

BRICS and the Global South: Redefining Power in a Multipolar World

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Introduction

The rise of BRICS (Brazil, Russia, India, China, South Africa) as a counterbalance to Western dominance marks a significant shift in the global geopolitical and economic landscape. BRICS as an emerging collective force represents a coalition of major developing economies seeking to challenge the traditional Western-led global order, which has been dominated by institutions like the G7 and the Bretton Woods system². The group's formation in 2009 was driven by a shared desire to create a more multipolar world, where the interests of the Global South are adequately represented³.



BRICS Founder states. Source: Indiatimes

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² Stuenkel, Oliver. *Post-Western World: How Emerging Powers Are Remaking Global Order*. Wiley, 2016.

³ Roberts, Cynthia. 'Russia's BRICs Diplomacy: Rising Outsider with Dreams of an Insider'. *Polity* 42, no. 1 (1 January 2010): 38–73. <https://doi.org/10.1057/pol.2009.18>.

Economically BRICS exhibits powerful bloc status because its members generate more than 25 percent of the global GDP that reach over 40 percent of the worldwide population (World Bank, 2023). The group uses its powerful economic position to fight for institutional changes at the World Bank and International Monetary Fund to improve developing economies' representation⁴. The members of BRICS function as a political entity that advocates for Global South perspectives while maintaining fundamental principles about sovereignty and development equality⁵. BRICS demonstrates its dedication to building independent financial systems through its establishment of the New Development Bank and Contingent Reserve Arrangement which aim to decrease dependence on Western financial institutions⁶.

Economic Implications of BRICS Expansion

The economic implications of BRICS expansion are profound, particularly in its role in promoting alternative financial systems and enhancing collective economic capabilities. BRICS has been instrumental in establishing institutions like the New Development Bank (NDB), which aims to provide funding for infrastructure and sustainable development projects in member countries and other developing nations. The NDB serves as a counterbalance to Western-dominated financial institutions like the World Bank and IMF, offering loans in local currencies to reduce dependency on the US dollar⁷. Additionally, BRICS has actively pursued de-dollarization efforts, encouraging the use of local currencies in trade and financial transactions to mitigate the risks associated with dollar dependency⁸. These initiatives reflect BRICS' commitment to creating a more equitable global financial system.

⁴ Hurrell, Andrew. "Beyond the BRICS: Power, Pluralism, and the Future of Global Order." *Ethics & International Affairs* 32, no. 1 (2018): 89–101. <https://doi.org/10.1017/S0892679418000126>.

⁵ Garcia, Ana, and Patrick Bond. 'Patrick Bond, Ana Garcia-BRICS_ An Anti-Capitalist Critique'. -*Pluto Press*, 2018.

⁶ Stephany Griffith-Jones, 2014. "A Brics Development Bank: A Dream Coming True?," UNCTAD Discussion Papers 215, United Nations Conference on Trade and Development.

⁷ Stuenkel, Oliver. *Post-Western World: How Emerging Powers Are Remaking Global Order*. Wiley, 2016

⁸ Gouvea, Raul, and Margarida Gutierrez. 'De-Dollarization: The Harbinger of a New Globalization Architecture?' *Theoretical Economics Letters* 13 (1 January 2023): 791–807. <https://doi.org/10.4236/tel.2023.134046>.

The inclusion of Southeast Asian members, such as Indonesia, could significantly enhance BRICS' collective GDP, trade, and investment capabilities. Indonesia, with its \$1.3 trillion economy and strategic geographic location, would strengthen BRICS' economic footprint in the Indo-Pacific region⁹. Southeast Asia's dynamic economies, known for their rapid growth and integration into global supply chains, would further diversify BRICS' economic base, making the bloc more resilient to global economic fluctuations¹⁰. This expansion would also facilitate greater trade and investment flows within the bloc, particularly in sectors like technology, energy, and infrastructure.



Indonesia Joins BRICS on 7th January 2025. Source: DW

Increased South-South cooperation and intra-BRICS trade are key benefits of this expansion. For instance, China and India could collaborate with Southeast Asian members on renewable energy projects, leveraging their technological expertise and the region's abundant natural resources¹¹. Enhanced cooperation in infrastructure development could improve connectivity within the Global South, fostering economic integration and reducing reliance on Western-led institutions¹². Overall,

⁹ World Bank. (2023). *World Development Indicators*. World Bank Publications.

¹⁰ IMF. 'World Economic Outlook', 2023. <https://www.imf.org/en/Publications/WEO>.

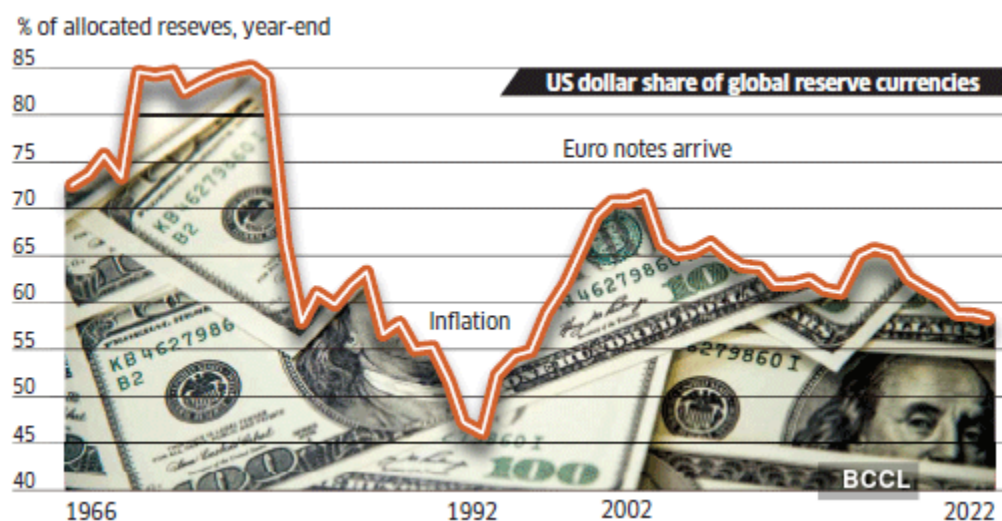
¹¹ Hurrell, Andrew. "Beyond the BRICS: Power, Pluralism, and the Future of Global Order." *Ethics & International Affairs* 32, no. 1 (2018): 89–101. <https://doi.org/10.1017/S0892679418000126>.

¹² Garcia, Ana, and Patrick Bond. 'Patrick Bond, Ana Garcia-BRICS_ An Anti-Capitalist Critique'. -Pluto Press, 2018.

BRICS expansion represents a significant step toward reshaping the global economic order in favor of developing economies.

Geopolitical Shifts and the Multipolar World Order

The expansion of BRICS is reshaping global power dynamics by providing a platform for non-Western nations to assert their interests, fostering a multipolar world order. With the inclusion of Southeast Asian members like Indonesia, BRICS is strengthening its collective economic and geopolitical influence, challenging the dominance of Western-led institutions¹³. The bloc's expanded membership enhances its ability to address global challenges such as climate change, energy security, and sustainable development. For instance, Indonesia's joining in BRICS in 2025 can be a matter of strategic advantage. Indonesia's leadership in renewable energy and its vast natural resources could amplify BRICS' efforts to promote green energy transitions and sustainable infrastructure projects¹⁴. This aligns with BRICS' broader goal of advocating equitable solutions to global issues, particularly for the Global South¹⁵.



De-dollarization Trend. Source: The Economic Times

¹³ Fitriani. 'Joining BRICS, Indonesia Sticks with Multi-Alignment Strategy'. *The Strategist* (blog), 16 January 2025. <https://www.aspistrategist.org.au/joining-brics-indonesia-sticks-with-multi-alignment-strategy/>.

¹⁴ IMF. 'World Economic Outlook', 2023. <https://www.imf.org/en/Publications/WEO>.

¹⁵ Butt, Junaid. *BRICS 2.0: Is The Global South Redefining World Order?*, 2024. <https://doi.org/10.13140/RG.2.2.35721.35686>.

Economically, BRICS promotes alternative financial systems, such as the New Development Bank (NDB), which funds infrastructure and sustainable development projects in member countries and beyond¹⁶. The bloc also champions de-dollarization, encouraging the use of local currencies in trade to reduce dependency on the US dollar¹⁷. The addition of Southeast Asian members, with their rapidly growing economies and integration into global supply chains, could significantly enhance BRICS' collective GDP, trade, and investment capabilities¹⁸. Increased South-South cooperation is another key benefit of BRICS expansion. Member countries can leverage their complementary strengths, such as China and India's technological expertise and Southeast Asia's natural resources, to drive innovation and economic growth¹⁹. This cooperation could also lead to reforms in global institutions like the UN, IMF, and WTO, making them more inclusive and reflective of the interests of developing economies²⁰. Overall, BRICS expansion represents a significant step toward a more balanced and equitable global order.

Challenges and Divergences Within BRICS

BRICS faces significant internal challenges, including differing political systems, economic priorities, and geopolitical rivalries among member states. For instance, China and India have longstanding border disputes and compete for influence in Asia, while Russia's assertive foreign policy often clashes with the more pragmatic approaches of Brazil and South Africa²¹. These differences can hinder consensus-building on critical issues, such as trade policies, security

¹⁶ Nach, Marida, and Ronney Ncwadi. 'BRICS Economic Integration: Prospects and Challenges'. *South African Journal of International Affairs* 31, no. 2 (2 April 2024): 151–66. <https://doi.org/10.1080/10220461.2024.2380676>.

¹⁷ Global Times. 'Message from BRICS: Future of Global Governance Lies in Collaborative Models - Global Times', 21 October 2024. <https://www.globaltimes.cn/page/202410/1321595.shtml>.

¹⁸ World Bank. (2023). *World Development Indicators*. World Bank Publications.

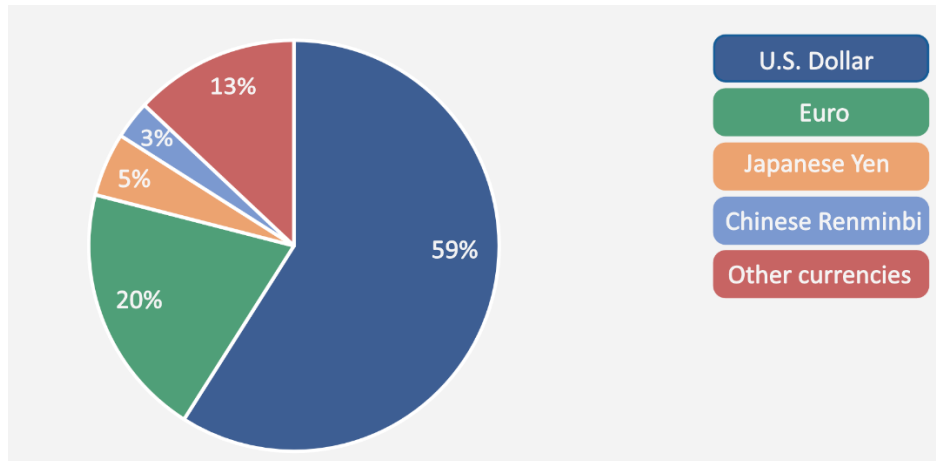
¹⁹ Dahlman, Carl, and Anuja Utz. 'India and the Knowledge Economy Leveraging Strengths and Opportunities'. The World Bank, 2023.

²⁰ Arapova, Ekaterina Y, and Yaroslav D Lissovnikov. 'The BRICS Plus Cooperation in International Organizations: Prospects for Reshaping the Global Agenda' 21, no. 4 (2021).

²¹ Stuenkel, Oliver. *Post-Western World: How Emerging Powers Are Remaking Global Order*. Wiley, 2016.

²¹ Roberts, Cynthia. 'Russia's BRICS Diplomacy: Rising Outsider with Dreams of an Insider'. *Polity* 42, no. 1 (1 January 2010): 38–73. <https://doi.org/10.1057/pol.2009.18>.

cooperation, and responses to global crises²². Additionally, the varying economic structures and development levels of member states complicate efforts to align their economic agendas, particularly in areas like industrialization, technology, and energy²³.



Allocated Reserves by Currency (2023). Source: irefeurope.org

Newly joined Southeast Asian state Indonesia's membership could either bridge or exacerbate these divides which applies similarity for other Southeast Asian nations. Indonesia a non-aligned nation with strategic partnerships across the West and non-Western powers, Indonesia has historically played a mediating role in international forums²⁴. Its inclusion could foster greater unity within BRICS by advocating for balanced approaches to contentious issues. However, Indonesia's close ties with Western economies and its reliance on US and European markets might create tensions with members like Russia and China, who seek to reduce Western influence²⁵. This dual alignment could strain BRICS' cohesion if not managed carefully.

The potential risks of overexpansion, such as diluted cohesion and conflicting agendas, pose another challenge. Adding too many members with divergent interests could weaken BRICS'

²² Hurrell, Andrew. "Beyond the BRICS: Power, Pluralism, and the Future of Global Order." *Ethics & International Affairs* 32, no. 1 (2018): 89–101. <https://doi.org/10.1017/S0892679418000126>.

²³ Iqbal, Badar Aalm, and Eliane Cristina de Araújo. 'Emergence of BRICS as an Economic Bloc'. *Transnational Corporations Review* 7, no. 1 (1 March 2015): 110–20. <https://doi.org/10.5148/tncr.2015.7107>.

²⁴ Fitriani. 'Joining BRICS, Indonesia Sticks with Multi-Alignment Strategy'. *The Strategist* (blog), 16 January 2025. <https://www.aspistrategist.org.au/joining-brics-indonesia-sticks-with-multi-alignment-strategy/>.

²⁵ Fulcrum. 'Assessing Indonesia's Relations with the US After Joining BRICS'. *FULCRUM* (blog), 27 January 2025. <https://fulcrum.sg/assessing-indonesias-relations-with-the-us-after-joining-brics/>.

ability to act as a unified bloc²⁶. To manage these risks, BRICS must establish clear criteria for membership and prioritize consensus-building mechanisms. Strengthening institutional frameworks, such as the New Development Bank (NDB), and focusing on shared goals like sustainable development and de-dollarization could help maintain unity²⁷. By balancing expansion with internal cohesion, BRICS can navigate these challenges and sustain its role as a counterbalance to Western dominance.

BRICS and the Future of the Global South

BRICS has emerged as a significant voice for the Global South, addressing critical issues like inequality, poverty, and access to technology. By advocating for reforms in global financial institutions and promoting alternative development models, BRICS challenges the entrenched inequities of the Western-dominated economic order²⁸. Initiatives like the New Development Bank (NDB) prioritize funding for infrastructure and sustainable development projects in member countries and other developing nations, directly tackling poverty and inequality²⁹. Additionally, BRICS promotes technology transfer and innovation-sharing among member states, helping bridge the digital divide and fostering inclusive growth³⁰.

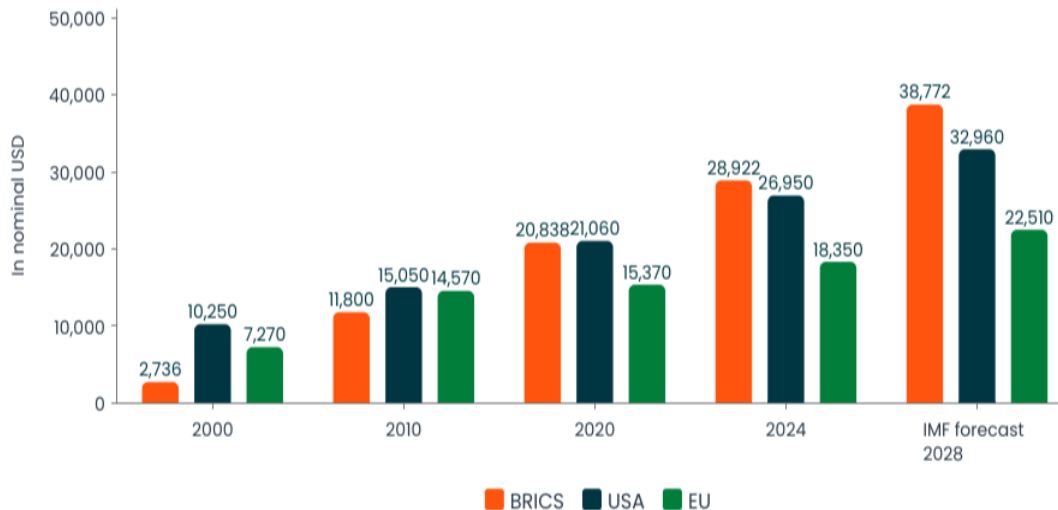
²⁶ Matamis, Joaquin. 'The Future of BRICS: Between Objectives and Challenges • Stimson Center'. *Stimson Center* (blog), 9 November 2023. <https://www.stimson.org/2023/the-future-of-brics-between-objectives-and-challenges/>.

²⁷ Cooper, Andrew. 'The BRICS' New Development Bank: Shifting from Material Leverage to Innovative Capacity'. *Global Policy* 8 (6 July 2017). <https://doi.org/10.1111/1758-5899.12458>.

²⁸ Patrik, Stewart. 'BRICS Expansion, the G20, and the Future of World Order'. *Carnegie Endowment for International Peace*, 8 October 2024. <https://carnegieendowment.org/research/2024/10/brics-summit-emerging-middle-powers-g7-g20?lang=en>.

²⁹ Svetlicinii, Alexandr. 'Sustainable Development and the New Development (BRICS) Bank: The Contribution of the BRICS Countries', 119–47, 2020. https://doi.org/10.1007/978-981-32-9644-2_6.

³⁰ Haryono, An. 'BRICS in the Digital Age: Investigating Technological Innovation and Knowledge Sharing as Catalysts for Economic Transformation'. *The Eastasouth Journal of Information System and Computer Science* 2 (31 December 2024): 84–91. <https://doi.org/10.58812/esiscs.v2i02.399>.



GDP growth in BRICS, USA and EU. Source: Breizh.com

The bloc also fosters greater solidarity among developing nations, creating a platform for collective action on global issues. By emphasizing principles like sovereignty, non-interference, and equitable development, BRICS resonates with the aspirations of the Global South³¹. This solidarity is evident in its efforts to reform institutions like the UN, IMF, and WTO, advocating for greater representation and decision-making power for developing economies. Such reforms aim to create a more equitable global economic system, reducing dependency on Western-led frameworks and empowering emerging economies³².

Conclusion

In the long term, BRICS envisions itself as a transformative force in global politics and economics, reflecting the shifting balance of power in a multipolar world. Its expansion, including potential members like Indonesia, underscores its commitment to amplifying the voices of the Global South and reshaping global governance structures. By fostering South-South cooperation and promoting inclusive development, BRICS aims to create a more balanced and just international order. This

³¹ Han, Sam. 'BRICS Should Bridge Digital Divide among Member States'. *China Daily Global*, 7 August 2024. <https://www.chinadaily.com.cn/a/202408/07/WS66b2c8dea3104e74fddb8ce4.html>.

³² Mahlaba, Siphelile N, Sethulego Matebesi, and Victor H Mlambo. 'The Importance of Innovation and Knowledge Sharing in Building Sustainable Economies: A Case of BRICS Countries.' 11(3) (19 October 2023): 383–88.

vision positions BRICS not only as a counterweight to Western dominance but also as a catalyst for a more equitable and multipolar world.