

TI Observer

2023 BRICS Special

Vol. 35

by Taihe Institute

2023 BRICS Summit: For a Multilateral World



Contents

01	From Bandung to the BRICS: Next Steps for the Global South Jorge Heine	01
02	BRICS — the Making of New Financial Institutions Warwick Powell	07
03	BRICS Summit: the Highlight and Expectation Zhang Jieling	14
TIO Spotlight Talk	BRICS: A Long Way Ahead to Unlock Full Potential An Interview With Dr. Brian Wong	21
Youth Voices	The BRICS Summit, Non-Alignment, and the Bandung Legacy Christian John Hayward	29

From Bandung to the BRICS: Next Steps for the Global South

Jorge Heine



Research Professor, Frederick S. Pardee School of Global Studies, Boston University
Former ambassador of Chile to China, to India, and to South Africa
Author of *Latin American Foreign Policies in the New World Order: The Active Non-Alignment Option*

"There are only two BRICS in the wall" was a standard line by Western commentators about the group that held its first summit meeting in Yekaterinburg in 2009. This implied that among the five member countries, only China and India had the required population, landmass, and GDP size to be taken seriously. The sheer arrogance of the phrase is revealing an attitude that permeated Western views of the entity that gave its name to "the decade without a name," that is, the 2000s. Now that the group, with the addition of Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and United Arab Emirates (UAE), an expansion formalized in its XV Summit held in Johannesburg on August 22-24, 2023, has eleven members, the tone has changed somewhat, but not much.

What are the prospects of BRICS+ in this new phase? What does the fact that 22 countries formally applying to join BRICS+, and 40 expressing some sort of interest in doing so tell us? Does BRICS' expansion portend the emergence of a new global order, or will the differences between the members stand in the way of concerted action and achievement of its goals?

To what extent can it be said that BRICS embodies for the 21st century what the Non-Aligned Movement (NAM) embodied for the 20th century, and what differences are present? The purpose of this essay is to respond to these questions by putting the emergence of BRICS in the perspective of the broader geopolitical and geoeconomic shift that has taken place in the world, from the North Atlantic to the Asia-Pacific and more generally, from North to South. Far from representing an opportunistic grouping whose members have little in

common (as is often alleged by its critics), and therefore should not exist (another barb oft thrown), the BRICS represent an organic outgrowth of deep-seated trends in world politics that are changing traditional alignments, providing a new direction for the international system.

A World Order in Transition

The rise of the BRICS is a product of the transition from the Liberal International Order (LIO) status quo since the end of World War Two, an order that from 1991 onwards acquired a strong unipolar imprint, to one in which power is more widely distributed, and in which US influence is no longer monodominant. In this context, two milestones stand out: 2008 and 2016. The year 2008 saw the global financial crisis triggered by Wall Street come into its own, raising questions about the impact of the excesses of finance capitalism. It is no coincidence that the first BRICS summit took place in 2009. The second, and in some ways more important, is that of 2016.

In 2016 the United Kingdom undertook a referendum that approved its withdrawal from the European Union (otherwise known as "Brexit") and the United States elected Donald J. Trump to presidency. The United Kingdom spent the following years extricating itself from the European Union in a messy process led by five different prime ministers in seven years that caused the country to register the worst performance of any European economy. The United States under President Trump, in turn, proceeded to renege on free trade, to embrace "fair trade," to withdraw the United States from the Trans-Pacific Partnership (TPP), from the Paris Agreement on Climate Change, from the World Health Organization (WHO) and to paralyze the World Trade Organization (WTO) by refusing to nominate new judges to its Appellate Body. Although President Trump's successor, Joseph R. Biden, is more sympathetic to multilateralism, he has continued the protectionist measures enacted by the Trump administration, and in many ways doubled down on the "America First" policies of the latter. There is also a strong possibility that Donald Trump might return to the White House in 2024, with all the consequences that entails.

The irony could not have been greater. The LIO, based on multilateralism and free trade, is being dismantled by the very countries that set it up in the first place, namely the United States and the United Kingdom. Unilateralism and "fair trade" are now the key principles guiding US foreign policy, making a mockery of any

notion of a "rules-based order," as rules are trampled upon by those who pose as their biggest champions.

What caused this extraordinary situation?

Shifting Economic Sands

A key factor to keep in mind is what the World Bank has identified as a wealth shift that has taken place in the past thirty years or so. This has brought about a re-ordering of intra-South hierarchies and the global order. In this period, the GDP of the Global South rose from 20 percent of world GDP in 1970-1990, to 40 percent in 2017. Concomitantly, the South's participation in global trade rose from 24 percent in 1970 to 35 percent in 2000 and 52 percent in 2017. In turn, the South's share of global capital inflows (including FDI) rose from 18 percent in the 1970s to 25 percent in the 1990s and 53 percent by 2017.

At the heart of this process has been the rise of Asia, now the world's most dynamic economic area, with the two Asian giants (China and India) leading the way, albeit on a well-trodden path mapped by Japan and the "Asian Tigers" (Hong Kong, Korea, Singapore and Taiwan). Other countries around the world, like Brazil, Mexico, and Turkey, have also come into their own, dramatically changing the global economic landscape.

Contrary to what many predicted at the beginning of globalization (which started, *grosso modo*, in 1980), a more connected world, instead of favoring only developed countries in the Global North, opened considerable opportunities for those in the Global South, especially in Asia. On the other hand, the countries of Anglo-Saxon capitalism, reluctant to set up sufficiently strong social protection systems to contend with the ups and downs of the business cycle associated with globalization, have been the most affected by the process of de-industrialization, ensuing from displacement of large numbers of factories to Asia. This de-industrialization of vast sectors of the US Northeast and Midwest (now known as the "Rust Belt") and England's North and Midlands, and the consequent unemployment and underemployment has led to a strong reaction among the working class. This has been channeled by populist leaders like Donald J. Trump and Boris Johnson, whose anti-globalization and anti-immigrant rhetoric catapulted them to power. Suddenly, the consensus in many developed countries is that globalization, far from being the panacea that many thought it was, was a

boomerang instead, one that gave a big impetus to countries like China and India, but with negative effects in the Global North.

The BRICS+ and Beyond

The rise of the BRICS and its expansion is thus part and parcel of this transition from one world order to another. On the one hand, we have rising powers who find themselves with no place at the high table of world politics. On the other hand, the so-called "rules-based order" is being jettisoned by the very powers who set it up in the first place, to be replaced by whatever is convenient to Western powers. The inability of hegemonic powers to act in the interests of the international system as a whole became apparent during the Covid-19 pandemic, when "vaccine nationalism" ran rampant in the United States and Europe, preventing any effort at providing needed vaccines to the rest of the world in a timely fashion.

Not surprisingly, in the aftermath of the Ukraine crisis, many leading countries in the Global South chose not to align themselves with the Western position and calls to stand up for the "rules-based order" fell flat. Which rules-based order? The one that weaponizes international payment systems, relies on unilateral financial sanctions, refuses to come through with climate finance commitments, and is unable to resolve the financial indebtedness of developing nations?

The Ukraine crisis has shown that the main divide in the modern world is not between democracy and authoritarianism, as some would have us believe, but rather between the Global North and the Global South. While many (though by no means all) countries in Africa, Asia, and Latin America do not support Russia regarding the Ukraine crisis, almost none have endorsed the diplomatic and economic sanctions on Russia. On the contrary, the freezing of Russian assets abroad was seen as a major threat to any country that might find itself on the wrong side of Western power. It created an added impetus for de-dollarization, however slow and cumbersome that process might be. While the notion of a common BRICS currency might seem far-fetched at this point, the trend towards trading on the bases of local currencies (instead of doing so in US dollars) is gaining traction, as is the use of currencies other than the US dollar or the euro. In what may be the first such case, Brazil offered to pay Argentina part of the import bill on goods in RMB.

To opine that the only factor uniting BRICS member countries are anti-Western grievances is unfair. There are other elements that bring them together, but the sense that the international system is rigged against developing countries is real, there are solid reasons for it, and part of the attraction of joining BRICS is that it aims to provide an alternative to the current world order. The discontent with the status quo is, in a sense, similar to the discontent expressed by the Non-Aligned Movement in its early years. However, there is a crucial difference.

The members of the NAM, embodying what was then known as the Third World, deployed what was known as the *diplomatie des cahiers des doléances* (grievance diplomacy), such as when they campaigned for the New International Economic Order (NIEO). Yet, they did so from a position of weakness, which ultimately undermined their possibilities of success. In contrast, the BRICS, embodying what we might call the New South, does not need to engage in grievance diplomacy, as it speaks from a position of strength. This is reflected in the fact that the combined GDP in PPP terms of the original BRICS Five in 2023 was already higher than that of the G7. Rather than grievance diplomacy, the New South deploys collective financial statecraft, reflected in institutions like the New Development Bank, the Asian Investment and Infrastructure Bank (AIIB), and the Belt and Road Initiative (BRI). The fresh financial resources that new BRICS members like Saudi Arabia and United Arab Emirates bring to the table, and potentially to the New Development Bank, are considerable, further leveraging opportunities across Africa, Asia, and Latin America.

The self-centeredness the West has shown in relation to BRICS has been exceedingly short-sighted. The XV BRICS summit in Johannesburg marked a turning point in the growth and development of this, as yet informal, but so far remarkably effective group, which now represents 37 percent of the world's GDP and 47 percent of the world's population. Some agenda items BRICS+ should focus on include: reforming multilateral institutions to reflect the current distribution of power, and not that of 1945; bringing an end to weaponization of international payment systems and unilateral financial sanctions that wreak havoc with the world economy; enacting extant commitments from the North that would make reduction of carbon emissions viable in the South; restoring the World Trade Organization (WTO) from its current state of paralysis to one of working order; and building up the World Health Organization (WHO) so that it can play an effective role in fighting the next pandemic on a worldwide basis, thus avoiding "vaccine nationalism."

After the Johannesburg summit concluded, President Lula of Brazil invited the G7 to a formal meeting with the BRICS+ to discuss a common agenda of concerns about the world, and to move forward on it. As of this writing, there has been no response, and most observers would opine that it is unlikely there will be any, at least in the short term. But for how long will the G7, which represents a small sliver of humanity (less than 10 percent of the world's population) be able to hold out, insisting on a position that is ultimately untenable—that is, to refuse to engage the rest of the world, remaining isolated in its own cocoon—is the question on the table. It will not go away.

BRICS — the Making of New Financial Institutions

Warwick Powell



Adjunct Professor at Queensland University of Technology, Australia
Author of *China, Trust and Digital Supply Chains: Dynamics of a Zero Trust World*

Security through common prosperity; prosperity reinforced by mutual security. These are the challenges of our times. New *inter-national* institution building continues to take shape, as the global political fabric of *Pax Americana* unravels under its own weight. I say *inter-national* (with a hyphen) to emphasize the point that these institutions are premised on the centrality of nation states, whose independent existence is intertwined with that of others, and whose prosperity and peace are achieved through mutuality rather than hegemonic diktat. These forms of inter-national institutions focus on identifying and harnessing areas of common interest while at the same time, accepting and even embracing the presence of difference. As institutions bring multiple nation states together, they seek not to subordinate national differences to a single historical narrative but to amplify *commonality-in-difference*.

It is here that BRICS (and now BRICS+) is maturing as a focal point for the nations and peoples of the developing world, long ostracized and left behind by the dynamics, institutions, and authority of great colonial powers. In this context, the capacity of BRICS to contribute to a new financial architecture will likely be one of its lasting legacies.

From the Old Comes the New

For about five centuries, the evolving global order has been shaped by English and European colonialism, and in more recent times, the spread of an American Empire. Undergirded by extractive financial systems, backed by the force of

industrial militaries, colonialism saw wealth extracted from Africa, Greater Asia, and South America be transferred to the colonial powers representing emergent and powerful industrial capitalism. The de-colonialism in the decades after World War II may have seen the formal dismantling of colonies, as national independence - often with strings attached - was granted to erstwhile subordinates. But, despite formal independence, these newly formed nations often remained enmeshed and subordinated to global institutions and systems of wealth extraction, much as had taken place under the yoke of colonialism. The dismantling of the Soviet Union in 1991 amplified these economic and geopolitical forces, as the United States laid claim to what was seen to be unconditional zero-sum victory. The power and authority of global financial institutions, such as the IMF and World Bank, were amplified as History's End was declared.

By 2008, the unchallenged dominance of the transatlantic economic model came crashing down as the North American subprime crisis spread across the Atlantic and elsewhere, exposing a financialised architecture dominated by an explosion of fictitious capital that had become increasingly detached from real economy valorisation. The Global South understood the problems of this detachment; this model of capital had dominated their existence for centuries. Global financing into developing nations has at best provided trade credit, but never enabled the development of local productive capacity. Periodic bouts of so-called Third World debt crises were common from the 1970s onwards, as cycles of indebtedness to the Bretton Woods institutions of the World Bank and IMF drove increasing national disempowerment of developing nations and wealth extraction by the powerful. The global financial architecture anchors uneven development and exploitative relationships between the developed and the developing worlds.

The United Nations Secretary General Antonio Guterres recently observed that the post-War international financial architecture, "has failed in its mission to provide a global safety net for developing countries." He observed that it, "essentially reflects, even with some changes, the political and economic power dynamics of that time," when three quarters of today's nations weren't around the table at Bretton Woods. His observations of the dominant global financial architecture are damning:

"Nearly 80 years later, the global financial architecture is outdated, dysfunctional, and unjust. It is no longer capable of meeting the needs of the 21st century world: a multipolar world characterized by deeply integrated economies and financial markets. But also marked by geopolitical tensions and growing systemic risks."

BRICS is emblematic of this multipolar world, through which new architectures are being developed.

BRICS' Emergence

Within a year of the so-called Global Financial Crisis, more aptly called the Western Financial Crisis, the first BRIC summit was held in Yekaterinburg, Russia on June 16, 2009. It involved participants from Brazil, Russia, India, and China. BRIC was renamed BRICS after South Africa was accepted as a full member at the BRIC Foreign Ministers' meeting in New York in September 2010.

Since then, BRICS has come a long way.

BRICS is a prominent element of the emergent network of new institutions that stand in stark contrast to the machinery that has shaped the dispensation of political, military, and economic power particularly in the post-World War II period. New institutions are necessary, as Guterres notes, to enable a constructive response to the legacies of colonialism, and to deliver patterns of economic development that empower rather than subordinate; that enrich rather than expropriate. New institutions that deliver more even development are needed.

As a platform, BRICS has afforded developing nations a voice; a vector to harness, coordinate, and amplify shared aspirations and common needs of the Global South. Its rising status and capacity in the approximate 15 years since its inception is made possible by the growing economic heft of its member nations, and their mutual intertwining through the expansion of trade and maturing financial interactions. Member nations now have a common currency reserve of about US\$ 4 trillion. Intra-member trade reached over US\$ 644.6 billion by 2022. Their collective GDP is now, on PPP terms, greater than that of the G7 economies. This is now set to grow to represent over 37% of world GDP on nominal USD terms (and even greater on PPP terms) as BRICS formally expands its membership.

For much of the post-World War II period, international trade has been denominated and facilitated by US dollars (USD). The USD progressively assumed the status of a global reserve currency, even after the suspension of redemptions for gold in 1971. That said, the USD has never achieved comprehensive ubiquity with national central banks holding a variety of currencies. Indeed, central bank USD reserves have been diminishing to around 50% of holdings globally, as currency diversification has picked up pace in recent years. The ongoing

intensification of the weaponization of the USD has catalyzed a hastened diversification. The settling of cross-border trade transactions in national currencies, rather than USD, is a growing feature of the contemporary global commercial landscape.

Growing trade volume and diversity of trading partners and commodities create the foundation for successful de-dollarisation. These create the conditions necessary for national currency pairs that are relatively liquid within reasonable time cycles; put plainly, there's plenty of things that they all need from each other to keep the currencies spinning around. Money's principal function is as a medium of exchange and circulation; all other functions are dependent on its ability to fulfil this requirement. A store of value is meaningful only on the expectation that money can be exchanged for something of value in the future, and that the relationship of equivalence between money holdings and commodities (or services) remains relatively stable.

New Financial Architecture

BRICS doesn't need to create a distinctive BRICS currency to enable effective de-dollarisation, especially as it's trade that lays the foundation for currency utility. Trade finance can be provided with national currencies. The *numeraire*, if need be, could be an abstracted datum; for example, even the aggregated rolling average value of gold or a basket of globally traded commodities is denominated in USD, the USD does not ever have to be held by any party. The use of USD as *numeraire* is an enabler of equivalence, nothing more. Digitalisation of currencies makes this possible with little to no transaction costs or friction.

BRICS member nations have been independently progressing the digitalisation of payments and currencies. China's digital currency project is now into its third year of real-world trial deployment with over 100 billion RMB worth of transactions made by August 2022, with use cases growing. The digital RMB is now officially recorded as part of China's money supply (M0), and its growth will take place within the money supply policy envelope. The digital Rupee is also in deployment with 1.3 million consumers and 300,000 merchants testing the Central Bank Digital Currency (CBDC) as of June 2023. The digital Rouble is slated to be launched in late 2024 and is already in trial. Brazil's central bank has recently announced that it plans to adopt a CBDC by the end of 2024. South Africa's reserve bank has also completed technical proof of concept studies for a national CBDC. With all this activity, it is reasonable to expect that by 2025 all founding BRICS nations will have implemented digital currencies. Digitalisation

enables equivalences (that is, exchange rates) to be calculated “in the moment” and to be executed in the software “back engine.” This is in effect what has been trialled in Hong Kong, where visitors from mainland China were able to purchase using eRMB from Hong Kong merchants who received payments in HKD. Yiwu Pay is another successful cross border payments system utilizing the digital RMB.

Aside from currency digitalisation, currency multipolarity also depends on an array of other factors. Payment mechanisms and platforms that effectively bypass the US-dominated SWIFT are particularly necessary. The SWIFT network operates via three data centers, located in the US, the Netherlands and Switzerland respectively. The ability to control these digital nodes confers Leviathan-like authority over global payments. Alternative architectures have thus emerged, such as CIPS, Mir and UPI, which enable bank-to-bank transfers to be made without SWIFT. Institutionally, bilateral swap arrangements between national central banks also support de-dollarisation. Such swap arrangements have been growing between BRICS members and other nation states.

Data integrity and digitalisation is a necessary precondition for 21st century cross-border financial solutions. China’s work in blockchain-enabled data networks will likely contribute significantly to the approaches adopted by BRICS+ nations (and those they interact with). Expanding the technological footprint of 5G networks, hastening the growth and maturation of open-source standards for network infrastructure access and development and achieving meaningful collaborative approaches to the governance of AI are part and parcel of global value flows re-engineering, in which financial architecture is one key piece. Interoperability over common standards, while recognizing national data sovereignty, will likely be a guiding design principle of global digitalisation with BRICS+ characteristics.

Uneven economic development creates imbalances between trading nations. The Bretton Woods negotiations were aimed at creating a system in which such imbalances could be corrected. The USD-dominated system was not the preferred model for British economist J.M. Keynes. Rather, Keynes’ ‘bancor’ proposal enabled adjustments between trade creditor and debtor nations, which incentivised creditor nations to actively reduce their surpluses by investing in capacity in debtor nations and growing their imports from the trade debtors. In other words, adjustment costs would be shared across the system, whereas in the final wash-up, with USD becoming the reserve currency, adjustment costs were borne disproportionately by trade debtors. The cycle of debt addiction and impoverishment associated with the World Bank and the IMF has been the result.

One of BRICS' most significant contributions to global economic institution building is the launch of the New Development Bank (NDB) in 2014. In a separate agreement, the BRICS members also agreed to set up a reserve currency pool. This pool is now valued at about US\$ 4 trillion. The NDB has progressively grown its role as financier to members to support the development of productive infrastructure. It has approved over 90 projects worth US\$32 billion. It aims to increase the amount of finance it provides in national currencies from 22% to 30% by 2026. The NDB has announced that it will begin issuing finance in South African Rand and Brazilian Real, to complement loans denominated in USD and RMB. This too represents a progressive de-dollarisation. In an environment of national currencies, the adjustments between trade creditor and debtor can conceivably be made via the NDB as it opens avenues for the provision of productive capital, rather than merely merchant capital.

Solid Foundations

BRICS and its associated institutions like the NDB have much to do, but the foundations are solid. That as a group it has achieved so much in 15 years - a mere split second in the scheme of global institution building - is testament to the collective approach of its members. Common problems and challenges demand collective solutions. Finding commonality among ongoing differences is embodied by BRICS.

BRICS will matter more as it contributes to a radical and wholesale transformation of the structure of global finance, enabling the financing of national productive capacity in national currencies. Merchant capital will need to be buttressed by productive capital - denominated in national currencies - to facilitate more even global development. Institutionally, this means the development of national banking infrastructure, supported by a growing global architecture anchored by the NDB and an array of cross-border enabling digital technologies that distribute critical powers and authorities. Opportunities for the NDB to work with other global development finance providers will only enhance portfolio diversity and deliver greater opportunities for risk mitigation. The heart of global transformation will come as the elements of a 21st century cross-border financial architecture are bedded down. This means low-cost high-speed payments systems, the availability of merchant capital (including trade and supply chain finance), and ultimately provision of productive capital in risk-mitigated non-discriminatory ways. These elements are institutional and technical, many of which have been progressively designed, tested, and rolled out over the past decade or so. The ethos of BRICS and now BRICS+ - of commonality

while recognizing difference - is critical to the expansion of this technical and institutional capacity.

BRICS Summit: the Highlight and Expectation

Zhang Jieling



Senior Fellow of Taihe Institute

On Aug. 24, during a special press conference of the 15th BRICS Summit, it was announced that Saudi Arabia, Egypt, the UAE, Argentina, Iran, and Ethiopia officially joined the BRICS family. This announcement came on the heels of an earlier statement by Naledi Pandor, South Africa's Minister of International Relations and Cooperation, on Ubuntu Radio. She confirmed that the existing BRICS members reached a consensus about this expansion, and that a document outlining the principles and procedures for membership evaluation was approved.

The inclusion of new members reflects the widespread appeal of BRICS to developing countries. It reinforces the idea that BRICS is not an exclusive club but an inclusive platform committed to win-win cooperation. Specifically, it underscores the group's role in championing multilateralism and South-South cooperation. This expansion, which has captured global attention, stands out not only as the highlight of the Summit but also as a significant milestone in BRICS' evolution.

1. Amid escalating economic challenges, the timing of BRICS expansion is apt

Compared to its early days, only China and India from BRICS have shown a consistent performance, while the economic momentum of the other members has waned. First, Russia's economy is in a bind. Following the outbreak of the Ukraine crisis, Russia, burdened by Western sanctions, has witnessed a notable drop in its oil and gas revenue. The ruble saw significant devaluations against

the dollar, pushing Russia further to the periphery of the global economy. While Russia's economy may seem robust on the surface, it is largely propped up by its military-industrial sector. This year alone, the Central Bank of the Russian Federation has revised down its economic projections several times, each one grimmer than the previous, suggesting a stark difference between the actual economic situation and Moscow's estimates.

Second, South Africa's economy looks bleak. A combination of policy missteps, governance shortcomings, and corruption issues has resulted in a significant underinvestment in infrastructure over the past 15 years. The country has witnessed a marked brain drain along with persistently high levels of unemployment, inflation, and crime. Data from Statistics South Africa shows that the official unemployment rate for the second quarter of 2023 was at 32.6%, with the youth unemployment count (ages 15 to 34) declining to 4.7 million, which was 131,000 less than the previous quarter.

However, based on a broader definition of unemployment that covers those who disinclose to seek jobs, 42.1% of South Africans are without jobs. While these figures represent a slight improvement from Q1, the situation remains precarious. In fact, as early as 2013, South Africa was overtaken by Nigeria as the continent's largest economy. Today, South Africa has been relegated to a developing country, though it was once considered the only developed country in Africa. In June 2023, the International Monetary Fund (IMF) warned that without urgent reforms, South Africa's economy might face zero growth this year, with prospects of further decline.

Third, Brazil's economy is languishing. Over the past decade, the country's annual GDP growth has been an average of 0.6%, marking 10 years of significant regression, with the GDP per capita plummeting from USD 11,300 in 2010 to under USD 8,000. According to the UN report, "State of Food Security and Nutrition in the World 2023," between 2020 and 2022, approximately 10.1 million Brazilians faced hunger. Although this number has decreased slightly from previous years, those affected by food insecurity in Brazil increased to 70.3 million, roughly a third of its total population.

Fourth, China's economy has also slowed down. Despite a positive long-term trend, China's economy has felt the repercussions of the COVID-19 pandemic and Western efforts to disrupt or even sever supply chains. While external demand has contracted, domestic demand has not adequately filled the void. Rising unemployment rates and a contracting real estate market further exacerbate the

situation, and pivotal sectors are getting vulnerable. All these factors have cast longer shadows over the economic outlook.

In such a context, the BRICS platform has revitalized itself through the timely addition of new members. This expansion allows BRICS members to draw on each other's comparative advantages, facilitate South-South cooperation, and better address various challenges and risks. It also enables BRICS to play a more significant role in global politics, economics, and security, thereby promoting diversified and inclusive development and fostering a new form of international relations featuring mutual respect, fairness, and justice.

2. BRICS members need to further enhance mutual trust

Before the summit, there were concerns about the viability of BRICS expansion. Word had it that India and Brazil were "opposed to expansion," and that Russia imposed strict prerequisites for it. These were not mere baseless rumors. Actually, while all five BRICS members showed interest in expansion, they had differing views on "how." The most unpredictable factor was India.

As the largest economy within the BRICS group, China has consistently advocated for swift expansion to counteract the marginalization of developing countries in international affairs and promote a diversified world. India, on the other hand, has expressed reservations due to concerns that China might use the BRICS platform to advance China-centric agendas like the Belt and Road Initiative and Global Development Initiative. This could potentially reposition BRICS as a counterweight against the U.S. and the G7 and diminish India's role within the group.

This is quite understandable. After all, the "dragon-elephant rivalry" has long been a hot topic in India. The Modi administration also attempted to use Russia as a counterweight against China's rise. However, after the Ukraine crisis broke out, China-Russia mutual trust has been described as one that has "no ceiling," India's strategy was obviously unviable. Consequently, India has been strengthening its ties with the U.S. in search of greater Western support while striving to maintain a certain level of "strategic autonomy."

So, it is hardly surprising that US National Security Advisor Jake Sullivan called BRICS a "very diverse collection of countries...with differences of view on critical issues." Jim O'Neill, the "Father of BRICS," also noted that a primary immediate challenge for BRICS is "the lack of cooperation between China and India," and that "China and India rarely agree on anything." Their reluctance to get closer and

cooperate hinders BRICS from playing a more prominent role on the global stage.

Frankly, the intrinsic tension within BRICS is not likely to vanish with mere expansion in the foreseeable future. For BRICS to truly thrive, its members must continue to build trust, focusing on the bigger picture and managing their differences appropriately. Only by doing so can they commit themselves to upholding world peace and security, promoting fairness and justice, fostering mutual growth while protecting their own interests, and jointly addressing global challenges.

3. BRICS expansion helps accelerate the de-dollarization process

Currently, BRICS encompasses 26.46% of the world's land surface with a total population of 3.24 billion, which accounts for 41.93% of the global population. In 2005, the collective GDP of the five BRICS members made up less than 10% of the world's total. However, by 2021, this figure surged to 25.24% (equivalent to 60% of the G7's GDP). In terms of purchasing power parity (PPP), BRICS accounts for 31.5% of the global economy, outstripping the G7's 30.4%. This positions BRICS as a primary engine of global GDP growth.

On the other hand, BRICS is underrepresented within the global financial system. As of 2022, BRICS only held 14.06% of voting rights in the World Bank and 14.15% of total shares in the IMF, disproportionate to its global economic stature. For years, the U.S. has weaponized the dollar and its payment systems, frequently using financial sanctions to pursue political aims. Such actions have compromised the principles of market integrity, casting doubts on the stability and trustworthiness of the international financial system.

The six recently added countries are among the most representative emerging markets in the developing world. With their inclusion, BRICS' share in the global economy is set to grow, which in turn will amplify the call for international financial reform. Already, there is a renewed push for a BRICS common currency to challenge the dominance of the dollar.

On the eve of the Summit, Anil Sooklal, South Africa's Ambassador-at-large for Asia and BRICS, revealed in an interview that BRICS leaders would explore expanding the use of local currencies for trade between BRICS members, with a focus on the establishment of a unified payment system. He also mentioned that the Summit might consider setting up a technical committee to examine the feasibility of a "common currency."

Unexpectedly, the XV BRICS Summit Johannesburg II Declaration only encourages BRICS members and their trade partners to use local currencies in international trade and financial dealings. It also tasks “the Finance Ministers and/or Central Bank Governors, as appropriate, to consider the issue of local currencies, payment instruments and platforms,” but omits any reference to the widely anticipated subject of a common currency. This offers insight into the broader trajectory of BRICS’ endeavors to move away from the dollar.

For BRICS, introducing a “single currency” similar to the Euro might be the most effective way to expedite de-dollarization. However, reaching this milestone is no mean feat. Given their diverse political, economic, and geostrategic landscapes, none of the BRICS members has yet shown an inclination to forgo their national currencies. Moreover, setting up a central bank for BRICS—the way the EU did it—is fraught with challenges. Considering the varied viewpoints among BRICS members, negotiations over a common currency will not yield results overnight.

It is worth noting that to reduce trade costs and minimize losses from currency volatility, BRICS members have started to trial settling transactions between themselves using local currencies. While these efforts are still in nascent stages and have unavoidably encountered some problems, settlements in national or alternative currencies promise to be an independent and stable option. By circumventing costs associated with dollar conversions and shielding countries from the impact of dollar fluctuations and the Federal Reserve System’s varying monetary policies, such an option aligns with the fundamental interests of BRICS and the Global South as a whole.

To be clear, de-dollarization does not mean completely forsaking the dollar. Rather, BRICS members aim to diminish their over-reliance on the dollar and the associated risks it presents. This is an irresistible trend. For the global economy to grow in a balanced and steady manner, establishing a diversified and evenly structured international monetary system is essential. BRICS keenly anticipates this shift.

4. Points to ponder

First, needless to say, BRICS expansion will benefit the Global South immensely. However, this also implies that disagreements and conflicts among BRICS members would intensify, which in turn would hinder the group’s decision-making efficiency. In the medium to long term, it behooves BRICS to consider the need for overhauling its decision-making process. This includes exploring the feasibility of

transitioning from a unanimous consent principle to a majority-based rule.

Second, BRICS and G7 are not inherently adversarial. Some contend that China's advocacy for BRICS expansion aims to shape the group into an anti-Western platform—a counterweight against the G7, to be more precise. While there is merit to this claim, it does not capture the entire picture. Over the past five years, notably during the Trump and Biden administrations, Sino-U.S. relations have significantly deteriorated. For Beijing, the primary goal of expanding BRICS is to strengthen its relationships with the Global South and thereby counterbalance the West's "de-risking" policy towards China.

Since the Biden administration's China strategy heavily emphasizes rallying allies for collective pressure, China's advocacy for BRICS expansion can be seen as a justifiable response. Of course, what China has been seeking is to foster open and inclusive collaboration both between and beyond developing countries, particularly on global challenges like climate change. China is not keen on forming cliques or forcing countries to choose sides.

TIO Spotlight Talk



BRICS: A Long Way Ahead to Unlock Full Potential

An Interview With Dr. Brian Wong

Brian Wong



Assistant Professor of Philosophy at
University of Hong Kong
Rhodes Scholar

TIO Ever since the term BRICS was coined, it has seemingly been deployed to refer to a loose economic cooperation, as opposed to a particular and unified political bloc with an agenda. With the BRICS expansion to 11 members at the group's 15th summit in late August, do you think it is a signal that BRICS countries are going to be more united or diversified?

WONG Great question. I think the expansion of the BRICS is an inexorable trend that is unlikely to halt in the short to medium term, especially with Turkey and Nigeria likely to join the next round of negotiations. Yet the future is not all rosy for the disparate countries. BRICS countries must figure out a way of navigating the fine balance between breadth and coverage, as well as solidarity and coherence. Finding ways to resolve differences among themselves will be of pivotal importance.

On the one hand, it is clear that BRICS countries have indeed agreed on several important issues. For one, BRICS arose from a push for greater leadership by powerful regional and international players that had conventionally been lumped in with the Global South. Respecting each other's sovereignty is a pivotal normative commitment, at least as expressed by member states – though the extent to which this principle has been in fact upheld remains to be seen. Many of

the BRICS also see the glaring hypocrisy in the moral compass of the West and the Global North as a major issue.

However, the fact that some among BRICS countries have expressed reservations about Russia's actions in Ukraine, and that China, Saudi Arabia, and Brazil, among others, have sought to play a role in mediating the ongoing crisis, does suggest that BRICS countries do not see eye to eye regarding the ongoing war in Ukraine. Indeed, going forward, BRICS states must not tolerate and abet double standards among their own members. A true deepening of ties will require alignment on policy-making processes and guiding principles, as well as the shared interest sustained by governments of countries in Latin America, Africa, and South-East Asia – particularly those who are in fact craving an additional platform and a greater say against the backdrop of today's hegemonic global institutions, dominated by powers who may not welcome newcomers.

Despite all the positive vision, ideology, and rhetoric emanating from the group, the extent to which BRICS can bring concrete improvements and empowerment to its member states remains to be seen. Argentina faces impending election of a far-right leader; Iran and Saudi Arabia remain entrenched in religiously motivated divides and sectarian resentment that has been paved over, but not resolved, by mediation efforts from Beijing. There is much that stands in the way of true unity and closer alignment between BRICS member states.

Yet all these disparities are part and parcel of BRICS being an open-minded, open-ended, and therefore heterogeneous project in progress. Such differences, at their core, have not hampered the potential for BRICS to grow and cultivate stronger bilateral economic and strategic ties. It's easy to look down upon developing countries and brand them as ineffectual losers in this proverbial game of Zbigniew Brzezinski's "The Grand Chessboard."

TIO You have made a very good point. In Chinese philosophy, we are firmly wedded to this celebration of diversity, 和而不同 . The BRICS countries have seemingly rallied around a shared distaste and dislike for the West, with the Western press seeing them as a rival to the Western powers, and Russia seeking diplomatic alliances through the expansion of the bloc. Yet it also appears that India's stance is pro-West. What do you make of this all?

WONG Look, there are several ways of looking at how the BRICS bloc relates to the West. The first view is the BRICS is an actively antagonistic coalition of countries that seek to rival and defend themselves against the US. The second and alternative reading is that the BRICS is merely a complementary, supplementary institution that goes along with the Global North... and that it does not fundamentally contravene or stand in opposition to the Global North – no grievances. I would say that neither of the two excessively unrefined and simplistic narratives makes much sense to me. On one hand, this interpretation ignores the view, as raised recently by President Lula at the BRICS meeting, that Brazil still has a good relationship with its Western partners. Closer and deepening ties between India and the European Union, as well as the push for greater free trade between the Indian Subcontinent and other developed countries and regions, are signs that India does not and will not intend to decouple or detach itself from the West anytime soon. Even the new members, such as UAE or Saudi Arabia, are quite firmly planted within the Western energy trade and supply chains at large.

I don't think any BRICS member will object to the view that BRICS membership grants greater strategic flexibility and leeway vis-à-vis the West. It is true that the economic grouping has and will continue to place pressure on policymakers in Washington, London, and Brussels to come up with alternative means of courting the Global South. Yet it is vital that we appreciate how diverse and heterogeneous the views of BRICS members are. We cannot possibly conclude that the bloc as a whole is anti-Western and committed to a vindictive agenda against some of its largest trading partners. A tit-for-tat agenda with the West would be a self-destructive exercise that would hurt the BRICS badly. Yes, the world is becoming more multi-polar, but this is not a reason for countries to ignore the laws of trade and basic economics. Fundamentally, BRICS is not an anti-Western, confrontational institution designed to repudiate or counterbalance against all presence and influence of the West.

TIO On another note, Indian scholars believe that the BRICS are being used by China and Russia, and suggest that it is difficult to build trust between the BRICS members, to smooth over long-standing rifts and skepticism, such that the BRICS can play a greater role in the international community. So how do you see China's relationship with India?

WONG I think the crux of the world tomorrow rests with the Sino-Indian relationship of today. China and India are shaping up to be the most prominent, not just the most populous, countries in global politics in the long run. Don't get me wrong – there are many points of contention and divergence between China and India. For one, there are the disputes and flare-ups along the Line of Actual Control (LAC), controversies and contestations over territorial control in Kashmir, as well as competition between national business champions. Prime Minister Narendra Modi, as a slick and effective political mind, has implemented significant nationalistic, protectionist, and anti-Chinese business measures over the past few years, including banning TikTok, which really was aimed at protecting India's domestic political and digital economy, as well as a slew of other companies. With the Quad now in place, India clearly feels that it is in a position to call for and exert greater influence in Southeast Asia and the region.

India and China also do not agree entirely on the issue of Russia and the ongoing war in Ukraine, despite the former being by far a more avid economic and security-military partner to Russia than China. Russia has been incredibly shrewd, for the most part, in playing Beijing against New Delhi to squeeze both parties for maximum economic aid and support. The events unfolding in Ukraine right now are testament to both the underlying fundamentals and limits to the relationship between Russia, China, and India. The Kremlin has thus far managed to balance the two international players with aplomb, relying upon India's purchasing of oil and energy from Russia, and the continued economic and financial support from China.

Despite his flamboyant eloquence and exceptional ability to mobilize the masses through populist nationalism, Modi has sought to be as dexterous and strategically ambivalent as possible in conducting his international affairs and foreign policy. Modi has been very careful in saying he was not systemically opposed or antagonistic towards China, as well as positing that China and India can share and co-habit a more multipolar world order. Yet Modi has also affirmed that he sees China as a risk factor, thereby stoking the concerns of Indian nationalists who view Chinese actions with engrained suspicion. It is indeed reasonable for us to have renewed doubts about the strength or even durability of the Russian government, as well as its ability to continually play both sides internationally – yet this should and must be separated from the question of how India is likely to react.

With that said, I don't want you to walk away feeling that the Sino-Indian relationship is inherently doomed. There exists much goodwill between China and

India, especially on a provincial-state and municipal-local level. There is definitely some interest from both sides in finding a more sustainable modus vivendi between the two powers. There are three urgent tasks that must be resolved as soon as possible.

Firstly, both parties must deeply understand, study, and investigate the political and foreign policy making processes of one another – thereby developing a genuine understanding and grasp of the modes of governance of the other – to broaden and deepen the intellectual horizons and responsiveness to facts of policymakers, businesses, and individuals in both countries.

Secondly, there are some issues in the relationship between India and China for which clear red lines must be drawn, laid out, and accepted. Only by the two powers agreeing to disagree, can they agree on a wider range of instrumentally important areas.

Finally, both countries should recognize that commercial relations and trade can be win-win. The inflow and outflow of goods and services serve the interests of both sides. On the other hand, the protectionism, tariffs, restrictions and other legal provisions and measures are not in the interests of both sides. Both India and China would benefit from reforming trade flows and opening up to promising FDI.

These are the points and suggestions concerning how both India and China can improve their bilateral relations.

TIO That's very impressive, and applicable to many bilateral relations, especially when given the backdrop of ascending nationalism and protectionism. What role can China play?

WONG I believe that we must actively undertake Track-II dialogue initiatives and diplomatic exchanges. In relation to Sino-Indian diplomacy and exchanges, we, as the private or academic sector, bear the responsibility to significantly strengthen the quality and depth of Track-II diplomacy.

TIO Russia is stuck in a war, and BRICS countries clearly hold different views towards the eruption of the war. Yet we also witnessed a joint statement given during the BRICS Foreign Ministers Meeting on June 1. The statement suggested that the ministers recognized the impact on the world economy from unilateral approaches in breach of international law, and that the situation was complicated further by unilateral economic coercion methods. How do you interpret this claim concerning unilateral coercion, especially given that Iran is joining the BRICS?

WONG The statement addresses two aspects of the sanctions: unilateral sanctions, and financial isolation. The former is aimed at delegitimizing particular regimes, whilst the latter is aimed at curbing and eliminating the impact of certain countries on the global financial system and the ability to root them swiftly and effectively out of the market when push comes to shove. I think and hope BRICS can play a role in mediating peace in the Ukrainian war, finding a reasonable compromise that takes into account both sides' key baseline interests, thereby giving rise to a mutually beneficial solution.

On both moral and perceptual grounds, the BRICS must commit to the view that they should be vigilant that international law cannot be violated simply because geopolitical interests are threatened or attacked, and that if the law is violated, it will be a violation of rights of citizens of member states. Such violations cannot be easily defended or lightly excused. Other countries cannot unilaterally sanction other countries without the authorization of multilateral institutions and the full membership of the UN Security Council and General Assembly. As such, when the West accuses China of allegedly participating in currency manipulation, sabotaging international systems, trade espionage and industrial theft, or knowledge theft, I would like to remind all parties involved that one hand cannot clap. I think what's important here is that the West must look at themselves in the mirror and say, "Aren't we also guilty, if anything more blatantly, of the same violations – protectionism, trade weaponization, institutional sabotage – that we're accusing other countries of?"

Of course, we need to push back against unjustified wars and invasions of military aggression, but we must also be willing to speak up against those who seek to transform the global financial and capital markets into their own political battering ram.

TIO Thank you and I think we've got enough regarding China, India and Russia. Let's come back to another part, South Africa. South Africa invited all the African countries to participate in this (BRICS) Summit. How does the cooperation between the BRICS and the African continent at the 2023 Summit to liberalize trade differ from the African Growth and Opportunity Act (AGOA) or any other form of global platform for cooperation?

WONG This is a great question. I think there are two levels to answering this question.

Firstly, we must reflect on the role of South Africa in BRICS and the relationship between Africa and other BRICS countries. My point is this, if BRICS is indeed what we could characterize as rapidly emerging economies with vast economic potential, then Africa is in many ways the core constituent and heart of this very movement, this selectorate, when it comes to a shift of the global nexus of power away from the Global North, and gradually towards the Global South.

Secondly, we should also think about South Africa's role in the BRICS. Here, I'd say it serves two critical functions. The first is as among the primary economic engines on the African continent, alongside Egypt and Nigeria as well. The second, is as a source of young and by-and-large increasingly middle-class demographics.

TIO Now, do you have something to wrap up with? Any comments on what kind of role China can play in BRICS, especially when it comes to BRICS' expanding its economic influence and membership?

WONG China is an important pillar of a multi-polar world, and the BRICS countries are important flag bearers for the shifting tectonics of our times. They comprise a sizeable and respectable population and segment in the Global South. And it's high time we started to think about the world beyond the Global North.

This interview was conducted by Liang Zinan, International Communications Officer of Taihe Institute.

Youth

Voices



The BRICS Summit, Non-Alignment, and the Bandung Legacy

Christian John
Hayward



TI Youth Observer

BRICS is facing challenges, like any bloc

Years after its founding, the 15th BRICS summit in South Africa found its member states of Brazil, Russia, India, China and South Africa stand in diverse states of development.

The BRICS are pivotal geopolitical actors. Nevertheless, as the BRICS members tackle their respective challenges, their distinctive goals and nature may lead to imbalances. China, Russia, and India were classically cited as the “big three” of the BRICS. In contrast, Brazil experienced domestic issues in early 2023, while the South African economy saw a significant decline.

Despite its classification as part of the “big three” of the BRICS, Russia has undoubtedly experienced the most upheaval of late. Russia inherited significant infrastructure from the USSR, and its economy stagnated due to both internal issues and international sanctions. Emerging from the USSR era, Russia was slower in adapting to the 21st century market economy than China. Following the commencement of the Ukraine conflict in 2014, Russia found itself further away from Western influence and outright rejected the West’s “rules-based international order,” while ramping up trade with China. The PRC later experienced a similar, but less extreme decoupling from the West. Although Sino-Russian trade grew 38.7% in Q1 2023¹, the PRC has taken a neutral stance in Russia’s conflict with Ukraine. While China’s neutrality is not completely aligned with the West, it has not led to the

1 Chris Devonshire-Ellis, “China, Russia Trade Turnover Grew 38.7% in Q1 2023,” China Briefing Dezan Shira and Associates, April 20 2023, <https://www.china-briefing.com/news/china-russia-trade-turnover-grew-38-7-in-q1-2023/>

same sanctions Russia experienced after the invasion of Crimea.

Recent wars, epidemics, and ecological destruction might make the BRICS seem fractured, but the organization still accounts for 42% of the world's economy.² Despite the turbulence, this BRICS conference, and the addition of new members, indicate that the group remains coherent post-pandemic.

War never changes

It is easy to assume that Ukraine could create a vacuum for discussion at the BRICS summit. Although the Ukraine conflict is a major sticking point, there are other issues that inevitably also take center stage.

China and India, the two most populous BRICS member states, have border squabbles which impede BRICS members' efforts to deepen trade and collaboration. Relations were further strained following the Sino-Indian border clash between 2020 to 2021.

Despite this, the BRICS summit could easily serve as a "next exit" for the members to reset international trade, or to discuss sticking points in international relations not just within BRICS, but also regarding Western priorities.

With the admission of Saudi Arabia and Iran to BRICS, further conflict resolution in the Middle East may be on the table. This presents a further opportunity for China to gain economic access to the region. It should be remembered, however, that American presence in the Middle East is usually regarded as a destabilizing force, which creates both negative diplomatic and economic consequences for the U.S. in the long-term³. Both China and India should resist the urge to rush into the region to "fill in" where the U.S. left off, while still maintaining cooperative initiatives such as the BRI.

New members, sub-missions, and a gold backed currency?

Many nations are interested in joining BRICS, but their objectives are complicated. For example, Argentina has joined to bolster its struggling economy.

2 Monique Vanek, "Growing BRICS Alliance to Rival G-7-Led World Order" Bloomberg, 21 August 2023, <https://www.bloomberg.com/news/newsletters/2023-08-21/global-economy-latest-why-brics-nations-are-challenging-the-west>

3 Editors of PBS, "Background: Al Qaeda" PBS, 2014, <https://www.pbs.org/wgbh/pages/frontline/shows/network/alqaeda/indictment.html>

There has been talk of BRICS developing its own gold-backed currency to rival the U.S. dollar hegemony. With Saudi Arabia drifting from the American security umbrella (as seen from its recent 2023 China-brokered deal with Iran) and a global pivot away from fossil fuels, the Global South could disrupt the current financial dominance of U.S. economic hegemony.

The development of a “Gold BRICS” would definitely be widely challenged. Russia is under U.S. sanction, and it is not inconceivable that this could extend to China in the future. Furthermore, BRICS’ internal issues (including the Sino-Indian disputes) complicate the development of a currency in the near future.

Although the development of a “BRICS currency” has been discussed extensively, it remains theoretical. The BRICS has made more concrete achievements in recent years⁴. Member states have been busy creating local currency swap agreements, and the New Development Bank (NDB) has begun issuing local currency bonds and sovereign wealth funds. Its first Indian Rupee bond is scheduled to be issued in October 2023.

In August 2023, the BRICS expanded, welcoming six new nations: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates, indicating a potential change in global paradigms. Washington must now compete for the attention of old friends like Argentina and Saudi Arabia. Other readings of the expansion include ensuring energy security for BRICS countries, as three major oil producers were allowed to join BRICS⁵.

Non-Alignment Movement 2.0

During the 20th Century, due to the Cold War and the Sino-Soviet split, many nations, including some of the future BRICS countries, supported a non-alignment movement, which proposed an option for nations to be subject to neither the West and NATO, nor the Soviet Union/ Warsaw Pact. China had a great deal of influence in the early planning of this movement⁶, with Zhou Enlai traveling to Bandung in 1955 and meeting with India’s Prime Minister Jawaharlal Nehru, among other Asian and African leaders, and authoring the “Five Principles of Peaceful Coexistence,” which was adopted as the framework for the Non-Aligned

4 Rachel Savage, “BRICS bank’ aims to issue first Indian rupee bond by October” Reuters, August 21, 2023, <https://www.reuters.com/markets/brics-bank-aims-issue-first-indian-rupee-bond-by-october-2023-08-21/>

5 Yasmine Farouk, “Riyadh’s Motivations Behind the Saudi-Iran Deal,” Carnegie Endowment for International Peace, March 30, 2023, <https://carnegieendowment.org/2023/03/30/riyadh-s-motivations-behind-saudi-iran-deal-pub-89421>

6 Robert Bickers, “Out of China,” Harvard, 2017, p317

Movement (NAM) by Marshal Tito of Yugoslavia in 1961.

The NAM still exists as a conduit for the Global South to communicate and develop trade, but it is not as powerful as it once was. BRICS is comprised of countries with significant economic power, both members and non-members of the non-alignment movement. The NAM was never a true trade bloc and more a loose alliance of nations. In contrast, BRICS represents a more concrete grouping of emerging economies independent from the West. Were BRICS to continue allowing more nations into its sphere, the non-alignment movement may see a revival.

In the mid-20th Century, the concept of a global first, second, and third world was developed. To this day, the BRICS still champion the idea of a united developing world. Despite China's breakneck economic development, President Xi Jinping clarified at the 2023 BRICS summit, "China was, is, and will always be a member of the developing world."⁷ This parallels the Bandung conference of 1955, but with China at the helm of the developing world⁸.

South Africa hosting, BRICS to shine in Africa

International news providers and analysts have been watching the BRICS summit for a multitude of reasons, but the most dominant issue this year is a potential "BRICS-Africa cooperation."

Africa has become increasingly separated from the West following the end of colonialism. After gaining independence, many African nations adopted Marxist-Leninist principles. Though there have been intermittent switches across the continent in ideology, many African nations have reaped benefits from cooperation projects with China during the 1980s/90s "Reform and Opening up." Despite this, many areas of Francophone Africa still struggle with instability, compounded by domestic and external bad actors.

BRICS has an opportunity to shine here. India and China need natural resources for their manufacturing sector, Russia needs support at the UN, and South Africa needs to reassert itself as a regional power after a transition period. Despite Vladimir Putin's absence at the 15th BRICS summit amid prosecution and extradition concerns, South Africa rolled out the red carpet for the BRICS leaders and signaled potential interest

7 Huaxia, "Xi says China always member of developing world" Xinhua News Agency, 24 August 2023, <https://english.news.cn/20230824/1ecd8a39dc644f8686e46b0d2385590c/c.html>.

8 Henry Kissinger, "On China" Penguin, 2011, p163

in moving away from Western influence. Of the Western nations, Britain and France walk a particularly narrow tightrope due to the shadow of colonialism in Africa⁹.

The BRICS reboot is on the way. The BRICS would represent a powerful economic competitor to the West in future years, but the BRICS countries need to align their goals. BRICS is a group of extreme diversity. If all its member states, including the six new members, can put aside their differences for a unified goal of development, the BRICS would be of great potential.

⁹ Andrew Harding, "BRICS summit: How China's and Russia's clout is growing in Africa" BBC News, 22 August 2023, <https://www.bbc.co.uk/news/world-africa-66562999>

About this volume

TI Observer would like to thank the following individuals for their time and insights.

Commentators



Jorge Heine

Research Professor, Frederick S. Pardee School of Global Studies, Boston University
Former ambassador of Chile to China, to India, and to South Africa
Author of *Latin American Foreign Policies in the New World Order: The Active Non-Alignment Option*



Warwick Powell

Adjunct Professor at Queensland University of Technology, Australia
Author of *China, Trust and Digital Supply Chains: Dynamics of a Zero Trust World*



Zhang Jieling

Senior Fellow of Taihe Institute



Brian Wong

Assistant Professor of Philosophy at University of Hong Kong
Rhodes Scholar



Christian John Hayward

TI Youth Observer



Liang Zinan

International Communications Officer

TIO Executive Committee



Zeng Hu

TIO Editor-in-Chief
Senior Fellow of Taihe Institute



Alicia Liu Xian

TIO Managing Editor
Deputy Secretary-General of Taihe Institute



Natalie Wang Yuge

Deputy Secretary-General of Taihe Institute



Einar Tangen

TIO Content Advisor
Senior Fellow of Taihe Institute
Independent Political and Economic Affairs Commentator



Liang Zinan

International Communications Officer



Lizzie Yin Xiaohong

Senior International Communications Officer

Please note: The above contents only represent the views of the authors, and do not necessarily represent the views or positions of Taihe Institute.

Taihe Institute

www.taiheinstitute.org/en



太和智库
Taihe Institute



Taihe Institute

Address

23/F, ShunMaijinZuan Plaza,
A-52 Southern East Third Ring Road,
Chaoyang District, Beijing

Telephone

+86-10-84351977

Postcode

100022

Fax

+86-10-84351957