

Corresponding Author: Javeria Noor Sawal (M.Phil., Department of Political Science, Qurtuba University of Science & Information Technology, Hayatabad Peshawar, KP, Pakistan.

Email: javeriabashar@gmail.com)



BRICS the Major Emerging Economies: Prospects for a Multi-Polar World



Javeria Noor Sawal *

Raees Anjum †

Abstract: *The world has seen a major shift in the international power structure in the past two decades since 2001, when the term 'BRIC' originated. Jim O'Neil, a British economist, coined the acronym 'BRIC' in his research paper "Building Better Global Economic BRIC" for the first time. He was of the view that the countries 'BRIC' associating Brazil, Russia, India, and China would change the global economic governance. Later in 2010, South Africa's inclusion in the grouping changed the acronym from BRIC to BRICS. The group of five major emerging economies aims to shape the world order, particularly by restructuring the global governance system and financial institutions. The following research paper attempts to highlight the role of BRICS in international politics and economy. Further, the significance of the study is contributed by the BRICS effective role in weakening the US hegemonic designs in the global order.*

Key Words: BRICS, World Order, Uni-polarity, Multi-polarity, Economic Bloc

Introduction

The world power structure remained dominant by the west in post-cold war era. The transition in the international political system has been seen since past decade with the emergence of BRICS; the acronym denoted the countries namely Brazil, Russia, India, China and South Africa. The term BRICS was originally coined as BRIC in the year 2001 by the British economist Jim O'Neill to symbolize the transition in the global economic system. The group of 'Four' developing countries was rapidly increasing in terms of economy, later in April 2010 South Africa joined the group and the term changed to BRICS (Dooley, 2016). Initially, BRICS

countries started meeting informally in 2006 to work in collaboration regarding economic fields. Later these meetings converted to more formal discussions and concluded several summits till the beginning of 2009. Since 2009 the group of these five countries has transformed its position into a powerful voice against the West and is considered to be the bloc of the non-Western world. Moreover, their emergence is considered a threat to the US hegemony that remained the superpower of the world. US as superpower preponderant the world both in economic and military contexts for decades since the end of World War II (Nuruzzaman, 2020). Thus, BRICS emergence has brought a shift in the

* M.Phil., Department of Political Science, Qurtuba University of Science & Information Technology, Hayatabad Peshawar, KP, Pakistan.

† M.Phil. Research Scholar, Department of Political Science, Qurtuba University of Science & Information Technology, Hayatabad Peshawar, KP, Pakistan.

world power structure i.e. a transition from Unipolarity to a Multi-polar system.

BRICS countries have long-term common goals and interests mainly including; the reformation of the global financial institutions that have been influenced by the US, the strengthening of the principles of the international system and law, and collaboration in various sectors of their economies. It can be concluded through the BRICS agenda that they have broad aims that later included areas of concern like; sustainable development of food, energy, and security. In addition, BRICS also has prospects to transform the global trade order, achieve Millennium Development Goals (MDGs), and develop in the area of regional and international politics. Although these emerging economies have long-term prospects and emerge as major powers after the US (Kundu, [2014](#)).

BRICS, the major market economies of the world have almost 42% of the global population and contributed much to the global economy. Thus, these were considered to propel the world's economic growth from long-term perspective. As a matter of fact in that following ten years BRIC became popular among the media and caught the attention of financial investors around the world. The grouping of these four major countries contributed up to a large extent to the world's real output expansion and increased Gross Domestic Product (GDP) in terms of Purchasing Power Parity (PPP) exchange rates. Further, among BRIC nations China is the leading economy, and the second largest economy of the world whereas, Brazil, India, and Russia comes in the list of ten largest economies. The grouping got the status of a five member countries bloc with common goals and interests after the inclusion of South Africa in 2010 (Branco, [2015](#)).

BRICS is the forum of countries with diverse economic and historical background. More specifically it could be analyzed that Brazil, India and South Africa have capitalist regimes whereas, China and Russia lived with communist/socialist economic or political systems. Thus such diversity in political and economic contexts is one of the factors to grasp the different patterns of productivity and the real

output growth of the BRICS nations. According to Gogoi ([2020](#)) in the recent decades since BRICS's establishment into a full-fledged bloc of five major economies, there have been long debates among scholars and experts about the contemporary world power structure. To some US is declining and the influence of BRICS nations is becoming stronger as the new drivers of global governance.

BRICS nations are struggling not for the fundamental principle but for gaining leadership advantages within the framework of rising economies. Critiques argue that their rise is causing chaos in the world i.e. to bring anarchy in the world. Further, the world may get divided into two blocs i.e. the already hegemon power US and its allies and the bloc of BRICS nations. To state the prospects of BRICS; firstly, their notion has proven a mere success in recent times and is collectively here in one bloc to dominate economic force in the world i.e. to restructure international financial institutions. Secondly, in the coming decade, there will be seen rise in the BRICS-middle class which will accelerate the demand potential that will upgrade the importation products of BRICS. Thirdly, major economies aimed at sustaining global economic growth and fourthly, shift in the high-value purchase segment to propose more room in terms of growth (Atale, [2004](#)). According to Javed (2019) BRICS keeping in view their larger perspective of competing with US and restructuring the World Bank and International Monetary Fund (IMF) are the main ideas that led to the formation of BRICS.

Role of BRICS in the Emerging Multi-Polar World Order

The rapid growth in the economic and political sectors of Brazil, Russia, India, China, and South Africa (BRICS) has shifted the power dynamics of the international world order. Being an informal co-operative group BRICS is playing an important role as influential actors on the international platform. Their emergence on the international platform has changed the structure of the Western-dominated financial systems. In this connection, the establishment of the New Development Bank (NDB) and the BRICS

Contingent Reserve Arrangement (CRA) in 2014 and 2015 respectively are the key milestones of cooperation among emerging economies. Thereby, this makes it of imperative concern to understand the role of BRICS as a significant platform in the international arena and how it is shaping the international order. The constant expansion of the BRICS vision categorically demonstrates the emerging role of BRICS as a potential institutional framework in the international order (Jash, [2017](#)).

The global world order is a concept where new developments in the political, economic, and social sectors take place. Thereby, BRICS transformation from informal to formal grouping has influenced the world order to a greater extent. Likewise, NDB and CRA there are several other institutions where BRICS played a vital role in bridging the gaps among emerging economies and changing the world order. To better explain and analyze the role of BRICS in the current world order it is important to explain economic landscape of BRICS nations.

Brazil

Brazil as one of the BRICS members has become one of the great emerging markets in the current world order. A great transformation has been seen in the Brazilian economy in the first decade of the 21st century. The country is receiving praise and appreciation for its relative price stability, increase in growth, and fiscal responsibility. Moreover, the country has become a hub of highly favored destinations for capital flows, attracting 4.3 percent of the global total for 2010. Brazil has become famous for its exportation of steel, cotton, soya, oil, regional aircraft, and biofuels. Being an emerging economy Brazil set an example of growth compatibility and equity. Further, since the 1990s Brazil has been through a notorious lag in its transportation and shipment facilities network. But during the past few years, the country has contributed much to improving and expanding its infrastructure (Baer & Amann, [2012](#)). Further, Brazil being a member of the BRICS forum has a significant role, it is the 10th fastest-growing economy in the world and possesses extremely rich resources including;

sugarcane, coffee, iron, and crude oil. The country has textiles, iron ore, chemicals, motor vehicles, and steel industries which contribute much to accelerating the economic growth of the country. Hence, Brazil is focusing on equitable development which has resulted in noticeable poverty reduction. Today Brazil is the most popular member of BRICS so far, concerning foreign direct investment (Kapoor, [2015](#)).

Russia

Russia being a communist state for more than twenty years has endured a backbreaking transition process to become a market economy from a centrally planned communist economy. For instance; the Russian economic system had been stagnant for years until an economic plan was conceived and implemented in early 1992, an economic reform that would irrevocably shatter the mechanism of central planning and replace it with privatization to rapid economic growth. The former USSR, a superpower in the Cold War era is now an emerging middle-income economy and together with Brazil, India, China, and South Africa a member of the BRICS group of emerging world powers. The Russian economy has achieved much in economic sectors over the past two decades. To evaluate the Russian economy the country has a huge difference between the other parts of the state and the capital city (Moscow). Wermuth ([2022](#)) argued that the economic and political power is concentrated in Moscow. Thereby, income distribution is uneven from one region of the country to another. Besides such combined pros and cons of the Russian economy, the former is doing well in the education system where Russian students are well informed and well equipped which is a dire need in modern-day life. Internet access is widely spread and cheap. Young Russians are well-informed about the external world. Thus, rapidly modernizing institutions and firms need such well-skilled youths. It is also noticeable that wages in Russia are taxed at a flat rate of 13 percent.

Russia is the largest country on earth; the population density is only 8 people per square km. Russia's global GDP rate is expanding which is around 3.6 percent per year. Further,

Russia possesses a huge treasure of reserves of commodities, and exporting them abroad provides Russia with a financial increase to import whatever the country needs to. That is, annual revenues from exports currently exceed the cost of imports to 11% of GDP. Consequently, Russia is one of the largest exporters of capital and a highly dependent state on revenues from the commodity sector. Oil in this regard is particular and is highly taxed. Kapoor (2015) writes Russia has capability in high-technology sectors and has almost 20% of the world's oil and gas reserves. Furthermore, it has a highly educated workforce, 68% of the country's people come under the group of middle-income. Russia is a significant BRICS member having a consumer market of over 140 million people and has the largest exports significantly in steel and aluminum. It is therefore noticeable that Russia's economic capabilities make it popular among its member countries at the BRICS forum.

India

India is one of the second largest Asian countries after China which is emerging gradually but significantly. Likewise, China and India is the most populous country in the world. Several factors contributed to the emergence of India as a major power at the global level. For instance; structural factors such as demography and economy play a vital role. India is approaching a population size of 1.5 billion. Therefore, India is one of the countries in the BRICS grouping that can take advantage of its large population. Thus, the demographic feature favors India to become a state with a predominant Asian global power. As the country's economic output is measured via its GDP, in economic contexts likewise China, India's GDP until 2000 was less than 10% of global GDP. The growth in GDP is expected to rise by 40% in 2025 of the global output. In a nutshell, India's economic development is far better than its political arena. Thus the center of global politics may shift to Asia because of China and India's emergence (Tammen et al., 2021). As discussed above India is the most populous state of the world after China consisting of over 1.15 billion people that

somehow contributes to its country's development i.e. it has 2nd largest labor force. India possesses a broad knowledge economy and holds a subsequent place after China in BRICS.

China

China is the leading economy among the five emerging economies. Its role is pivotal in this group. China is the second-largest economy in the world has the highest amount of foreign reserves and is the largest exporter in the world, exporting more than 60 percent of its GDP (Ali, 2019). China has notable significance in the current world order, as it is the chief architect of the BRICS grouping. Thus, China, the greater economy faces much botheration in the International Monetary Fund (IMF) voting shares. In the current time or soon in the future China will act as the leader of BRICS likewise the US is playing a leading role in the World Bank and IMF (Butt, 2015). In addition, China's starring role can make China surpass economically over US supremacy.

Zhao (2015) states that according to the Goldman Sachs estimate for 2013 while the international economy will increase by 3.6 percent the BRICS economies will develop by 6.9 percent. This signifies BRICS as chief players in world economic governance. Thereby, China as a leading economy will become able to attract all the developing nations and investors towards her. Moreover, many developing countries will further strengthen their relations with China and other BRICS states to get loans. In this way, the primacy of the US in international organizations such as IMF and World Bank will be limited and BRICS will try to motivate developing countries via their style. It has also been upheld that China wants to transfer its foreign exchange capital savings to the New Development Bank from perilous US treasuries to earn advanced fiscal and geopolitical incomes (Singh, 2013). China is considered the leading country due to its fastest-growing economy and biggest in terms of GDP among BRICS countries. China is also the largest exporter for 32 countries and importer for 34 countries. It is a country with a cheap labor force. To be brief, China has the potency to maintain its

supremacy in both the current and changing world order.

South Africa

Is South Africa the next Brazil? In the world order of emerging economies, South Africa is considered to be the next Brazil. Edinger and Davies (2017) mention that South Africa being an emerging market economy bears increasingly striking similarities to Brazil. Back in the 2000s both Brazil and South Africa were considered first-tier emerging market economies conceived by their inclusion in the BRICS grouping. South Africa was officially invited to the third BRIC summit held in China and thus became a member of the grouping in 2010. Along with other emerging economies South Africa is regarded as a country that is leading its way in terms of rising and future consumer demand. This narrative has been changed somehow as South Africa, Russia, and Brazil's economies are stuck whereas; India and China's growth remains potent in terms of services, consumer spending, and innovation. South Africa possesses the potency to boost its economy but likewise Russia and Brazil its economic headwinds are largely compounded by poor politics and lethargic governments. Thereby, the South African economy is dependent on its political outcomes.

Moreover, various structural reforms could boost the country's economic potency and assure its economic recovery. According to the International Monetary Fund (IMF) and World Bank South Africa will see slightly positive growth in the upcoming years. In 2016 South Africa's growth rate was recorded at 0.3%. Currently, its Population growth stands at 1.6%. Consequently, on a per capita income basis if population growth exceeds GDP growth South Africans are becoming poorer. It is therefore difficult to comprehend South Africa being the next Brazil as the Brazilian economy shrunk by 3.6% in the last few years. But the fact cannot be neglected that both countries have shared potential to become emerging economies otherwise their inclusion in BRICS would not have made any sense on the international stage (Edinger & Davies, 2017). The country is now the 23rd largest economy in the world. 25% of the

goods produced in the country are for exports, it is thus a country with rich mineral reserves. Moreover, the Inflation rate is below 6.6% and is falling. Such economic drift led to South Africa's membership in the forum of emerging economies.

The Rise of BRICS Financial Institutions: New Development Bank and Contingent Reserve Arrangements

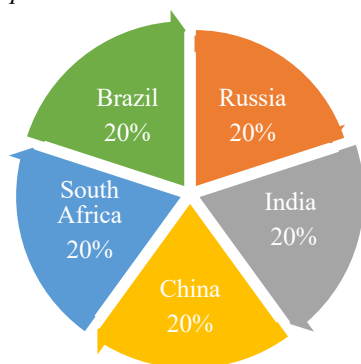
It remains significant about the BRICS that the emerging economies have managed to evolve in both ideational and practical ways. Their economic significance could be analyzed better through the fact of their collective initiatives to establish the new financial system BRICS Bank in the form of the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA) formed in July 2015. Both these institutions were formed in response to the disappointing Bretton Woods System institutions (IMF and World Bank) the main difference brought by the BRICS Bank is that it provides equality and equity in the voting system which is not provided by IMF and World Bank which advocates a weighted system of voting. Moreover, the objective of NDB is that it seeks to provide finances for infrastructural projects, whereas CRA is to provide a financial safety net in response to the potential shocks in the international financial markets. Since both these institutions were formed as an alternative to the Bretton Woods System, NDB is linked to the World Bank, and CRA is linked to the IMF (Stuenkel, 2016). It is therefore argued that the BRICS grouping has become able to provide a new and alternative financial system in the Western-dominated world order which is now changing significantly with the rise of BRICS. Since for BRICS, the economic sphere is the most propitious sector, two financial agreements (NDB and CRA) were signed at the sixth BRICS summit at Fortaleza, Brazil, and later came into effect in the seventh BRICS summit at Ufa, Russia. The new financial system will provide an alternative to the IMF and the World Bank established by the Bretton Woods System. The main purpose of the launching BRICS Bank is to transform the Western-dominated financial

institutions and provide the world with new alternatives (Jash, 2017). Here it becomes imperative to grasp the role and significance of the New Development Bank and Contingent Reserve Arrangement in the world economic sector as discussed below.

New Development Bank

The BRICS countries at their sixth BRICS summit hosted by Brazil in 2014 created what is popularly called as BRICS Bank – a pair of two financial institutions namely; the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA) headquartered in Shanghai, China (Soko & Qobo, 2015). The creation of the BRICS Bank reflects the idea of the five emerging economies i.e. to design the governing structure of the world and bring a shift in the world economy by increasing the representation and voice of the developing and emerging economies. The New Development Bank is a multilateral financial institution established on July 21, 2015. It was a collective initiative by BRICS countries. Its purpose includes; mobilizing resources and funding projects based on infrastructure and sustainable development to the emerging and developing economies. The Bank possesses an initial subscribed capital worth \$50 billion and an authorized capital worth \$100 billion (Bhat et al, 2019).

Figure 1
The Shareholding Structure of the New Development Bank



Source: Retrieved from <https://journalsofindia.com>

Whereas, the initial subscribed capital of \$50 billion was equally distributed among each founding member of this Bank i.e. \$10 billion. NDB is projected to complement the Western-dominated financial institution rather than challenge them. Its creation happened in the context of a continuing power shift in the global order from the industrialized developed world toward emerging market economies. Moreover, the NDB composition consists of its Board of Governors which is comprised of the BRICS countries' finance ministers. The President of the Bank is elected among its member countries and vice Presidents from the rest of the member countries. The first member of the New Development Bank was from India K.V. Kamath, whereas the current President is Brazil's Dilma Rousseff. The voting power of each BRICS member is equal to its shares in the capital stock, currently all members possess equal rights of voting. The NDB membership is open to all the UN members but the share of BRICS countries can never be less than the total share of 55% (Wang, 2017).

Although, the West dominates the current financial order BRICS in this situation will provide a better source for the development of financial resources for both the emerging and developing economies. Thus, the significance of the New Development Bank lies in its benefits and targets. This includes; benefits for the borrowers on flexible terms and conditions, this bank will work as an alternative to World Bank. Secondly, it will sort out market failures, and finance infrastructure projects along with long-term developmental projects. Thirdly, it will raise resources at lower costs in the international capital market due to its better credit ratings. In addition, NDB targets the sectors like; services, manufacturing, agriculture, energy, infrastructure, mining, healthcare, construction, water provision, tourism, and green economy to evolve and get developed (Sudarvizhi, 2014).

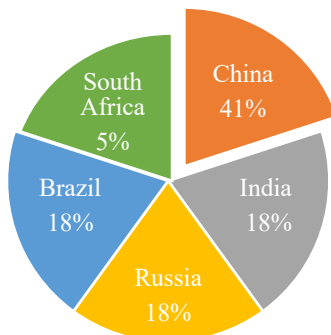
Contingent Reserve Arrangement

Likewise, New Development Bank, the Contingent Reserve Arrangement agreement was also signed in the sixth BRICS summit hosted by

Brazil in 2014 and officially started operating in 2015. CRA is known to be the second financial institution created by the BRICS countries under the initiative of the BRICS Bank. It is a multilateral financial institution with a swapping scale of US \$100 billion provided by the five emerging economies with the commitment of a certain proportion.

Figure 2

BRICS Countries' contribution to Contingent Reserve Arrangement



Source: <https://brics2022.mfa.gov.cn>

This arrangement (CRA) managed to maintain the financial stability of the BRICS countries by providing them short liquidity support when member countries are confronted with the pressure of balance of payments, and especially the short-term massive capital of outflows and inflows. Thus, such an arrangement can provide a favorable supplement to its member countries. Speaking broadly, the creation of the Contingent Reserve Arrangement is a significant initiative to collectively respond to the global challenges. Therefore CRA is a trans-regional financial safety network for the emerging economies and significantly strengthens South-South cooperation (Stuenkel, 2016). Besides this, CRA aims to raise the voice of BRICS countries in international affairs and govern the global financial order in a fair direction, and will decrease the dependency of states on IMF. CRA is being established to respond to the short-term balance of payments (BoP) pressures and IMF is an institution to support countries facing

insufficient foreign reserves, however contingent reserve arrangement by BRICS is an alternative to IMF. Such a country-to-country network is more appealing to the countries requesting IMF for; fewer terms and conditions, cost-efficiency, and sustainable capital market access. Contingent Reserve Arrangement would serve as a precautionary measure to its member countries to provide support to BRICS countries and strengthen the international financial safety net (Shuting & Liqing, 2016).

BRICS Partnership and Prospects of Cooperation

Since BRICS gained the status of a formal alliance, member states affirm positive cooperation in the future. Towards this prospect member states have shared views and stances in pursuing various goals in the changing world order. Likewise, other regional and international organizations, BRICS forum also has prospect to benefit from their shared interests such as; developing their economies, infrastructure development, increase in living standards, and great trade opportunities. All these interests are known to be the traditional goals that are common targets of almost all multi-national groupings of the international system. Unlike, other organizations the only thing BRICS have in common is their idea of multi-polar world order. Therefore following are the prospects summarized in the light of a BRICS main agenda of changing world order into multi-polarity.

BRICS to Change Uni-polar World Order

The global community in recent decades has been witnessing dramatic shifts and transformations in global politics and the balance of power. New global challenges demand a multi-polar system and the emerging states are attaining more power in global politics. Therefore, a vivid example of such a participant in the idea of multilateralism is BRICS. It is the grouping of five emerging economies that formally gained the status of an alliance in 2009 and has effortlessly evolved since then with the prospect of building a structure for monetary support and collective decision-making (Gladun,

2018). BRICS is emerging into an influential model for the changing world order by enhancing its role in global politics and economy, addressing its priorities, and strengthening intra-BRICS cooperation. Although BRICS countries possess diverse characteristics, the grouping has built an agenda based on common principles and proposed an “equal and just new global order” (Gladun 2018, p. 172).

BRICS to realize their ambitions for a multi-polar world order supports the democratic and equitable mechanism. In addition, the group of five emerging economies stresses the demand to represent and raise their voice along with less developed countries. Emphasizing the multi-polar world order BRICS attempts to form a global voice by collaborating and cooperating in the activities of global relevance. In recent times BRICS has emerged as a decisive factor in the international system to alter the US-led world order and seeks an independent role in times that also resemble the Cold War period of the US and USSR. This also implies the significance of a multi-polar world order where countries with diverse political experiences and regions will collaborate to counter issues on a global level. Such as; terrorism and growing conflicts in various regions of the world, as evident from the 9/11 terrorist attacks on the US World Trade Center and Pentagon which signifies the limitations of a single state in tackling such challenges (Naik, 2018).

Initiatives to Reform International Financial Mechanism

Since the 2007-2008 Global Financial Crisis, the global leadership of the United States and the supremacy of US dollars have been increasingly questioned. Concerns have been raised about the rationality of preserving the hegemonic position of the dollar in the global financial system, and the reliability of US leadership since this crisis originated in the United States (Vashisth & Banerjee, 2010). This crisis also provided an opportunity for emerging powers to seek greater representation in global governance. Russian President Dmitry Medvedev hosted the first BRIC Summit in Yekaterinburg in 2009 to

discuss how to "overcome the crisis and establish a fairer international system, as well as discuss the parameters for a new financial system" (Stuenkel, 2014 p. 90).

However, in the post-2009 crisis world, the growing legitimacy of BRICS as an aspiration bloc and an alternative to Western lending was manifested in the establishment of the multilateral development bank known as the New Development Bank (NDB) in 2015, with a capitalization of US \$100 billion which is roughly half of the World Bank. The founding nations claimed that the establishment of this new institution would focus on infrastructure development and would give developing states much greater representation while excluding their geopolitical issues in lending and financing each other. The New Development Bank (NDB) not only institutionalized intra-BRICS financial flows but also positioned the BRICS countries as significant and viable global investment destinations. The member countries have achieved policy coordination in more than seventy issue areas (Sarkar, 2016).

As evidenced by the establishment of the New Development Bank (NDB), the Contingent Reserve Arrangement (CRA) and many other financial coordination mechanisms, BRICS's most notable achievements have been in the area of financial cooperation. Rather than solely relying on US dollars, the New Development Bank's (NDB) commitment to using local currency finance is just the tip of the iceberg in terms of BRICS de-dollarization initiatives. It is also unclear whether the growing de-dollarization process in Russia and China along with the rising tensions with the United States is just a temporary change or it forms a huge paradigm shift in world finance. In this context, the US dollar's share in the bilateral trade settlement between Russia and China fell from around 90% in 2015 to 46% in 2020. A common BRICS pay system among member states for retail payments and transactions has also been proposed by BRICS. The significance of examining BRICS' challenge to the dominance of the US dollar lies in the collective economic power of the group. BRICS accounts for 24% of global GDP and more than 16% of global trade.

Thus, the de-dollarization activities of the BRICS would have an impact not only on inter-BRICS financial relations but also on the global economy (Stuenkel, 2014). However, “Go-it-alone” and “reform-the-status-quo” are two sets of mitigation strategies to reduce the rising risk of exposure to the hegemonic power of the US dollar that the emerging powers can simultaneously pursue. Both allow a rising power coalition, such as the BRICS, to pursue de-dollarization to reduce risk exposure to the US sanctions and the US dollar. In general, these de-dollarization strategies can assist the emerging power coalition in gaining huge financial and geopolitical autonomy, as well as increasing its global influence (Papa & Liu, 2022).

BRICS Trends and Developments to become the New Drivers of Global Economy

As it is well known that the emerging countries are concentrated in the world's most populous regions. At the turn of the century, their image was transformed by the world's most dynamic growth and a decline in the population growth rate, which resulted in an increase in Gross Domestic Product (GDP) per capita comparable to that of developed states. This was made possible by the growing degree of the economic integration of emerging states in the global economy, which manifested itself in the trade and financial sectors. The average GDP growth in developed economies was 2.9%, and 3.6% in the last two decades of the last century. However, from 2000-2010 the average growth rates were 1.9% and 6.2% respectively. BRIC countries stand out among developing states group due to their GDP growth rate of 7.9 percent on average between 2000 and 2010. The ultimate result of this strong GDP growth was that these countries became the engines of the global economy. Thus, developed countries contributed more than half of global growth in the 1980s and 1990s, but in the period between 2000 and 2010, the situation was reversed, with developed countries contributing only 1.1 percentage points compared to developing countries' 2.6 points (Neill, 2022).

Similarly, emerging economies have experienced rapid growth in GDP per capita when compared to advanced economies; during this period, the true convergence process was observed. Since 1995, GDP per capita in emerging economies has steadily increased, from an average of 1.4 percent in 2003 to 4.8 percent between 2004 and 2008, representing a progressive growth of 26% over the five years. Again, it could be seen that BRIC countries have global rates ranging from 7% in 2004 to 2008, with 4.8% in India and 10.6% in China. South Africa an emerging economy and a young democracy joined this grouping in 2010 as an economic outperformer in the Global South. With the addition of its newest member, the BRICS countries accounted for 26% of the global landmass and 20% of the total global GDP. The IT services in India, minerals in South Africa, agro-commodities in Brazil, and the transformation in the technological capabilities of China and Russia (Voica et al., 2014) significantly altered the global economic geographies of production, consumption, and exchange.

However, over the last two decades, the BRICS states have gone through dramatic land-use transformations and launched large-scale infrastructure projects within the regions to which they belong. For instance, China's efforts to re-establish the Silk Road Economic Belt (SREB) across Europe, Asia, and Africa, the Modi Administration's plan to develop 100 smart cities linked by bullet trains in India, Moscow through the development of Advance Special Economic Zones aspire to build a 'new economic bridge' between Europe and Asia and in Brazil and South Africa the expansion of industrial large-scale farming, these are all manifestations for the BRICS visions for 'smart' and 'sustainable' development. The shift in economic interest and priorities as well as changing perceptions about the past and future resulted in these land-use transformations (Iqbal, 2019).

Prospects concerning G8 (Group of Eight)

Jim O'Neil at Goldman Sachs (2001) while observing the potential and prospects for

investment opportunities in emerging markets in the future predicted that the BRICS nations would dominate the world economy by 2040 and that the BRICS states' economies would grow faster than those of the G8 countries. The BRICS's relative importance in the global economic landscape has shifted dramatically over the last two decades. The BRICS contribution to global economic growth has increased from 16% in the 1990s to about 30% from 2000-2008. During the same period, the G8's corresponding contribution fell from more than 70% to about 40%. If current growth rates continue, China is expected to overtake the United States, India, Japan, Mexico, and Russia as the world's largest economy by 2040 (Mahmood & Mostafa, 2015).

However, the combined GDP of the BRICS is expected to be around USD69.34 trillion by 2045, exceeding that of the G8 by approximately USD11.42 trillion. In fact, over the last 30 years, the BRICS' real GDP growth rates have been consistent and significantly higher than the G8 states. The five BRICS countries emerged at different times in history, with vastly different socio-political and historical circumstances. Taking the example of China and Russia; China has moved quickly toward a liberal free market economy with its huge but underdeveloped human resources, with impressive growth rate and capital accumulation in traditional manufacturing sectors. Adding to that, Russia is

also gradually moving towards a liberal, free market economy with its well-trained and well-educated workforce, and with a large territory with enormous reserves of resources (Mihai et al., 2020).

Conclusion

BRICS has become one of the most debated discussions across the developed and developing states. The five emerging economies' declaration of creating a multi-polar world order and their acceptance of the world's emerging economies as the “New driving force of global governance” has led to a new discourse in the framework of the inter-regional structure. The grouping has proved as the best example of inter-regional collaboration that can grow and expand beyond the regional boundaries and create links between and among states for sharing common goals for formulating a new global order. However, relating to the established supremacies of the world order the power dynamics of these emerging economies have so far performed better, this signifies that the amalgamation and dependence of the world order could have consisted of both developing and developed states. The prospects of BRICS for a multi-polar world order, their interests concerning intra-BRICS cooperation and global relevance, and the BRICS emphasis on addressing the global governance issues manifest the BRICS forum with great potential.

References

- Ali, A. (2019). "Rising China and BRICS; A Step Towards Multipolar World" *Pakistan Journal of Humanities & Social Sciences Research*, 2(1), 16-19. <https://doi.org/10.37605/pjihssr.2.1.2>
- Atale, N. (2004). A Decade of BRICs: Prospects and Challenges for Next Decade. *Goldman Sachs, Global Economics Paper*, 118(3), 70-80 <https://ssrn.com/abstract=2208920>
- Baer, W. & Amann, E. (2012). Brazil as an emerging economy: A new economic miracle?. *Brazilian Journal of Political Economy*, 32(3), 412-419. <https://doi.org/10.1590/s0101-31572012000300004>
- Bhunia, R. M. S. (2019). *Role of BRICS In international Context*. <https://www.mea.gov.in/rajya-sabha.htm?dtl/32168/question+no1965+role+of+brics+in+international+context>
- Branco, C. R. (2015). The BRICS: some historical experiences, growth challenges and opportunities. *Center for Growth and Economic Development*, 12(2), 3-4. <https://bibliotecadigital.fgv.br/dspace/handle/10438/14079>
- Dooley, Y. (2016). *BRICS: Sources of Information*. <https://www.guides.loc.gov>
- Edinger, H., & Davies, M. D. (2017). *Is South Africa the Next Brazil* Emerging Market Insights. <https://www.deloitte.com>
- Gogoi, L. (2020). BRICS: It's Role in World Politics. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 17(7), 10720-10721. <https://archives.palarch.nl/index.php/jae/article/view/4275>
- Jash, A. (2017). The Emerging Role of BRICS in the Changing World Order. *IndraStra Global*, 4(6), 1-5.
- Kapoor, A. (2015). *About BRICS*. <https://www.scribd.net>
- Kundu, P. (2014). *BRICS: Prospects and Challenges*. <https://www.researchgate.net>
- Lowe, P. (2016). The Rise of BRICS in the global economy. *Teaching Geography*, 41(2), 50-53.
- Nuruzzaman, M. (2020). Why BRICS Is No Threat to the Post-war Liberal World Order. *International Studies*, 57(1), 53-54. <https://doi.org/10.1177/0020881719884449>
- Peters, M. (2017). *BRICS countries facing difficult challenges ahead of September gathering*. <https://www.iol.co.za/news/opinion/brics-countries-face-difficult-challenges-ahead-of-september-gathering-9725276>
- Singh, S. (2013). Future of Golden BRICS. *Strategic Analysis*, 37(4), 393-397. <https://doi.org/10.1080/09700161.2013.802513>
- Soderbaum, F. (2011). Theories of Regionalism. *The Routledge Handbook of Asian Regionalism*, 33(2), 9-10. <https://doi.org/10.4324/9780203803608.ch1>
- Tammen, R., Kugler, J. & Thomas, J. (2021). *India: The Emerging Global Power*. *TranResearch Consortium*. <https://transresearchconsortium.com/>
- Wang, Z. (2017). Status, Opportunities and Challenges of BRICS E-Commerce. *United Nations Industrial Development Organization UNIDO*, 3(2), 23-29. <https://hub.unido.org/news/report-status-opportunities-and-challenges-brics-e-commerce>
- Wermuth, D. (2022). *Emerging markets: Russia*. <https://www.treasurers.org/hub/treasurer-magazine/emerging-markets-russia>