

Question#02

Five new members being added to BRICS, Geo-political and geo-economics implications of the expansion and possible hurdles in this way

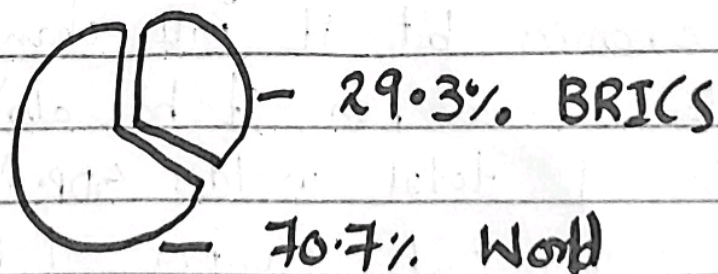
Introduction

The BRICS group, which comprises of developing world's most important economies, and also the addition of new members; Iran, Egypt, Ethiopia, Saudi Arabia and Argentina. This expansion is not only affect the geoeconomics but it will change the whole scenario, as it has almost 29.3% of total world's GDP. Moreover, the resource-rich countries, oil leading countries, and major trade routes also lie there. It has the ability to change world, but due to few reasons like diversification of member groups and China India border clash can affect this organization.

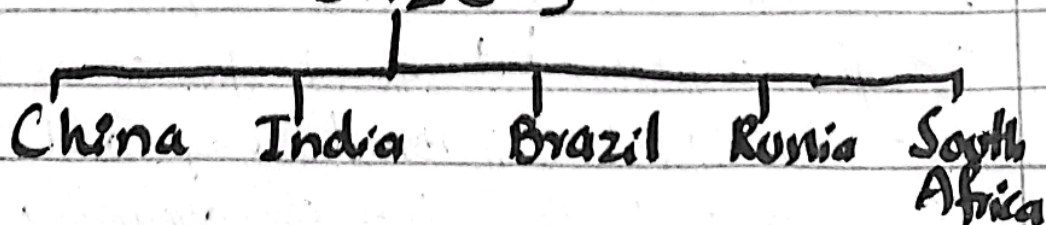
Historizing the organization: BRICS

The Acronym BRIC was coined by Jim O'Neil, the Chief Economist, which manifested the growth potential of Brazil, China, India and Russia. In 2011, South Africa joined this, and it became BRICS. In 2023, admission of five new countries announcement has been made by BRICS.

GDP: BRICS VS WORLD



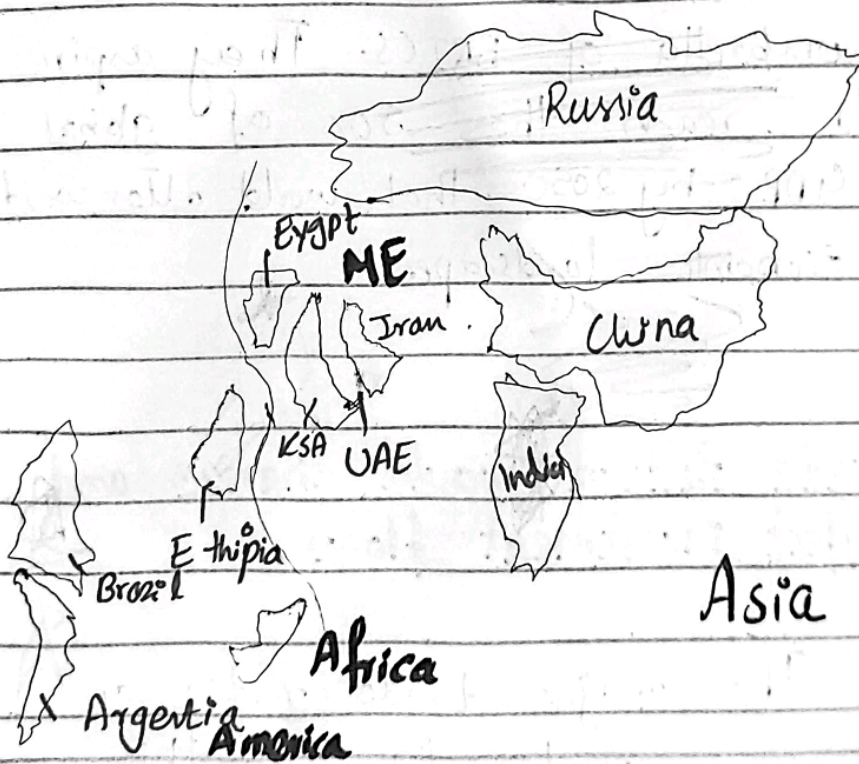
BRICS



BRICS expansion is changing the economical and political arena of the world

Expansion leads to bonding of Asia, Africa, Middle East and Now Africa. And this is changing the world's dynamics.

BRICS expansion on MAP



The major trading routes and emerging developing economies come under the umbrella of BRICS.

GEOECONOMICAL IMPLICATIONS OF BRICS EXPANSION

(a)

Shift in economic power - from the traditional western powers towards emerging economies.

The major emerging economies come under the umbrella of BRICS. They aspire to reach the 50% of global GDP by 2050, that would alter world economic landscape.

(b)

Trade Pattern would change and effect investment flows.

The major trade routes, or major canals lie in this region, and now addition of UAE and Saudi Arabia has turned another way.

(2)

(c)

BRICS advocates the reforms in financial institution; International Monetary System

BRICS leaders' declaration repeatedly called for "greater representation of emerging markets and developing nations" in international institutions like IMF and World Bank. This major changing has been endorsed by BRICS.

(d)

De-dollarization is echoing on the platform of BRICS

BRICS leaders expressed their intent to reduce reliance on the US dollar in international trade. They are discussing about the possible creation of "common currency" this led to the de-dollarization.

(e)

BRICS nations are great resource-rich so it can influence the commodity markets - inclusion of leading oil Producers

The major oil producers are now in the row of the BRICS organization. This would be the major setback to the west and USA.

Moreover, the resource-rich countries do not depend on the raw ^{availability of} materials.

(f)

'New Developmental Bank' can decrease the influence of west.

Another major milestone is to develop bank "New Developmental Bank" to reduce the influence of West. The west is engulfing developing nations with debt.

POLITICAL IMPLICATIONS OF BRICS EXPANSION

(a)

Disillusionment with US as UAE and Saudi Arabia approached to join BRICS

The influence of USA after the petrodollar deal has been increased but now that influence is decreasing, as USA and UAE approached to join the BRICS, the political alliances are changing.

(b)

Chinese Dragon is getting powerful in Asia; threat to USA hegemony

The soft diplomacy of China is increasing, as China brokered deal with Iran and USA in which USA had failed. So, it is clearly seen that China is

(c)

China and India are rivals at borders but this collaboration is changing dynamics

The major contribution in the BRICS is from China and India, and these two populous countries are neighbours and have many face offs. But this platform is changing the dynamics of the political arena.

(d)

'BRICS and Africa' a new diplomatic battleground for jostling influence

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

The organization supports Africa's economic transformation through initiatives like AEC FTA. This led to potential change.

(3)

What are the possible hurdles in this organization's way?

(a)

China's New Map is including Arunachal Pradesh and Aasai-Chin Plateau in its territory; friction between China and India

India lodged a 'strong protest' and deployed 68000 troops on Laddakh, after the inclusion of Arunachal Pradesh in the China's New Map. This friction can worsen the relation of these two members of BRICS.

(b)

Difficult to accommodate diverse group in BRICS - from absolute monarchies and autocracies to vibrant democracies

The BRICS is expanding but it is difficult to work according to the governmental framework of different countries.

(c)

Competing alliances can affect the expansion - India and Brazil are USA ally

The USA's major ally is India in Asia, and Brazil is in American continent. So, this would affect the further expansion of the BRICS members.

(d)

Coordination difficulties among the member nations.

The members of the BRICS are from different continents and it would be difficult to coordinate. This would lead to the series of other issues like cooperation, trading, coordination and mutual growth.

CONCLUSION

BRICS expansion brings Muslim and Arab voices in one bloc, also including Africa and Latin American countries. It is a strong signal that old international order led by Europe and USA has undergone seismic changes. BRICS has clearly changed the geopolitics and geo-economic condition — Multipolarity is defonately a new buzzword after the expansion of BRICS.