

Q Six members being added to the BRICS, how do you see the geo-economic and political implications of the expansion. What are the possible hurdles in the way of expansion?

1. Introduction :

BRICS, a block of originally five members was created to counter G7. At this recent summit, a new development has been made which China quoted as "Historic Expansion." This expansion will have geo-economic and political implications globally including stronger coalition of members of Global's South developing economies, change in foreign policy of Africa and dedollarization etc. However, the process is complex and will face some hurdles including the consensus challenge and conflict history of new members.

2. Recent Summit of BRICS and The Expansion :

The Recent Summit of BRICS occurred in Johannesburg, South Africa from 22nd August to 24th August 2023. The Summit was the largest the BRICS have ever held, with more than 50 countries attending alongside member nations Brazil, India, China, South-Africa. Putin did not attend the meeting physically due to charges of arrest by International

Criminal Court. The BRICS bloc of emerging economies have taken a major step in expanding its reach and influence with announcement that six more nations have been invited to join as new members. They include Saudi Arabia, Iran, Egypt, Ethiopia, United Arab Emirates and Argentina.

3- Geo-economic and Political Implications of Expansion of BRICS:

This expansion is viewed as a new sign of multipolarity among the existing world. Other geo-political and geo-economic implications of expansion of BRICS are as follows:

i- Stronger Coalition of Developing Nations of Global South:

According to US Institute of Peace, with the addition of these six countries, BRICS will represent 42% of world's population and 36% of global GDP. The bloc is expanded to stronger the coalition of developing nations in Global South.

ii- BRICS - Middle East Centric:

Sanusha Naidu - a senior researcher at Institute of Global Dialogue - argues that addition of new members will have geo-political, geo-strategic and geo-economic implications. It will push the

BRICS nations to think more about the Middle East policies.

iii- States Diversion from American Camp:

States which were previously under the dominant hold of United States seem to be deviating away. For instance, Saudi Arabia is positioning itself in a way that shows that it is not just in American Camp.

iv- Combination of BRICS plus OPEC:

Sarusha Naidu argued that some of the analysts commented that after the addition of 6 members, the bloc becomes energy centric. It will be better to call it "BRICS plus OPEC." When selecting new members, the bloc may have taken into consideration the pricing of energy products and how the countries can reduce their liabilities and vulnerabilities in terms of cost of oil.

v- De-dollarization of Trade:

BRICS Expansion has also vocally challenged the dominance of US-Dollar. As China is already trading in local currencies with different states. India has decided to start trade in Indian Rupee with UAE. The expansion of BRICS will provide more

opportunities for BRICS nation to trade more easily with one another in local currencies.

vi- Iran: As Major Beneficiary:

Analysts have said that one of the countries that could benefit from a trading regime outside of dollar is Iran. Moreover, the entry of Iran in BRICS will be a serious policy failure of US to isolate Iran.

vii- Economic Lifeline and Bilateral Trade:

A larger BRICS may also see an increase in investments in projects and places that non-partner countries would avoid. Institute of Strategic Studies Islamabad, quotes Iran as a good example of it. Iran has significant amounts of critical minerals including largest zinc reserves in the world, and second largest copper deposits in Sarcheshmeh mine. Iran has unable to mobilize investment to increase production due to economic sanctions. But, this grasping will likely to get some investment flowing in Iran in exchange for copper, lithium and zinc.

process of expansion which are

viii- Impacts on Global Energy Security:

The addition of Argentina will strengthen the lithium^(Li) supply to the bloc. According to JPMorgan forecast 2022, Argentina's share of Li will rise from 6% in 2021 to 16% by 2023. At present, it has 13 Li projects in the pipeline, which will position BRICS with three of five largest Li producers. Saudi Arabia has already made \$2.6 billion deal to buy a 10% stake in Brazil's largest mining company to reach its goal of building 500,000 electric vehicles by 2030.

ix- Change in Foreign Policy of African Bloc:

One thing is very clear that most of Africa except Nigeria and Kenya are moving away from West and towards East. However, in the past the foreign policy of Africa was very rigid and now change has occurred.

4- Hurdles in the Ways of Expansion:

Despite of wide range of geopolitical, geostrategic and geo-economic implications, the case of expansion is not simple. It will face few hurdles and uncertainties in the process of expansion which are

as follows:

i- Uncertainty in positive change in BRICS - Conflict History of New Members:

There has been uncertainty about the positive change in BRICS due to historical disputes among member states. Egypt and Ethiopia have historical disputes over River Nile. Similarly, Iran and UAE have disputes over Strait of Hormuz and Chahbahar port.

ii. Concerns on Criteria for Managing Diversity:

Critics also highlight the concerns on criteria for managing diversity in the Bloc. There are different cultural and ideological groups which range from absolute monarchies and autocracies to vibrant democracies and from flying high economies to those struggling for survival.

iii- Consensus Challenge of BRICS:

Presently, BRICS operate under a decision making process that necessitates unanimous agreement among all member countries. This model has encountered challenges as the interests of all members do not always align. Two prominent examples include the

proposal for a common BRICS currency and the expansion of BRICS membership.

In the former case, the five members failed to reach a consensus. This creates concerns for further decision-making.

iv- Economic Challenges :

The inclusion of new members encompassing a range as vast as ideological adversaries like Saudi Arabia and Iran, wealthy nations like UAE. The economically challenged countries like Ethiopia with a GDP of per capita below \$1000 will intensify the economic challenge.

5- SWOT Analysis of Expansion of BRICS :

Strengths

- Strong governance of members of South Asia
- Benefits for Iran
- Oil rich economies are part of BRICS

Weaknesses

- No clear criteria
- India's opposition to expansion.
- Double Game: members playing at both sides

Opportunities

- Opportunity for trade, investments
- Opportunity for weak economies to improve themselves
- Opportunity for Iran to get rid of isolation.

Threats

- Threat of ideological conflicts
- Threats of consensus on similar points
- Economical issues.

6- Conclusion :

In a nutshell, BRICS expansion is a remarkable development in current geopolitical era. It has wide range of implications globally. Moreover, with opportunities come hurdles too which need proper solutions.

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