

# Welcome to BRICS+ : The Economic Power of the Multipolar World

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Theme: [Global Economy](#)

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*The developing world arrived in Kazan, the capital of Republic of Tatarstan, driving by economic transformation proposals backed by the numerical strength of participants to portray their collective weight of influence to boost de-dollarization and a new global financial payment system, design a new mechanism for a long-term economic integration and complex architecture. For much of its significant collective activities these past several years, BRICS (Brazil, Russia, India, China and South Africa) has been viewed and described from perspectives of supporting the economic development in the Global South, Southeast Asia and Africa.*

Unpacking some of the official statements and positions over proposals awaiting discussions at the summit indicate the brightness of multipolar world. These past 30 years Russia is steadily building its market economy and its related institutions. Transitioning to a market economy is not easy, while China, India and many potential BRICS members have arguable variations in political, economic and cultural capabilities. Notwithstanding some level of disagreements and divergencies of ideas, China and Russia have consistently asked its partners to create an alternative to the International Monetary Fund (IMF) to counter political pressure from Western nations ahead of the BRICS summit this late October.

Arguably Western countries tightly control the global financial system, and that the group, which represents 37% of the global economy, therefore it beholds on BRICS to create an alternative. Some BRICS experts have underlined in reports that the IMF and the World Bank are unsuccessfully performing their roles. Top BRICS finance and central bank officials, a few weeks before the summit meeting, acknowledged the urgent necessity to form new conditions or even new institutions, similar to the Bretton Woods institutions, but within the framework of the community, within the framework of BRICS+. For instance, Russia had its forex reserves in dollars and euros frozen and its financial system heavily hit by sanctions by the West after it invaded Ukraine in February 2022. As expected, Russia has been cut off from international capital markets. In addition, Russia has also experienced delays in international transactions with its trading partners, including BRICS member countries, as banks in these countries fear punitive actions from Western regulators.

Image: New Development Bank's logo in the HQ of the bank in Shanghai (Licensed under CC BY-SA 4.0)



Beyond that the New Development Bank proposed setting up a joint investment platform which will use a new digital form of transactions among members. That has been the critical reason why Central Bank officials and Finance Ministers of BRICS+ are pushing to implement stringent measures including BRICS Bridge payments system, which would link member countries' financial systems, but progress has been slow. As already known, the only financial institution the BRICS countries have established so far is the New Development Bank, created in 2015 to finance infrastructure and sustainable development projects in BRICS members and other emerging economies.

Mihaela Papa, director of research and principal research scientist at the Center for International Studies at the Massachusetts Institute of Technology and co-author of the 2022 book: "Can BRICS De-dollarize the Global Financial System?" has argued that BRICS+ needs to strategically innovate to show practical influence in their operations.

"With BRICS doubling its membership in 2024, new members are expected to support existing BRICS agendas," she said in a critical written interview with Bloomberg News. "A key question is whether they can innovate together."

The core principles of BRICS have resonated with the Global South. The BRICS 'brand' is linked to positive economic prospects and growth, as well as the ambition to diversify global leadership, promote development, and modernize multilateral institutions. BRICS has actively engaged Global South countries through outreach efforts, emphasizing non-ideological and mutually beneficial economic cooperation.

BRICS' risk management credentials have grown since early 2022. Countries in the Global South have observed the freezing of Russia's reserves while facing the consequences of a stronger US dollar. This led many to question their heavy reliance on the dollar, which BRICS seeks to address. States applying to join BRICS cite reasons like strengthening South-South trade and financial cooperation, supporting multilateralism, and enhancing their global role. While BRICS members have differing views on major geopolitical conflicts, their solidarity and cultivation of non-Western narratives increase the association's hedging value.

Therefore, it does not matter whether BRICS, or the unification of China, India, Russia, Indonesia, Brazil, Mexico, Iran and Turkey, will be more viable or not. The main thing is that the process of searching for new models by the states dissatisfied with the United States policy has started, which means the end of the dominance of the United States in all spheres of international relations. At some point, the West, headed by the United States, will have to negotiate new models of international economic and other relations, based on new international treaties that ensure equality of all states.

A multi-year study at Tufts University published in July 2023, for instance, found that the

“BRICS countries connect around common development interests and quest for a multipolar world order in which no single power dominates. Yet BRICS consolidation has turned the association into a potent negotiation force that now challenges Washington’s geopolitical and economic goals.”

Moreover, de-dollarization would undermine the effectiveness of US sanctions, relying on the SWIFT system, as BRICS seeks alternative financial systems, potentially making SWIFT obsolete. As for a common BRICS currency, it is currently not under priority consideration. The time has not come yet. The introduction of BRICS currency has to be treated with uttermost caution, without any haste, as the members’ economies by their structure, effectiveness, should be approximately equal, or would have the same problems, even more than the problems that arose in the European Union, when a common currency was introduced for those countries, whose economic levels were comparable.

Western analysts and experts have highlighted potential divisions and weaknesses in the association, including significant economic instabilities, disagreements among the members over security reforms and over territorial issues especially between China and India. There are existing conflicts between Egypt and Ethiopia too. As many countries join BRICS, as also fresh contradictions would arise within the association in future.

Despite their rivalries, China and India have been deepening their cooperation through BRICS. The demand for BRICS membership is high, skepticism about its ideological direction and benefits is also increasing. Argentina has withdrawn, Saudi Arabia is undecided, Indonesia is not ready, and Mexico is uninterested.

After Soviet’s collapse in 1991, Russia abandoned Africa paving the pathways for China’s entry. For the past three decades, China has exerted its economic power in the continent, as part of its remote dream to become global economic power. Against this backdrop, BRICS platform is important to China to strengthen its economic power. China has seemingly capitalized on Russia’s economic weaknesses in former Soviet republics, passionately consolidating its economic tentacles and beyond that one should be really critical to examine how China is transiting strategically into Europe. Its primary goal is to expand economic influence and access to European markets. As the situation stands, Russia and European Union are at logger-head due to ‘special military operation’ in neighboring Ukraine.

Obviously, with prospects of strengthening the association, Russia stands to gain significantly especially this time of shifting geopolitical situation. At the group’s 10th parliamentary forum in July 2024, Putin particularly noted that “openness, fairness and equality are the principles that unite BRICS countries.” In this sense, interaction with the countries in the regions of Asia, Africa and Latin America will undoubtedly bolster Russia’s global political status and overcome restrictions or sanctions. Southeast Asian and African countries view BRICS as a significant player in the evolving global landscape. They see it as an opportunity to strengthen their economic positions, diversify partnerships and assert their interest on the world stage. The growing interest from south east Asia and Africa in joining BRICS reflects a broader desire for a multipolar world where emerging economies can collaborate more effectively on the world stage.

The principal feature, especially in official statements and in media reports, it should not be perceived as an anti-Western association. It’s simply non-Western, with a focus on attaining common goal of sustainable development and prosperity for members on the basis of

multilateral Global South. Therefore, supporting business activity and enterprise is considered a priority for leaders of all BRICS countries.

As always with much fortitude, Russia is consistently convincing China and India to support building common consensus to enlarge BRICS, which seeks to shape a multipolar global order in place of the fading era of Western dominance. Founded 15 years ago by Brazil, Russia, India and China as BRIC, the group, with the addition of South Africa in 2011, became BRICS. And with this year's entry of five additional countries, it has become BRICS-plus, accounting for nearly half the world's population and 40 percent of global trade. Reiterating here that BRICS, originally comprising Brazil, Russia, India, and China, has expanded to include South Africa, Egypt, Ethiopia, Iran, the United Arab Emirates, and Saudi Arabia.

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