

Q. 8. The expansion of BRICS would have far reaching geo-economics and geo-political implications. Critically evaluate the statement and also highlight the major hurdles in the way of the organization.

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Introduction:

During 15th summit of BRICS, held in Johannesburg, it was announced that existing five members of BRICS had taken a significant step by inviting ^{six} new members to join. It is shaping the future of international relations by advocating for multipolarity, asserting strategic autonomy, and cooperation among its diverse members. Amidst criticism it is carving out a unique path in global politics.

Significance of BRICS expansion:

1) Transition away from carbon dependency:

It cannot be denied that a ^{defining} defining feature of BRICS+ is that it comprised of several major oil and gas producers while India and China are oil consumers. In contrast to OPEC and CPEC+ that are made of oil exporters, BRICS+ brings together oil producers and grouping oil consumers having organisation like this in which consumers and producers co-ordinate together makes a sense given how the global economy will gradually move away from oil consumption.

2) Holds enormous potential with combined
BRICS+ holds enormous potential GDP
with combined GDP of \$30.76 trn
representing 30% of global economy.
The original members already
weild significant clout,
further solidified by this
expansion.

Implications

1) De-dollarisation

Geo-Political Implications

1) Overtake western led institutions

Expanded BRICS as a "new alliance"

It is observed that it will ^{over}take western led institutions like G7 and

NATO. For instance, Singapore based geopolitical risk analyst

Crokhul Sahni remarked that the enlarged BRICS "could possibly serve as counterweight to G7

in terms of scale. While some analyst views it as fake institution given the lack of clear vision and coherence

Geoeconomic Implications

2) De-dollarisation:

BRICS expansion underscores its dissatisfaction with US - It is most evident in calls to move away from the dollar as global reserve - China and Russia are conducting more their trade ^{cross border} in their currency. For Russia and China it has taken on fresh importance as they have increasingly come under sanctions from west. India and South Africa too see lesser reliance on dollar as being positive for their economic growth.

But de-dollarisation is less about overthrowing King Dollar from atop hierarchy and more about carving out a separate method to transact between member state without need for dollar. But also, The New Development Bank, established by BRICS is heavily dependent on dollar and struggling to raise currency.

3) Geo-strategic value

35% of Saudi oil production goes to China and India. Russia already a major oil supplier to China and India, is now looking at Brazil as a market.

Despite sanctions by United States, Iran has increased oil production from a low of 400,000 barrels per day in Trump period to 2.2 mbd in August, most of it going to China.

Egypt and Ethiopia are important presence in strategically important Horn of Africa and Red Sea, while Argentina is the second largest economy in the Latin America.

4) Alternative world order

BRICS expansion points to

China's efforts to create an alternative world order, rather than seeking to work with existing order. Such efforts are making debates in Washington whether

China is seeking to overturn the US-led order, or instead seeking to work within institutions established and long dominated by US.

It is becoming clear that China is seeking to do former, viewing the current system as rigged against it and developing

countries. President of Brazil

Luiz Inácio Lula da Silva tried to strike a more moderate tone,

saying the group members are only trying to organize ourselves, and have no desire to "be a counterpart

to G7, G20 or US = BRICS goal of countering the west was

reiterated by China's close ally, Russia's Vladimir Putin in his virtual remarks.

Hurdles in Way of Organisation

1) Different approaches towards west
BRICS members exhibit different approaches towards west - For example China and India are strategic rivals they don't see eye to eye on many issues. During this year, in SCO summit India refused to sign a key economic document because it included China diplomatic languages like reference to Beijing's Global Development Initiative - India has aligned itself broadly with western interests against China. Availability of technology and access to economic support has increased west-India relations.

2) South Africa concerns:-

South Africa is concerned that enhancing BRICS membership will further reduce its influence in bloc. It is also concerned about having to take sides in emerging

Cold war between U.S and China -
though it is under a significant
amount of pressure to
South Africa to align itself with
west.

3) Fuelled demands by members

Fuelled demands by India,
Brazil and South Africa for
strict rules to determine
whether an aspiring member
should be allowed to join or even
become an observer. India, in
particular, argued that
democracies be focus of
membership considerations.

4) Difficulties to reach consensus:-

The ascension of various
countries like Argentina, Saudi Arabia
and Nigeria, with complex
foreign policy preferences,
would not be seen favourably
welcomed by Washington. But
a rapidly BRICS expansion

would not be powerful. Indeed it could make the organisation more incoherent and unable to reach a clear consensus on anything of importance.

Whitehouse national security advisor Jake Sullivan gave statements due to BRICS' countries divergence of views on critical issues, he did not see block turning into a geopolitical rival of United States.

5) UKraine war influence on BRICS

Ukraine war cast shadow on meeting Russian president Putin attended it virtually to avoid South Africa any embarrassment. South Africa is member of International Criminal Court, which has issued a warrant for Putin's arrest on charges related to conflict and would legally be required to take Russian leader into custody. If he were to visit country.