

## BRICS States challenge the West



*The five BRICS states have so far seen themselves as a loose association to promote common interests. Recently, they have been claiming to develop their own multipolar world order against the dominance of the G7 states.*

### HISTORY OF THE BRICS STATES

BRIC stands for the initials of the emerging economies Brazil, Russia, India and China. It was founded in Russia in 2009. In 2010, South Africa was also invited to become a member. Since then, the five BRICS countries have met annually to coordinate joint multilateral policy approaches. The initial aim was to complement traditional development cooperation between North and South with closer cooperation among developing and emerging countries. They also pursue common political interests. No member condemned Russia's war of aggression against Ukraine. China and India support Russia indirectly by buying large quantities of Russian oil at reduced prices. The abbreviation BRICS was originally coined by Jim O'Neill, then chief economist of Goldman Sachs, for the emerging countries that have shown high growth rates over longer periods and attracted more and more investment. About 3.2 billion people live in the five BRICS countries, which is about 40% of the entire world population. They produce about ¼ of the global gross national product. In 2014, they founded their own development bank, now called the *New Development Bank*, to become more independent of the World Bank and the International Monetary Fund. The new bank in Shanghai also offered loans to other countries in payment difficulties, but without the hated IMF Structural Adjustment Programmes. This makes membership interesting for many states.

### A NEW ORIENTATION

Since the Ukraine war and the looming conflict over Taiwan, the BRICS countries have been striving for a common political reorientation. They present themselves as representatives of the Global South and as an alternative to the G7. There are considerations to gradually replace the US dollar as the international trade currency with their own currency. This idea is vehemently propagated above all by the President of Brazil, Lula da Silva. At the inauguration of the new president of the "BRICS Bank", the former Brazilian president Dilma Rousseff, he declared in Shanghai: "Why do all countries have to tie their trade to the dollar? Why can't we trade in our own currencies?" Lula wants to make this idea a reality in Latin America as well. As a first step, Lula is negotiating with Argentina on a way to settle trade between the two countries through local currencies. The new president of the "BRICS Bank" also said: "We will try to finance projects

in local currencies, favour domestic markets and reduce the risk of exchange rate fluctuations." The joint manoeuvres of Russian, Chinese and South African armed forces show an increasingly closer military cooperation between the BRICS countries.

### INTERESTED STATES

This new positioning of the BRICS countries against the dominance of the West makes them interesting for many other countries that are disadvantaged by the current world order dominated by the West. 13 countries, including African countries such as Egypt and Nigeria, have made an official application for membership. Others are showing great interest.

### SCO AND BRICS

Another example of South-South initiatives is the *Shanghai Cooperation Society (SCO)*, which was founded in 2001 by China, Russia, Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan and today forms the largest regional market in the world with 8 official members and 3 observer states. The world powers India and Russia are holding talks to strengthen the cooperation of the BRICS and SCO forums. Saudi Arabia, among other countries, wants to join both organisations. New membership to BRICS and SCO were discussed at the two-day meeting of the BRICS Foreign Ministers in Cape Town at the beginning of June.

### THE IMPACT OF THE WEST IN DECLINE

In the next few years, the gross national product of the BRICS countries will overtake that of the G7 countries. The growing importance of the BRICS countries goes hand in hand with the loss of influence of the Western industrialised countries worldwide. A new multipolar world order is emerging. Above all, the countries that were exploited by the West as colonies and continued to be disadvantaged by unfair trade structures even after their political independence, no longer want to be dependent on the West and its institutions. A look at the BRICS CALENDAR OF EVENTS 2023 shows an increasingly intense cooperation between BRICS States at all levels.

<https://www.brics2023.gov.za/sites/default/files/2023-05/BRICS%202023%20Calendar%20of%20Events.pdf>

**"BRICS is currently considered the largest emerging power. The declared will of the BRICS states is to transform the "Western-centric" structure of the current world economic order into a polycentric or multipolar international system."**