



Defining BRICS' position in a post-pandemic world



BRICS

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Introduction

At the BRICS summit on 24 August, 2023, the five main members of the intergovernmental organization announced they will be inviting six new countries to become future BRICS members: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the UAE¹. The entire organization will represent almost half of the world's population on January 1st, 2024.

The five main BRICS countries, consisting of Brazil, Russia, India, China and South Africa, however, got hit hard by the COVID-19 pandemic. Three of the five BRICS countries are in the top 10 most affected nations by the COVID-19 pandemic (this was written on 09-12-2023)². But the new invitations will make drastic changes on the global podium. This will cause the BRICS organization to overtake the GDP of the G7 nations, with the economies of BRICS countries growing at a higher rate than G7 members³. This expansion would help reduce the current tensions in the Middle East, for example by admitting Iran and Saudi Arabia to the organization, economic trade would be stimulated more, causing the two nations to partake in more economically stimulated ties. On the contrary, the United States and NATO countries could be provoked by this. Here a citation of global affairs analyst Michael Bociurkiw:

"Each continent got a new representative. One South American, two African, but Ethiopia was a surprise inclusion. We suspect the inclusion of Iran was due to maneuvering by Russia as they are close allies. Saudi Arabia and UAE should provide a welcome cash injection into BRICS+ and their New Development Bank."

¹ Bouchard, J., & Bouchard, J. (2023, October 6). *Laying the BRICS for a reshaped global order | East Asia Forum*. East Asia Forum. <https://www.eastasiaforum.org/2023/10/07/laying-the-brics-for-a-reshaped-global-order/>

² *Countries where Coronavirus has spread - Worldometer*. (n.d.). <https://www.worldometers.info/coronavirus/countries-where-coronavirus-has-spread/>

³ Statista. (2023, December 7). *Gross domestic product (GDP) growth rate in the BRICS countries 2000-2028*. <https://www.statista.com/statistics/741729/gross-domestic-product-gdp-growth-rate-in-the-bric-countries/>

He also concluded that the emission of the six new member states was an anti-US and anti-dollar movement. Without a lot of effort, the United States of America would not win back the loyalty of these Global South nations⁴.

BRICS is viewed as an alternative group to G7 and G20, but now that there are new members invited to the group, a new burning question has been raised: “What will be the most economically powerful organization in the world”. Will BRICS have their own economic uprising against the G7? There are still 20 countries applying for a membership⁵. This is because there’s no restricting policy surrounding political and ideological bases. Anyone can become a member of BRICS. At the same time, the dominant BRICS countries have been aiming to become permanent members of the UN Security Council, bearing the power of the veto once they become one.

The BRICS powers are standing against the G7 nations, with their continuing to champion “values” and their preservation of the liberal order as key tenets⁶. Because of this, the G7 has been contributing to the increasing influence of BRICS. As stated earlier, BRICS is accessible for everyone. This is especially important for developing nations, since they are not able to fulfill the G7 obligations.

Definition of Key Terms

BRICS:

BRICS is an intergovernmental organization comprising Brazil, Russia, India, China and South Africa. The organization will be expanded per January 1st, 2024, adding Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the UAE. The organization’s main functions are mostly for economic purposes.

Contingent Reserve Arrangement (CRA):

⁴ Leathern, R. (2023, August 25). Here’s what the world is saying about BRICS+. *The South African*. <https://www.thesouthafrican.com/news/heres-what-the-world-is-saying-about-brics-breaking-news-25-august-2023-latest/>

⁵ Briefing, S. R. (2023, December 6). *Twenty more countries have applied to join BRICS - Silk Road briefing*. Silk Road Briefing. <https://www.silkroadbriefing.com/news/2023/12/06/twenty-more-countries-have-applied-to-join-brics/>

⁶ “We are the Guardians of Democratic Values”: *The G8 as Manifestation of Liberal Self-Confidence in a Transient World Order*. (n.d.). ECPR. <https://ecpr.eu/Events/Event/PaperDetails/23739>

The BRICS CRA is a framework with its main objective being the provision of protection against global liquidity pressures. An example of this is when a member state's currency is being affected by global financial pressures. The maximum a member state can request of the arrangement is half (in China's case) to twice the amount of capital contributed to the CRA.

COVID-19 pandemic:

The COVID-19 pandemic was a global pandemic of the COVID-19 disease, caused by the SARS-CoV-2 bacteria. This was a period of economic depression and social disruption for most nations. The WHO ended its pandemic declaration on the 5th of May 2023. LEDC's (low economically developed countries) are still under influence of the aftereffects of the pandemic.

Gross Domestic Product (GDP):

The Gross Domestic Product of a country is the total monetary or market value of all the finished goods and services produced within a country's border in a specific time period. It gives a general overview of the country's economic health. Often measured with the US dollar (\$)

Group of 7 (G7):

The Group of 7, consisting of Canada, France, Germany, Italy, Japan the United Kingdom of Great Britain and Northern Ireland and the United States of America (and additionally the European Union as a "non-enumerated member", making it the G8 from time to time), is an intergovernmental political and economic forum. The organization of the forum shares values of liberal democracy, pluralism and representative governments. The G7 members are some of the highest developed countries in the world.

New Development Bank (NDB):

The NDB is a multilateral development bank, otherwise known as an international financial institution, established by BRICS. The main objectives of the bank include topics such as sustainability, global development and a balanced project portfolio. The five main BRICS nations have an equal share within the bank, but other countries can become a part of the NDB. Bangladesh, Egypt, the UAE and Uruguay as examples of such countries.

Non-Interventionism:

Non-interventionism is a political philosophy or a national foreign policy that opposes interference in the domestic politics of other nations, but is not opposed to international

commitments in general, unlike isolationism. In other words, nations don't get into someone else's business, while still being active on the international scene.

General Overview

The BRICS group had their own grip on the global economy since the organization was created. They are the only comparable rivals to the G7 group, which is purely focused on Western countries. Because of the emission of new member states, it's uncertain how the G7 will react to the situation, but one thing is clear: they aren't very satisfied. The relations between the East and the West have been very tense ever since the Cold War, but some of the BRICS members, new and old, already have ties with the West, specifically G7 nations.

The foundation of BRICS

BRICS originally started as the BRIC, comprising Brazil, Russia India and China as its only member states. It was first introduced as a term used by economists for foreign investment strategies. Then, at the proposal of the Russian president Vladimir Putin, the foreign ministers of Russia, Brazil, China and the Indian Defence Minister took part in a meeting. They were expressing their interest in expanding multilateral cooperation between the member states.⁷

The first formal BRIC summit was held in 2009 at Yekaterinburg, as a Russian initiative. The summit mostly focused on the global economic situation and reforming financial institutions. In the aftermath of the summit, the BRIC nations announced the new need for a global reserve currency, which would be seen as critique towards the dollar, which has been used as the global measuring currency for decades at that time.

In 2010, South Africa was formally invited by China to join the BRIC group, after numerous efforts. Following that, the group was renamed to BRICS and the South African president, Jacob Zuma, attended the BRICS meeting at Sanya as a full BRICS member. After that, the BRICS group started with their own projects and international initiatives. During the meeting in March 2013 at Durban, the member states agreed to create a global financial institution, which would later turn out to become the NDB. They announced that they would set up the New Development Bank in 2014, but due to disputes relating to burden sharing and the location, the agreements slowed down⁶.

⁷ BRICS information portal. (n.d.). BRICS. <https://infobrics.org/page/history-of-brics/>

BRICS initiatives

Since 2011, the National Institutes of Statistics of every BRICS country has produced a joint annual statistical publication to compare and evaluate the economic situations of the organization per year. This was especially convenient during the COVID-19 pandemic to compare their current economic situation and explore new and different solutions to their fallacies.

The optical fiber submarine communications cable system, also known as the BRICS cable, has been an idea since 2012. Part of the reason of cable system project was the U.S. National Security Agency spying on all telecommunications that flowed in and out of US territory. But the main reason were the various amounts of business opportunities⁸. Another reason is to reduce the reliance of developed countries on the global economic shifts. Moreso, to have BRICS countries make a larger impact on global economics. However, as of 2023, construction of the cable network has not started yet.

The 2015 BRICS summit⁹ had various new initiatives, mainly proposed by the Russian Federation. First of all, the tightening of the information technology sectors, to eventually challenge the United States' monopoly in the sector. Second of all, the quality of education must be redirected towards more sustainable education to ensure the spreading of new sustainability goals of member states. The member states also addressed their cooperation with international health agencies to combat the spread of the ebola virus in affected regions. Furthermore, various compliance tables have been made to compare the statistical growths of each and every member state to one another and to compare the scores of 2015 to previous years.

In 2019, the telecommunications minister of the member states agreed to sign a letter of intent to cooperate in the fields of Information Communication and Technology (ICT).

The COVID-19 pandemic and other issues

The COVID-19 virus started in the city of Wuhan, China. It then rapidly spread across the entire globe, eventually leading to a pandemic. Because of their population density and quantity, the

⁸ *Bricscable*. (n.d.). <https://briscable.com/>

⁹ 2015 BRICS Ufa summit compliance report. <http://www.brics.utoronto.ca/compliance/2015-ufa-compliance.pdf>

BRICS nations have been hit very hard by the COVID-19 pandemic¹⁰. More specifically, China, who had to close all of their borders and proceed with lockdown precautions for months straight to prevent the further spread of the virus. This also had effects on the connectedness of the BRICS economic structures, having decreased each time a new wave of the virus occurred.

During the summit of 2021, the Indian Prime Minister Narendra Modi called for an investigation into the origin of the COVID-19 virus by the World Health Organization (WHO). To this day (10-09-2023), India is still the country which has the second most number of COVID-19 cases, the US being the most. Brazil is also the country with the second most number of deceased people due to the virus, with the US being the first.

Since the Russian invasion of Ukraine, the Russian Federation has received a ton of backlash by the global community, with Brazil voting in favor of the resolution, which states the withdrawal of the Russian army in Ukraine. The other 3 member states abstained from the resolution¹¹. Putin has also used the 2023 BRICS summit to defend his current actions on Ukrainian territory, even after being issued by the ICC of his arrest warrant.

Here's a citation of Putin during the BRICS summit¹²:

"Our actions in Ukraine are dictated by only one thing - to end the war that was unleashed by the West and its satellites against the people who live in the Donbas,"

"I want to note that it was the desire to maintain their hegemony in the world, the desire of some countries to maintain this hegemony that led to the severe crisis in Ukraine."

The South African government announced they would be giving Putin diplomatic immunity following his arrest warrant by the ICC, to prevent the disruption of the 15th BRICS summit in

¹⁰ Jareño, F., Escribano, A., & Umar, Z. (2023). The impact of the COVID-19 outbreak on the connectedness of the BRICS's term structure. *Humanities and Social Sciences Communications*, 10(1). <https://doi.org/10.1057/s41599-022-01500-1>

¹¹ UN General Assembly demands Russian Federation withdraw all military forces from the territory of Ukraine / EEAS. (n.d.). <https://www.eeas.europa.eu/eeas/un-general-assembly-demands-russian-federation-withdraw-all-military-for-ces-territory-ukraine-und-en#:~:text=On%20%20March%2C%20the%20UN,and%20abide%20by%20international%20law.>

¹² Reuters. (2023, August 23). Putin uses BRICS summit to justify Russia's war in Ukraine. *Reuters*. <https://www.reuters.com/world/putin-uses-brics-summit-justify-russias-war-ukraine-2023-08-23/>

Johannesburg. Putin, however, announced that he wouldn't be meeting in person and that he would attend the conference online. This will also be the case for future BRICS meetings, including its Business Forum, which are held in BRICS nations other than the Russian Federation.

G7 and BRICS+

The East and the West have always had tensions between them. Since the Cold War and dissolution of the Soviet Union, the West, most notably the United States of America, had a severe grip on global economics. The GDP of G7 nations is some of the highest in the world. The US has the largest in the world, Japan the third largest and so on. The Chinese government has pushed the BRICS bloc to become geopolitical rivals of G7 nations¹³.

Quoth, a Chinese official, who refused to be identified:

"If we expand BRICS to account for a similar portion of world GDP as the G7, then our collective voice in the world will grow stronger,"

However, thanks to the new emissions of BRICS members, the BRICS group has been exponentially growing in economic terms. They would overtake the G7 nations by a huge margin. With them representing half of the entire world's population, the G7 nations would have to find other methods and ways to overcome this threshold. The Argentines, with their new president, announced their withdrawal of their BRICS application, therefore Argentina will not be a new BRICS member on January 1st, 2024.

Timeline of Key Events

Date	Event
16th of June 2009	First formal summit in Yekaterinburg
24th of December 2010	Admission of South Africa as a BRICS member
July 2014	Creation of the New Development Bank
December 2019	Beginning of the COVID-19 pandemic
24th of February 2022	Russian invasion on Ukraine

¹³ *China urges Brics to become geopolitical rival to G7.* (n.d.). Financial Times. <https://www.ft.com/content/40f7cd4d-66f2-4e4d-876d-a0c7aa7097e1>

Major Parties Involved

The European Union & G7 (most notably the United States of America)

The G7 group is the main rival of BRICS. Consisting of the most developed western nations, they have a formidable role in global economics, as well as the global trading network. The European Union is the most wealthy and developed area in the entire world and they have the seventh biggest haven out of any organization, that being the Rotterdam haven. The United States of America is the country with the largest GDP out of any. The BRICS nations always struggled to keep up with the West, surrounding human development and economic health. The admission of the new member states, however, will make a change to this. How will the G7 and the European Union react?

People's Republic of China

The new BRICS expansion is all about China. All of the new BRICS entrants are major trading partners with the People's Republic of China. This means that China will have an even bigger grip on global economics than ever before. The Chinese government also invested \$41 Billion in the Contingent Reserve Area. That's the most out of any BRICS member state. However, they're only allowed to withdraw half of what they invested for their own crises and necessities. They've also invested the New Development Bank the most out of any BRICS member state. The Chinese also called upon the BRICS organization to become geopolitical rivals with the G7, because they want to have economic as well as geopolitical advantages over G7 nations, with cases such as the South China Sea. China currently has the biggest haven in the world, the Shanghai haven, therefore being a valuable asset to BRICS as a whole. Shanghai also hosts the headquarters of the New Development Bank. It's undeniable that China has hegemony over the BRICS group, being the economically strongest member state.

The Russian Federation

The Russians always took initiatives within the BRICS group. It's the most advanced BRICS nation, even though it fell into the group of economically developing nations a few years ago. The first BRICS summit was in Yekaterinburg at the request of the Russian president at that time, Dmitri Medvedev. Because of the so-called "Special Military Operation" in Ukraine, the Russian Federation has received a lot of criticism internationally. The ruble almost crippled in value due to various multinationals withdrawing themselves from Russian territory, as well as the sanctions put onto them. The ruble's course, however, is pretty stable right now. European nations are dependent on Russian gas flow and the Russians want to keep it this way. Russia wants to expand BRICS to new

horizons and it hopes to take over the flow of global economics together with the other BRICS nations.

Republic of India

Being the country with the largest population worldwide, India does have a significant impact on BRICS demographics. With cities such as Mumbai, Delhi and Kolkata being economically big cities and them having a strong voice against any policy or actions that may harm the interests of any BRICS member state. They turned down the applications of Pakistan, Mexico and Sri Lanka, which were all initiated by China; Pakistan being pretty self-explanatory. India does, however, have several border disputes with China and India is not happy with that. India is looking to strengthen their ties with Africa and South America, following the admissions of new members and it hopes to retain their strong ties with the west. Most notably the United States and France, with them being close allies and strong trading partners.

Federative Republic of Brazil

The Brazilian government has led the BRICS in various multilateral negotiations, most notably the WTO's Doha round in Qatar¹⁴. The Brazilians have profited from the Lula administration, leading to strong economic growth. On another note, they do want to keep BRICS a small and exclusive organization and don't want it to become a big economic family like China and Russia want it to become, therefore, Brazil does have an executive function within the BRICS group¹⁵. Because the Brazilian president Lula did state that anyone can join the BRICS group, as long as they meet certain benchmarks to be set by the original members of the group.

Republic of South Africa

South Africa recently gained new responsibilities within the BRICS group. With them being an ICC member, they were responsible for the diplomatic immunity of the Russian president Vladimir Putin. President Cyril Ramaphosa is also the current chairman of BRICS (written on 10-12-2023). The expansion of BRICS can lead to many benefits for South Africa. First of all, the expanded market will lead to things such as more innovation and increased competitiveness. As well as leading

¹⁴ Brazil: Leading the BRICs? - Case - Faculty & Research - Harvard Business School. (n.d.). <https://www.hbs.edu/faculty/Pages/item.aspx?num=39979#:~:text=Between%202003%20and%202010%2C%20Brazil,World%20Trade%20Organization's%20Doha%20Round.>

¹⁵ Pagliarini, A. (2023, August 7). Here's why Brazil is a major holdout against BRICS expansion. *Responsible Statecraft*. <https://responsiblestatecraft.org/2023/08/07/heres-why-brazil-is-a-major-holdout-against-brics-expansion/>

to further growth of the country itself, thus increasing job opportunities and reducing poverty¹⁶. Therefore, South Africa is all in for the expansion of BRICS and supports China and Russia with their statements surrounding the expansion of BRICS.

Possible Solutions

Within this topic, there are few to none issues but mostly a policy surrounding the current position of the BRICS group.

The G7

BRICS has always lingered against the G7. Delegates must try to create new policies surrounding BRICS to keep up with the economic growth of G7 nations. Things such as a guideline for new member states and clear statements of the requirements to join BRICS are necessary to compete with the G7. After all, anyone can join BRICS, as long as they fulfill the requirements set by the original members of BRICS. In that case, BRICS has less demands than the G7.

Disputes

Several BRICS member states have ongoing disputes, such as India and China surrounding Kashmir. These disputes must not have any influence on the economic relations between member states. Current member states also have disputes with possible new member states. India rejected Pakistan for their current relationships. Try to propose new ways to admit new member states, but also satisfy the needs of the current member states.

COVID-19

Within most BRICS nations, COVID-19 is still an issue. Delegates must try and think of solutions for countries such as India and Brazil, who still have a lingering COVID issue. A suggestion would be to take measures to combat the current situation in the most affected countries. Advancing cooperation surrounding the COVID-19 crises is highly suggested, plus sending humanitarian aid to countries in need is a must.

¹⁶ *OPINION // How can South Africa benefit from the BRICS expansion? | University of Cape Town.* (2023, November 1). University of Cape Town. <https://uct.ac.za/casewritingcentre/blog/opinion-how-can-south-africa-benefit-brics-expansion>

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