

"BRICS Expansion and its Implications for Politics and Global Business"

at the Center for International Business Education & Research (SDSU CIBER),

Fowler College of Business, San Diego State University, on 24 October 2023,

presented by Riaan Eksteen Ph.D.*

Introduction

The global landscape is undergoing a rapid and remarkable transformation. What strategies will leaders employ in order to address the megatrends that are influencing the trajectory of the 21st century? Let us for a moment reflect at the state of global affairs a quarter of a century ago. In the year 1998, China embarked on the initial stages of constructing its national infrastructure. President Jiang Zemin and his Prime Minister were actively engaged in the process of dismantling state-owned businesses and adopting market-oriented principles. Boris Yeltsin served as the President of Russia and exhibited a strong inclination towards fostering international integration for his nation. The establishment of the World Trade Organisation was met with widespread enthusiasm from global leaders, who wholeheartedly embraced the principles of free trade. Artificial intelligence was initially seen as a mere technical curiosity.

The contemporary global landscape exhibits a significant departure from the conditions prevailing in 1998. It is worth contemplating the notion that throughout the course of the upcoming decade, the global landscape will undergo a more substantial transformation than what has been witnessed in the preceding 25 years. What are the major trends that are currently influencing and transforming the overall framework and functioning of the global economy? How will global firms reinvent their organizational features in order to maintain or establish themselves as successful entities in the new era?

This presentation views the international landscape from the perspective of BRICS while acknowledging the fact that the events in Ukraine over the past 18 months and also the

* Former South African Ambassador. Involvement in South Africa's diplomacy covers 27 years.

dreadful events in Israel a few weeks ago have had significant impact and consequences for the world.

New Members of BRICS

The evaluation and analysis of BRICS must be conducted within the framework of this particular setting. This presentation does not focus on the history of BRICS and its original four members, Brazil, Russia, India, China and later also South Africa as its fifth member. Much literature exists to explain these aspects and what BRICS has become up to its summit which was held in South Africa during the later part of August 2023. Suffice it to note at this juncture that the strategic importance of BRICS lies in its potential to offer a growing number of countries in the global South a counterbalance to Western institutions, its economic partnership, expansion, geopolitical trends, and vital role in the world economy.

The composition and complexion of BRICS changed with that summit. It was a significant meeting because the Group's membership was expanded for the first time in the roughly 10 years of its existence to include Argentina, Saudi Arabia, the United Arab Emirates (UAE), Ethiopia, Iran, and Egypt. These new members are expected to join the Bloc in January 2024 in what will henceforth be known and referred to as BRICS-Plus. Their participation was indicative of the inclination of each of the original BRICS members to engage allies in their endeavors. It was fundamentally a political grouping that was set up with a view that the one thing that reunited them was that the current world order favoured Western interests and Western institutions and they wanted to try and create some sort of counterbalance to that. But of course, and this is significant to note, it now includes countries with whom the U.S. has difficult or even hostile relations, such as Iran, and how that reality may run counter to U.S. security interests. This could severely influence the U.S.'s and the European Union's position towards Iran if its fingerprints are conclusively found on the plans for the planning and execution of the dreadful assault of Hamas on Israel a few weeks ago. The potential admission of Iran, a nation closely aligned with Russia and also facing economic sanctions imposed by the U.S., may provide challenges, particularly given Iran's strained relationships with the three newly added Arab members.

The addition of these six additional members may therefore potentially result in a greater number of challenges rather than resolutions. The attainment and preservation of consensus can pose challenges. Adding to existing tensions, it is noteworthy that Egypt and Ethiopia continue to be engaged in a protracted dispute concerning a substantial Ethiopian dam situated on the Upper Blue Nile. Despite different political systems, economic characteristics, and geopolitical rivalries, the BRICS members share a profound scepticism of the U.S. international liberal order and the perceived danger that unipolarity represents to their interests.

Argentina is a rational choice and was selected by Brazil. Egypt and Ethiopia, which are the third and second most populous countries in Africa, respectively, would contribute to enhancing the continent's influence. The inclusion of these countries was advocated by South Africa. Saudi Arabia and UAE are significant contributors in terms of financial resources and hold crucial positions as oil producers. It is plausible that China and India may have considered these countries as potential partners. Additionally, Russia is likely to have had a prominent role in advocating for the inclusion of Iran. Pre-summit analyses indicated the potential inclusion of more countries, like Indonesia and Bangladesh, as new applicants to the BRICS Group. This suggests the likelihood of future expansion for the organization.

The enlargement of the Bloc from five to 11 members will result in the formation of a collective with a substantial economic magnitude. This newly coalition increases the Bloc's proportion of the global population from 41% to 46% by 2024. Additionally, its share of the global Gross Domestic Product (GDP) rises from 33% to 38%, while its portion of global goods exports expands from 20% to 23%. In comparison, the G7, which consists of the United States (U.S.), Canada, France, Germany, Italy, Japan, and the United Kingdom collectively represent a mere 10% of the global population, 29% of the worldwide GDP and also 29% of global goods exports. The inclusion of Iran, Saudi Arabia and the UAE as additional members is of paramount importance. This expansion will result in a significant rise in the Group's portion of global oil production, increasing from approximately 20% to 43% by 2024.

Geopolitical and Geostrategic Importance of an Enlarged BRICS-Plus

In considering these important aspects, the factors contributing to the cohesion of the new BRICS alliance must be considered. The recent summit directed much of its attention towards the African continent; yet, the tangible effects, particularly in economic terms, are expected to be limited. Ethiopia, where the African Union (AU) has its headquarters, and Egypt, which holds significance for both Africa and the Arab world, are two countries of notable symbolic value. Nevertheless, the bilateral relations between the two entities are characterized by a state of hostility, while concurrently grappling with significant economic difficulties. The inclusion of both countries in the new BRICS Group is improbable to yield significant further economic advantages for either nation. The potential geopolitical advantages of BRICS membership lie in its ability to serve as a platform for African nations and India to advocate for reform within the United Nations Security Council. However, caution should be exercised by China and Russia, as permanent veto-holding members, regarding the potential loss of influence that may arise from an increase in the number of permanent members. An additional possible advantage lies in China's capacity as a mediator, exemplified by its facilitation of a recent rapprochement which it brokered between Saudi Arabia and Iran. China may also seek to mitigate tensions between Egypt and Ethiopia. Because China demonstrates a strong desire for the swift growth of the organization, and from a geopolitical perspective, the inclusion of Egypt and Ethiopia in BRICS will serve to strengthen China's influence in this particular region. In contrast to China, Russia is assuming a more disruptive role in the African continent, particularly inside the Sahel region. The final geopolitical pivot in Russia's recent maneuvering proved particularly controversial and so initially remained significantly covert: the Wagner Group was used to extend Russia's influence country by country, deal by suspected deal, across the Sahel. Should this process continue successfully into the near future, Moscow will have flanked Europe, in particular France, but the U.S. as well, by forming a geopolitical arc of influence sweeping south through the Middle East and extending west across the whole of the Sahel that stretches from the Red Sea to the Atlantic Ocean.

The inclusion of Saudi Arabia and the UAE in this expansion will facilitate endeavours to realign their global relationships between the Eastern and Western regions. The forum

has the potential to serve as an additional platform for Saudi Arabia and the UAE to enhance their bilateral relations with the largest rising economies globally.

In recent times, the BRICS alliance has been subject to challenges arising from divergent perspectives amongst its constituent Asian nations, namely China and India. Both China and India aspire to assert their influence and establish themselves as prominent figures in the developing world, with China significantly surpassing India in terms of its impact and reach. India faces the task of effectively managing its position in light of its increasing collaboration with Western nations. India's objective will be to guarantee that any prospective entrants to the BRICS alliance are limited to countries with which it maintains bilateral relations.

The current state of ties suggests a high probability of strong opposition towards Pakistan's potential future admission. Furthermore, it will underscore the necessity for standardized criteria and unanimous agreement in forthcoming inclusions. Given the enduring strain in India-China ties, it is plausible that a broader collective may encounter persistent policy impasses. Russia is expected to utilize the BRICS platform as a means to further its geopolitical agenda that is critical of the Western world. Additionally, it is anticipated that Russia will continue to actively advocate for increased economic and political cooperation within the BRICS framework. Russia will no doubt leverage the participation of Saudi Arabia and the UAE as an additional means to exert influence over global oil prices and supply dynamics, beyond the scope of OPEC. The expansion of the BRICS will have modest implications for the rest of Europe and is unlikely to significantly change the continent's existing foreign policy trajectory. Belarus and Kazakhstan, nations that have submitted applications for membership, have the potential to be admitted. However, it is improbable that other countries in the region, such as Turkey, will pursue application or membership, as the majority is expected to maintain their allegiance to the Western sphere.

In the South American region, Argentina's potential future participation in collective endeavors remains uncertain. The possibility of joining may be hindered by internal tensions. It is worth noting that Argentina is scheduled to hold elections soon. The outcome of these elections may influence their decision to accept the offer to join the

BRICS alliance. Mexico has shown its disinclination to pursue BRICS membership, instead prioritising the enhancement of its relationships with its North American counterparts and other nations in Latin America. This stance aligns with Mexico's established practise of refraining from intervening in the internal matters of other nations. The BRICS Ggroup, perceived as politically motivated and harboring anti-Western sentiments, does not meet Mexico's criteria for a satisfactory partnership.

In a recent essay published in *Foreign Affairs*, Jorge Castañeda, a former Mexican foreign minister, cautions against assigning leadership responsibilities in crucial international organizations to BRICS, asserting that they are not well prepared for such tasks. The main contention posits that the reliability of their dedication to democracy and human rights is questionable, and granting them access to influential positions would undermine the integrity of institutions such as the United Nations Security Council, the International Monetary Fund, and the World Bank.

Challenges facing BRICS-Plus

The inclusion of additional members will provide a transient stimulus to the BRICS Group. The Bloc will encounter various intricate challenges. Several significant challenges may hinder progress in the current geopolitical landscape. These include a decline in China's economic vitality, the unpredictable nature and duration of the Russia-Ukraine conflict, and the deep-rooted competition between the U.S. and China across various domains, such as politics, economics, and military affairs.

The Israel-Hamas conflict has the potential to create substantial conflict, if not within the Group, then surely between the Group and the U.S., European Union members and others holding different views on Israel and on Hamas.

The African and Latin American nations continue to face the task of effectively using the advantages of their engagement with China, while simultaneously mitigating the potential consequences of Chinese hegemony. In a recent report, the *Economist Intelligence Unit*, a division of *The Economist*, provides a concise summary of the situation.

The potential expansion of the BRICS group has the potential to enhance its geopolitical relevance, assuming that the organisation can successfully address its

internal issues. Additionally, the expansion would contribute to the collective economic strength of the BRICS countries. However, it is important to note that the direct economic impact resulting from this expansion is expected to be rather limited. The potential for the BRICS group to evolve into a cohesive geopolitical and economic entity appears to be limited, irrespective of the number of member countries it encompasses.

This observation highlights the notable distinction that exists among the six newly invited members, wherein only Argentina now operates as a democratic nation. It is projected that by next year, democracies will constitute a minority within the BRICS nations. This implies that the agenda includes not just the promotion of the Global South in the field of international relations and multilateral politics. The issue at hand also pertains to the question of whether a coalition mostly composed of authoritarian regimes may wield greater influence on the matter.

Rearrangement of the World Order

The concept of world order refers to the prevailing system or arrangement of power, governance, and relationships among nations on a global scale. Russia has derived advantages from the presence of anti-Western sentiments and Africa's colonial past. The presence of Western double standards is often exploited by pseudo-anti-imperialist arguments, diverting attention from comparable actions, particularly among certain BRICS members. However, the address delivered by President Vladimir Putin via Zoom-link at the latest summit did not succeed in obtaining backing for Russia's incursion into Ukraine. The 16th BRICS Summit is scheduled to be held in the Russian city of Kazan in 2024. The future trajectory of the internal dynamics within an expanded BRICS and the ongoing conflict in Ukraine, as well as their potential impact on African nations, remains uncertain. The Middle East again has now become an unknown complication for BRICS as well.

The U.S.

The emergence of the new Group has revitalized the ongoing discourse over the possibility of de-dollarization inside the global financial system. China, Russia, and Brazil are the primary advocates for diminishing the dominant position of the U.S. dollar in

promoting global commerce and investment. However, their efforts have yielded limited progress thus far. Based on data provided by the Bank of International Settlements, it is evident that the U.S. dollar continues to play a significant role in approximately 90% of foreign-exchange transactions and approximately 85% of transactions in spot, forward, and swap markets. Additionally, it is worth noting that the U.S. dollar's involvement in these markets is substantial. An enlarged BRICS is expected to face challenges in establishing effective institutional structures, including the establishment of a secretariat. The New Development Bank (NDB), headquartered in Shanghai, was created in 2015 by the founding five members of BRICS. However, it is important to note that the NDB's size is very small in comparison to other prominent development financing institutions. The absence of robust institutional frameworks within BRICS poses challenges in implementing coordinated measures, such as the development of novel payment channels or the adoption of alternative trade currencies.

According to reports, around 50% of worldwide trade is said to be conducted using the U.S. dollar as the currency of denomination. The enduring prevalence of the U.S. dollar in worldwide financial transactions, coupled with its widely acknowledged reputation for trustworthiness, particularly during periods of economic turmoil, suggests that any potential decline in its market dominance would likely be a gradual and protracted process. Russia will persist in promoting the augmentation of de-dollarization in the commerce among BRICS nations. One of the primary objectives of BRICS-Plus is to establish autonomous mechanisms for global commercial transactions, thereby diminishing reliance on the U.S. currency system and SWIFT, with the aim of reducing dependence on these entities. The proportion of intra-BRICS trade currently accounts for merely 6 % of the collective trade volume among the member countries of BRICS.

The fundamental query at hand pertains to whether the expansion of BRICS will ultimately facilitate cooperation among these nations and exert influence on the prevailing dominance of the U.S. currency. Is BRICS primarily a forum for discussion rather than a platform for concrete action? If those options are presented, the latter option will ultimately triumph. There exists a lack of consensus within the Group on the establishment of de-dollarization as an objective. Russia has demonstrated the highest level of engagement,

while the South African hosts have stated that the subject is not currently being discussed. These countries are susceptible to vulnerability as a result of their reliance on the dollar; nevertheless, there are no alternative options available. The dominance of the dollar persists in global trade, with over 90 % of foreign exchange transactions being conducted in this currency. In order to achieve de-dollarization, a consensus across numerous autonomous economic entities across the globe would be necessary to facilitate the transition.

An American audience may thus quite correctly pose a straightforward question: Is there a potential concern over the stability of the Dollar and the possibility of its replacement as a global payment system, and how should the U.S. view BRICS-Plus and its place in international affairs? BRICS nations have been actively endeavoring to facilitate the cessation of dollarization for a duration of ten years. Nevertheless, the BRICS nations' endeavors to introduce a unified currency have encountered significant obstacles, primarily due to the fact that over 88% of international transactions are still carried out using the U.S. dollar, and 58% of world foreign exchange reserves are held in U.S. dollars. As a result, Russia, China, and Brazil have opted to utilize non-dollar currencies for conducting cross-border transactions and have endeavored to diversify their currency reserves by investing in gold. The potential inclusion of Saudi Arabia and the UAE, which are the primary energy producers in the Middle East, into the BRICS alliance might enhance the economic influence of the Group and potentially facilitate the adoption of alternative currencies. In strategizing for short-, medium- and long-term national security concerns, the U.S. must closely monitor the BRICS evolution. While the ever-expanding competition with China will remain central to U.S. foreign policy, understanding the growing relative influence and potential choke points maintained by other key powers are also critical. Fostering robust engagements with friends like India and South Africa is paramount — even as the latter shows a closer political affiliation with Russia. Such partnerships can serve as counterbalances, ensuring that the BRICS trajectory does not veer toward an anti-Western alignment. However, this should not tempt Washington to excessively lean into unilateral diplomacy at the detriment of multilateral efforts. Engaging even with adversaries in larger platforms is imperative to collaboratively address the monumental challenges of our era.

A former U.S. Secretary of Defense, Robert Gates, made some thought-provoking observations in a recent article entitled “The Dysfunctional Superpower,” published in *Foreign Affairs* on September 29, 2023. According to him the U.S. now confronts graver threats to its security than it has in decades, perhaps ever. [The recent battles between Israel and Hamas only add to this dire statement.] Never before has it faced four allied antagonists at the same time — Russia, China, North Korea, and Iran — whose collective nuclear arsenal could within a few years be nearly double the size of its own. Not since the Korean War has the U.S. had to contend with powerful military rivals in both Europe and Asia. And no one alive can remember a time when an adversary had as much economic, scientific, technological, and military power as China does today. The competition with China and even Russia for markets and influence is global. The U.S. cannot afford to be absent.

Russia and China

Russia and China are two key members of BRICS, but the significant vulnerability in their strategic partnership should not be overlooked. Although Russia and China champion the creation of a multipolar world order and routinely align their votes at important international forums, their actual cooperation on the ground lags far behind, particularly in the Middle East and Africa. This dearth of collaboration stems, on one hand, from Russia’s trepidations about China’s rising profile in global diplomacy and, on the other, from China’s growing exasperation with Russia’s reliance on destabilization and gray-zone tactics for power projection. Russia views Beijing’s aspirations with greater skepticism. Russia’s insecurity in the face of growing Chinese assertiveness also stems from its awareness that Beijing views Moscow’s capabilities to be limited and its strategies for power projection as ineffective.

Even though China and Russia both seek to undermine U.S. hegemony, their approaches to power projection are starkly different. China’s expansive vision of cross-regional economic integration, which is encapsulated by the Belt and Road Initiative (BRI), is furthered by political stability. Over the past two decades, China committed US\$ 170 billion in loans to Africa alone. This contrasts markedly with Russia’s efforts to capitalize on instability and its aggressive hybrid warfare tactics to further its interests. Russia and

China's much-vaunted "no-limits partnership" clearly has its limits in regions where both countries see themselves as rising powers. For its part, Moscow is also keen on advancing a multipolar world and considers BRICS expansion as a way to undermine the liberal international order. Isolated by the West following its invasion of Ukraine, Russia has looked to the Global South to help keep its economy afloat. So, an expanded BRICS helps insulate Moscow from Western sanctions and opprobrium. The attendance of dozens of countries at the recent summit was regarded by Moscow as a positive signal regarding its international standing.

The profound impact of Russia's invasion of Ukraine on the global political arena and its subsequent influence on the ongoing conflict in Gaza has become increasingly evident. Russia, China and Iran have been active in establishing a new alliance centered around Ukraine, which they have pursued through diplomatic, economic, strategic, and ideological means. Russia depends on military equipment sourced from Iran and diplomatic backing provided by China in order to engage in conflict within Ukraine.

Putin perceives the war as an additional opportunity for self-satisfaction, attributing responsibility for the crisis on Washington which shows the policy shortcomings of the U.S. in the Middle East. China has exhibited a clear aspiration to expand its influence in the Middle East by its unexpected facilitation of a reconciliation between Iran and Saudi Arabia.

The Global South, which refers to developing nations, plays a crucial role in the emerging conflict between Western countries and the alternative alliance of China and Russia. From the perspective of numerous individuals residing in the Global South, there exists a perception that the U.S. engages in conflict with Russia, the entity that has occupied Ukraine. However, in the case of Israel, the U.S. is perceived to align with the occupying party, and Russia capitalizes on this perception.

Since the invasion began a year and a half ago, Beijing and Moscow have further intensified their already close ties in a number of areas, including military cooperation, business and trade and in the area of societal exchanges. Contrary to China's assertion that the country is taking a neutral stance in the "Ukraine conflict," as Beijing officials

refers to the war, the two nations appear to be forging a united front. China and Russia have capitalized on the prevailing state of uncertainty and are attempting to convince nonaligned nations that the U.S. model is deteriorating and decaying inside.

The rift between the West, on the one hand, and Russia and China, on the other, had already begun widening as a consequence of Russia's invasion of Ukraine. The war in Gaza continues to send shock waves around the world. A deep rift already runs between the West and the axis of dictatorships led by Putin and Xi. Now, the war in Gaza appears not only to be deepening this rift, there is also a risk that it could lead to military confrontation. Both Russia and China stand to profit from the chaos in the Middle East. The two countries are seeking to build a new axis of autocracies stretching from Tehran to Pyongyang in North Korea, including as many countries from the Global South as possible. It's a project that many countries are happy to be a part of because Putin has cheap oil and gas to sell, while Xi leads the world's second largest economy.

Iran

Iran has experienced a state of isolation and has shown a willingness to establish new trade partnerships and seek a form of international recognition and legitimacy. What remains certain is that Teheran views BRICS membership as another foreign policy success after its full membership into the Shanghai Cooperation Organisation (SCO) a few months ago: the China-mediated détente with regional rival Saudi Arabia this past March; the deal with the U.S. involving the unfreezing of US\$10 billion of frozen Iranian assets; and the concomitant certainty that it won't have to fear substantial costs from the West even as it brutally cracks down on anti-regime protests at home or rapidly advances its nuclear programme. Iran's prospective membership of BRICS could serve as a catalyst for the regime to bolster its relations with Russia and China. This is because Iran is viewing its membership of BRICS as a tangible outcome of its "Look to the East" strategy. In the case of China, this membership could lead Iran to provide Beijing with greater concessions and discounts on Iranian oil and enticing incentives for Chinese enterprises to engage with and invest in the Iranian market. In the case of Russia, Teheran may

express heightened interest in fostering deeper military collaboration with Moscow and proposing initiatives that counter the isolation imposed by Western powers.

The jury is still out on the involvement of Iran in the current Middle East crisis. If proven positive, Iran's presence in the Group may become problematic not so much inside the Group, but for the Group's relationship with countries holding a condemnatory view on Iran's actions. Despite the triumphalism surrounding the BRICS's expansion as well as Iran's admission, there are potential complications towards a linear development of a non-Western world order. First, even in Iran, there is skepticism towards the rosy scenarios offered by the regime.

China had a significant role in extending an invitation to Iran to become a member of the BRICS whereby a collective front against Western dominance within the global order can be established. This inclusion of Iran can be seen as a significant achievement in Iran's strategic foreign policy endeavors. In the future, the country may enhance its international influence by fostering stronger political unity within the Group. The inclusion of Iran in BRICS signifies the ineffectiveness of Western endeavors to isolate the nation on the grounds of its nuclear advancements, endorsement of Russia's involvement in the Ukrainian conflict, and internal suppression of dissidents. Nevertheless, the BRICS countries' reluctance to potentially violate stringent US trade and financial sanctions imposed on Iran, coupled with the absence of established economic frameworks within the Group, might potentially restrict the extent of economic benefits. The Ukrainian war serves as a catalyst for polarization between Western democracies and the authoritarian Bloc consisting of Russia, China, and Iran. This situation presents a significant geopolitical juncture, akin to the Ukrainian crisis, wherein nations must strategically align themselves.

Oil and Sanctions

As an example, India has initiated the practice of settling payments for its imports of Russian oil in Yuan, while China has similarly commenced utilizing its currency to compensate Russia for a significant portion of its energy imports throughout the initial months of this year. Saudi Arabia, although being a recent addition to the BRICS Group,

has already engaged in collaboration with Russia to curtail petroleum production. This concerted effort has led to a notable surge in oil prices. One noticeable aspect about the new members of BRICS is the prevalence of authoritarian governments that possess a deep understanding of the impact and influence exerted by U.S. sanctions. Iran has been engaged in a longstanding struggle with them. The inclusion of rogue nations in BRICS membership has the potential to disrupt the capacity of the U.S. to utilize the dollar as a means of punishment, as it would exclude Washington from economic and diplomatic activities. For several decades, the U.S. has utilized sanctions as an alternative to military action when dealing with authoritarian regimes, including but not limited to Iran, North Korea, and presently Russia. However, it has been observed that punishments, regardless of their strength, have demonstrated a lack of effectiveness. China and India, countries that have refrained from publicly denouncing Russia's incursion into Ukraine, have continued to support Moscow's energy sector, so contributing to the financing of Russia's military activities. This situation underscores the significance of collaboration among BRICS nations. The BRICS nations have established a notable position inside the global economy. With a combined population exceeding 3 billion and accounting for 31.5% of the global GDP, this Group presents a significant challenge to the G-7 consortium, which comprises the leading economic superpowers worldwide. The G-7's proportion of global GDP is presently 30%, and it is anticipated to decline to 27.95% in the coming years. The prevalence of the U.S. dollar as a dominant currency has prompted other non-Western nations to collaborate and provide a counterbalance to the economic domination of Western powers.

What is noticeable about the newcomers to BRICS is that many are authoritarian regimes who are intimately familiar with the power of U.S. sanctions. Iran, of course, has contended with them for years. By shutting Washington out of trade and diplomacy, BRICS membership will enable rogue nations to upend the ability of the U.S. to “weaponize” the dollar as a tool to punish them. The U.S. has employed sanctions for decades, in lieu of military intervention against authoritarian regimes, such as Iran, North Korea, and now Russia. But sanctions, no matter how robust, have proven ineffective. China and India — both of which have yet to condemn Russia for its invasion of Ukraine

— have kept Moscow’s energy revenue flowing, helping to finance Russia’s war machine and highlighting the power of BRICS cooperation.

India and Brazil

Although the seventh largest country in the world in population, Brazil does not have the diplomatic weight of Russia or China. India is wary of the Bloc becoming overtly anti-Western in orientation. One of the founding nations of the nonaligned movement during the Cold War, India has carried this legacy on amid today’s great power competition. While it is a member of the BRICS grouping and the China-Russia founded Shanghai Cooperation Organization, New Delhi’s relationship with the U.S. has reached new heights in recent years and it is a member of the Quad (along with Japan, Australia and the U.S.), a not so subtle effort to compete with China in the Indo-Pacific. Indeed, countering Chinese aggression and influence in India’s backyard is the “bedrock” of U.S.-India cooperation, according to USIP South Asia expert Daniel Markey.

Africa

Earlier this month the BRICS Parliamentary Forum was held in Johannesburg under the theme “Harnessing Multilateralism and Parliamentary Diplomacy to Deepen BRICS and Africa Partnership for Accelerated Implementation of the Africa Free-Trade Agreement.” In his address at the meeting the Speaker of the Namibian National Assembly, Peter Katjavivi, touched on several imperatives that countries should consider in respect of BRICS and the significance of BRICS to the African continent. For him the expansion of the Bloc would see immeasurable economic opportunities. The African Continental Free Trade Agreement (AfCFTA) is one of the best tools African countries have to increase economic activities and achieve sustainable development. BRICS’s Africa outreach and BRICS-Plus dialogues meant to strengthen economic ties with Bloc members. Namibia’s trade volume with current BRICS countries has significantly increased in recent years. Therefore, Namibia already benefits immensely from BRICS countries and joining the Bloc at some point in the future would amplify and even provide more growth and expansion.

The UAE

The UAE considered the approval of joining BRICS as an indication of the success of its international policy. For the UAE, greater economic independence and strategic autonomy, multilateralism, attention to national interests, maintaining the balance of power with the U.S. power in the Middle East, maintaining its traditional relations with the West, and diversifying partnerships all play significant roles in paying more attention to BRICS participation. The Gulf Cooperation Council Countries of which the UAE and Saudi Arabia are members aims to replace the U.S. as the primary source of China's Foreign Direct Investment (FDI).

Multipolarity

Multipolarity is where the distribution of power is among several states and is the opposite of unipolarity where one country dominates the world, or bipolarity, where two countries compete for power. Multipolarity is a possible scenario for the future world order, where countries like China, India, Russia, and others challenge the U.S. supremacy. This concept of multipolarity is being advocated by leaders at the international level. The increasing significance and impact of middle powers are indicated by media headlines. The feasibility of implementing a containment policy towards China could be more viable inside a bipolar global order, wherein Washington and its allies possess a significant portion of economic and military capabilities. Nevertheless, in an increasingly multipolar global landscape, there exists the potential for the U.S. to face the prospect of growing isolation from the middle powers upon whom it relies. In 1950, the combined economic influence of Washington, Moscow, and their respective alliance Blocs accounted for a significant 88 % of the world's GDP. Currently, these nations constitute merely 57 % of the global GDP. The distribution of power has become more decentralized. There has been a shift observed in the global landscape, wherein the prominence of superpowers has diminished and a diverse range of capable and energetic middle powers has emerged. These middle powers are expected to play a significant role in shaping the international arena in the forthcoming decades. It is in the application of this concept of multipolarity that BRICS sees itself playing an important role in world affairs and in approaching international relations from this new perspective which has an appeal to current and prospective members of BRICS .

Conclusion

At present, the primary concern resides in the realm of high-level geopolitical coordination among significant nations, which appears to exclude the U.S. and its allies. The expansion of BRICS carries substantial and diverse geostrategic ramifications. As a Group that operates on a consensus-based decision-making approach, the inclusion of new members has the potential to heighten the likelihood of diverging interests and present additional problems, such as the latest developments in the Middle East. The establishment of BRICS was motivated by the objective of establishing a counterweight to the prevailing global order that exhibits a bias towards Western interests and institutions. The enlargement of the BRICS alliance represents a noteworthy advancement in the Bloc's endeavor to establish an additional counterweight to the prevailing Western-dominated global order. This convergence of significant natural resource holders, major oil producers, and rapidly expanding energy consumers might potentially yield significant consequences for energy investment and trade. The inclusion of additional members has the potential to provide economies of scale and bolster the collective purchasing power of the organization, so yielding noteworthy economic and geopolitical results. BRICS has prioritized in addressing the challenges posed by Western domination. The Group's leaders have made commitments to safeguard the interests of non-Western nations, signifying a progressive change in focus from economic matters to geopolitical considerations. This shift poses a challenge to the prevailing Western hegemony. The BRICS grouping is being more perceived by an expanding array of nations in the global South as an appealing proponent of multilateralism. Despite the triumphalism surrounding the BRICS's expansion as well as Iran's admission, there are potential complications towards a linear development of a non-Western world order.

Even in Iran, there is skepticism towards the rosy scenarios offered by the regime. The process of transforming the BRICS nations into a single global organization is still in its early stages and requires significant progress and refinement. The diversity of its members will weigh heavily on whether the Bloc will be able to achieve its lofty aspirations. An expansion, instead of making the Group more potent, could also make it more unwieldy and ineffective with more contrasting positions between members. Most importantly, there may emerge an intra-group conflict between those member-states

seeking a confrontation with the West, especially Russia, China, and Iran, and those seeking co-existence with the West — Saudi-Arabia, the UAE, Egypt, and Argentina. Yet, despite divisions among the BRICS members, there is an emerging consensus that the international order is not working and a new one is needed. BRICS is no NATO or European Union, as it lacks being a formal organization with a proper charter, a secretariat, an established criteria for membership, and procedures on expansion. Given the experience with the development of BRICS since its inception a decade-and-a-half ago, there is no guarantee that the Group's lofty aspirations will materialize, be it regarding the redistribution of geo-economic and geopolitical power or intra-BRICS-Plus trade.