Mark Blyth. "The BRICs and the Washington Consensus: An Introduction." *Review of International Political Economy* : RIPE 20, no. 2 (2013): 241-255. <https://www.tandfonline.com/cfc.idm.oclc.org/doi/full/10.1080/09692290.2013.779374>

<sup>20</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

enhances the credibility of the NDB as a favorable lending institution poised to foster economic prosperity.

## **Economic Advantages**

BRICS has a particular economic benefit in that its member states are major *production* economies compared to the West's major *consumption* nature.<sup>21</sup> This group of nations managed remarkable growth rates and sectoral expansions through revolutions in labor reallocation and labor formalization which resulted in significant increases in labor productivity and growth.<sup>22</sup> This makes BRICS an economic powerhouse. Additionally, its demographics hold significant economic value. China and India, for instance, rank as the most populated countries, with burgeoning middle-class segments that drive domestic consumption and consequently determine global economic demand.<sup>23</sup> This holds considerable leverage over the Western states who don't have similar production and consumption patterns and who rely on trade with BRICS nations.

An important element of economic prosperity is the allocation of capital and its expected returns. China's more than \$3 trillion reserves requires investment options other than U.S. Treasury bills since its real value is in decline.<sup>24</sup> By investing in low-risk developed economies in financial distress such as in Europe, as well as in high-risk developing economies, BRICS increased their share of the world economy.<sup>25</sup> "Strong macroeconomic frameworks, well-regulated financial markets and robust levels of reserves have allowed...the BRICS in particular, to better deal with the risks and spillovers presented by the challenging economic conditions".<sup>26</sup> This is evident in the financial crisis of 2008 which affirmed the prominent role played by emerging countries in the international system where without them, the recession would have worse.<sup>27</sup> Despite financial shocks within the G7 that would cause a severe contagion effect into the BRICS countries such as in 2008,<sup>28</sup> the BRICS alliance has positioned itself in a favorable economic position. Provided the economies of the new individual partners remain dedicated to economic growth, the bloc's economic influence will steadily increase over time.

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<sup>21</sup> AIA. Video. "Iran vs. Israel: Is BRICS in Crisis?"

<sup>22</sup> Cornel Ban and Mark Blyth. "The BRICs and the Washington Consensus: An Introduction."

<sup>23</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7." 259.

<sup>24</sup> Democracy Now Video. "Nobel Economist Joseph Stiglitz Hails New BRICS Bank Challenging U.S.-Dominated World Bank & IMF."

<sup>25</sup> Cornel Ban and Mark Blyth. "The BRICs and the Washington Consensus: An Introduction."

<sup>26</sup> Anonymous. "Sixth Brics Summit-Fortaleza Declaration."

<sup>27</sup> Zaki Laidi. "BRICS: Sovereignty Power and Weakness."

<sup>28</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

## Hedge Against US Influence and Great Power Competition

The US influence over the global economy has been prevalent since the establishment of the Breton Woods institutions. This influence spans global markets and economic policies. One important aspect of this influence is the imposing of sanctions by the US and its allies on other states which has significant economic and indirectly, political repercussions. The sanctions can be enforced by restricting financial institutions' telecommunications access to the Society for Worldwide Interbank Financial Telecommunication (SWIFT) system which is a major tool in international transactions.<sup>29</sup> BRICS intends to develop an alternative to the SWIFT system which uses the USD as its reference currency.<sup>30</sup> This new system will integrate current BRICS individual national payment systems and the NDB, and will expedite the transition away from the USD as the dominant global reserve currency.<sup>31</sup> Additionally, the BRICS' NDB is funded in local currencies, meaning that the lending is done in local currencies.<sup>32</sup> Finally, the NDB aims to forge collaboration with other Multilateral Development Banks (MDBs) that provide loans to low-income nations at interest rates lower than market levels.<sup>33</sup> These initiatives shield BRICS and developing countries from sanctions, US influence and dependence on the USD.

A strong economy, which is one of the BRICS' central principles<sup>34</sup>, is correlated with geopolitical power. The BRICS partnership and specifically the NDB "reflects a fundamental change in global economic and political power".<sup>35</sup> The creation of banking organizations parallel to the international system set up in the aftermath of the Second World War, and creating a bond with developing or emerging countries by financing them, limits the role of the United States to develop networks of alliances and allows BRICS to establish new norms.<sup>36</sup> The BRICS advocate for their shared interests, including increasing bargaining power in multilateral forums, ensuring access to

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<sup>29</sup> "Swift and Sanctions". Swift. Accessed April 27, 2024. <https://www.swift.com/about-us/legal/compliance-0/swift-and-sanctions>

<sup>30</sup> Lena Petrova. Video. "BRICS Will ACCELERATE Launch of Its Financial System Following Russian Asset Seizure, Sanctions".

<sup>31</sup> Ibid.

<sup>32</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>33</sup> Mixo Sweetness Sithole, and Nyiko Worship Hlongwane. "The role of the New Development Bank on Economic growth and Development in the BRICS states." (2023): 1-15. [https://mpra.ub.uni-muenchen.de/119958/1/MPRA\\_paper\\_119958.pdf](https://mpra.ub.uni-muenchen.de/119958/1/MPRA_paper_119958.pdf)

<sup>34</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>35</sup> Democracy Now Video. "Nobel Economist Joseph Stiglitz Hails New BRICS Bank Challenging U.S.-Dominated World Bank & IMF".

<sup>36</sup> Thierry Garcin. « La géopolitique mondiale en forte fragmentation. Quelles dynamiques de puissance pour l'Europe, les États-Unis et la Chine ? », *Les Analyses de Population & Avenir*, 37, no. 7 (2021): 1-26. <https://www-cairn-info.cfc.idm.oclc.org/revue-analyses-de-population-et-avenir-2021-7-page-1.htm>

international markets, and promoting a multipolar global order.<sup>37</sup> In doing so, it shifts the world order from a unipolar and US-centric, to a multipolar order with China and the BRICS countries as major players. Therefore, the establishment of this type of multilateral institution extends beyond its technical capabilities and provides structural power through its political and strategic dimensions.

### **Growth - New Members and Their Key Assets**

Following the latest addition of states to the BRICS partnership in 2024, the group is in a phase of expansion, with more than 40 nations demonstrating interest in joining the BRICS bloc, with announcements expected in October 2024.<sup>38</sup> The latest inclusion encompasses significant players within the fossil fuel sector. “Iran, Saudi Arabia and the United Arab Emirates stand out with their extensive oil and natural gas reserves, making them the world’s leading producers and exporters in that sector”.<sup>39</sup> With these proportions, and given the global reliance on oil and natural gas, the BRICS can collectively wield considerable economic influence on a global scale.

Beyond oil and gas, these countries also possess valuable mineral resources, including gold, phosphate, bauxite, gypsum, limestone, silica, copper, zinc, and iron ore.<sup>40</sup> “The enlarged BRICS... could potentially influence energy markets and explore mechanisms to trade commodities outside the reach of G7 financial systems, symbolizing a step toward reducing reliance on the U.S. dollar in international transactions”.<sup>41</sup> With the addition of the six new members, the share of the world’s global crude oil production is set to increase to 47%,<sup>42</sup> GDP in terms of PPP to 34%,<sup>43</sup> and share of the world’s population to 46%.<sup>44</sup> This gives the alliance even greater significance in the world trade.

### **Value to the Developing Countries, Broader Society, and Humankind**

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<sup>37</sup> Niall Duggan, Juan Carlos Ladines Azalia, and Marek Rewizorski. "The Structural Power of the BRICS (Brazil, Russia, India, China and South Africa) in Multilateral Development Finance: A Case Study of the New Development Bank." *International Political Science Review* 43, no. 4 (2022): 495-511.

<sup>38</sup> Lena Petrova. Video. “BRICS Will Accelerate Launch of Its Financial System Following Russian Asset Seizure, Sanctions”

<sup>39</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

<sup>40</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

<sup>41</sup> Ibid.

<sup>42</sup> Reuters. “Fact Check: BRICS expansion will not control 80% of world oil production”. September 29, 2023. <https://www.reuters.com/fact-check/brics-expansion-will-not-control-80-world-oil-production-2023-09-29/>

<sup>43</sup> Lena Petrova. Video. “BRICS Will Accelerate Launch of Its Financial System Following Russian Asset Seizure, Sanctions”.

<sup>44</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

The BRICS have conveyed a highly altruistic narrative focused on protecting and advancing the well-being of humanity. For instance, in 2014, the bloc communicated that “the inclusive macroeconomic and social policies carried out by [their] governments and the imperative to address challenges to humankind [are] posed by the need to simultaneously achieve growth, inclusiveness, protection and preservation”.<sup>45</sup> This demonstrates a very protective, constructive, and benevolent approach to economic and social policy. Furthermore, the “commitment to international law and to multilateralism, with the United Nations at its center and foundation, are widely recognized and constitute a major contribution to global peace... social inclusion, equality, and sustainable development”.<sup>46</sup> This illustrates a commitment to international laws and norms with the UN at its core which adds credibility to its cause. BRICS does not necessarily adopt a tactic aimed at challenging or revising the rules, but rather maximize value within the existing norms.

BRICS intends to achieve its aims through “mutual respect and understanding, sovereign equality, solidarity, democracy, openness, inclusiveness, strengthened collaboration and consensus”<sup>47</sup> as announced during the 10<sup>th</sup> BRICS Summit in Johannesburg in 2018. This demonstrates the importance of cooperation in developmental growth while respecting cultural norms. The BRICS reiterated cooperation between members in their three-pillar approach of economy, peace and security, and people-to-people exchanges.<sup>48</sup> History will tell if such commitments stand the test of time; however, the narrative to date has been compelling. What has been evident so far is the “BRICs boom of outward investment in both developed and developing countries”,<sup>49</sup> which has added value to developing countries and overall humankind.

The BRICS alliance embodies a commitment to international cooperation, mutual respect, and sustainable development, while advancing the interests of developing countries and promoting global prosperity. The advantages of this group discussed thus far are plentiful. Nevertheless, it is important to analyze significant long-term risks that cannot be ignored.

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<sup>45</sup> Anonymous. "Sixth Brics Summit-Fortaleza Declaration."

<sup>46</sup> Anonymous. "Sixth Brics Summit-Fortaleza Declaration."

<sup>47</sup> Declaration, Johannesburg II. "XV BRICS Summit Johannesburg II Declaration." *Indian Foreign Affairs Journal* 17.3-4 (2022): 317-342.

<https://www.proquest.com/docview/2916447815?parentSessionId=NxPkp09sLNxOyu46RxR%2BrDxics%2BY2CyGikKDAUmPJQ%3D&pq-origsite=summon&accountid=9867&sourcetype=Scholarly%20Journals>

<sup>48</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>49</sup> Cornel Ban and Mark Blyth. "The BRICs and the Washington Consensus: An Introduction."

## **Part 2 – Long-Term Risks:**

### **Economic disparity and power dynamics.**

Thus far, the BRICS countries have communicated a philosophy based on equality, and specifically regarding the NDB, equal voting share. One must wonder if this is sustainable given the economic disparity between the BRICS countries and the power dynamics that come with such disparity. “Because of its politico-economic weight, China exerts great weight on the BRICS exceeding that of its partners”.<sup>50</sup> This difference in weight allows China to exert greater influence over the bloc and can advance its own national interests. “China dwarfs (most of the) BRICS when it comes to GDP, defense budget, trade volume, Foreign Direct Investment (FDI), finance and development aid, nuclear weapons, and is a permanent member of the United Nations Security Council”.<sup>51</sup>

This is a great position to be in geopolitically, however, it risks creating frictions with other member states when acting in its own interest and to the detriment of others. Furthermore, voting shares in the NDB of new BRICS members “will be determined by negotiation”.<sup>52</sup> This means that some BRICS members have equal voting share but possibly not all.

The Shanghai Cooperation Organization (SCO) Development Bank focusing on developments in Central and South Asia was first mentioned in 2010.<sup>53</sup> Initial progress was very limited due to disagreements between states as “Russia found the Chinese proposal unacceptable, because of the economic disparity, authorized capital amounts and voting share, and it would have given China full control over the development bank”.<sup>54</sup> This demonstrates that while BRICS’ narrative is one of equality and constructivism, their foreign policies often reflect realist principles such as the pursuit of national interests and power. This has the potential of deliberately driving wedges between states to weaken their unity or influence.

### **Realism in BRICS**

An interesting case study of realism within the BRICS is the Belt and Road Initiative (BRI). “Although Brazil and India are not involved in China’s BRI, all the new

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<sup>50</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>51</sup> Ibid.

<sup>52</sup> Hang Luo, and Lize Yang. "Equality and Equity in Emerging Multilateral Financial Institutions: The Case of the BRICS Institutions." *Global Policy* 12.4 (2021): 482-508. <https://onlinelibrary-wiley-com.cfc.idm.oclc.org/doi/full/10.1111/1758-5899.13003>

<sup>53</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>54</sup> Ibid.

entrants are, and they are all significant trading partners with Beijing”.<sup>55</sup> China wants to maintain a dominant role in the international development realm through the BRI and integrating it within the BRICS framework; however, this not acceptable to India.<sup>56</sup> China’s intentions differ from India’s in that India does not want to make any concessions to China because India is in a favorable position to negotiate with others in the international community as various great powers want to partner with the country.<sup>57</sup> “Full strategic alignment between BRI and BRICS faces challenges due to economic asymmetry, unlevel political playing field, lack of mutual trust, and internal competition among member states”.<sup>58</sup> This uneven playing field and conflicting national interests pose the risk of driving wedges between partners and developing cracks within the BRICS partnership in the long term.

Frictions between India and China and their individual interests are not recent within the BRICS framework. When the NDB was first proposed by India, China was not in favor of this initiative.<sup>59</sup> India had a need for infrastructure investment that exceeded the capacity of other multilateral development banks, while China was considered a country with “massive foreign reserves as well as industrial overcapacity”.<sup>60</sup> India saw this partnership and the establishment of the NDB as an opportunity to gain development funding for its own country. This is another example where one member can reap the rewards of the partnership at the expense of another risking future cooperation opportunities.

### **Authoritarian vs Western Liberal Democracies In Governance Structures.**

The difference in governance structures and political power between BRICS members is an important aspect to analyze because it can be a source of tension or conflict between states and can play a significant role in the geopolitical landscape.

“While [BRICS countries] do not seek to form an anti-Western political coalition based on a counterproposal or radically different vision of the world [to date], they are concerned with maintaining their independence of judgment and national action.”<sup>61</sup> Often times their independence of judgement and national action can vary greatly depending on whether the national government is an authoritarian or a democratic one. Both are present in the BRICS bloc and they each have implications for their populations

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<sup>55</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

<sup>56</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>57</sup> Ibid.

<sup>58</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

<sup>59</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>60</sup> Ibid.

<sup>61</sup> Zaki Laidi. "BRICS: Sovereignty Power and Weakness."

particularly amidst shifting global dynamics. “Factors like the increasing interdependence via global supply chains, and an upsurge in autocratization, populism, and regionalization, have led to an indisputable polarization within the global order”.<sup>62</sup> The result of this polarization is evident in how states decide to strategically craft their alliances, and these can also be a source of friction for states with different visions.

In 2003, India, Brazil, and South Africa created the IBSA partnership to engage in dialogue with the G8 countries.<sup>63</sup> “These three countries portrayed themselves as multiethnic, multicultural and democratic emerging powers”.<sup>64</sup> China and Russia do not share the same forms of governance in that they are not “bound by democracy, but by the desire to democratize the international system” as regional hegemony pooling their strength in multilateral forums.<sup>65</sup> As previously mentioned, India did not want to make concessions to China regarding the BRI and rather preferred keeping open negotiations with other great powers in the international community. Similarly, “the new Brazilian president Jair Bolsonaro expressed his desire for closer ties with the US, and has portrayed the PRC as a predator that is looking to dominate critical sectors of the Brazilian economy”<sup>66</sup> further creating tensions with China. Lastly, “Argentina's bid for [BRICS] membership under [former president] Fernández had the support of Beijing, but [newly elected president] Milei has... described the Chinese government as assassins and said he would not work with communists”.<sup>67</sup> As previously mentioned, the independence of judgement and national action based on different domestic and foreign policy viewpoints can result in economic sanctions by the US and its allies that have an impact on a global scale. Who BRICS countries decide to align with, whether for economic or other reasons can lead to cracks in the BRICS partnership in the long term.

### **Foreign policy differences, sovereignty, and disagreements**

Cracks in an alliance can also propagate from territorial disputes. Two of the major countries in the BRICS partnership, China and India, have had serious disagreements related to Pakistan, the BRI and sovereign territory. The \$62 billion China-Pakistan Economic Corridor (CPEC) poses a contentious issue as it traverses through Pakistan-administered Kashmir, a region perceived by India as sovereign territory and which has been communicated to China that it constitutes a violation of sovereignty.<sup>68</sup>

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<sup>62</sup> Katrin Kamin and Rolf J. Langhammer. "From BRICS to BRICS+: Sheer More Members is Not a Challenge to G7."

<sup>63</sup> Zaki Laidi. "BRICS: Sovereignty Power and Weakness."

<sup>64</sup> Ibid.

<sup>65</sup> Ibid.

<sup>66</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>67</sup> Plummer, Robert. "Argentina pulls out of plans to join Brics bloc". BBC News. 29 December 2023.

<https://www.bbc.com/news/world-latin-america-67842992>

<sup>68</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

“For many decades, India has expressed concerns about ‘the clandestine strategic engagement’ between Beijing and Islamabad, through which China has provided a great deal of assistance to Pakistan’s nuclear weapon and missile programs”.<sup>69</sup> The BRICS struggle to perceive sovereignty as anything but a zero-sum game, even within themselves, meaning that “sovereignty is both their strength and their great weakness”.<sup>70</sup> Additionally, competition between China and India, and the lack of institutional geoeconomic strategies between these two nations that can be of mutual benefit further increases the potential for conflict.<sup>71</sup> This demonstrates that cracks can form between BRICS nations that can further expand with time.

Until withdrawing in December 2023, Argentina was set to join the BRICS as part of the BRICS+ in 2024.<sup>72</sup> While the BRICS alliance is frequently depicted as advocating for a more multipolar global order, it is economically dominated by China, and newly elected President Milei strongly criticized China during his campaign.<sup>73</sup> This illustrates how a shift in leadership can fundamentally alter a state's foreign policy and influence its capacity to align with other nations. In a sense, liberal democracies can be an Achilles’ heel for BRICS. Prior to Argentina’s withdrawal, “President Milei reshaped foreign policy to align more closely with Iran's bitter enemy, Israel”, and accused the Iranian government of plotting the 1992 and 1994 bombings of the “Israeli Embassy in Buenos Aires that killed 29 people”.<sup>74</sup> This instance exemplifies how potential BRICS members may harbor significant disagreements that jeopardize their cooperation.

Foreign policy is an important tool in bilateral and multilateral relations. This can determine what common objectives an alliance can possess that will advance their interests. While China did not participate in sanctions imposed against Russia after the 2014 invasion of Ukraine<sup>75</sup> they did not condemn the invasion either. BRICS claims to be in “full compliance with the UN Charter and universally recognized human rights and fundamental freedoms”<sup>76</sup> but will not intervene and stop a unilateral military intervention

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<sup>69</sup> Ibid.

<sup>70</sup> Zaki Laidi. "BRICS: Sovereignty Power and Weakness."

<sup>71</sup> Mohammed Nuruzzaman. "Conflicts, strategic divergences and the survival of economic groupings: Will China–India rivalry make BRICS obsolete?." *Asian Journal of Comparative Politics* 7.4 (2022): 1025-1044. [https://journals-sagepub-com.cfc.idm.oclc.org/doi/full/10.1177/20578911221108800?utm\\_source=summon&utm\\_medium=discovery-provider](https://journals-sagepub-com.cfc.idm.oclc.org/doi/full/10.1177/20578911221108800?utm_source=summon&utm_medium=discovery-provider)

<sup>72</sup> Plummer, Robert. “Argentina pulls out of plans to join Brics bloc”.

<sup>73</sup> Ibid.

<sup>74</sup> The Canadian Press. “Iran rejects Argentina's request to arrest interior minister over 1994 bombing at Jewish Center” April 24, 2024. <https://www.msn.com/en-ca/news/world/iran-rejects-argentina-s-request-to-arrest-interior-minister-over-1994-bombing-at-jewish-center/ar-AA1nBm45>

<sup>75</sup> Democracy Now. 2014.” Nobel Economist Joseph Stiglitz Hails New BRICS Bank Challenging U.S.-Dominated World Bank & IMF”.

<sup>76</sup> Anonymous. "Sixth BRICS Summit-Fortaleza Declaration."

when it is not in its interest to do so. When states disagree with respect to foreign policy, or are inconsistent, or if there is a lack of trust, it will inevitably place the strength of the alliance into question. So far there have not been too many disagreements between BRICS countries, but given their differences, it is not out of the realm of possibility in the long term.

This coalition, strong in defense, reveals weaknesses in offense due to the individualistic pursuits of its member states and a pervasive atmosphere of mutual distrust akin to a Prisoner's Dilemma.<sup>77</sup> While boasting significant economic power, the BRICS grouping remains untested politically, given their divergent stances on many global issues.<sup>78</sup> "BRICS countries prioritize economic growth, development and national sovereignty, [but] are reluctant to accept legally binding commitments".<sup>79</sup> Lacking a unifying principle, their collective rhetoric often masks a lack of cohesive action and while appearing unified at summits, each member must calculate their defiance against the United States independently.<sup>80</sup> Without clear common objectives and a coherent strategy, the BRICS rely solely on rhetoric, risking division and failing to achieve their geopolitical objectives.<sup>81</sup> While this same argument could be made of Western liberal democracies, BRICS differs greatly in comparison due to diverse governance structures, greater ethno-cultural diversity, internal competition and divergent stances on many global issues which makes the spectrum larger in the BRICS' case making this partnership more brittle.

## **Conclusion**

The proliferation of parallel institutions and initiatives spearheaded by China prompts observers to question the extent to which they can constitute an effective basis for an alternative system to the US-led liberal order or if they are plagued by inherent problems that hinder the emergence, at least in the medium term, of a "Beijing consensus". Up to this point, BRICS partnership has demonstrated sound reasoning and effective execution. The establishment of the NDB represents a favorable alternative to the existing Bretton Woods institutions. The NDB aims to address the urgent need for increased investment, particularly in developing countries with an equitable governance structure and provides development loans without imposing restrictive policy requirements. Furthermore, the BRICS alliance, with its strong economic foundation and demographic advantages, challenges the dominance of Western states in the global economy. By diversifying investments, the BRICS increase their share of the world

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<sup>77</sup> Zaki Laidi. "BRICS: Sovereignty Power and Weakness."

<sup>78</sup> Ibid.

<sup>79</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

<sup>80</sup> Zaki Laidi. "BRICS: Sovereignty Power and Weakness."

<sup>81</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

economy and mitigate risks posed by financial crises. Moreover, their initiatives protect BRICS and developing countries from sanctions and dependence on the US dollar. Additionally, through cooperation in multilateral forums and advocacy for a multipolar global order, the BRICS challenge the US-centric world order and promote a more inclusive and equitable international system that exemplifies a commitment to international cooperation, mutual respect, and sustainable development. The narrative thus far suggests a compelling vision for promoting global prosperity; however, many significant factors pose a great peril to its long-term dominance.

The BRICS bloc presents a complex interplay of economic disparity, power dynamics, and foreign policy differences that can shape its trajectory and potential future. The economic asymmetry, particularly dominated by China, raises questions about the sustainability of the equality preached by the bloc. China's economic and political weight, as well as its influence, can potentially lead to frictions with other member states and can challenge the bloc's unity. Realist principles often conflict with the BRICS' constructivist narrative, as demonstrated by China's interests in the BRI and the SCO Development Bank. These differences can strain the partnership and exacerbate tensions between member states. Moreover, the potential for territorial conflicts between BRICS' main players "further questions the emergence of a true coherent and amicable BRICS-bloc".<sup>82</sup> The numerous conflicting interests, divergent governance structures, particularly between authoritarian and liberal democracies, as well as different foreign policy stances, further complicate the BRICS' cohesion and effectiveness as a collective entity. Ultimately, BRICS is a significant value-adding alliance; however, its various long-term risks undermine its credibility and therefore will not likely be the *mortar of a new world order*.

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<sup>82</sup> Bas Hooijmaaijers. "China, the BRICS, and the Limitations of Reshaping Global Economic Governance."

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