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English Essay

ABEHA

Convergence of BRICS and SCO: A global south strategy

Outline

1- Introduction

The convergence of BRICS and the Shanghai Cooperation Organization (SCO) signals a significant shift in the Global South's influence, promoting economic cooperation and regional security. This alliance challenges the dominance of Western-led institutions, offering a platform for developing nations. Strengthening institutional ties and expanding membership can further enhance their collective impact.

2- The Strategic Convergence of BRICS and SCO in shaping a Global South Agenda

3- The Economic Convergence: Bridging Gaps through trade, investment, and financial cooperation

- (a) Creating an independent financial system to reduce western dependence
- (b) Strengthening trade relations among BRICS and SCO member states

- (c) Encouraging trade in local currencies to minimize dollar dominance
- (d) Enhancing collaboration in science, technology and industrial innovation

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- (d) Promoting joint energy projects for mutual resource management.

7- Conclusion

"The rise of the Global South is not a possibility; it is an unfolding reality." The convergence of BRICS and the SCO marks a pivotal shift in global geopolitics, with emerging economies challenging western dominance. BRICS actively seeks financial independence through de-dollarisation, trade in local currencies, and alternative financial mechanisms. The New Development (NDB) exemplifies this effort, providing infrastructure funding without reliance on Western institutions. Simultaneously, the SCO, initially a security alliance, has expanded its role in economic and diplomatic cooperation. By enhancing regional connectivity and countering Western-imposed financial constraints, it fosters greater economic sovereignty among its members. Both organizations advocate for a more inclusive global governance system, as seen in their calls for UN Security

Council reform and a multipolar world order. However, their convergence faces challenges, including divergent national interests, institutional inefficiencies, and competition over energy resources. The absence of a unified policy further weakens their collective influence. Overcoming these structural limitations through policy coordination, stronger institutional mechanisms, and investment in shared infrastructure is essential. As BRICS and SCO deepen their collaboration, their strategic alliance positions the global south as a key player in shaping a more equitable international system, shifting from passive participants to influential decision makers. The convergence of BRICS and the Shanghai Cooperation Organization (SCO) signals a significant shift in the global south's influence, promoting economic cooperation and regional security. This alliance challenges the dominance of Western-led institutions, offering a platform for developing

nations. Strengthening institutional ties and expanding membership can further enhance their collective impact.

The convergence of BRICS and the SCO is reshaping the Global South's geopolitical and economic influence. These organizations aim to foster economic cooperation, regional security and diplomatic multipolarity, challenging Western dominance. BRICS's expansion and the SCO's growing influence highlight a shift towards a non-western global order. Initiatives like China's Belt and Road Initiative (BRI) and Russia's energy partnerships strengthen their alignment. This collaboration increases the global south's bargaining power in institutions like the UN and IMF. However, internal differences and geopolitical rivalries hinder deeper cooperation. Despite these challenges, the BRICS-SCO convergence remains a transformative force.

in creating a more inclusive
and multipolar world order.

The quest for an
independent financial system within
BRICS and the SCO seeks to
reduce reliance on Western institutions.
The establishment of the New Development
Bank (NDB) in 2014 provided
a viable alternative to the
IMF and World Bank, with
over \$30 billion disbursed by
2024 for infrastructure and
development. China's push to
internationalise the yuan has fostered
local currency trade, exemplified by
the 2024 China Russia agreement
to use yuan and ruble. Thus, BRICS
and the SCO's financial initiatives
are crucial in strengthening economic
resilience and reducing vulnerability
to external pressures.

Strengthening trade relations
among BRICS and SCO members is
vital for fostering economic
cooperation. BRICS members, such as
China and India, increasingly engage

in bilateral trade, expanding regional markets. In 2024, China-India trade exceeded \$120 billion, and besides China-India trade, China-Brazil trade grew by 23% over the past two years. The SCO is working towards reducing trade barriers, with agreements for cross border infrastructure and regional trade initiatives. The Belt and Road Initiative (BRI) plays a significant role in enhancing connectivity and trade across Eurasia. Thus, these partnerships provide opportunities to reduce reliance on Western markets.

Encouraging trade in local currencies among BRICS and SCO states is a key strategy to reduce dollar dominance. India and Russia initiated agreements to use the rupee and ruble in bilateral transactions in 2024, leading to a 40% increase in trade conducted in these currencies. Similarly, China's

yuan is gaining momentum as an alternative currency for international trade. Therefore, by fostering the use of local currencies, BRICS and SCO aim to reduce dependence on the dollar and promote economic independence.

BRICS and SCO are enhancing collaboration in science, technology, and industrial innovation to drive economic growth. The BRICS Innovation Cooperation Action Plan, for instance, launched in 2023, facilitates joint research in areas like renewable energy and artificial intelligence with an estimated \$2 billion invested in innovation projects. These collaborations help reduce dependency on Western technologies and foster self-reliance, particularly in fields like solar energy and 5G networks. Thus, strengthening technological capabilities will enable member states to reduce technological dependence.

Reforming global governance

institutions to reflect multipolarity is a central aim for BRICS and SCO. Both organizations advocate for a shift in global governance towards a multipolar world that represents the diverse interests of emerging economies. For instance, in 2024 BRICS officially called for reforming the UN Security Council to include permanent seats for emerging economies, reflecting the aspirations of the global south. Nevertheless, the push for a reformed global order allows for a more balanced and equitable representation in international institutions.

Strengthening diplomatic alliances to counter Western hegemony is a core focus of BRICS and SCO (Shanghai Cooperation Organization) strategy. Both organizations seek to counterbalance the influence of Western-led institutions like the UN, IMF and World Bank. Through closer ties, member states promote

mutual political interests and foster a more united voice on the global stage. For instance, as of 2024, Russia and China have signed over 30 bilateral agreements with countries from Africa and Latin America, solidifying their influence. Therefore, the diplomatic efforts of BRICS and SCO have been crucial in challenging Western hegemony, supporting a multipolar world.

Enhancing regional integration through strategic partnerships is key for the economic and political stability of BRICS and SCO members. By fostering interregional cooperation, both organizations work to reduce barriers to trade, improve infrastructure, and build stronger diplomatic ties. Thus, these strategic partnerships lay the groundwork for deeper integration and collective influence, positioning the global south as a cohesive economic and political bloc.

Developing a collective

foreign policy agenda for global influence is central to BRICS and SCO's diplomatic vision. These organizations work to create a unified voice to advocate for shared priorities, such as climate change, global trade, and human rights. Furthermore, BRICS and SCO jointly address issues such as economic sanctions and foreign intervention, presenting a strong counter-narrative to Western policies. For example, in 2024, BRICS issued a joint statement condemning economic sanctions imposed on member countries like Russia and Iran, presenting a strong collective foreign policy framework to enhance their diplomatic standing.

Divergent national interests and geopolitical rivalries present significant challenges to BRICS-SCO convergence. According to a 2024 report by the Carnegie Endowment for International Peace, tensions between India and

China over territorial disputes have remained high, which complicates the push for closer cooperation within BRICS and SCO. As a result, these internal tensions often undermine the ability of BRICS and SCO to present a coherent, unified position on global issues.

Institutional weaknesses and a lack of policy cohesion are significant barriers to BRICS and SCO's effective functioning. Both organizations face challenges in their institutional frameworks, with decision making often slow or fragmented. For instance, the 2024 SCO summit highlighted the absence of a clear, cohesive foreign policy position, particularly regarding Afghanistan's reconstruction. Thus, these challenges will remain prevalent without a stronger institutional framework.

Challenges in de-dollarization and financial independence also pose

obstacles to BRICS and SCO's ambitions. While both organizations aim to reduce reliance on US dollar in international trade. The dominance of the dollar in global finance remains a major barrier to achieve a truly independent financial system. In 2024, around 88% of global trade continued to be conducted in dollars, according to the Bank for International Settlements. Furthermore, many BRICS and SCO countries lack the necessary infrastructure to support local currencies in global trade.

Energy resource competition among members states also complicates BRICS and SCO's convergence. Although both organizations include energy-rich countries like India and China, differing energy needs. For example, while Russia seeks to increase its role as

an energy supplier to the global south. According to the International Energy Agency (IEA), Russia's energy exports to China increased by 25% in 2024, while India also expanded its energy imports from the Middle East.

A unified governance structure within BRICS and SCO is imperative for ensuring policy cohesion and institutional efficiency. A centralised framework will streamline decision making, foster consensus on economic and security policies, and enhance strategic coordination. For instance, the establishment of a BRICS-SCO joint policy council serves as a platform for resolving disputes and aligning national interests. The European Union's structured decision-making process demonstrates how institutional coherence can drive collective progress. By

consolidating governance mechanisms, BRICS and SCO can emerge as more cohesive entities, ensuring long-term stability and effective policy execution.

Strengthening institutional frameworks is vital for deeper cooperation among BRICS and SCO members. Formalised mechanisms such as dedicated economic councils and regulatory bodies will facilitate sustained collaboration in trade, security, and technology. For instance, a BRICS-SCO joint economic forum could enhance investment flows and research initiatives among member states. By reinforcing institutional depth, BRICS and SCO can foster regional integration and sustainable development, ensuring long-term resilience.

As a counterweight to western dominance, BRICS and SCO must intensify

efforts to challenge unipolar global governance. Strengthened multilateral diplomacy will amplify their collective voice. The 2024 BRICS declaration advocating UN Security Council reforms exemplifies this shift towards equitable representation. By bolstering diplomatic influence, BRICS and SCO can play a pivotal role in shaping a fairer global order.

Promoting joint energy projects is crucial for ensuring energy security and economic resilience. Coordinated investments in renewable and traditional energy sources will reduce external dependencies and stabilise regional markets. The 2024 Russia-China energy partnership, which increased bilateral oil trade by 30%, highlights the benefits of strategic cooperation. By fostering integrated energy strategies, BRICS and SCO can establish long-term security, ensuring

economic stability for their member states.

In conclusion, the convergence of BRICS and the Shanghai Cooperation Organization (SCO) presents a powerful opportunity for the global south to redefine its role in global affairs. Their joint efforts in creating an independent financial system, enhancing trade relations, and advocating for global governance reforms demonstrate a clear shift towards multipolarity. Despite facing challenges like divergent national interests, institutional weaknesses, and energy resource competition, the organization's commitments to economic independence and diplomatic unity signals hope for a more balanced global order. By overcoming these obstacles through stronger governance structures, deeper cooperation,

and strategic partnerships, BRICS and SCO can establish themselves as significant counterweights to Western dominance. Ultimately, their convergence is not just an alliance but a transformative force that has the potential to empower the global south and reshape the global geopolitical landscape for years to come.
