

Q No # 02 Geo-economic and political Implication of BRICS expansion.

Introduction:

BRICS is an acronym that represents a group of five major emerging national economies: Brazil, Russia, India, China and South Africa. The concept of "BRICS" was initially coined by an economist Jim O'Neil in 2001 and the group officially formed in 2006.

Key Themes and Objectives of BRICS:

BRICS aims to promote multipolarity, economic cooperation, political coordination and cultural connectivity.

Expansion of BRICS

The expansion of BRICS has significant geo-economic and political implications, shaping global dynamics. Expansion of BRICS is seen as the reactionary movement against western led exclusive multilateral financial model.

Economically, BRICS represents a substantial portion of World's GDP and trade. According to the recent report of World Bank Global GDP of BRICS nations accounted for about 26%.

The recent 15th summit of BRICS took place from 24 to 25 August 2023 in South Africa and the agenda for it was the expansion of BRICS and De-Dollarization.

The theme was "mutually accelerated growth, sustainable development and inclusive multilateralism."

The new countries added were: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and UAE.

The Director of Global South Program at Quincy Institute Sarang Shidore said "The US cannot sell all the norms - We are in a world, where a new replacement is on the horizon".

Expansion of BRICS is considered a threat to US led model of the world. As Intellectuals debate that the effect of US is undermining due to the rise of multipolarity.

The Chinese Premier, Xi Jinping said that "Fellowman! that they want a similar future; none of them want to live under a West dominated World".

This statement shows that American overt influence is no more acceptable to the World's largest economies.

Geo-economic and Political Implication:

PEST Model of Analysis:

If we apply the "PEST" model of analysis then we can clearly identify the ~~ex~~ implications of BR expansion of BRICS at global level.

Political Dynamics: BRICS serves as a counter balance to Western political influence.

The group often advocates for a more multipolar world and reforms in international institutions to better reflect the current global distribution of power.

Chinese President Xi Jinping emphasized this, stating, "We should push forward with the reforms of global governance, develop a more inclusive and balanced global partnership, and build a community with a shared future for mankind". Such bold statements make it clear that ^{sole} Western influence and domination is no more acceptable to the world that is witnessed through the expansion of an anti-west block BRICS. However, BRICS' country like India is playing a political game on both sides. Like a swing but that swing shows an obvious tilt. India is trying to limit BRICS expansion through a limited narrow criteria for adding members such as specific GDP, and countries having no sanctions. Ashley J. Tellis termed India as "America's bad bet" as he believes, New Delhi is not going to side with the US in any possible clash between Beijing and Washington. Moreover, The Director of the Center for Security and Strategy and Technology (CSST) Rajeswari Pillar warned the dangers of being a "swing", be friending all, trusting none while ignoring the imminent pitfall of "not having a true friend when in danger".

Economic Influence: As noted by the economist Jim O'Neil, these nations play a crucial role in driving global economic growth. Their combined economic power challenges traditional Western dominance. The agenda of de-dollarization of trade is one of the most important economic development initiatives. BRICS' nations will trade in their native currency. This attempt will give a strong blow to dollarization. Great enthusiasm has been shown in ditching Petrodollar.

Oil companies will trade in local currency. In this regard China's rush towards Middle East: Saudi Arabia and UAE for oil export will result in de-dollarization. Xi Jinping visited Gulf countries last year to discuss the future prospects.

Secondly, The New Development Bank (NDB) established by BRICS provides an alternative source of funding for infrastructure projects, reducing dependency on traditional financial institutions like the World Bank.

According to the International Monetary Fund, in 2021 the combined GDP of BRICS nations was 22%, which raised to 26% in 2023.

Moreover, World Bank's report 2023, projected the global economic future as China being the 1st largest economy, US being the 2nd and India 3rd largest.

economy of the world by 2028.

Social Key aspects: BRICS expansion has several social implications that influence the lives of people within and outside these member nations. Such as ;
Employment opportunities, Cultural Exchange, Social Inclusion and diversity, social welfare policies and health and education improvements. Thus, it is essential to note that the social implications of BRICS expansion are multifaceted and depend on how member nations address the challenges and opportunities presented by increased collaboration. Balancing economic growth with social development remains a critical aspect of BRICS agenda. It was clearly stated as the main theme of the Summit at Johannesburg in August 2023 "mutually accelerated growth, sustainable development and inclusive multilateralism".

Technological Development: The expansion of BRICS has significant impacts on technological developments, influencing innovation, research, and collaboration in various ways. Such as:
Technology transfer and collaboration,
Research development Investments,
Emergence of Innovation Hubs,
Telecommunications Infrastructure
Space Exploration, Green Technologies etc

Geopolitical Shifts:

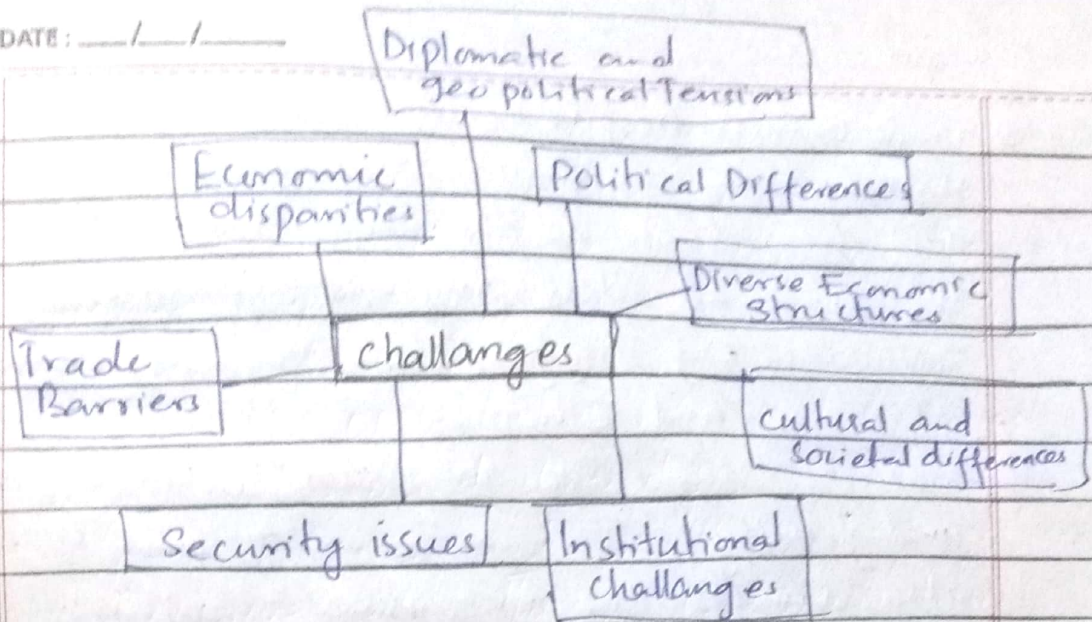
The alliance fosters closer ties between the member nations, influencing geopolitical events. For instance, Russia and China's collaboration within BRICS has implications for global geo-political dynamics, challenging the unipolar world order. Thus, the expansion of BRICS is signalling multipolarity. The joint statement "more just, equitable, representative and multipolar system" from the Summit highlights its commitment.

As this "Coalition of major emerging economies", it seeks to influence global governance and challenge the existing geopolitical order. BRICS advocate multipolarity and global governance, a counterbalance to western influence, regional and global security, energy and resource diplomacy and soft power and cultural diplomacy. However, the success of BRICS in achieving its geopolitical objectives will depend on the ability of its member nations to navigate the differences and work collaboratively on common goals.

Possible hurdles:

Navigating the complexities of BRICS faces several hurdles that can impact the organization's cohesion, effectiveness and expansion.

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① Diverse Economic Structures:

BRICS nations have diverse economic structures and levels of development. Coordinating economic policies and initiatives among economies with different priorities can be challenging. This point was highlighted by Cyril Ramaphosa South African President.

② Political Differences: The member nations have different political systems and governance systems. Managing political divergences and finding common ground on global issues such as human rights and democracy can be complex. For instance, political differences between China's one-party system and India's democratic governance can impact the consensus building.

③ Economic Disparities: Economic disparities among BRICS nations may hinder cooperation. The economic gap between China, South Africa and Ethiopia can create tension. For example: Trade imbalance, unequal economic contribution etc.

- ④ Trade Barriers: Despite being a coalition, BRICS nations may maintain trade barriers among themselves. Such as the differences in the share of developing and developed countries. e.g. Egypt, Iran, Argentina, China, Russia and Ethiopia.
 - ⑤ Security Issues: Security issues, both regionally and globally can strain the unity and it also limits the expansion. Conflicts or geopolitical tension may hinder collective action. Example: Russia's conflict with Ukraine can create discord.
 - ⑥ Institutional Challenges: Establishment and maintenance of International Institutions may be challenging e.g. The delays or disagreement in decision-making of The NDB.
 - ⑦ Cultural and Societal Differences among the member nations can influence diplomatic relations and collaborations. e.g. The divergent cultural norms may impact cooperation initiatives.
 - ⑧ Diplomatic and Geopolitical Tensions among BRICS nation can affect the groups unity and decision-making. Disputes over territorial claims or geopolitical alliances may strain relationships. e.g. The Border disputes between China and India have led to diplomatic tension, potentially impacting BRICS collaboration.
- * Thereupon, the success of BRICS depends upon effectively navigating of these challenges and focus on finding a common ground.

Conclusion:

Therefore, we can conclude that the expansion of BRICS has a significant geo-economic and political implications in shaping global dynamics. It has the potential for economic boost up, social integration and technological improvement. However there are certain hurdles in path of BRICS being an anti-west model such as security issues, diversified societies, trade barrier and so on. But BRICS can effectively overcome these hurdles through efficient planning, navigating the challenges and finding a common ground for all members to prosper.