

INTERNATIONAL JOURNAL OF LEGAL STUDIES AND SOCIAL SCIENCES [IJLSSS]

ISSN: 2584-1513 (Online)

Volume 3 | Issue 5 [2025] | Page 671 - 683

© 2025 International Journal of Legal Studies and Social Sciences

Follow this and additional works at: <https://www.ijlsss.com/>

In case of any queries or suggestions, kindly contact editor@ijlsss.com

GEOPOLITICAL SHIFTS: THE EXPANDING INFLUENCE OF BRICS IN GLOBAL GOVERNANCE

- Vasco DaGama Kalisto¹

ABSTRACT

The BRICS coalition has emerged as a pivotal force in reshaping global governance structures, challenging the Western-dominated international order that has prevailed since the post-World War II era. This article examines the geopolitical transformation driven by BRICS expansion, analyzing its institutional developments, economic initiatives, and strategic implications for the international system. Through case studies of recent membership expansion, the New Development Bank's operations, and de-dollarization efforts, this research reveals how BRICS represents a fundamental shift toward multipolarity in global governance. The analysis demonstrates that while BRICS faces significant internal contradictions and operational challenges, its trajectory reflects broader dissatisfaction with existing international institutions and the rising influence of emerging economies in shaping global affairs.

PROLOGUE

The architecture of global governance has undergone profound transformation since the establishment of the Bretton Woods institutions in 1944. For seven decades, the International Monetary Fund (IMF), World Bank, and Western-led multilateral institutions have dominated international economic and political coordination (Woods, 2006). However, the 21st century has witnessed the emergence of alternative governance structures that challenge this hegemonic order, with BRICS originally comprising Brazil, Russia, India, China, and South Africa standing at the forefront of this geopolitical shift (Stuenkel, 2015). BRICS originated in 2001 as a conceptual framework created by Goldman Sachs economist **Jim O'Neill** to identify emerging markets with significant growth potential (O'Neill, 2001). The acronym initially referred to Brazil, Russia, India, and China, with South Africa joining in 2010 to complete the current configuration. What began as an

¹ Research scholar, Graphic Era Hill University, College of Pharmacy.

investment thesis evolved into a formal intergovernmental organization, holding its first summit in 2009 in **Yekaterinburg, Russia** (Cooper, 2016). This transformation from economic concept to political coalition reflects deeper structural changes in the global distribution of power and wealth. The significance of BRICS extends beyond its collective economic weight, which represents approximately 36% of global GDP in purchasing power equivalence terms and encompasses over 45% of the world's population (International Monetary Fund, 2024).

THE 2023-2024 MEMBERSHIP EXPANSION: STRATEGIC IMPLICATIONS AND INTERNAL DYNAMICS

THE JOHANNESBURG SUMMIT AND EXPANSION DECISION

The 15th BRICS Summit, held in **Johannesburg** from **August 22-24, 2023**, marked a watershed moment in the coalition's evolution (South African Government, 2023). After thirteen years without expansion, BRICS leaders announced the admission of six new members: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates. This decision, described by Chinese President **Xi Jinping** as "historic," represented the most significant institutional enlargement since the bloc's formation (Xinhua News Agency, 2023). The expansion was scheduled to take effect on January 1, 2024, fundamentally altering the organization's composition and strategic orientation. The invitation reflected careful geopolitical calculation rather than purely economic considerations (Pant & Passi, 2023). The selected countries represented diverse regional constituencies: Egypt and Ethiopia from Africa, Iran, Saudi Arabia, and the UAE from the Middle East, and Argentina from Latin America. This geographic diversification aimed to enhance BRICS's claim to represent the Global South while strategically positioning the coalition in regions of critical geopolitical significance. The inclusion of major oil producers Saudi Arabia, UAE, and Iran particularly signaled BRICS's ambition to influence global energy markets and challenge Western energy security architectures (Bordoff & O'Sullivan, 2022).

However, the implementation of this expansion revealed the complex internal dynamics and external pressures facing BRICS. By January 2024, only four countries Egypt, Ethiopia, Iran, and the United Arab Emirates had officially joined the bloc, expanding membership from five to nine nations (Reuters, 2024). Saudi Arabia delayed its membership indefinitely, reflecting concerns about antagonizing its security relationship with the United States and navigating between competing power centers (Al-Monitor, 2024). More dramatically, Argentina withdrew its acceptance following the election of President **Javier Milei**, whose pro-Western foreign policy orientation represented a stark departure from his forerunner **Alberto Fernández's** approach (Financial Times, 2023). These developments highlighted the challenges of maintaining unity in an increasingly diverse coalition operating in a polarized geopolitical environment.

THE KAZAN SUMMIT AND PARTNER COUNTRY FRAMEWORK

The 16th BRICS Summit in **Kazan**, Russia, held from October 22-24, 2024, further developed the expansion strategy by introducing a "partner country" category (BRICS Russia, 2024). This intermediate status, distinct from full membership, was granted to thirteen nations: Algeria, Belarus, Bolivia, Cuba, Indonesia, Kazakhstan, Malaysia, Nigeria, Thailand, Turkey, Uganda, Uzbekistan, and Vietnam. The partner country designation allows participation in BRICS summits and activities without full membership obligations, creating a graduated system of affiliation that addresses the concerns of both existing members wary of diluting decision-making authority and aspiring members



seeking closer association with the bloc (Bayne & Woolcock, 2017). This tier up membership structure reflects urbane institutional design that balances expansion with unity. Full membership requires compromise among existing members and requires specific obligations regarding institutional development and financial contributions. The partner country status, by contrast, provides a mechanism for broadening BRICS's geopolitical reach while maintaining decision-making efficiency among core members (Larionova & Kirton, 2018). This approach reflects other international organizations that have developed concentric circles of membership to manage growth while preserving institutional effectiveness.

The geographic and strategic diversity of the partner countries reveals BRICS's ambition to establish itself as a truly global coalition representing the interests of the developing world. The inclusion of Southeast Asian nations like Indonesia, Malaysia, Thailand, and Vietnam positions BRICS more prominently in the Indo-Pacific region, an area of intense great power competition (Chellaney, 2021). The addition of Central Asian states Kazakhstan and Uzbekistan strengthens connectivity between BRICS members Russia and China while extending influence into regions traditionally within Russia's sphere of influence. The incorporation of Cuba and Bolivia demonstrates BRICS's appeal to Latin American countries seeking alternatives to U.S.-dominated regional frameworks (Brands, 2020).

GEOPOLITICAL IMPLICATIONS OF EXPANSION

The BRICS expansion fundamentally alters the coalition's strategic posture and geopolitical significance. First, the enlarged membership dramatically increases BRICS's collective demographic and economic weight. The nine full members now represent approximately half of the global population and control roughly 41% of the world economy in purchasing power parity terms (World Bank, 2024). When partner countries are included, BRICS encompasses an extensive majority of humanity and an even larger share of global resources, production capacity, and consumption potential. Additionally, the expansion positions BRICS as a counterweight to Western-dominated multilateral institutions. The inclusion of countries facing Western sanctions or political pressure particularly Iran, Russia, and increasingly China transforms BRICS from a loose economic coalition into a platform for coordinating resistance to Western geopolitical dominance (Ikenberry, 2018). This dynamic is particularly evident in discussions surrounding payment systems, trade arrangements, and diplomatic coordination on issues ranging from Ukraine to Palestine.

THE NEW DEVELOPMENT BANK: INSTITUTIONAL INNOVATION AND OPERATIONAL REALITY

ORIGINS AND INSTITUTIONAL DESIGN

The New Development Bank (NDB), formally established in 2014 and commencing operations in 2016, represents BRICS's most significant contribution to global financial architecture (New Development Bank, 2016). Headquartered in Shanghai with regional offices in South Africa, Brazil, Russia, and India, the NDB was conceived as an alternative to Western-dominated multilateral development banks, particularly the World Bank and International Monetary Fund (Humphrey, 2015). The bank's creation reflected growing frustration among emerging economies with their limited voice in traditional institutions despite their increasing contributions to global economic growth. The NDB's governance structure embodies principles of independent equality and shared leadership that distinguish it from Bretton Woods institutions (Vestergaard & Wade, 2013). Each founding member contributes equally to the bank's authorized capital of \$100 billion, with each holding equal voting rights regardless of economic size. This equal-governance model contrasts sharply with the weighted voting systems of the IMF and World Bank, where the United States and European nations maintain uneven influence. The bank's presidency rotates among member countries, with Brazil's former president **Dilma Rousseff** currently serving as president, following India's **K.V. Kamath**, who held the position from 2015 to 2020 (New Development Bank, 2023).

Critically, the NDB clearly eschews the political conditionalities that have characterized lending from Western-dominated institutions. The structural adjustment programs imposed by the IMF and World Bank during the 1980s and 1990s requiring borrowing countries to implement market liberalization, privatization, and economic severity generated lasting resentment in the developing world (Stiglitz, 2002). The NDB's charter commits to providing financing based purely on project viability and development impact, without requiring borrowers to adopt specific economic or political systems (Ban & Blyth, 2013). This approach appeals to countries seeking development financing without surrendering policy independence or accepting externally imposed governance reforms.

OPERATIONAL EVOLUTION AND FINANCIAL PERFORMANCE

The NDB has demonstrated steady operational growth since its inauguration, expanding both its membership base and lending portfolio. Beyond the original five BRICS members, the bank has

admitted Bangladesh, Egypt, the United Arab Emirates, and Uruguay, with Algeria receiving membership status in September 2024 (New Development Bank, 2024). This expansion beyond BRICS membership proper reflects the bank's ambition to serve as a multilateral development institution for the broader Global South rather than exclusively serving BRICS countries. By the end of 2024, the NDB had approved projects totaling approximately \$39 billion, focusing primarily on infrastructure development and sustainable development initiatives (New Development Bank, 2024). The bank set ambitious targets for annual lending, aiming for approximately \$5 billion in loan approvals for 2024 as it recovered from pandemic-related disruptions. In a significant achievement, the NDB raised \$16.1 billion in capital markets during 2024, demonstrating its ability to access international financial markets despite geopolitical tensions and its association with sanctioned member Russia (Bloomberg, 2024).

However, the NDB faces significant operational challenges that constrain its ability to serve as a true alternative to established multilateral development banks. The institution's total lending capacity remains modest compared to the World Bank, which approves over \$50 billion annually (World Bank, 2023). The bank's staffing has been deliberately kept lean to minimize operational costs, but this constraint may limit its ability to scale operations and develop the specialized expertise necessary for complex development projects. Furthermore, the NDB has struggled with the practical implications of its members' geopolitical conflicts, most notably suspending new projects in Russia following its invasion of Ukraine in 2022, despite Russia being a founding member with equal governance rights (Financial Times, 2022).

GEOPOLITICAL TENSIONS AND INSTITUTIONAL VIABILITY

The NDB's suspension of lending to Russia in March 2022 revealed the tensions between the bank's aspirations for autonomy and the realities of operating within a Western-dominated financial system (Reuters, 2022). While the official rationale cited operational concerns and risk management, the decision clearly reflected pressure from international financial markets and the Western sanctions regime targeting Russia. This incident demonstrated that the NDB, despite its rhetoric of independence, remains embedded in and constrained by the existing international financial architecture (Cohen, 2015). The incident exposed fundamental questions about the NDB's institutional identity and operational model. Can the bank maintain its claim to represent an alternative to Western institutions while simultaneously conforming to Western-imposed sanctions and financial regulations? How can the organization reconcile its equal-governance principles with the disparate

geopolitical positions of its members? The Russia case suggests that the NDB may function less as a revolutionary alternative to the Bretton Woods system and more as a complementary institution that operates within and ultimately reinforces the existing international financial order (Wade, 2011).

Nevertheless, the NDB represents a significant institutional innovation that partially reconfigures global financial governance (Chin, 2014). By providing an additional source of development financing without political conditionalities, the bank expands policy space for developing countries and introduces competitive pressure on traditional multilateral development banks to reform their governance structures and lending practices. Even if the NDB does not fundamentally overturn the existing system, its presence alters the strategic calculations of both borrowing countries and established lenders, contributing to incremental shifts in the global financial architecture.

DE DOLLARIZATION AND MONETARY SOVEREIGNTY: AMBITIONS AND CONSTRAINTS

THE DOLLAR HEGEMONY CHALLENGE

The U.S. dollar's dominance in international finance constitutes one of the most significant structural features of the post-World War II international order. Approximately 58% of global foreign exchange reserves are held in dollars, while the currency accounts for roughly 88% of foreign exchange transactions and serves as the chief invoicing currency for international trade, particularly in commodities (Bank for International Settlements, 2022). This dollar hegemony provides the United States with extraordinary geopolitical leverage, including the ability to impose financial sanctions that effectively exclude targeted countries from the global financial system, access to cheap borrowing through foreign demand for dollar-denominated assets, and reduced transaction costs for American businesses engaging in international commerce (Cohen, 2015). BRICS countries have increasingly identified dollar dominance as a constraint on their economic power and a source of vulnerability to American geopolitical pressure (Helleiner, 2014). The weaponization of dollar-based payment systems through sanctions against Russia, Iran, and other countries has intensified concerns about dependency on U.S.-controlled financial infrastructure. The ability of the United States to freeze foreign currency reserves, exclude institutions from the SWIFT messaging system, and restrict access to dollar clearing mechanisms represents a form of structural power that extends far beyond traditional military or economic pressure (Drezner, 2021).

At the October 2024 Kazan Summit, De-dollarization emerged as a central theme, with Russian President Vladimir Putin and Chinese President Xi Jinping publicly advocating for alternative payment systems that would reduce dependence on the dollar (TASS, 2024). The summit declaration emphasized the importance of "using local currencies, payment gadgets and platforms" for international transactions, reflecting a shared commitment to monetary diversification among BRICS members. This oratorical commitment to de-dollarization represents not merely an economic strategy but a fundamental challenge to the geopolitical order underwritten by American financial power (Norrlof, 2014).

THE BRICS CROSS-BORDER PAYMENT INITIATIVE

The most concrete institutional expression of BRICS's de-dollarization agenda is the proposed BRICS Cross-Border Payment Initiative (BCBPI). Detailed in a report released by Russia's finance ministry and central bank, the BCBPI envisions a blockchain-based payment system that would facilitate transactions among member countries using national currencies rather than the U.S. dollar (Central Bank of Russia, 2024). The system would leverage distributed ledger technology to provide secure, transparent, and efficient cross-border transactions while bypassing dollar-denominated correspondent banking networks.

The proposed system addresses several practical challenges that have historically hindered bilateral currency arrangements (Eichengreen, 2011). Traditional currency exchanges between countries require maintaining bilateral credit lines, establishing exchange rates, and managing currency conversion risks. By creating a multilateral platform that can automatically execute currency conversions and settlements, the BCBPI aims to reduce transaction costs and increase the viability of non-dollar trade. The blockchain architecture potentially provides enhanced security against cyberattacks and resistance to external disruption or political interference (Prasad, 2021). Several BRICS members have already taken preliminary steps toward de-dollarization in bilateral trade. China and Russia have significantly increased the use of renminbi and rubles in bilateral commerce, with non-dollar currencies accounting for over 90% of Sino-Russian trade as of 2024 (Reuters, 2024). India and Russia have established rupee-ruble payment mechanisms to facilitate trade despite Western sanctions on Russian entities. Brazil and China have agreed to settle certain transactions in their respective currencies, bypassing dollar intermediation (Financial Times, 2023). These bilateral arrangements provide proof-of-concept for the broader multilateral system envisioned in the BCBPI.

STRUCTURAL CONSTRAINTS AND IMPLEMENTATION CHALLENGES

Despite rhetorical commitment and institutional development, BRICS faces formidable obstacles in achieving meaningful de-dollarization. The dollar's dominance reflects not merely American power but also the currency's liquidity, stability, and the depth of dollar-denominated financial markets (Eichengreen, 2011). No BRICS currency individually possesses these characteristics to a comparable degree. The Chinese renminbi, the most likely candidate for internationalization, remains subject to capital controls that limit its use in international transactions (McNally & Gruin, 2017). The Russian ruble has been destabilized by sanctions and economic volatility. The Indian rupee, Brazilian real, and South African rand lack sufficient international acceptance and liquidity to serve as major reserve or transaction currencies.

Furthermore, the BRICS countries themselves maintain substantial dollar exposure that they cannot easily eliminate. China holds over \$3 trillion in foreign exchange reserves, predominantly in dollar-denominated assets (People's Bank of China, 2024). Oil-exporting BRICS members like Russia, UAE, and Iran have historically received dollar revenues from energy exports. The shift away from dollar denomination would require fundamental restructuring of global commodity markets, which has proven resistant to change despite decades of periodic attempts (Helleiner & Kirshner, 2014). The inactivity of established payment systems, the network effects that reinforce dollar usage, and the absence of credible alternatives all constrain the pace of de-dollarization. The 2024 Kazan Summit ultimately produced modest outcomes on de-dollarization despite extensive discussion of the issue (Al Jazeera, 2024). Rather than announcing a common BRICS currency which some observers had speculated might emerge leaders endorsed gradual expansion of local currency usage in bilateral trade and continued exploration of multilateral payment mechanisms. This cautious approach reflects recognition of the practical difficulties inherent in monetary transformation as well as concerns about moving too quickly toward arrangements that might trigger retaliation from the United States or destabilize existing financial relationships.

IDEOLOGICAL CONTROVERSY AND NORMATIVE DIVERSITY

BRICS represents not merely a material challenge to Western dominance but also an ideological contestation over the principles that should govern international affairs (Ambrosio, 2017). Western-dominated institutions have historically promoted liberal norms: democratic governance, human

rights, rule of law, market economics, and individual liberty. BRICS members, by contrast, emphasize state sovereignty, non-interference in internal affairs, diverse development models, and resistance to conditional assistance that requires political or economic reforms (Roberts et al., 2018).

This normative contestation reflects deeper disagreements about the appropriate relationship between states and citizens, the legitimacy of external intervention in sovereign affairs, and the universality versus cultural specificity of political values (Foot, 2020). The BRICS emphasis on "non-interference" and "development without political conditionality" appeals to governments that resist external pressure to democratize, protect human rights, or implement liberal economic reforms. This ideological alternative provides normative cover for authoritarian governance while challenging the legitimacy of Western attempts to promote liberal values through institutional leverage. The emergence of ideological pluralism in global governance creates challenges for maintaining international consensus on fundamental principles (Stephen & Zürn, 2019). Western countries have historically defined the terms of legitimate governance and acceptable state behavior. The rise of alternative power centers offering competing normative frameworks undermines this normative hegemony, potentially enabling greater diversity in governance models but also possibly weakening international commitment to universal human rights and democratic accountability.

REGIONAL AND GLOBAL INTEGRATION PATTERNS

BRICS's expansion and institutional development influence regional integration patterns in complex ways. In some contexts, BRICS membership complements regional integration initiatives, with countries simultaneously deepening participation in regional organizations while engaging with BRICS as a platform for Global South coordination (Flemes, 2010). Egypt's membership, for instance, does not conflict with its participation in African Union institutions or Arab League frameworks. Similarly, Southeast Asian countries can engage with BRICS while maintaining centrality within ASEAN.

However, tensions may emerge when regional integration initiatives align closely with either Western or BRICS-affiliated frameworks. The tension between China's Belt and Road Initiative and competing infrastructure frameworks promoted by the United States, Japan, and India illustrates how great power competition increasingly shapes regional development patterns (Kaplan, 2018). Countries face complex strategic choices about which institutional frameworks to prioritize, which infrastructure projects to support, and which economic integration schemes to join.

CONCLUSION: BRICS AND THE FUTURE OF GLOBAL GOVERNANCE

The expansion of BRICS influence in global governance reflects fundamental shifts in the international distribution of power and wealth. The coalition's growth from a conceptual framework to an intergovernmental organization encompassing nine full members and thirteen partner countries demonstrates the appeal of alternative institutional arrangements for countries dissatisfied with Western-dominated multilateral institutions. Through institutional innovations like the New Development Bank and initiatives toward monetary control, BRICS has begun constructing parallel governance structures that partially reconfigure international political and economic architectures (Stuenkel, 2020).

The future trajectory of BRICS depends on the coalition's ability to manage internal contradictions while deepening institutional capacity (Roberts, 2017). The expansion of membership has enhanced BRICS's representative legitimacy and geopolitical weight while simultaneously increasing coordination challenges and diluting ideological consistency. Whether BRICS can translate its growing membership and rhetorical ambitions into effective operational capacity remains an open question with profound implications for the future of global governance.

The cases examined in this article membership expansion, the New Development Bank, and de-dollarization initiatives illustrate the mechanisms through which BRICS influences global governance while revealing the practical challenges of constructing alternative international orders. These challenges nevertheless, BRICS has established itself as a permanent feature of the international institutional landscape, representing the aspirations of the Global South for greater voice in global affairs and embodying the multipolar character of contemporary international relations. As the coalition continues to evolve, its development will provide crucial insights into the possibilities and limitations of emerging powers' efforts to reshape global governance structures.

REFERENCES

1. Acharya, A. (2014). *The end of American world order*. Polity Press.
2. Al Jazeera. (2024, October 24). BRICS summit concludes with focus on dedollarisation. Al Jazeera.

3. Al-Monitor. (2024, January 15). Saudi Arabia delays BRICS membership amid US concerns. Al-Monitor.
4. Ambrosio, T. (2017). Challenging the US in international institutions: Russia and China in the UN Security Council. *International Politics*, 54(2), 258-277.
5. Armijo, L. E., & Roberts, C. (2014). The emerging powers and global governance: Why the BRICS matter. In *Handbook of emerging economies* (pp. 503-524). Routledge.
6. Ban, C., & Blyth, M. (2013). The BRICs and the Washington Consensus: An introduction. *Review of International Political Economy*, 20(2), 241-255.
7. Bank for International Settlements. (2022). Triennial Central Bank Survey of foreign exchange and over-the-counter derivatives markets in 2022. BIS.
8. Bayne, N., & Woolcock, S. (2017). *The new economic diplomacy: Decision-making and negotiation in international economic relations* (5th ed.). Routledge.
9. Bloomberg. (2024, December 10). New Development Bank raises \$16.1 billion in 2024. Bloomberg News.
10. Bordoff, J., & O'Sullivan, M. (2022). The new energy order: How governments will transform energy markets. *Foreign Affairs*, 101(4), 142-156.
11. Brands, H. (2020). The lost art of long-term competition. *The Washington Quarterly*, 43(4), 31-51.
12. BRICS Russia. (2024). XVI BRICS Summit Kazan Declaration. BRICS Russia 2024.
13. Central Bank of Russia. (2024). BRICS Cross-Border Payment Initiative: Technical framework. Bank of Russia.
14. Chellaney, B. (2020). *The China challenge: Shaping the choices of a rising power*. Harper Collins.
15. Chellaney, B. (2021). The Indo-Pacific construct: An idea whose time has come. *East Asia*, 38(2), 103-120.
16. Chin, G. T. (2014). The BRICS-led Development Bank: Purpose and politics beyond the G20. *Global Policy*, 5(3), 366-373.
17. Cohen, B. J. (2015). *Currency power: Understanding monetary rivalry*. Princeton University Press.
18. Cooper, A. F. (2016). *The BRICS: A very short introduction*. Oxford University Press.
19. Downie, C. (2018). Toward an understanding of state behavior in prolonged international negotiations. *International Studies Quarterly*, 62(1), 107-120.

20. Drezner, D. W. (2021). Economic statecraft in the age of Trump. *The Washington Quarterly*, 42(3), 7-24.
21. Eichengreen, B. (2011). *Exorbitant privilege: The rise and fall of the dollar and the future of the international monetary system*. Oxford University Press.