

Joint Master in Global Economic Governance and Public Affairs

***Title: The BRICS' Enlargement and
The International System.***

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Abstract

This thesis paper takes a look at the recently enlarged BRICS group (Brazil, Russia, India, China, and South Africa) and its implications for the international global governance and financial systems. This paper explores how the inclusion of the new members, who are predominantly Middle Eastern countries, as well as if the BRICS, now BRICS Plus can catalyse a different and improved global order for the Global South. This paper also looks at the current structures in place, the new members as well as the accomplishments made by BRICS, in its efforts to represent emerging economies and developing countries to create an alternative power from the west. The findings suggest that the BRICS enlargement could further enhance the group's influence, contribute to a more multipolar world order, and drive reforms in international governance and financial institutions. The findings also indicate that there is a very high interest in countries joining the bloc, which can result in a significant shift of political and economic power from the West. There is reason enough for the BRICS countries to want to create such a shift, but their agenda seems to be only that of a reformist and less than that of a challenger to the current systems in place. Taking this into consideration, the paper does however highlight potential coordination challenges from existing and new powers. The thesis concludes with policy recommendations for BRICS members and suggestions for the future, to truly maximise its potential as a leader in global governance.

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1. Introduction

1.1 Background on BRICS

Over the past decade and a half, we have seen the BRICS group – Brazil, Russia, India, China and South Africa, grow into a major power group, with the ability and capabilities to compete with the Bretton Woods institutions, in the financial and governance architecture spaces. Their intention has been to challenge the global order for reform, which is highly dominated by the United States of America and her Western allies. Since the formation of the BRICS, the group has worked to increase economic growth and trade, political influence and cultural cooperation among its members and this has resulted in positive results for them.

The BRICS and BRICS Plus are a very pertinent topic, at this current juncture and one that needs to be analysed further, as they are creating an impactful shift towards an agenda leaning towards favouring the Global South and its economic development and benefit, ChatGPT, personal communication, 10 May 2024. The BRICS members already represented a significant portion of the world's population, GDP and natural resources. As they continue to expand their geographies, so does their influence, access and control of other important resources, such as energy and gas. Such alliances with the BRICS economic policies and cooperation initiatives can have a great impact on global markets and trade patterns. There is an important need to understand the BRICS, their enlargement and their agenda to create a more multipolar global order. In a world full of uncertainty and continuously rising tensions between major powers, the interactions between BRICS and other countries must also be looked at. This can assist in understanding the role of BRICS in shaping the evolving global order, as the world goes through a significant transformation in its political, economic and financial landscapes.

At the last summit, multiple countries expressed their interest in the bloc by applying to become members and even more relayed their interest to be part of the bloc. The group increased its membership in the group to add five more countries, countries which continue to highlight the differences the member countries have, and this enlargement has also raised questions about the group's ability to lead as a cohesive and coherent unit, while having an impact on the balance of global power and geopolitical dynamics. By

analysing the BRICS and BRICS Plus, we can observe trends, challenges and opportunities for fostering a more balanced and inclusive global order, ChatGPT, personal communication, 10 May 2024.

1.2 The West Against the World?

In its efforts to change the Western hegemony of the global governance and financial structures, the BRICS countries have been said to be leading an agenda that is against the United States of America and Europe. This desire for a change, from the Global South, has also been seen as a threat to the Western led hegemony, by some. According to Donno and Rudra, 2014, one of the major concerns observers have, is if really China is the threat towards the United States power. This is also cited from Kindleberger 1973, by Donno and Rudra, 2014, who explains that the hegemonic stability theory requires that a dominant and current power, that is the United States, sees and experiences a decline in its power, with the rise of BRICS. As China is the biggest economic power in BRICS, China does yield significant power in multiple aspects in its own standing and as a BRICS member, this has been perceived as unfavourable, especially by the United States. The BRICS and the West have a complex relationship, which stretches into competition, cooperation, and sometimes, some engagement. The two entities do not seem to be against each other or plotting for the other's downfall but there are factors that highlight a competition between the two, often emphasised by economic and geopolitical considerations.

It is important to understand the beginning of BRIC (S and Plus) significance in the global system, and that it only came about due to the size of their market power, Mansfield, 2014. According to Mansfield, when a country's market power increases, it is then able to improve trade mechanisms, for its benefit, for example. This could either result in a harmful trade war or countries working together to create solutions, where an international agreement is made, that benefits all parties. Therefore, the rise of the bloc has encouraged new and improved trade agreements, which were possibly established by developing countries, wanting to balance the scales of power, Mansfield, 2014. Donno and Rudra, 2014, also state that the BRICS countries combined, have a significant domestic market, therefore creating an advantage for them when it comes to trade negotiations and makes them a more attractive location to attract foreign investment. In

this sense, the BRICS countries have become very important, politically and have been able to influence the likes of the World Trade Organisation.

According to Tierney, 2014, as in other topics of the global economy, the BRICS countries have become increasingly important in development finance. Many Organisation for Economic Cooperation and Development (OECD) countries and their aid contribution has slowed down since the 2008 financial crisis, while aid from BRICS members had increased. This speaks to the changing landscape of development cooperation in the international system, by emerging countries, however, it must be noted that even aid from the BRICS countries is much smaller in comparison to OECD countries, Tierney, 2014. Still on the finance aspect, the BRICS countries created their own development bank and a liquidity mechanism to support members that have difficulty in making their payments, Prange de Oliviera, 2023. These initiatives were meant to be alternatives to financial institutions such as the World Bank and the International Monetary Fund, as the two institutions provide strict conditions and inconvenient adjustment mechanisms for countries seeking their assistance, thus making the BRICS options more attractive to other developing countries.

Since the invasion of Ukraine by Russia, the West imposed sanctions against Russia, while the BRICS countries did not impose any sanctions or speak out against the invasion of Ukraine. South Africa hosted the last BRICS summit, where the International Criminal Court expected South African authorities to arrest Vladimir Putin. However, the South African President noted that an arrest of the Kremlin leader would risk engaging in a war with Russia, Al Jazeera, 2023. This signalled South Africa's reluctance to arrest Putin. All these actions by BRICS countries may have added to the already complicated geopolitical relations between the West and the BRICS, as the latter could have been seen as aligning against the West. BRICS recently enlarged its membership, and more enlargements are expected in the future. Countries such as Indonesia, Nigeria, and Argentina could strengthen the BRICS Plus's political and economic clout significantly and broaden the bloc's representation of the Global South even more. These countries are some of the largest economies in their respective continents, their inclusion would tip the scales of Western power and influence and further promote a multipolar world order.

1.3 Research Aim and Objectives

The research aims and the objectives of this thesis paper is to find out if the BRICS countries have implications on the current global order. The paper looks the group's economic, trade and global governance, among others, in efforts to establish institutions that are alternatives to those of the Western ones. This could lead to a more multipolar world, where the power is shared among the different regions in the world. The enlargement of the group presents more benefits and challenges, to an already heterogenous group, which could further complicate issues such as decision making and coordination, however, an expanded group will significantly increase the group's influence around the order of the current global governance.

This paper intends to provide an analysis on the term global governance to understand if the BRICS group has a chance to be a leader in that space. The paper also intends to look at the impacts of the enlarged group and the effects in the international system. Through quantitative and qualitative information, the paper will analyse the potential of BRICS being a leader and its ability to make changes within the international financial and governance structures already existing.

This paper is organised into five chapters, each addressing an aspect of the enlargement of BRICS and its impact on the international system.

2. Literature Review

2.1 Global Governance

The beginnings of governance can be traced back to various disciplines, Puppis, 2010. Governance was initially a term used in the field of international relations, but the roots of governance can be found in areas including political sciences as well. Plenty of different types of governance exist and governance is seen discussed in those different disciplines, such as media or technology, and in political issues too. Consequently, because of its broad applications, governance means many things, as governance issues have spread through many fields and institutions related to information communication technologies and digital technologies, such as the Web, research infrastructures, Wikipedia and Web archives as “born-digital heritage” Musiani, 2021.

The term governance does not have a single and settled meaning in today’s world. According to Fukuyama, 2016, it has at least three main meanings:

- “The first is international cooperation through non-sovereign bodies outside the state system. This concept grew out of the literature on globalization and argued that territorial sovereignty was giving way to more informal types of horizontal cooperation, as well as to supra- national bodies such as the European Union.”
- “The second meaning treated governance as a synonym for public administration, that is, effective implementation of state policy. Interest in this topic was driven by awareness that global poverty was rooted in corruption and weak state capacity.”
- “The third meaning of governance was the regulation of social behaviour through networks and other non-hierarchical mechanisms.”

In a United Nations (UN) policy note on “Global governance and global rules for development in the post-2015 era”, scholars have used the term “governance” to denote the regulation of interdependent relations in the absence of overarching political authority, such as in the international system, UN, 2014. According to UN, 2014, global governance encompasses the totality of institutions, policies, norms, procedures and initiatives through which States and their citizens try to bring more predictability, stability

and order to their responses to transnational challenges. Effective global governance can only be achieved with effective international cooperation. Hewson and Sinclair, 2004 highlight that the concept of global governance has also truly changed the environment and the world of world organisations. Hewson and Sinclair, 2004, also highlighted those observations that made this realisation truer was that world organisations had come to play an increasingly important role in encouraging economic globalisation. This was seen in the G7 beginning its meetings in the early 70s, the International Monetary Fund (IMF) playing a more prominent role in promoting less government regulation in economies, as well as the formation of the World Trade Organisation (WTO) in 1995. The United Nations Conference on the Human Environment was held in Stockholm, Sweden, during June 5–16, 1972 and made it clear that environmental, humanitarian, women's and human rights movements or issues cut across with the world organisations. Castells 2004, emphasises that the world is going through a transformation of many dimensions, be that of a technological, cultural, economic or institutional nature. Global governance, in this context, served as a great purpose for the reforming of world organisations, Hewson and Sinclair 2014.

2.2 State of Global Governance

Boughton and Bradford, 2007 highlight that towards the end of the world war, delegations came together to set up new institutions, in which the discussions were very much influenced by the United States of America (USA) at Bretton Woods mansion. From these discussions also came talks about the multilateral organisations that would mould economic and political relations for more than half a century. These agencies were the United Nations, with its Security Council and its specialised agencies; the Bretton Woods institutions, the (WB) and the International Monetary Fund (IMF); and the General Agreement on Tariffs and Trade (GATT). The United Nations Charter was signed and became effective in 1945. This document, with its nineteen chapters, laid out the foundation for the United Nations (UN) and it defined the purpose, mandate as well as governing structures of the overall UN structures, while expressing the universal hope for the start of a new and progressive era in international cooperation and governance GDRC.org, 2019.

When the UN structures were created, there was a strong belief in those systems working to protect and improve the lives of citizens, and certain powers dominated the organisations under this system. There was a common goal of preventing another world war and global depression, therefore the creation of global, intergovernmental bodies to ensure the success of these goals was created and it seemed to be a welcome development, GDRC.org 2019. According to Boughton and Bradford, 2007, this model of global governance, in which the few countries that sat at the apex of the world economic pyramid invited others to participate without ceding much control, became the prevailing paradigm for the postwar era. The UN Security Council has five permanent members, and each has a veto vote, this membership has not changed since the UN Security Council's inception. The USA and the United Kingdom (UK) have just under half of the voting power on the executive board, the USA alone has significant veto power over financial decisions, though three or more members can have the same veto power. This speaks to the lack of distribution of power and the international financial system has become questionable and more and more seen as politically illegitimate, Boughton and Bradford, 2007.

The challenges that the Bretton Woods institutions are facing today, are difficult for them to resolve because the institutions were created in and designed for a different era, Lopez-Claros, Dahl and Groff, 2020. According to Lopez-Claros, Dahl and Groff, 2020, these institutions lack the sway or command to act appropriately, often because of the already existing conceptual frameworks, which limit them and create organisations that are unsure of how to go about certain issues. This is compounded by the fact that, if countries become members of certain treaties and organisations, the joining is voluntary and the agreements signed are not binding, making it easier for countries to leave when they want to and without obligation to meet any of the agreements signed. This is clearly seen with agreements such as the Kyoto Protocol. It was meant to build trust among countries, to reduce greenhouse gases, starting with the biggest emitters. Several figures were deemed untrustworthy and any mechanisms in place had severely low monitoring and enforcement.

According to Woods et al., 2013, the global financial architecture has been managed by mostly two institutions, the WB and the IMF and has been described as dominated by the

USA and the European Union (EU), according to the 2002 Human Development Report. This was something that began to be challenged by the rise of powerful Non-governmental Organisations (NGOs). Woods et al., 2013, discusses how East Asia's 1997 financial crisis exposed the then financial architecture to be irrelevant and how the G7, an IMF steering group, came to the realisation that it needs to consult more broadly, and specifically involve emerging economies in discussions and decisions about handling the crisis. The financial crisis of 2008 did not make things better too, by accelerating shifts after the East Asia crisis. Brazil, China, India and the Russian Federation, were called upon to provide a line of credit to the IMF, Woods et al., 2013. Cfr.org, n.d. notes that the world now sees itself as vulnerable to financial crises but unable to manage them well, therefore countries have now entered into bilateral agreements to help soften the blow against any crisis, as seen with the eurozone crisis. This also shows the declining confidence in existing financial regimes. The current financial regime has been also slow to the shifts in the international distribution of power especially looking at rising powers such as China and India.

Problems of fragmentation within the international systems have also started to reveal themselves. These systems do not have an oversight body to oversee global issues, this leads to organisations acting independently and focusing on their own mandates. This manner may have worked at a certain time and for a certain period, but in world more and more interconnected, governance structures and their processes need to work together to be more aware and ensure coherence of activities among different actors, Boughton and Bradford, 2007. It has become clear that these principles are no longer enough for current leading institutions, of the Bretton Woods system, to implement or carry out their agenda. The world is so connected that the scope of modern issues has become “global”, beyond the capacity or ability for any single state government to act alone to address such issues, Jang, McSparren and Rashchupkina, 2016. The former UN Secretary-General, Kofi Annan also once said that “no State, however powerful, can protect itself on its own” Annan, 2005, emphasising the point of no single states being able to act on its own.

2.3 BRICS and Global Governance

Garrad, 2018, noted that in 2017, Professor Wang Wen of the Chongyang Institute of Financial Studies wrote an article for the Financial Times, in this article he acknowledged a link between globalisation and the increased demands on the process of global governance. He referred to the current global governance system as “incompatible and fragmented” and reiterated that the current structures are struggling to respond to current and ongoing issues around the world. Like other opinion holders, scholars and politicians, Wen believed that, for a change in current power structures, there is a need to rework the current global governance rules, in alignment with globalisation and the latest international structure, Garrad, 2018.

Duggan et al., 2021 stated that the current international environment is made up of rising competition and confrontation of great powers. Emerging markets and developing countries are more and more playing a role in these trends, specially creating and growing cooperation with other emerging markets and developing countries. This is known as South-South cooperation. The conventional Bretton Woods system is in trouble, with failed efforts to make its institutions more inclusive and up to date to current global needs. Emerging markets and developing countries have grown in economy status over the last decades and yet the voices in issues of global governance are still not as important as those of developed countries, Duggan et al., 2021. There is an ongoing conversation about the BRICS, Brazil, Russia, India, China and South Africa’s cooperation, among academics, about its role or effect on the architecture of global governance, as this cooperation is one of the results of the failing Bretton Woods institutions, Duggan et al., 2021.

O'Neill et al., 2001, in his Goldman Sachs paper, Building Better Global Economic BRICs, came up with the famous term BRICs, to which the capitalized ‘S’ for South Africa was later added, when South Africa joined in 2010, and it became BRICS. The BRICs was a term O’Neill used to refer to emerging economies whose combined economic output or gross domestic product (GDP) was forecast to significantly outgrow that of the six largest economies in the world, and doing so by 2050, Matelly (2016). These countries accounted for 40% of the world population and 25% of the global

economy. These six economies included that of United States of America (USA), United Kingdom (UK), Japan, Germany, France and Italy.

The BRICS countries had started meeting on an annual basis to have discussions on how they can benefit from economic cooperation, among themselves. By the time South Africa joined the bloc, the BRICS became a political and economic entity that had the potential to challenge the USA's and her Western allies unipolar hegemony, Coning, Mandrup and Odgaard, 2014. At the same time, the BRICS countries reaffirmed the need for a comprehensive reform of the UN, with a view to making it more efficient and inclusive, to better reflect the economic weight and importance of emerging countries and developing economies. Two of the BRICS countries, China and Russia, are permanent members of the UN Security Council, while Brazil and India have been strong advocates for the reform of the UN Security Council and have at times expressed an interest in serving on such a revised Security Council, Coning, Mandrup and Odgaard, 2014. The BRICS countries have also asserted their stance, in becoming an alternative to the current global order structure. The 2000s and 2010s gave rise to emerging powers to strengthen their trans-regional cooperation and connectivity, clearly challenging Western dominated governance, Duggan et al., 2021. BRICS has undertaken various initiatives and strategies to assert its geopolitical and political influence in global governance. These efforts span across economic, political, security, and cultural dimensions. Here are some key actions and initiatives taken by BRICS to enhance its role in global governance:

- The establishment of the New Development Bank (NDB), with headquarters in Shanghai, in 2015. Its purpose is to bring together and make resources available for infrastructure and sustainable development projects in developing countries and emerging markets.
- The Contingent Reserve Arrangement (CRA) was also established and is a significant milestone. It acts as a 'safety net' to 'address short term balance of payment challenges that member countries may face', according, (National Treasury of South Africa, 2014)
- Five countries (Iran, Saudi Arabia, United Arab Emirates, Egypt and Ethiopia) joining the bloc in January 2024. This significantly increases the size of the block

and its economic influence, with the Arab countries being some of the world's biggest producers of oil.

There are debates about the ability of BRICS to provide global governance leadership in the world, but the BRICS countries are advocating and promoting the interests of developing countries and emerging markets in the world, while they also continue to promote and increase South-South cooperation. According to Duggan et al., 2021, developing countries are trading with each other more and the potential for trade liberalisation, industrial cooperation and increase in trade, in the Global South may be higher than that of developed countries. This can be seen with China and the Belt and Road Initiative (BRI): China's BRI or Silk Road initiative is a massive project, launched in 2013 by President Xi Jinping, McBride et al., 2023. Its purpose was to link East Asia and Europe with tangible infrastructure. The project has now expanded to other continents around the world, covering three continents of the planet - Europe, Asia and Africa. Another example is South Africa and the African Continental Free Trade Area (AfCFTA) agreement: The AfCFTA is a trade agreement made up of almost all African countries. It is the largest trade area by the number of countries, after the WTO. Signatories of the AfCFTA have agreed to remove tariffs on most goods and services as well as increase socioeconomic development, reducing poverty and making the African continent a more competitive economy in the world, Wikipedia Contributors, 2019.

2.4 Critiques

There are and have been some challenges and critiques that the BRICS bloc has endured, from both ends of the spectrum, internally and externally. They have the capacity to influence global affairs and the international system, but some scholars and experts have raised concerns about the bloc, Downie, 2015. The BRICS founding members are very different countries, with different economies, different political systems, as well as differences in their history, culture and geography, Jha 2020. Many have debated and argued that it is because of the differences of BRICS members, that making a real or significant change would be difficult to achieve. Hopewell, 2017 quotes Edward Mansfield, 2014, saying that the BRICS bloc form a 'highly heterogenous club' and are in more ways than one, 'unlikely bedfellows'. Downie, 2015 also highlights the history of mistrust and foreign policy tension, particularly within Asia. The Sino-Indian border

has been a source of conflict for China and India and has been a very intense situation. Trade amongst the BRICS members has been on a decline and COVID-19 was one of the reasons. According to Jha, 2022, the main BRICS countries have condemned Russia's aggression against Ukraine but also want to stay lenient to Russia and benefit from the opportunity of cheaper prices on commodities. BRICS has been said to have no real or clear agenda and the countries seem to do what is best for their own interests, Jha 2022; it begs questions of the bloc's capacity to act as a coordinated, leadership unit. This literature review analysis provides context and understanding of global governance BRICS, its purpose, evolution and its impact on the global stage.

3. Research Design, Methodology, Data Analysis & Limitations

This section will define the research design and methodology approach to be used in this thesis paper for a comprehensive outlook. It will also look at the data collection as well as the analysis of the data. The methodology to be used will be a mixed approach of both qualitative and quantitative methodologies, with indicators to look further into, under each category, when applied to the BRICS countries. The qualitative approach will look at interview, Bhandari, 2020, responses from various experts. The choice of research methodology depends mainly on the nature of the research question. For rather explorative studies, like this thesis, qualitative methods seem a suitable choice (Strauss and Corbin 1990). Part of the research collection process in this thesis uses open questions to explore participants perspectives.

The participants in the interviews are experts in the multilateral development bank space, including academics, two Professor Emeriti, who share their opinions and insights on BRICS or the NDB, or both. When analysing the data, a thematic approach will be used from the interviews, the intention with the interviews is to observe if the interviews can help ascertain themes or patterns, more especially, if BRICS can be or is the answer to a new global order. The quantitative approach will include looking at indicators such as GDP, trade volumes and FDI (foreign direct investment) indicators. The paper will also look at the trends of the economic indicators, over time, to observe how the BRICS countries have fared.

The research will look at exploring theory and investigating possible answers for regarding BRICS as a potential global and institutional power and provide a descriptive analysis. The methodologies used will also assist in gaining clarity on the overall and overarching research question, **Can BRICS be the answer to a new world order?** The research will further share insight on the accompanying sub questions:

- Is it really the answer to a new order or will it be the catalyst in some sort of shift? As comparatively new as BRICS is to current systems in place, the thesis will explore if BRICS is more of a challenger or if it will complement the structures in place.

- What is BRICS is offering VS what is currently in place. What major differences can be seen from the BRICS offering as opposed to existing structures. Does BRICS go beyond the basic and account for cultural, economic, political, social differences and does not apply a ‘one size fits all’ approach?
- The mechanisms and motivations used by BRICS for the purposes of enlargement. What incentives, from geopolitical perspectives, are made and if BRICS ideologies coincide or clash with those governments wanting to join the bloc.

3.1 Qualitative Approach

Interview Overview

A set of structured, open-ended questions were devised and shared with the above-mentioned experts, to understand if international organisations and multilateral development banks do view BRICS and its bank, the New Development Bank (NDB), as potentially leading global governance and finance institutions. This is also considering the dynamics observed in the global governance and finance spaces and debates around if the BRICS could be an alternative global governance leader to those of the Bretton Woods system. The questions were initially shared with the Researcher’s Supervisor for appreciation and feedback, subsequently to the Supervisor’s approval, the questions were then shared with the participants, via email for their appreciation and preparation of their responses. Should time have been a factor for them, and an interview not be possible, the Researcher noted it, that the emailed questions, on an editable Microsoft word document gave the participants an opportunity to respond on the document itself and share the answers back with the Researcher.

These questions were shared with experts in multilateral development banks such as the WB, IMF, African Development Bank Group (AFDB), Professor Emeritus John Kirton from the University of Toronto (BRICS Research Centre), government officials, as well as Professor Emeritus Michel Henry Bouchet, who has worked with institutions such as the WB and IMF. The participant from one of the leading financial institutions wished to remain anonymous and will be referred to as *Anonymous Participant*. The open-ended questions seemed to be a suitable method to use as they provided allowance for

participants to be more flexible in their responses, to receive more opinions and in-depth information.

The participants were selected through purposive sampling, as the intention of the thesis is to gain insights on a specific topic. The participants are experts in their fields and have specialised knowledge, experiences and attributes that are related to the research question. Their expertise makes them relevant and in providing useful information. During the research phase, two participants, Professor Emeriti shared some answers to some of the questions via email. The expected time frame of the intended interviews was intended to be 30 minutes to 1-hour, with the use digital conferencing tools, e.g. MS Teams. These interviews were intended to supplement already existing content and literature and provide first hand insights into the strategic decisions of global financial institutions, BRICS countries and the NDB. Another similar set of questions was created for the BRICS bank, the NDB to also get their insights.

Interview Data Analysis

In this section, the data from the interviews was reviewed. Various questions around the BRICS, the NDB and current financial and governance structures were selected to assist in ascertaining the perceptions around BRICS and the NDB. Some answers were provided as follows:

How does the World Bank/IMF view the role of the BRICS New Development Bank (NDB) in the global development finance landscape?

Professor Emeritus Bouchet answered: *'As being set up by the BRICS with a clear focus on infrastructure programs within BRICS and in the developing countries, the NDB is a project-driven organization, without much emphasis on macro-conditionality and on macroeconomic adjustment. The risk, from the "traditional" IFIs' point of view, is that the NDB will have a looser governance, and will not attach any condition of social development in its lending criteria'.*

Anonymous Participant answered: *'The official flows can catalyse private sector flows, so the roles of development banks are critical. In that sense, if you were to get one more development finance institution, which is well capitalised, I think it'll help things. If*

MDBs work together as a system, like we are partnering very closely with AIIB in trying to co finance our projects, AIIB has the funds, and we have the pipeline so AIIB can really, step in to fill the financing gaps for some of our projects. So, NDB also, pretty much, can be seen in the same way.'

This question intended to ascertain the views of experts with regards to the establishment of the NDB and its position in the financial landscape, in the international system. Both interviewees have shared valid points, in the Researcher's opinion. The NDB's mandate is to finance sustainable, infrastructural projects in both developing and BRICS countries. The NDB comes at a time when developmental aid is most needed, because there are less funds available. The *Anonymous Participant* further highlights that development banks can work together to execute projects, as some banks come with the pipeline of contacts and projects, and banks such as the NDB and AIIB have the funds to spare. As much as observers and academics are divided on the intention of BRICS as a global order reformist, the role of the NDB is important for the development agenda, in availing much needed funds, and can benefit both the Global South and North, if there is collaboration.

What are the enlargement processes for World Bank, how do they differ from those of the BRICS NDB?

Anonymous Participant answered: *'When the bank went through enlargement in 2018, we came up with a lot of policy commitments to justify the capital increase, like on climate, on gender, on our budget. And so, the exercise was very democratic, and protracted. Anything and everything in the bank, is very deliberative. Our governance is perhaps the most comprehensive in the world, because we have membership of pretty much, except four or five countries in the world. All countries are members of the World Bank, and they find representation in the bank's board, in some other way. Let's say for our IDA, which is the fund for the poorest, we have not only representation from the sovereigns, but we have also CSOs. They don't have a voting right, but they get a seat at the table to discuss the policy commitments. The exercise is so consultative, it involves diverse stakeholders. The sovereigns, the civil societies, the donors, philanthropic organizations participate and institutions like the European Commission are big donors to the World Bank. We work very closely with the private sector in private sector*

mobilization. MIGA and IFC were also where we went for capital increase. I think it's again, the process in the bank, I would say, is comprehensive, very forward leaning, and tackling the various dimensions through which the bank can increase shared prosperity dimensions, like gender, climate change. And recently, the bank has come up with six global challenges programmes and we have come up with several frameworks for financial incentives, where donors can contribute or provide, let's say, guarantees or hybrid capital.'

There is a need to understand the enlargement processes of multilateral development banks vis a vis those of the NDB. This is also because it had been unclear as to what criteria BRICS uses to enlarge its membership. The WB seems to include a set of procedures from applications, to reviewing the applications, and if approved, financial contributions and voting shares are the next part of the enlargement, ChatGPT, personal communication, 12 June 2024. This process is said to be comprehensive and quite long, resulting in all but five countries in the world being members to the WB. There is an element of being strategic in its enlargement process. The BRICS bloc seems to operate in a contrary manner, by using consensus among the member countries, to decide whom to add or not. A strategy of using consensus is one most unlikely to succeed or at least, conflicting, as the members are being added without significant considerations of external existing issues and the little considerations on the consequences of such choices. This also means significant monitoring of additional members is going to be important, as there are no set rules and regulations set in place for expectations of members.

How do you perceive the geopolitical implications of the NDB's activities in the context of the global financial system?

Anonymous Participant answered: *We are all watching what's really happening on the petro dollar, right? We are also watching the local currency arrangements now happening and the de-dollarization process. So, there are some infection points, so to say. And the implications of NDB, as the BRICS grows and as the energy producers and energy consumers join the BRICS, there will be bigger implications. Unless something dramatic happens, because obviously there are tensions within the BRICS members as well. The momentum seems to, if you see the direction of travel, I think there will be*

significant geopolitical implications of the NDB. The way it is going, and with the the BRICS membership increasing, especially with more affluent countries like Saudi Arabia and UAE joining the BRICS. NDB could really scale up and obviously, it has two kinds of broad implications. One is obviously, if it's well capitalized, it certainly will be a competition in terms of the geopolitical order for the Bretton Woods system, because if you have alternate access to funds for the Global South, their reliance on the Bretton Woods system would come down. There is that element. But in terms of the development, in some ways, the more the merrier, because it means more money for development. But there is this a fragmentation aspect and aid effectiveness aspect also, right? If you have too many institutions competing, while it may lead to additionality in some ways, sometimes, additionality is difficult to realize, because ultimately, the money is coming from the same pocket, from the same set of donor countries. So, it's like, ultimately, there are trade-offs, and there are positives and negatives, but I think from the direction of travel, definitely so to say, the influence and maybe perhaps the power of the Bretton Woods institutions and basically their shareholders, I think there would be relative decline. Now, how fast would that be, remains to be seen.

Professor Emeritus Bouchet answered: *'The NDB has a capital of \$100 billion and is backed up by the central banks of the BRICS. Its borrowing capacity will probably not hurt that of the WB. The IMF is not concerned since it does not issue global bonds.'*

The NDB started with a capital base of \$100 billion and a contingent reserve of also \$100 billion. This is quite small compared to the WB and IMF, even the AIIB, which was established around a similar time as the NDB. As much as BRICS has created an alternative financial institution for developing countries, it provides funds also at a smaller rate than the WB and IMF. This capacity, like Professor Emeritus Bouchet shares, will unlikely hurt the WB or IMF. The NDB provides less stricter regulations to adhere to than its Western counterparts, which means the Bretton Woods institutions have competition and their power is in decline. How BRICS uses this to their advantage is also dependent on how they manage themselves internally, as their differences can also create complications for them.

What challenges does the World Bank foresee for the NDB in its efforts to scale its operations and influence?

Anonymous Participant answered: *‘Maybe to share just my opinion, and then we can look from the bank perspective. One of the things that I see at the bank is the governance has been fine-tuned over the years. We have representation from all except five countries, and in some form or shape, these representatives sit in the bank's board, and we have all these committees: audit committees, committee development, effectiveness, committee, budget committee. It's a process which has been fine-tuned over several decades, like seven decades and more. Political governance requires give and take, listening to your shareholders, listening to your client countries. So, it's something which you learn from experience. I think, NDB, if you look at the BRICS, there are political tensions, also in some members of the BRICS. Sorting out some of the governance matters, then, of course, allocation of resources, but at the same time, if the governance is dominated by a few countries, that can have its own challenges. In terms of scaling, there's tremendous demand, but finding bankable projects, good bankable projects require good project preparation, origination, and then, of course, risk management. All of that requires capacity. Those are the challenges. Scaling up, I think in the normal course should happen over the years. And of course, as it scales up, as NDB scales up, with influence it would grow, but I think it remains to be seen how the various countries would come together to govern it.*

In what ways has the establishment of the NDB influenced the policy and strategic decisions of the World Bank/IMF, particularly in emerging markets?

Professor Emeritus Bouchet answered: *The NDB has encouraged the WB and the IMF in opening their capital to the 5 BRICS to give them a larger say in the decision-making structure.*

This question seeks to gain insight into whether the current global institutions have made some changes in their structures, due to the emergence of BRICS. It is apparent that the international institutions have made some accommodations for the Global South in trying to be more inclusive, for example, the WTO. The BRICS bloc has achieved in advocating for policies that consider the needs of developing countries. They have also participated in negotiations, holding leadership positions and countering certain issues. BRICS continues to advocate for such inclusiveness in other institutions to counter the power

dynamics and make them more balanced. Therefore, it can be concluded that though BRICS has not made reform changes at the most powerful of international system, it is surely displaying influence that can create certain and meaningful changes, and at a global level.

How might the NDB's focus on South-South cooperation reshape the priorities and strategies of traditional financial institutions like the World Bank?

Professor Emeritus Bouchet answered: *'Probably one of the risks is that the NDB focuses on project financing and infrastructure development and leaves the thorny issue of tackling macroeconomic imbalances to the WB and the IMF.'*

Anonymous Participant answered: *The bank encourages South-South cooperation, because I think there's less money to go around than what is needed. At the same time, the bank would want all the new institutions to work together with the World Bank and the existing global order much better. So, it does change the priorities and strategies. For instance, when AIIB initially came up, there was a thought in the bank that it will be a major competition to the bank, but very soon, we were providing Treasury services to AIIB as they were building up capacity. So, they set up a financial intermediary fund. They paid money into it, they even parked their investable surplus, and we managed it for them. Imagine, like a few billion dollars of funds. AIIB's cash was managed by the World Bank, because they just didn't have the Treasury resources. We were investing those funds in the capital markets based on the investment objective of AIIB, which was basically capital preservation. And so, AIIB itself was a bank, but we were the banker to AIIB. After several years, when we thought they had developed the treasury management services, we returned their funds to them. Now AIIB has the money, but they don't have enough projects, so then we came up with this co-financing option. We said we are hitting some limits in our projects and if you feel like financing some of our projects, you can look at them, and then you can charge you a nominal fee for the project origination. Then together, serve the needs of the clients. That also worked out. So, the bank has changed, and the emergence of these news global institution has certainly reshaped the priorities and strategies of the World Bank. I think we kind of also welcome some of these*

institutions, as they can certainly fill one space in the global aid architecture in terms of risk management.

The BRICS members have shown themselves to be advocates of trade policies, among other ideals that would benefit emerging markets and developing countries. BRICS members have joined or participated in agreements that have created significant economic and development benefits for them and these agreements were made with countries other than those from the West, and agreements that require less harsh conditionalities such as those of the West. This is also in efforts to reduce the reliance on the West and this strategy has yielded more than just financial returns. South-South cooperation also allows for increased cultural and educational exchanges among countries, which improves understanding and cooperation as well, ChatGPT, personal communication, 11 June 2024. The NDB provides the opportunity for development and economic enhancement, without conditionalities such as those of the West, though their focus is on infrastructural projects. The Western institutions find themselves in a position where collaborating with the NDB and or BRICS is better for them than not at all. This signals that the current financial leaders find themselves having to adapt to a global order that is emerging under the influence of BRICS.

3.2 Quantitative Approach

The quantitative approach will be used to gather numerical data, which is able to speak to the potential of BRICS being a leader in the global governance space. The data to be briefly looked at includes GDP to compare BRICS countries to developed economies, Trade Volumes to assess how BRICS countries fare when it comes to trade with its members and other countries and FDI, to look into the attractiveness of investing in BRICS countries. The quantitative approach provides data that is objective and is unbiased, ensuring that the data provided is accurate and reliable. The data from the quantitative approach will be taken from secondary resources such as websites, online articles and reports and various online sources.

GDP

This section will look at the GDP of the BRICS countries versus those of the G7 or the Group of 7 countries, which are made up of the leading industrialised countries in the world. These countries are made up of the USA, Japan, Germany, France, the UK, Italy, and Canada. This comparison seemed relevant as the BRICS is often compared to the G7, as both blocs include some of the largest economies in the world, and, according to Bangladesh and Affairs, 2024, these two “groups pursue overlapping goals of economic prosperity and geopolitical stability but often diverge in their approaches and priorities”. India and China together have a population of just over 2.9 billion people and the G7 countries have a population of approximately 776 million, Bangladesh and Affairs, 2024. Growth of GDP was very high among the BRICS countries from 1990 to 2022, at 4.5% versus an average growth rate of 1.5% from the G7 countries.

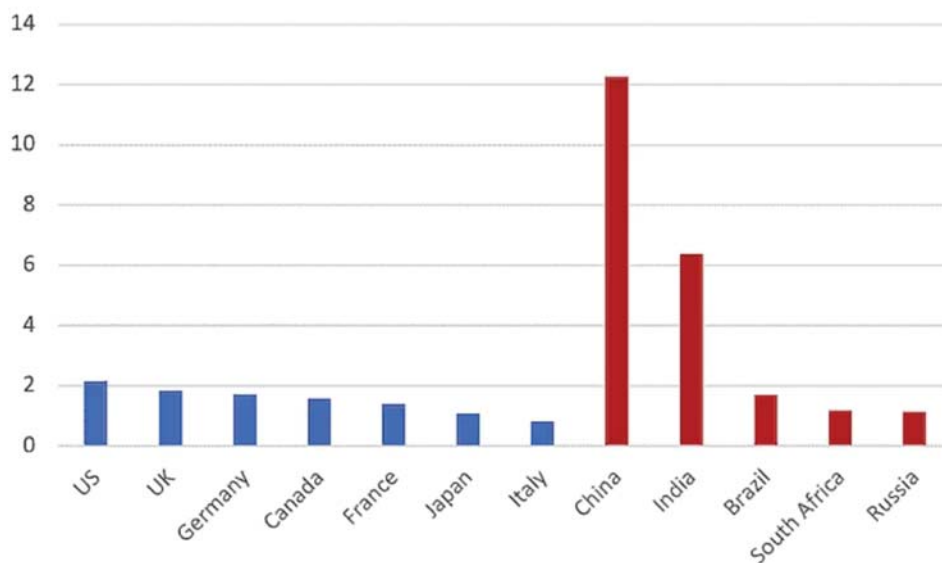
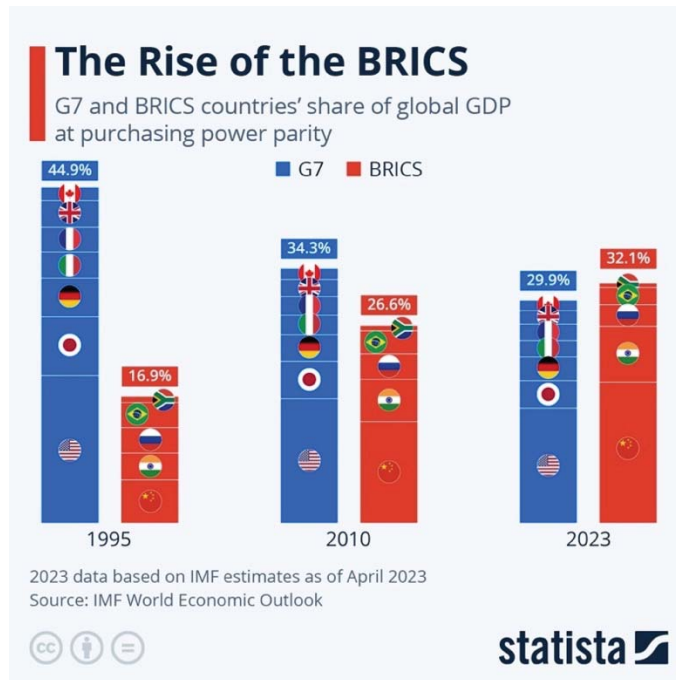


Figure 1: GDP Growth of G7 and BRICS Nations

Source: Bangladesh and Affairs, 2024.



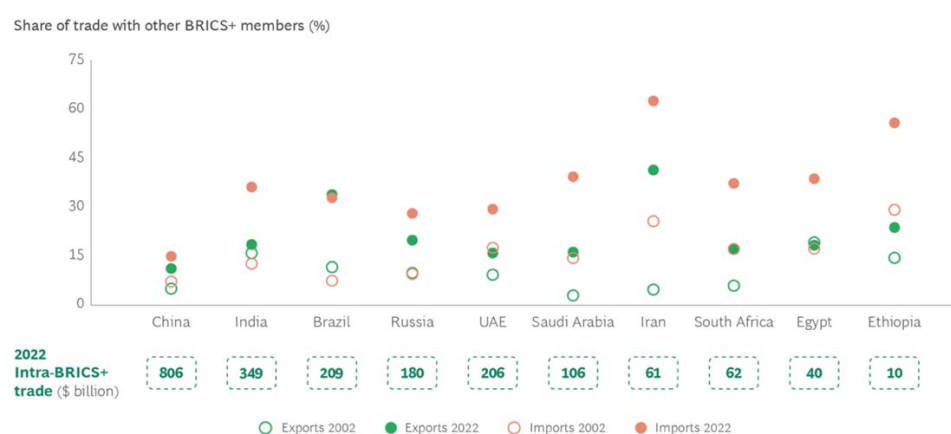
The above image depicts the GDP of both the BRICS and G7 bloc, at purchasing power parity (PPP), for three years, 1995, 2010 and 2023. According to Richter, 2023, as the BRICS countries experienced significant growth, so did their collective influence, creating a counterweight to the traditional dominance of the G7. China has had impressive growth over the years and reshaped global trade, investment and supply chains, while India has a very active tech industry and the potential to be BRICS's second superpower. The remaining three countries, Russia, Brazil and South Africa have not been as fortunate in growing their PPP GDP, in fact, the three countries have experienced an economic slowdown over the past twenty years, Richter, 2023. Even though China and India's populations already surpass those of the G7, it must be noted that the bloc's GDP per capita is still much lower than in Europe or North America, Buchholz, 2023. Despite this, the economies of the BRICS countries have significantly surpassed those of the G7.

Trade Volumes

BRICS has already made significant trade contributions within the bloc and enhanced economic benefits as well as interdependence. According to Liang, 2024, trade between the BRICS countries went up by 56% between the years of 2017 and 2022, reaching 614.8 billion USD. Liang 2024 goes on to highlight that after the invasion of Ukraine, by

Russia, Russia’s trade with its BRICS counterparts rose significantly. Such examples include China’s trade efforts with its BRICS member countries going up by 11.3%. Exports to Brazil from China increased to 30.1%. Trading between China and Russia, and China and South Africa also increased this year, Xinhua 2024. South Africa has also greatly benefited from trading with its BRICS counterparts, President Cyril Ramaphosa updated members of parliament by informing them that South Africa’s trade within the bloc has seen an increase of an average 10%, annually, from 2017 and 2021, amounting to R830 billion in 2022, from R487 billion in 2017, www.sanews.gov.za, 2023. That is an increase of more than 70%.

Exhibit 2 - BRICS+ Economies Are Relying Increasingly on Trade with Each Other



Sources: UN Comtrade; BCG analysis.
 Note: 2021 data used for Iran, Russia, and Saudi Arabia due to data availability.

Beyond the highly tangible and significant benefits BRICS members gain from trading with each other, there are the global trade partnerships or agreements the countries have entered into agreement with other countries or regions, to further reduce their reliance on Western trade. For instance:

- Brazil and Mercosur: CFR.org Editors, 2023; its intention was to facilitate the free movement of goods and services amongst member countries.
- Russia and Eurasian Economic Union (EEU or EEAU): A marketplace for countries of the former Soviet region, for the purposes of economic integration, like the European Union, Dragneva, Wallace and Wolczuk, 2022.
- India and the Association of Southeast Asian Nations (ASEAN): India is not part of the ASEAN community, but it has created and fostered relationships with the

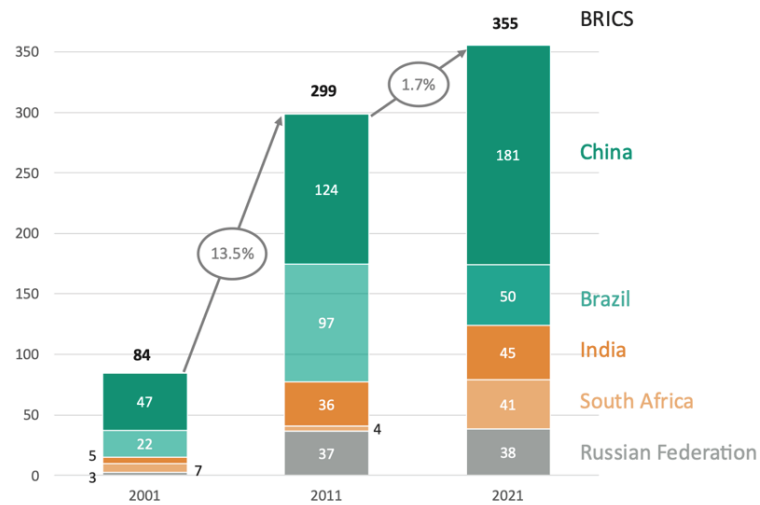
bloc, spanning over two decades. More than 20% of India's outbound investments are made in ASEAN and ASEAN is India's largest trade partner.

- China and the Belt and Road Initiative (BRI): China's BRI or Silk Road initiative is a massive project, launched in 2013 by President Xi Jinping. Its purpose is to link East Asia and Europe with tangible infrastructure. The project has now expanded to other continents around the world, covering three continents of the planet - Europe, Asia and Africa.
- South Africa and the African Continental Free Trade Area (AfCFTA) agreement: The AfCFTA is a trade agreement made up of almost all African countries. Signatories of the AfCFTA have agreed to remove tariffs on most goods and services as well as increase socioeconomic development, reducing poverty and making the African continent a more competitive economy in the world, Wikipedia Contributors, 2019.

Foreign Direct Investment (FDI)

According to a United Nations, 2023, BRICS Investment Report, FDI has been a significant factor for BRICS countries and their growth, since 2001. The FDI that went into the BRICS countries started off as strong and remained so for the first decade, but due to negative growth of FDI, it went down. UNCTAD (United Nations Conference on Trade and Development) FDI data portrays that the BRICS bloc has seen more than four times increase in the FDI they gain on a yearly basis, from 84 billion USD in 2001 to 355 billion USD in 2021, United Nations 2023. FDI coming into the BRICS countries approximately doubled from 2001 to 2021.

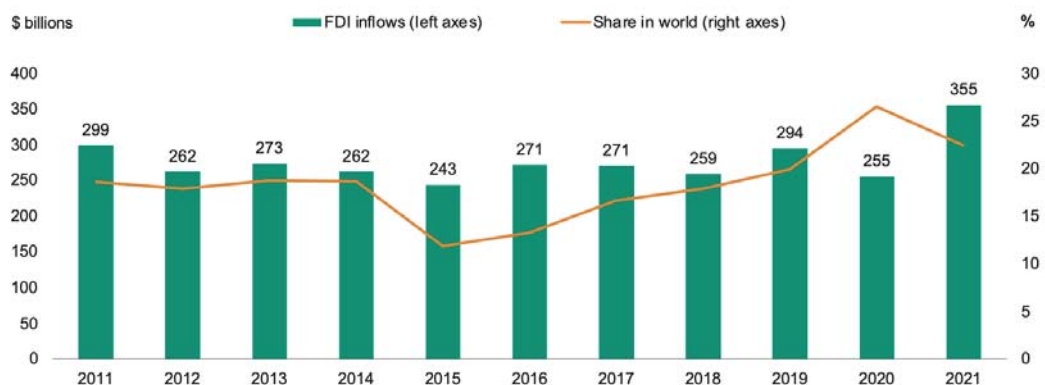
Figure 1. FDI inflows to the BRICS, 2001-2021, and compound annual growth rate (billions of dollars and per cent)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).
 Note: South Africa is included in the 2001 figure although it joined the BRICS in 2011.

From an individual perspective, the BRICS countries performed differently. China has had more FDI inflows than its counterparts, Russia and India also saw some strong growth for FDI coming in, but the inflows have also deteriorated. In its first 10 years, South Africa posted a negative annual growth rate but from 2011 to 2021 saw an increase of 25%, United Nations, 2023. According to the United Nations, 2023, the BRICS bloc did better than the world average and its global flows showed an increase from 2011 to 2021.

Figure 2. FDI inflows to the BRICS and share in world inflows, 2011-2021 (billions of dollars and per cent)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

FDI is an important source of income that increases economic growth for any country and BRICS has benefited from various large-scale investments across multiple sectors, United Nations 2023. Brazil has managed to double its FDI inflows over the last decade, South Africa's Gross Fixed Capital Formation (GFCF) is usually no more than 10% but it was now at 75% and China's FDI inflows were lower than average, only because domestic investment is more important, United Nations 2023.

3.3 Limitations

As part of the thesis paper research, interviews with experts from private and public sectors were envisioned. These experts were intended to share insights on BRICS, the NDB, the World Bank, African Development Bank and the International Monetary Fund, regarding their views and expert insights on BRICS and its potential to become a global power, and the NDB vis a vie other development banks. Unfortunately, the Researcher has had difficulty in finding interviewees from the various organisations mentioned. Various challenges have been encountered during this process, including:

- Non-responsive towards email requests, even with assistance of CIFE Lecturers.
- Bounced emails to representatives of BRICS, emails were retrieved from various and official BRICS platforms.
- Some contacted BRICS representatives highlighting that they are no longer under such employment and cannot share contact to a follow up contact as they were unaware of further contacts.
- Email non responsiveness from government entities such as embassies.
- Being referred to websites that provide generalist overview.
- Reaching out to professionals on platforms such as LinkedIn and no responsiveness to connecting and or at least having seen the message.

The Researcher only managed to receive responses from the WB, Professor Emeritus John Kirton and Professor Emeritus Michel Henry Bouchet. These limitations encountered made the research process and gathering of much needed information quite difficult, therefore the Researcher was limited to using online sources such as academic papers, journals, websites and others.

4. **BRICS Enlargement**

4.1 Context of BRICS Enlargement

The BRICS expansion or enlargement refers to the group's intention or process to expand or increase its membership of the bloc. The purpose of enlargement is largely for the increase of the group's geopolitical influence, enhancing of economic cooperation, and provision a platform for emerging economies and developing countries to collaborate on global issues, ChatGPT, personal communication, 7 July 2024. The inclusion of new members can have implications on the current global and financial governance mechanisms in place, as well as acting as a counterbalance to the current western dominated structures.

BRICS started off with four members and then later added South Africa to its bloc in 2011. This was its first enlargement, and it has now enlarged its grouping further, for the second time, with five more members, which are inclusive of Iran, Saudi Arabia, Egypt, Ethiopia and the United Arab Emirates. This is the second and biggest expansion of the group and more enlargements are anticipated in the future. This, according to Kirton, 2024, has brought about an important question of how the enlargement would influence the performance of BRICS and the influence it would have on global governance, in general.

There are several factors which also influenced the enlargement of the group, which is not only based on emerging economies and developing countries increasingly challenging the Western dominance of governance and financial structures. Gouvea and Gutierrez, 2023 state that other factors include the imposition of sanctions against Russia and China, by the West, the interest in other countries to join, and among other reasons, the tensions between the West, with Russia and China, accelerating their interest in bringing together economic and political alliances to increase their influence. It is also worth noting that China and Russia also do not have a history of policy of interference in other countries' issues, which is something seen as positive in potential members, Gouvea and Gutierrez, 2023, also when comparing with the West.

4.2 Mechanisms for Enlargement

Such blocs, and one working to become more institutionalised, such as BRICS, have mechanisms in place to allow and facilitate the addition of new members. However, before 2023, the BRICS did not have a set of requirements in place, that spoke to the addition of new members, and new members were accepted on the agreement of the existing members, efsas.org, 2023. During the last BRICS summit in August 2023, in Johannesburg, South Africa, it was only then that the first five member countries finally agreed on and adopted a set of guiding principles, standards and criteria to be met, for the addition of new members and the enlargement of the group, BRICS Membership Expansion Guiding Principles, Standards, Criteria and Procedures, 2023. BRICS members had agreed on increasing the bloc's membership, and according to the Middle East Monitor, 2023, over 40 countries had shared their interest in joining the bloc, Ashby et al., 2023, a bloc that 'speaks for' developing countries and provides political and economic weight, in the world of global affairs. When comparing with the likes of the WB, according to Emeritus Professor Michel Bouchet, 'enlargement perspective is not at all an objective for the WB given that it is already a global institution. The key issue is rebalancing the weight of the shareholders within the capital structure of the Bank'.

Some of the principles for expansion from the BRICS Membership Expansion Guiding Principles, Standards, Criteria and Procedures, 2023, include mentions of mutual respect, consensus, understanding and among others, inclusiveness. The principles also highlight their support for increased representation and a more visibly important role for emerging economies and developing countries, within the current international governance and financial systems. The principles continue to reiterate the bloc's desire and support to reform the UN and the UN Security Council, with the aim and need to make it more inclusive and representational of the needs of developing countries. Therefore, the current systems need to take into consideration the aspirations of emerging and developing countries from Africa, Asia and Latin America, including Brazil, India and South Africa, to have a meaningful say and play a more active role in international affairs in the United Nations, including its Security Council, BRICS Membership Expansion Guiding Principles, Standards, Criteria and Procedures, 2023.

All these principles seem to create a logical and consistent set of views; however, it is also worth noting that these principles, that speak of a new and fair world order, also seem to coincide the principles that were outlined by President Putin, at a Valdai Discussion Club, plenary session, Barabanov, 2024. The members wanted to enlarge the grouping with countries aligned to their interests too, Kirton, 2024. For example, China wanted to enlarge BRICS with non-democratic countries that need China, Russia had a similar reason for enlargement but leaning towards countries that supported “special military operation” in Ukraine, and South Africa wanted enlargement with countries smaller to it, so that it can increase its power within the group, Kirton, 2024. According to Barabanov, 2024, with the addition of two new members that have Western ties, Saudi Arabia and the UAE, it will also be interesting to see if the current tone of the BRICS principles and standards will have adjustments, beyond the current expansion. As much as BRICS has a set of guiding principles, it is also important to have a roadmap for implementation, or else the principles will not be taken seriously and their significance will be equal to the paper they are written on, and the question of whether such an approach brings up questions about solidifying internal BRICS cohesion may remain, Barabanov, 2024.

The main and immediate challenge for the BRICS will be absorbing the new members into their existing structures and norms, which are quite broad, detailed and operate at multiple levels, Kirton and Larionova 2022. Other challenges, according to Kirton, 2024, with the enlargement will be the rotation of hosting the annual meeting, which goes in hand with the Chairmanship of the group for a year. Russia typically starts the five-year cycle and new members may have to wait just as long for their turn. Saudi Arabia will most likely be among the first to host as it is the only G20 country, the wealthiest new member and represents the Muslim community globally. Iran is less likely to host soon. Another issue to keep in mind is determining how the new members will contribute towards the NDB and benefit from. The NDB has a principle of equality would say that Ethiopia would pay and get as much as Saudi Arabia for example, and additionally, a country such as Iran could use the funds for unfavourable purposes, Kirton, 2024.

According to Atlantic Council 2023, they agree that the enlargement will have implications on not only the West, but also with internal BRICS members too. The

BRICS countries have varying and different interests to consider, and considering the diverse economies and interests of these countries will be far more difficult than doing so for the initial five members, especially when the initial members made decisions through consensus, Atlantic Council, 2023. Another consideration is that BRICS began as a bloc with countries on a similar growth path but then they became a bloc with different geopolitically charged economies, therefore when Russia and China were advocating for a quick enlargement and positioning BRICS as an alternative to the G7, it made member countries like Brazil and India uncomfortable, Atlantic Council, 2023. According to Lissovolik, 2023, BRICS needs to have a strong trade liberalisation agenda, that will work for developing economies. This would also create a foundation for BRICS Plus to progress, on multiple paths, including the ‘integration of integrations’ strategy within regional integration blocs, that have BRICS members.

4.3 Comparisons with Structures in Place

During the Researcher’s research stage and the engagement with experts regarding enlargement, the experts and the interviewees shared some insights on some of the generic and enlargement comparisons between BRICS, NDB, AIIB and the WB. Online research also provided insights on limited available literature, regarding even operational comparisons, for example, between the NDB as well as the AIIB.

According to Zhu 2019, when looking at comparing the NDB and the AIIB, he says that both banks were both created by emerging economies, around the same time, with the intention to promote infrastructure investment and governance reform, however, they have both taken different paths of operations and approaches. Zhu 2019, states that the NDB’s approach is acting as a multilateral development bank (MDB), that borrows to member countries of BRICS, which makes its operations localised in this sense. As an ‘institution set up by developing countries for the developing countries’ infrastructure development, its mandate is narrower, and its shareholders basis is much more limited’, Emeritus Professor Michel Bouchet, 2024. The AIIB’s ownership is rather of shareholding countries, on different continents, therefore this makes it an MDB with internationalised practices. The AIIB, in the short term, can gain favourable credit ratings within the financial markets, while the NDB is able to provide options for institutional choices, for reforms in global economic governance, which consider the developing

countries, Zhu, 2019. The IMF has a different objective than providing funding for infrastructural projects, its main priority is to ensure the stability of the international monetary and financial system, Houghton, 2020. The IMF works with member countries, 190 countries, who pool financial resources to resolve crises in countries, but this financial assistance often comes with stringent conditions requiring countries to implement certain political or economic policies, as part of their agreements, Manning, 2014. Whether BRICS will also want to adopt this strategy is still debatable, as its clients are developing countries, where one can expect them to be unable to pay back their loans, Manning, 2014.

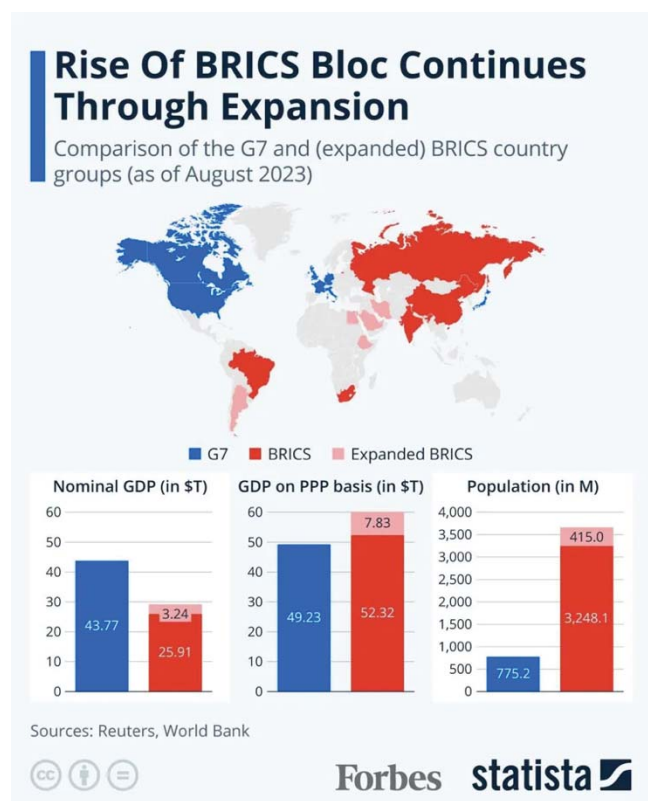
According to Manning, 2014, western analysts believed that NDB is too small of a bank to pose an actual challenge to entities such as the WB or the IMF. NDB started its capital base at \$100 billion, compared to a \$165 billion capital base of the AIIB or even the \$232 billion capital base of the WB. Though the good thing about the NDB is that it provides financing for developing countries, which is an advantage and is needed, WB Participant, 2024. With the unfavourable conditions the WB and IMF, especially the IMF, provide as part of their financial assistance, the NDB can provide some relief to developing countries, Manning, 2014. The establishment of the NDB may at least motivate the WB and the IMF to at least relook their reforms, for example, accommodations of voting rights for developing countries and emerging economies, Manning, 2014.

According to Zhu, 2019, very little research has been done on the different operational institutions adopted by these two banks and the reasons why this difference exists. These banks, however, are still seen to be a preferred alternative to the funding structures of the WB and the IMF, Manning, 2014.

5. CASE STUDIES OF NEW MEMBERS

The BRICS bloc announced, at their last summit in August 2023, hosted by South Africa, that they would be adding new members to their grouping of emerging economies and developing countries, therefore this would mean widening its influence and reach in the geopolitical and global governance sense. Six countries were invited to join BRICS but as of 1st January 2024, only five countries officially joined the BRICS bloc. The countries that joined are, Saudi Arabia, United Arab Emirates (UAE), Ethiopia and Egypt. Argentina declined the invitation to join once Javier Milei was appointed into office, a decision based on his preference to keep ties with the USA, Plummer, 2023. Argentina could have been a significant member to the bloc, with Latin American representation and especially considering its vast lithium resources, as well as how BRICS could further benefit from this alliance, as a pioneer in the green transition agenda. If Argentina had joined the bloc, it would have made BRICS a significant player in the food sector too, Saalbach 2024. However, even without Argentina, the new members will strongly increase the significance of the bloc as they already have significant clout in their respective regions, Gouvea and Gutierrez, 2023.

This is the group's second expansion since adding South Africa in 2010, and the latest expansion is inclusive of significant Arab or Gulf countries. According to Buchholz, 2023, the new additions cannot compete with China or India in terms of population numbers or with economies like Brazil and Russia. However, Buchholz 2023, also notes that data from the WB, that is, on a nominal and adjusted PPP level, the newly added countries increase the BRICS GDP somewhat and BRICS is still further ahead of the G7 countries in terms of its GDP.



This chapter will look at the new members of the bloc to analyse their landscape. This will help in gaining further clarity on whether the expansion of BRICS is putting the bloc on a true path of global governance leadership.

The BRICS bloc has become an important player in the global economy, with countries that are abundant in agricultural and mineral commodities, manufactured products and software, and recently, as of January 2024, countries with significant oil and gas resources. BRICS nations have become very important in shaping the global economy and geopolitics of today, Siddiqui, 2016; Zhang 2022, cited in Gouvea and Gutierrez, 2023. These new members also share the opinions that the West has had too much dominance over global governance and financial structures. They also view the West's powers as declining, and they want to create or solidify ties with other countries that show higher rates of economic growth and have resources such as energy, food, technology, to create their own sustainable growth, thanks to having BRICS membership, Gouvea and Gutierrez, 2023.

The BRICS Plus countries (with the addition of the five new members in January 2024), now make up close to half the world's population, just over a third of the global GDP and 25% of world trade in terms of exports, Holtzmann et al., 2023. According to the International Institute for Strategic Studies, 2023, the Middle Eastern countries joining BRICS is also an indication of their interest in changing the current structures of the current world order and support these advances. Some academic experts have highlighted that the addition of the new members is quite 'Middle East centric' or 'energy centric', Ismail, 2023. Ismail 2023 also quoted experts that note that bringing on Middle Eastern countries has 'geo-economic, geostrategic and geopolitical implications' as it would require BRICS to re-think its Middle East policies. Saalbach, 2024, states that the BRICS Plus countries also bring in new conflicts to the grouping and increase the already existing heterogeneity of the grouping.

5.1 Middle East

Iran, UAE and Saudi Arabia make BRICS Plus a significant player in the energy and oil sector, Saalbach, 2024, and this reasoning may have been a very likely consideration for admitting the Middle Eastern countries, Buchholz 2023. These countries also have mineral resources such as gold, phosphate, copper, zinc and among others, iron ore, Kamin and Langhammer, 2023. Taking into consideration the oil and gas resources of the Middle Eastern countries, this could bring possible implications for energy investment and trade, Kazelko and Semeghini, 2024. This can significantly influence energy markets and looks at trade commodities being beyond the control of the G7 financial systems, which can therefore be a contributing factor to reducing dependence on the West and also on the US dollar, when it comes to making international transactions. According to Rahman, 2024, the addition of the Gulf countries is a step to “increase the level of linkages between the region and the rest of the world and they will improve capacity to attract investment,”, Jihad Azour, the International Monetary Fund's Director for the MENA region, told *The National*. Rahman, 2024 quotes Assistant Professor, Ullas Rao who also notes that Saudi Arabia and UAE joining the BRICS bodes well for the bloc, amid the current geopolitical and economic challenges, the world finds itself facing today. Both countries are some of the richest in the world, they have some of the biggest wealth funds and continue to show signs of economic growth, Rahman 2024.

According to the IMF, 2024, Saudi Arabia is working increase its economic growth by diversifying its economy and reducing reliance on its oil resources. This progress is also as part of its long term 2030 transformation vision and is seen in the economic progress the kingdom has made with its non-oil growth. According to the IMF, 2024, the diversification efforts in Saudi Arabia are due to improvements in regulatory and business environments and various new laws have been made to protect investors, promote entrepreneurship and the cost of doing business has improved. The private sector has also seen stimulation from the Saudi Investment Fund, International Monetary Fund 2023. All efforts in diversification put Saudi Arabia on the path to a less oil reliant economy and more a competitive, growing one.

UAE's economic growth supported by activities from the tourism, construction, the manufacturing industries and among others, hydrocarbon GDP is expected to rise in 2024, according to the IMF, 2024. "The outlook is subject to uncertainty and external risks, including those related to geopolitical tensions, global growth and financial conditions, and commodity price volatility", said Mr. Ali Al-Eyd from the IMF. The UAE also has intentions to significantly increase its GDP and further build bilateral relationships for trade and partnerships, therefore, by joining BRICS, UAE is able to gain access to other markets such as Russia, Alexander and Serhal, 2023. Joining BRICS for the UAE was also not an easy decision, despite access to growing trade markets. The UAE will have to carefully balance its relationship with BRICS, with its existing security, trade and investment partnership with the USA too, Alexander and Serhal, 2023. The UAE wants to keep its relationship with the USA while exploring available options with BRICS and in the Global South, Alexander and Serhal, 2023.

The Middle Eastern countries are also quite different in size, capacity, stability and their prospects. The Kingdom of Saudi Arabia and the UAE seemed to join BRICS to be part of a network of trade, finance and influence that is not dominated by the West, Hokayem 2023. These are two assertive powers that also want to take part in re-shaping the current global order and want to be seen as global leaders, Atlantic Council, 2023.

Iran seems to be the more interesting new addition and the country to celebrate its admission more than the other Gulf countries, as it stands to benefit more. This is especially at a time when Iran has been isolated from the international community because of issues such as supporting Russia in the invasion of Ukraine, nuclear negotiations with the USA that are not progressing and domestic unrest, Heiran-Nia 2023. Therefore, this has allowed Iran to feel less concerned about the sanctions imposed on them by the USA and Europe and requires little to no diplomatic engagement on nuclear and other issues, Heiran-Nia 2023. India has also shared some concerns about the BRICS bloc seeming to be anti-Western, though Iran is the only member with a history of hostile tensions with the USA, efsas.org, 2023. Iran has also pursued closer ties with both China and Russia even against having Western sanctions imposed against Tehran, Sariolghalam, 2023, cited by efsas.org, 2023. The focus to include the Middle East in the enlargement also

reflects China's growing diplomatic importance in the region, as seen by China brokering a better relationship between Iran and Saudi Arabia in 2023 Jash, 2023, cited by efsas.org, 2023. Holtzmann et al., 2023 highlighted that joining the bloc can control certain existing rivalries with countries such as Saudi Arabia. Its admission into BRICS also provides access to newer markets, which creates an economic lifeline against USA sanctions, due to increased intra trade as well as the possibility of members trading with their own currencies, within the bloc, Ismail 2023.

5.2 Africa

Egypt and Ethiopia are some of the largest North African and East African countries, respectively, and their admission into BRICS is one which seems to be supported by other African leaders, as they have a great importance at the continental level and they both have strong economies, Pant, 2023. The addition of Egypt and Ethiopia also reflects the regional or geographical inclusiveness, which provides opportunity for making Africa's regional interests and aspirations known, Pant, 2023. As important as the inclusion of Egypt and Ethiopia is to BRICS, it must be kept in mind that "the relations between both countries are critical, because Ethiopia has built the Grand Ethiopian Renaissance Dam (GERD) for energy production, which could control the availability of Nile water for Egypt and Sudan, as 85% of the Nile water comes from the Blue Nile arm that has its origins in Ethiopia and only 15% from the White Nile in East Africa. The inclusion of both states offers a chance for dialogue and conflict containment as it was successfully done in the Shanghai Cooperation Organization between Saudi-Arabia and Iran: During the Gaza war with the Houthi involvement, Saudi-Arabia and the Iran did not attack each other", Saalbach, 2024.

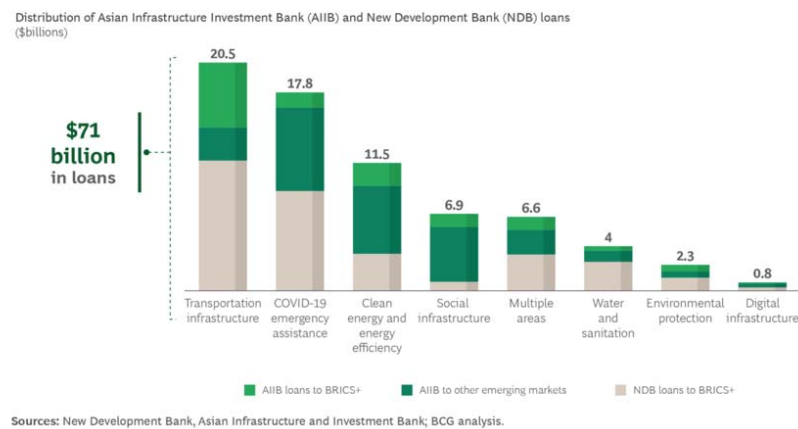
While Egypt would not seem to be a typical candidate for expanding economic interests for a significant economic bloc, they were probably admitted using their strategic location for future benefits, that is, Egypt's control of the Suez Canal as well as the discovery of new gas fields are very lucrative over the long term, Atlantic Council 2023. Both African countries are experiencing their own financial and economic issues and therefore want to use the clout and BRICS membership to build or cement new partner relationships with members and expand their economies, Holtzmann et al., 2023.

5.3 Prospects and Challenges of Expansion

According to Azevedo et al., 2024 the BRICS Plus members have the capability to make a significant impact, and especially in the following areas: energy, trade networks, infrastructure and development financing, monetary policy as well as technological cooperation.

BRICS has brought together the world’s biggest producers and buyers of energy to make up part of the grouping. All these countries now account for 32% of the world’s output of natural gas and 43% of crude oil, Azevedo et al., 2024. When it comes to infrastructure and development finance, the NDB is one of BRICS’s most successful ventures, as well as the highly ambitious BRI. Some of the BRICS countries are also shareholders in the Asian Infrastructure and Investment Bank (AIIB) and the two institutions have committed over \$71 billion, across multiple sectors, Azevedo et al., 2024. The inclusion of Saudi Arabia could heavily increase the BRICS financial resources.

Exhibit 5 - BRICS+ Funds Massive Infrastructure Investment in Emerging Markets



According to Azevedo et al., 2024, trade has been a major driver of the development and growth of the BRICS. The group has managed to double the share of trade, done within the group members from 2002 to 2022 and this seems to be something that old and new members in the group want to continue to exploit, along with trading in their own currencies. This has also created a lifeline for Russia too, as the western imposed sanctions on Russia are ineffective, now that Russia has found new trade partners. BRICS has made it no secret that they want to reduce reliance on western dominated structures, and this is also seen in the NDB having issued 20% of its loans in the Chinese Yuan,

Gouvea and Gutierrez, 2023. Russia and China are also looking into creating a digital currency for transactions; however, such considerations could make BRICS Plus members less vulnerable to sanctions or a volatility crisis.

Azevedo et al., 2024, also highlights that from a governance perspective, BRICS Plus has established The Payment Task Force, the Think Tank Network for Finance, and the CRA, establishing a pool of reserves that can be used in place of IMF funds to help nations address their financial crises. BRICS is also spending efforts on technological collaboration areas such as space, with forming platforms such as BRICS Plus Space Cooperation Joint Committee, supported by China and Russia, and a Partnership on New Industrial Revolution and a Centre for Industrial Competencies formed by China and Brazil, Azevedo et al., 2024. These initiatives will nurture cooperation and innovation in leading technologies, to also help emerging markets improve their capacities and abilities in creating intellectual properties and technical know-how, Azevedo et al., 2024.

According to UNCTAD 2023, the outbreak of COVID-19 had BRICS improve the functioning of global and regional supply chains. This was also in efforts to ensure that BRICS countries were even more attractive destinations for investment. These efforts of creating resilience within member countries, and amongst others, represent the intentions of BRICS and now BRICS Plus to create platforms that increase market access of emerging economies and developing countries towards each other and not so much to weaken or disadvantage other economies, Lissovolik, 2023. BRICS has also adopted some initiatives that intend to increase and promote intra investment, due to the pandemic, as well as the increasing uncertainties faced by the institutions, these initiatives, among others, include: the Outlines for BRICS Investment Facilitation (2017), the BRICS MoU Trade and Investment Promotion (2019), the Strategy for BRICS Economic Partnership 2025 (2020), Intra-BRICS Cooperation for Continuity, Consolidation and Consensus (2021), and the Initiative on Trade and Investment for Sustainable Development (2022), UNCTAD, 2023. However, Lissovolik 2023, also notes that there have been discussions and debates among academics, the mainstream media, corporates as well as fund managers increasingly advocating for funds to be reallocated to counties such as India and China, and this is due to the rising importance of the global south's major powers.

The G20 chairmanship by India is also a motivator for this shift in reallocation of resources, placing India at the front of economic growth and conflict or issue resolutions. This is also good news for the Global South. These are some of the milestones that BRICS Plus continues to implement on its path to being a prominent leader in the global finance and governance space. The expansion of BRICS is also legitimised and cemented by the idea that the grouping is worth joining, therefore, it brings a self-perpetuating effect, Bishop, 2022. The new members of the bloc are significant but only in their regions, they are not some of the most economically powerful or politically influential countries in the world and cannot be compared with even the MINT nations (Mexico, Indonesia, Nigerian and Turkey), Bishop, 2022. With Iran and Saudi Arabia joining, this also cannot now still be called a grouping for rising powers, Bishop, 2022.

BRICS Plus has never been an institutionalised body but a bloc working to increasing economic benefits for member countries and has received plenty of criticism regarding the lack of a unifying vision or common agenda, which acts as a foundation for the bloc, admission of new members and its overall functioning and principles. The group is already heterogeneous, and increasingly so. There are tensions in the group with China and India as well as Saudi Arabia and Iran. The expansion, as previously noted, could be said to be Middle Eastern centric, which will require the regional balancing and management of these tensions, as the group continues to expand, Azevedo et al., 2024. This is also reiterated by Salbaach, 2024, in saying that BRICS has no charter or secretariat, and this provides a flexibility for member countries to act in certain ways without the influence or pressure of a bloc. According to UNCTAD, 2023, with the new initiatives set in place, BRICS has the next step of now implementing and operationalising these initiatives for the benefit and inclusive, sustainable development of all its members.

6. **Outlook and Conclusion**

6.1 Anticipated Role of BRICS in the International System

From the available literature, it is anticipated that BRICS Plus will play an important role in the international system, especially towards the advancement of the current system's reforms. They have and are surely playing a role in which they are advocating for the voices and interests of emerging economies and developing countries.

This has been exemplified by the establishment of the NDB and the CRA, which speak to the BRICS advocating for a more multipolar and inclusive world in terms of governance and financial systems, which is not dependent on the West. It is also clear that emerging economies, BRICS countries, and especially China, have the capacity and capabilities to establish new MDBs, Zhu 2019. The NDB is the first MDB of a global scope, which was established by developing countries, without the initial assistance of advanced economies, a reflection of a truly transformative initiative for a development finance institution, Zhu 2019. Regarding its membership, the NDB agreement has a provision stating it shall be open to UN members and non-borrowing members, this allows the NDB to widen its outreach and expansion efforts, to non-BRICS members, for the future, Van de Graaf and Lesage, 2020. BRICS is showing growth in this regard and potential to be a serious player in the financial stream of things; however, the bloc's internal dynamics have cause for concern. According to Darnal et al., 2023, even a consensus proved difficult, on the issue of which new members would be part of the expansion, clearly highlighting the consensus led approach and one which is led by the competition of power between China and India. Russia then uses the enlargement to strengthen its power in Eurasia and for Brazil and South Africa, the agenda is more about minimising divisions in the Global South, Darnal et al., 2023. This means that South Africa and Brazil will have to keep a cautious eye on the competition between China and India, as both countries may try to use BRICS to secure themselves as the real champions for the global south and such geopolitical rivalries and tensions can create issues for the wider BRICS agenda, Darnal et al., 2023.

Multiple opinions from the west have characterized BRICS as a group unable to achieve its set out goals, with economic slowdowns and the composition of countries that do not have a unifying purpose, except to be ‘anti-USA’. However, it seems Western policymakers have now increased efforts to build relationships with the group’s members, Darnal et al., 2023. For example, US National Security Advisor Jake Sullivan’s diplomatic calendar has included visits to China, Egypt, India, Saudi Arabia, and the UAE in 2023, in efforts to show quick deal making with countries that are now part of BRICS, he has also tried to persuade USA Congress to streamline more US funding to the WB and IMF as “strategically necessary,” Darnal et al., 2023. According to Arapova and Lissovolik, 2021, working with the BRICS Plus may push the governance reforms the BRICS have been advocating for as well as the creation of new quota formulas, which would work well in favour for developing countries. The WB and IMF’s alliance with BRICS is also a plus for developing countries to continue deepening their positions on future reforms to the economic structures in place, including issues such as the issuance of digital currencies, relations between the IMF, and the Regional Financing Arrangements (RFAs), Arapova and Lissovolik, 2021. With the Global South visibly showing its capabilities in the various areas of global governance, the West is also obligated to be more open to considering the interests of the Global South if it wants to avoid conflicts and solve global problems effectively, Nam, 2024.

6.2 Recommendations

The political resurgence of the BRICS is due to what they were initially against, US hegemony (including dollar hegemony) and that is not a logical and reasonable basis for establishing a stable and functional security order. Experts have also shared ideas and opinions on policy recommendations on how the BRICS can holistically serve the needs of countries and address issues that affect the global village. The overall goal is not to stay as the Global South but to join the Global North working towards a future that has global benefits, Ciuriak, 2023. Such recommendations include:

- Global South countries need to advocate to acquire and push technology as part of their growth efforts, countries such as China can attest to its country’s growth, Ciuriak, 2023. Therefore, this requires building trade relations with countries that are leaders in technology and found mostly in the Global North, Ciuriak, 2023.

- Nam 2024 has suggested that the economic significance on BRICS has been primarily carried by China and that the BRICS Plus will need considerable managing in the future. In this context, it would be ideal if countries of the G7 established platforms for constant talks with BRICS and individual members to engage on topics related to international financial organizations, as well as to foster policy coordination, for example on climate policy. Carmody, 2024, cites Nye (2022) who encourages US engagement with countries such as China on issues of common interest, then compete in other issues, as this could balance competition between great powers and cooperation, with a mindset change, for the survival of humankind.
- Creating relationships between the BRICS Plus countries and the Bretton Woods institutions may also be a positive idea, for developing countries to also get their chance to share the voting power, Arapova and Lissovlik, 2021.
- Continuing the topic of collaboration efforts, the UNCTAD, the 2023 BRICS Investment Report also support joint efforts with organisations such as UNCTAD to establish mechanisms and conditions for sustainable economic recovery, growth and investment. The UNCTAD BRICS Investment Report has provided a set of recommendations that can have a positive outcome for investment and benefit the BRICS economies and some of the recommendations include:
 - *Further institutionalize collaboration on investment promotion and facilitation.*

Instead of creating a group wide International Investment Agreement, which would need to be formalised, BRICS could focus on promoting and facilitating investments. This is already underway with investment facilitation talks at the WTO. A cooperation mechanism for the facilitation of investments could also be supported by bilateral agreements. Existing bilateral cooperations can be developed further as models.

- *Leverage sustainable finance for investment in green projects.*

The BRICS countries have become significant players in the financial markets, especially for the developing countries. Sustainable finance is

quickly becoming the norm and China is now leading in issuing green bonds. Other BRICS members are also starting to develop their own bonds, to invest in sustainable and green projects. Developing such green projects and financial products can help with the mobilisation of investment and attract FDI in the BRICS countries.

BRICS should continue its efforts on investment and wider South-South cooperation, to assist least developed countries and developing countries. UNCTAD is ready to support BRICS in such areas too. This is exemplified with providing technical assistance to BRICS for implementing investment facilitation measures and sustainable finance initiatives. Additionally, UNCTAD will continue to help promote investment in the Sustainable Development Goals (SDGs) through cooperation both within BRICS and between BRICS and other countries. A meaningful and welcome development would be if the Bretton Woods institutions increased the shares and voting powers of the Global South and for them to be seen as partners in a multilateral system, Liang 2024 but this remains to be seen.

6.3 Conclusion and Analysis:

BRICS' Enlargement and the Changing Dynamics of Global Politics

The BRICS group, comprising Brazil, Russia, India, China, and South Africa, and the expanded BRICS Plus, have been advocates for substantial reforms in global governance structures. These include the Bretton Woods institutions, the WB, IMF and the UN Security Council, aiming for a more inclusive and holistic representation of the Global South. The driving force behind BRICS's formation and its continued expansion lies in the collective frustration over Western dominance in international finance and governance systems, which has often imposed policies often detrimental to developing countries. For example, the IMF's interventions, or lack of, during the 2008-2009 financial crisis highlighted the need for alternative, more up to date and equitable financial mechanisms, willing to accommodate varying needs.

Sceptics of BRICS often point to the diverse priorities, demographics and motivations of the member countries, such as the territorial disputes between China and India and the inclusion of geopolitically complex countries like Iran and Saudi Arabia, which can create

further internal tensions, that will require active monitoring. Additionally, China's economic dominance within the group challenges the notion of being an equal among BRICS members, potentially undermining the bloc's efforts to balance global power structures. Critics also question the inclusion of Russia and South Africa, viewing the former as either a declining power or the latter as too small a power to significantly impact the bloc's overall influence.

Contrarily, proponents argue that BRICS Plus has the potential to reshape global governance as well as some academics arguing that the BRIC Plus is here to stay. The collective efforts of emerging powers have already led to notable power shifts, such as during the WTO negotiations that contributed to the fall of the Doha Round. Initiatives like the NDB and BRICS Pay, a multi-currency digital payments system, exemplify how BRICS is creating practical alternatives to traditional Western financial systems. These initiatives reflect a growing trend where BRICS countries are influencing the Bretton Woods institutions to reconsider and gradually change their practices.

The impact of BRICS on global politics is both significant and complex. While the group strengthens national sovereignties, it also faces challenges in forming a unified political front due to historical rivalries and the strong emphasis on national interests among its members. This sovereignty-first approach is seen as a strength, but it also poses a significant challenge to achieving cohesive, collective goals.

In conclusion, the future of BRICS Plus depends on its ability to balance collective goals with national interests. The bloc must find mutual ways of working together in ways that will be benefiting all member countries and the wider Global South. Otherwise, internal differences and lack of cohesion could hinder its potential to become an equal counterpart to groups like the G7. The evolving influence of BRICS in global governance underscores the importance of emerging economies in shaping a multipolar world, even as they navigate the complexities of national sovereignty and collective action.

7. **Abbreviations:**

1. AfCFTA - African Continental Free Trade Area
2. AfDB - African Development Bank
3. AIIB - Asian Infrastructure Investment Bank
4. ASEAN - Association of Southeast Asian Nations
5. BRI - Belt and Road Initiative
6. BRICS - Brazil, Russia, India, China, and South Africa
7. BRICS Plus - Brazil, Russia, India, China, South Africa, Iran, Saudi Arabia, Egypt, Ethiopia, United Arab Emirates
8. CSO - Civil Society Organization
9. EEAU - Eurasian Economic Union
10. EU - European Union
11. FDI - Foreign Direct Investment
12. G7 - Group of Seven
13. GFCF - Gross Fixed Capital Formation
14. GDP - Gross Domestic Product
15. GERD - Gross Expenditure on Research and Development
16. IDA - International Development Association
17. IFC - International Finance Corporation
18. IFI - International Financial Institution
19. IMF - International Monetary Fund
20. MDB - Multilateral Development Bank
21. MENA - Middle East and North Africa
22. Mercosur - Southern Common Market (Mercado Común del Sur)
23. MIGA - Multilateral Investment Guarantee Agency
24. NDB - New Development Bank
25. PPP - Public-Private Partnership
26. RFA - Regional Financing Arrangements
27. SDG - Sustainable Development Goals
28. UAE - United Arab Emirates
29. UN - United Nations

30. UNCTAD - United Nations Conference on Trade and Development
31. USA - United States of America
32. USD - United States Dollar
33. WB - World Bank
34. WTO - World Trade Organization

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