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Question no 2

BRICS

1. Introduction:

The BRICS group, which comprises the developing world's most important economies, recently held its annual summit in **Johannesburg (South Africa)**. The group's first in-person meeting since the COVID-19 pandemic. This summit was the largest the BRICS have ever held, with more than 50 countries attending alongside member nations Brazil, Russia, India, China and South Africa. At this summit which ran from Aug. 22nd 2023 to Aug. 25 2023, the participants deliberated ways and means to assert their collective voice as a counter weight to western dominance in global affairs.

The theme of this 15th summit was BRICS and Africa.

2- Expansion of BRICS:

Ever since the BRICS founding, the five core countries have yielded eager requests for membership from countries around the world raising the question about the bloc's long term goal and direction. The meeting took a major step in expanding its reach and influence with the announcement that six more nations, Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the UAE have been invited to join as full members from January 2 next year. The inclusion of leading oil producers increases the BRICS economic might while demonstrating the group isn't afraid to cozy up with one-time US-allies.

3- Geo economic and political implications of the expansion:

The BRICS summit have various geo economic and political implications of the expansion. Some of them are:

(i) Unlocking Trade and Investments:

Leader emphasized the importance of increasing trade and investments among BRICS nations and strengthening their ties. They aspire to reach **50 percent of global GDP by 2050**, which would significantly alter the global economic landscape.

(iii) De-dollarization and a boon to gold:

BRICS leaders expressed their intent to reduce reliance on the US dollar in international trade. While acknowledging the challenges, they discussed options, including the possible creation of a common currency. The

BRICS bank announced plan to lend in South African rand and Brazilian real, showing a tangible move toward de-dollarization. The spotlight of the BRICS summit might be on the downfall of the dollar, but these events create a tailwind for gold prices.

(iii) Political Unity and Challenges:

While expansion could lead to a stronger unified voice on global issues, it might also bring challenges in maintaining cohesion and consensus, given the diverse political, economic and social systems of the new members.

(iv) Calls To reform global governance structure:

Echoing their demands for a larger say in global affairs, the BRICS leaders de-dollarisation repeatedly called for the "greater representation of the

emerging markets and developing countries" in international institutions.

Reforming the UN security council was one of the key points of the discussion.

4- Hurdles in the way of organization:

(i) Alignment of interests:

Aligning

The varied interests of the expanded group of BRICS members could be challenging. Differences in political systems, economic policies and regional priorities could lead to conflicts or reduced effectiveness.

(ii) Economic Disparities:

Managing

The disparities in economic development levels among members could be a hurdle, requiring careful balancing to ensure equitable benefits.

(iii) External pressures:

There may be external geopolitical pressures, particularly from western nations, which could impact the group's cohesion and objectives.

(iv) Organizational structures:

Adopting the organizational structure of BRICS to accommodate more members and ensure efficient functioning could be a complex task.

5- Conclusion:

In a nutshell, the expansion of the BRICS and the adopting of guiding principles, standards and procedures for the same, have potentially made the BRICS grouping a more attractive institution for consensus building and dialogue in the developing world.