

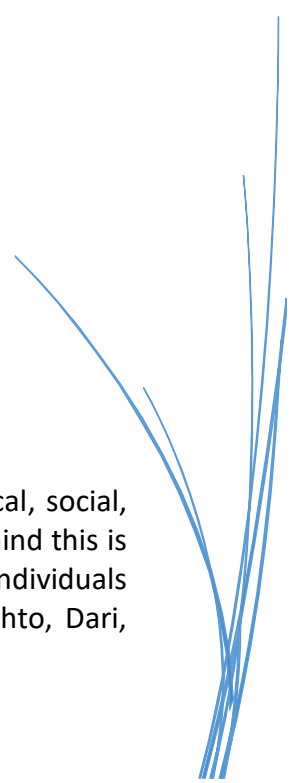
WEEKLY ANALYSIS

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A LOOK AT BRICS: GOALS AND CHALLENGES



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In this issue:

- A Look at BRICS: Goals and Challenges 3
- Objectives of the BRICS Organization 3
- Capabilities 6
- Obstacles and Challenges..... 6
- Afghanistan and BRICS 7
- Conclusion 8
- Recommendations 9

Center for Strategic and Regional Studies (CSRS)



A LOOK AT BRICS: GOALS AND CHALLENGES

Introduction

Recently, the 15th BRICS summit took place in Kazan, Russia. This summit differed significantly from previous ones, including the leaders of the organization's newly invited members: Iran, Egypt, the United Arab Emirates, and Ethiopia. BRICS is an intergovernmental organization initially proposed by Jim O'Neill, the chief economist of a major financial services and banking firm, in 2001. In his article, O'Neill highlighted the strong economic capacities of China, Russia, Brazil, and India, suggesting these countries form an economic group called "BRIC." Eight years after O'Neill's concept, BRIC was officially established by the leaders of Brazil, Russia, India, and China in 2009 in Yekaterinburg, Russia. With South Africa joining in 2010, the organization was renamed BRICS, representing the initials of its member countries.

At the 2023 summit, the organization invited Iran, Egypt, Saudi Arabia, the UAE, and Ethiopia to join as official members. Three countries, excluding Saudi Arabia, accepted the invitation, bringing BRICS membership to eight countries. Additionally, seventeen countries have formally applied for membership, and fifteen others, including Afghanistan and Pakistan, have expressed interest in joining. Given BRICS' ongoing evolution, the organization is poised to emerge as a major actor in shaping the international order. Therefore, this article examines and evaluates its goals, potential, and the challenges it faces moving forward.

OBJECTIVES OF THE BRICS ORGANIZATION

A. Economic Objectives

Following World War II, the global financial system established at the Bretton Woods Conference restored the economic order disrupted by the war. Politically, it also cemented the West's dominance, particularly that of the United States, which became the architect of the global financial and economic system. This Bretton Woods system, built around the U.S. dollar as the global currency, was later strengthened by the establishment of the International Monetary Fund (IMF) and the World Bank. In line with these developments, SWIFT (the Society for Worldwide Interbank Financial Telecommunication) was created in 1973 to facilitate international banking services, further consolidating the West's economic and financial influence over the world.



Although emerging economies like China, India, Brazil, and a restructured Russian economy entered the global economic landscape over the past three decades, they have been unable, individually, to challenge the West's economic hegemony. The West has used this dominance, bolstered by its control over global financial systems, as an economic and political tool. This context prompted the idea that a coordinated and structured collaboration could not only help these nations achieve developmental and economic growth but also dismantle the West's economic monopoly and dominance in global politics and finance. Thus, the primary goal of BRICS is to foster stronger economic cooperation among non-Western economies, to create a counterweight to the Western financial structure, and to reduce dependency on it.

To achieve these goals, BRICS has gradually established three key financial institutions: the New Development Bank (NDB), the Contingent Reserve Arrangement (CRA), and the BRICS Pay system. Additionally, the organization recently unveiled a prototype of a potential BRICS currency at its latest summit.

New Development Bank (NDB): Established in 2015, the New Development Bank aims to invest in development initiatives for BRICS members, counter global financial crises, and fund infrastructure projects. It started with an initial capital of \$100 billion, with each member contributing \$20 billion. Membership in the NDB is open to all countries, which has led to later memberships by the UAE, Bangladesh, and Egypt. To date, the bank has invested in over 90 infrastructure projects in member countries.

Contingent Reserve Arrangement (CRA): The CRA is a framework established by BRICS members to protect themselves from global liquidity pressures, including currency fluctuations that arise from broader economic forces outside their borders. Essentially, the CRA functions as a financial safety net, enabling member countries to access financial resources in times of balance-of-payments issues or financial crises. It operates as a pooled currency reserve, providing funding without the stringent conditions typically imposed by institutions like the International Monetary Fund (IMF). This precautionary framework is seen as an alternative to the IMF.

BRICS Pay System: Recently unveiled, BRICS Pay is a decentralized and independent financial messaging system designed to facilitate payment transactions among BRICS members. This system enables BRICS countries to use their national currencies for international trade, effectively bypassing the U.S. dollar. The goal of BRICS Pay is to enhance economic and trade relations among members by eliminating the need for



currency exchange via the dollar, positioning BRICS Pay as a potential rival to SWIFT, and advancing the de-dollarization of trade among participant nations.

BRICS Common Currency: The concept of a BRICS common currency has sparked significant global attention and raised questions about the future role of the U.S. dollar in international trade. Although Russia and China already use their national currencies for most of their trade, the dollar remains the predominant currency for global commercial transactions. The prototype of a BRICS common currency, revealed at this year's summit, is envisioned as a potential replacement for the dollar in BRICS trade exchanges. Notably, the initial design of the BRICS currency includes symbols and references to numerous nations, including the Islamic Emirate of Afghanistan.

While the introduction of a BRICS currency has generated numerous perspectives on its potential for widespread implementation, it is acknowledged that achieving a single, universal currency or even a system comparable to the euro for BRICS countries will require significant development and time. However, there is a prevailing view that, based on economic indicators, such a currency has promising potential for success in the long term.

B. Political Objectives

Given the interconnected nature of today's global economy and politics, BRICS pursues not only economic goals but also political ambitions. The most significant political aim, especially for its two principal powers, China and Russia, is to challenge Western dominance over the international system. Following the Soviet Union's collapse, the world shifted from a bipolar order towards a unipolar one. Although the resurgence of Russia, the economic ascent of China, and the emergence of regional powers like India, Brazil, and Iran have hindered the consolidation of a truly unipolar world, no single power has yet been able to challenge the United States' superpower status alone. The primary tool the U.S. uses to exert pressure on its rivals remains the dollar-based, Bretton Woods global financial structure, which effectively serves as a powerful economic weapon.

Thus, BRICS' key political objective is to confront this unipolar order and promote a multipolar world system. The only feasible path to diminish U.S. hegemony lies in neutralizing its economic "weaponry," something no single nation can achieve independently. BRICS aims to challenge the unipolar system and establish a balanced,



multipolar world. With significant measures already in place, BRICS can shift the power dynamics, potentially challenging Western dominance in both economic and political spheres in the future.

CAPABILITIES

BRICS' current and potential capabilities are what make it an effective organization and a source of concern for Western powers. Geographically, BRICS members collectively cover roughly one-third of the world's land area, underscoring the organization's extensive influence and potential power. BRICS countries represent about 45% of the global population and contribute around 35% of the world's GDP. In terms of trade, they account for over 22% of total global exports and produce nearly 30% of the world's oil.

These substantial capabilities underline the growing role and significance BRICS is likely to have in global affairs. Currently, BRICS has eight member countries, yet many more have applied to join, which could further expand its influence. This growing membership indicates that BRICS could significantly enhance its capacity, further shaping its role on the international stage.

OBSTACLES AND CHALLENGES

While BRICS has taken several significant steps toward achieving its objectives and possesses substantial potential that points to promising prospects, several issues act as obstacles and challenges, slowing the organization's progress toward its overarching goals.

A. Internal Challenges

Almost all BRICS member countries are classified as developing nations. Developing countries typically exhibit lower levels of economic development or imbalanced growth across sectors. This uneven level of development and the internal problems faced by these countries prevent them from fully harnessing their capacities in pursuit of BRICS' objectives.

B. Strategic Use of BRICS for Personal Goals

Another significant concern is that some BRICS members may use the organization to advance their agendas. While China, Russia, and Iran are the primary critics of the



current U.S.-centric international system, other members, such as India, Brazil, and South Africa, do not share the same level of discontent. Even China and Russia have subtle differences in their economic and political objectives within BRICS. China aims to leverage BRICS to unite more countries around its strategic interests and expand its influence. Meanwhile, Russia, suffering from international isolation due to its involvement in the Ukraine conflict and facing severe Western sanctions, sees BRICS as a means of breaking free from isolation and circumventing sanctions. Similarly, countries like Iran also have interests in BRICS that serve primarily national goals.

C. Strained Relationships among Members

Another issue that affects BRICS' effectiveness and acts as a challenge is the less-than-ideal relations among some of its members. Although China and Russia, the two principal powers within BRICS, do not have any significant bilateral issues, there are countries within BRICS whose contentious relationships make consensus difficult. For instance, China and India, both key members of BRICS, have issues, such as border disputes and regional competition in South and Southeast Asia, which complicate their relationship and create security tensions. Iran and the UAE, which recently joined BRICS, also have strained relations that could pose challenges.

D. Strength of the Existing Economic Order

The most significant barrier to BRICS' success is the entrenched Western economic power structures that have dominated global economics and politics for over half a century. Overcoming powerful organizations such as the World Bank, the International Monetary Fund (IMF), SWIFT, and, above all, the hegemony of the U.S. dollar is no easy task. Moreover, the United States, as the sole superpower, has the means to influence certain BRICS members to distance themselves from the organization, either through threats or inducements. For example, Egypt, given its deep ties with the West, may struggle to uphold its commitments to BRICS. Similarly, although Saudi Arabia was invited to join, it has postponed its membership, likely due to its close relations with the West.

AFGHANISTAN AND BRICS

As a coalition primarily composed of Eastern powers, BRICS could present several advantages for Afghanistan. First, most BRICS members hold a positive stance toward Afghanistan and support its independent development. Second, Afghanistan's proximity



to three of the five major BRICS powers places it in a position of strategic interest to the organization. Signs also indicate that Afghanistan is among the countries BRICS considers a priority for investment; even before Afghanistan formally expressed interest in joining, its name and emblem appeared on the symbolic design of BRICS' proposed unified currency.

Additionally, as a developing country, Afghanistan stands to benefit from BRICS' resources and constructive outlook on fostering economic growth. BRICS members generally view Afghanistan favorably, creating an opportune moment for the country to leverage BRICS financial mechanisms for its economic advancement.

CONCLUSION

Since its founding over fourteen years ago, BRICS has achieved notable success in various domains. As an alliance of major non-Western powers, it has garnered significant global interest, with numerous countries seeking membership. BRICS provides a promising vision for both Western rivals and Eastern nations disadvantaged by an international system long dominated by Western interests. By establishing robust financial frameworks, BRICS has opened a pathway that could eventually dismantle the Bretton Woods-based global order, thereby challenging the financial, economic, and political hegemony of the West. Through a unified political approach, BRICS aims to counter the unipolar U.S.-led system, instead promoting a multipolar world order. This objective was reflected in the theme of the organization's sixteenth summit: "Strengthening Multilateralism for Fair Global Development and Security." This choice of theme underscores BRICS' commitment to actively pursuing its core goals.

Although BRICS faces numerous challenges, its steady progress, ambitious plans, and considerable resources make achieving its objectives a feasible prospect. Broadly speaking, BRICS is the only organization established by Eastern powers over the past half-century that seeks to counterbalance Western influence with a cohesive economic and political agenda. It has successfully united emerging economic and political powers from Asia, Africa, and Latin America, accelerating the decline of Western dominance. BRICS' continued progress underscores the potential for a more balanced global power structure.



For Afghanistan, BRICS represents a valuable opportunity to tap into resources that can support its economic development. As a development-focused, Eastern-centered alliance, BRICS could serve as an essential tool for Afghanistan's progress.

RECOMMENDATIONS

Based on this analysis, the following recommendations are made for the Islamic Emirate:

1. To formally request Afghanistan's membership in BRICS, the Islamic Emirate should first focus on securing official recognition from existing BRICS members. Initiatives to facilitate this recognition should be prioritized.
2. The Islamic Emirate should leverage its strong ties with Russia, China, and Iran to pave the way for Afghanistan's BRICS membership.
3. Afghanistan should develop proposals for BRICS to seek financial support for its economic projects, positioning BRICS as an alternative to Western financial institutions.
4. Both public and private Afghan media should launch campaigns to raise awareness of BRICS and its potential benefits for Afghanistan, showcasing how Afghanistan could leverage this organization for national development.

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