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## **RELEVANCE OF BRICS IN THE GLOBALISED WORLD**

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### **ABSTRACT**

The BRICS group, which consists of five significant emerging economies from various parts of the world, includes Brazil, Russia, India, China, and South Africa. In order to foster collaboration and coordination among its members in a variety of fields, including commerce, finance, and culture, the group was established in 2009. The BRICS organisation is still important in the modern world for a number of reasons. First off, the BRICS nations are a big economic power because their total GDP represents around 23% of the global GDP. Additionally, the group has been trying to promote trade and investment among its members, which may help their economies expand and flourish. Second, the BRICS nations are taking on a bigger role in decision-making and global governance. They have been urging international institutions like the United Nations, the World Trade Organisation, and the International Monetary Fund to undergo reforms in order to better reflect the shifting nature of the world economy and give emerging economies more influence over international affairs. Thirdly, there are issues that the BRICS nations must work together to address, including as poverty, inequality, and climate change. Through collaborative research and development projects, technology sharing, and capacity building, the organisation has been trying to create long-term solutions to these problems. Particularly in the context of a complex and fast changing world, the BRICS group continues to be a relevant and significant venue for collaboration and debate among its members as well as for determining the global agenda.

The world's growing eastward shift of economic dominance was one of the most obvious developments in 2022. Initial success with this movement was largely attributed to the Shanghai Cooperation Organization's (SCO) ongoing expansion. The BRICS bloc, which consists of the five largest emerging economies of Brazil, Russia, India, China, and South Africa, has made significant strides in terms of joint policy coordination, and 2023 is expected to be the year that the BRICS bloc has the greatest influence on the global economic and geopolitical landscape.

Of the BRICS countries, China is undoubtedly the economic superpower. China, which has the second-largest nominal economy and leads the world economy overall when measured by purchasing power parity, will play a major role in the development of the world economy in 2023 as a result of its rapid economic growth and global expansion. Furthermore, given its purportedly unbreakable partnership with neighbouring BRICS member Russia, the two countries are already setting the bar high for providing the globe with a significant alternative to Western political unions like the G7. As a result of the fact that South Africa, India, and Brazil all have close political and economic relations with China, Russia, or both, the BRICS group is now gradually coming together on a number of crucial problems.

In fact, studies have indicated that in the decade after South Africa's official admission to the group in 2010, which changed BRIC into BRICS, the five countries managed to coordinate policy across almost 70 important topics. Some of its greatest accomplishments include the founding of the New Development Bank (NDB), which is currently funding important infrastructure projects all over the world, as well as the development of the BRICS Contingent Reserve Arrangement (CRA), a mechanism for supporting the BRICS countries through additional liquidity and other means during economic crisis. However, as the world has grown more divisive over the past year or so, the bloc has increased attempts to advance its economic interests, which in turn is assisting in the development of strong alternative financial systems that are now swiftly expanding in their appeal on a worldwide scale.

A transition away from reliance on the US currency appears to be one of the most important goals the BRICS members are attempting to achieve. Even prior to the start of the Ukrainian conflict, which appears to have accelerated de-dollarization efforts throughout much of the non-Western world, Russia and China had already begun to implement explicit local currency promotion policies, invariably at the expense of the US dollar, as their relations with the US

continued to deteriorate. For example, after reaching over 90% just five years earlier, the dollar's share of bilateral trade between the two nations dipped below 50% for the first time ever by the first quarter of 2020.

A new 75-point proclamation with the subject "Foster High-quality BRICS Partnership, Usher in a New Era for Global Development" was delivered by the five countries at the 14th BRICS Summit on June 23–24, 2022. Together, these nations account for more than 40% of the world's population. Creating a unified BRICS payment system (BRICS Pay) for retail payments and transactions among member nations was one of the primary points mentioned. This simply builds on prior efforts made by China and Russia to introduce international payment networks as substitutes for the SWIFT (Society for Worldwide Interbank Financial Telecommunication) system, which is led by the US.

In addition to China and Russia, other BRICS founder countries will probably increase their efforts to strengthen the group in 2023. Brazil is anticipated to use its position as a BRICS founding member to boost both its own development and the wider region's economic growth under the direction of returning President Luiz Inacio Lula da Silva. According to Dr. Ralph Newmark, director of the Institute of Latin American Studies (ILAS) at La Trobe University in Melbourne, Australia, a Lula victory "should help the BRICS move back to its original role of being a counterweight to excessive US domination and therefore promoting South-South development."

Lula has also indicated a desire to use the BRICS group's growing global influence to put a stop to the violence in Ukraine. Celso Luiz Nunes Amorim, who served as Lula's foreign minister from 2003 to 2010 and was instrumental in Brazil's formation of the BRICS group alongside Russia, India, and China, told Reuters in October that Lula had the character and experience necessary to advance peace negotiations. He meets the requirements to take part in negotiations, which should be led by the European Union and the United States but, presumably, also include China.

However, the announcement that the five BRICS member states are now seriously considering the adoption of a BRICS reserve currency may be the most important recent development from the group. The new currency, which will be based on a basket of each country's domestic currencies—the Chinese yuan, the Russian ruble, the Indian rupee, the Brazilian real, and the South African rand—will be developed to better serve the economic interests of the BRICS

countries, according to Pavel Knyazev, deputy director of the Russian Foreign Ministry's Foreign Policy Planning Department. It is being explored whether or not a common single currency based on a basket of currencies from the BRICS nations may be established, according to Knyazev.

Because of this development, recent rumours that several nations have applied to join the BRICS countries shouldn't be shocking. Sergey Lavrov, the foreign minister of Russia, revealed that at least a dozen other nations are considering joining the organisation. "Interest in this international organisation is extremely high and keeps rising. Not just Iran, Argentina, and Algeria. As a matter of fact, there are more than a dozen such nations, Lavrov stated on November 8 while mentioning that the organisation was now establishing official entry conditions. Since applications are already being made formally, it goes without saying that we anticipate it won't take long to establish the standards and guidelines for BRICS membership admission.

Which nations are these fresh applicants clamouring to join the union, then? In addition to Algeria, Argentina, and Iran submitting formal applications, it is widely assumed that Saudi Arabia, Turkey, Egypt, Afghanistan, and Indonesia have also either already submitted applications or will do so soon. According to additional media sources, the BRICS union has also received interest from Kazakhstan, Nicaragua, Nigeria, Senegal, Thailand, and the United Arab Emirates (UAE).

Saudi Arabia is among this broad group of countries, and if accepted, it will likely be the most significant accession to the BRICS, especially given the fragile geopolitical situation in the world today. The US President Joe Biden's request for OPEC (Organisation of the Petroleum Exporting Countries) to increase oil production not only went unanswered, but also appeared to spur the international oil cartel to take the opposite course and cut output by a massive two million barrels per day. As a result, relations between the Kingdom and the US significantly deteriorated in 2022. The growing deterioration of relations will only push Saudi Arabia into the embrace of BRICS and Eastern economies in general as Washington perceives such severe moves as Saudi Arabia aligning with Moscow and threatens suitable reprisal. China has already increased its overall investment in Saudi Arabia, which will receive the most BRI infrastructure funding in 2021. As a result of the Gulf nation's concerted shift away from the West and towards the East, some or all of the BRICS countries will undoubtedly benefit.

China is currently Saudi Arabia's biggest trading partner, with more than \$50 billion worth of exports last year—18% of the Kingdom's total—and Saudi Arabia's state-owned oil company, Saudi Aramco, confirmed in May 2021 that China's energy security would be its top priority for the next 50 years. Additionally, with the arrival of Chinese President Xi Jinping in Riyadh in early December to a distinctly warm reception, bilateral commerce and cooperation will only grow in 2023. According to Shaojin Chai, an assistant professor at the University of Sharjah in the United Arab Emirates, "now it is the height of the bilateral relations between the two since their establishment of diplomatic relations in 1992." Chai made this statement to CNN recently.

The most seismic political move to have occurred during the Summit was undoubtedly Xi's confirmation to Arab leaders that China intends to buy oil and gas in yuan, as Beijing seeks to expand the use of its currency globally while at the same time weakening the still-dominant US dollar's position of international hegemony. Among the plethora of strategic and economic partnership deals and agreements signed during Xi's visit.

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