

BRICS Expansion and Future Prospects: Implications and Policy Consideration for Pakistan

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Abstract

The BRICS (Brazil, Russia, India, China, South Africa) bloc, representing a coalition of major developing nations, has recently expanded by admitting six new members—Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE—effective from January 1, 2024. This expansion transforms the bloc into BRICS Plus (+), reflecting the rising multipolarity in global politics and economics. This paper examines the implications of BRICS Plus for Pakistan, assessing potential economic, geopolitical, and security benefits while addressing challenges such as Indian opposition and Western pressure. The study concludes with policy recommendations for Pakistan to leverage this opportunity by enhancing trade, investment, and diplomatic relations within BRICS.

Keywords: BRICS Plus, Pakistan, global governance, economic integration, multipolarity, trade relation

Introduction

An alliance of developing nations i.e., Brazil, Russia, India, China, and South Africa is known as BRICS. A British economist Jim O’Neill coined the acronym BRIC (O’Neil, 2001). Annual summits, have been held since 2009, by BRICS countries to discuss and collaborate multiple issues including economic development, political cooperation, global governance. The formal institution of BRICS, the NDB was established in 2014 during the sixth BRICS Summit (Evaghorou, 2016). Bangladesh, Egypt, United Arab Emirates (UAE) and Uruguay were admitted as members of the NDB in 2021 (Khan, 2023). A capital of US\$ 100 billion was initially authorized by NDB. The BRICS nation has diverse economies and geopolitical interests but enhancing their influence on global affairs, to address the economic challenge, and development promotion and cooperation among members are their common goal.

The 15th BRICS summit was able to achieve an across-the-board consensus on one major agenda points (among the others) of the summit; an agreement on the expansion of BRICS into a broader platform by inviting new member state. Six new countries including Argentina, Egypt, Ethiopia, Iran (IRI), Saudi Arabia (KSA) and the UAE have joined BRICS and adopted the new form of BRICS Plus (+), and their membership will be effective from January 01, 2024 (Reuters, 2023). More than 40 countries and regions showed interest in joining BRICS and 22 of them formally applied to join BRICS (Hassan, 2023). After the inclusion of 6 new members into the group, it no longer remains BRICS but has adopted the new form of BRICS Plus (+).

The expansion of BRICS nations contributes to the emergence of a multipolar world, where various power centers exist, challenging the unipolar dominance of Western nations (Ghalib, 2023). There is a consensus among the BRICS nation to bring reform in the United Nation Security Council to increase the representation of developing countries in the Council’s memberships.

The aim of the present study is to analyze the implications of BRICS expansion for Pakistan, focusing on economic, geopolitical, and security dimensions, and offering policy recommendations. The objectives of this paper are:

1. Examine the opportunities and challenges for Pakistan in joining BRICS Plus.
2. Analyze the economic implications of BRICS expansion for Pakistan.
3. Assess the geopolitical and security impact of BRICS for Pakistan.
4. Propose policy recommendations to maximize Pakistan's benefits from BRICS membership.

Literature Review

BRICS was initially hypothesized by Jim O'Neill (2001) as a grouping of emerging markets that could notably reshape the global economic order. Its members—Brazil, Russia, India, China, and South Africa—came together to challenge Western supremacy, particularly in global financial institutions such as the IMF and World Bank. Scholars debate that BRICS represents an alternative to the neoliberal global order by promoting South-South cooperation and institutional reforms (Hansen & Sergunin, 2015). The shift from a unipolar to a multipolar world order forms the basis of the theoretical understanding of BRICS' role. Power transition theory (PTT) is often applied to analyze how BRICS and similar groupings emerge as challengers to established powers. According to Lim (2014), rising powers, disappointed with the status quo, tend to forge new alliances and institutions to maximize their economic benefits and reform the global order. BRICS, therefore, positions itself as a coalition of emerging economies that advocate for inclusive global governance and challenge the existing global financial hierarchy.

Recent literature on BRICS expansion highlights the group's shift towards a broader framework by acknowledging new members, transforming into BRICS Plus. This expansion is viewed as part of the broader strategy to strengthen its geopolitical influence and economic relevance. Analysts explore that BRICS Plus aims to counterbalance the influence of Western alliances and enhance the voice of developing countries in global affairs (Krugman, 1991; Ghalib, 2023). The new members—Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE—bring not only economic reserves but also geopolitical leverage, potentially making BRICS a more formidable player on the global stage.

Moreover, the literature indicates that BRICS expansion enhances its authenticity and relevance in global governance, aligning with calls for UN reforms to increase the representation of developing countries (Mandrup & Smith, 2015). This diversification also indicates the bloc's strategic intent to strengthen economic cooperation and reduce dependency on Western-led financial institutions (Lagutina & Vasilieva, 2012). The economic potential of BRICS is widely credited, with studies highlighting its collective contribution to global growth and trade. Brawley (2007) suggests that while BRICS countries have distinct economic models, they share common goals of raising growth and reducing dependence on the U.S. dollar in trade. The admission of resource-rich countries into BRICS Plus further strengthens this agenda, creating openings for energy and trade alliances among member states.

However, some scholars express skepticism about whether BRICS can maintain long-term economic consistency due to the structural differences among its members (Mathur & Dasgupta, 2013). Countries like Brazil and South Africa face challenges related to infrastructure and inequality, while China and Russia pursue different geopolitical strategies. The expansion to BRICS Plus introduces new complications, as the bloc must navigate diverse political interests to maintain cohesion.

BRICS is not only an economic coalition but also a geopolitical body that influences regional and global power dynamics. Studies suggest that the bloc's expansion is driven by its wish to create a multipolar world order where power is distributed among multiple centers rather than concentrated in the West (Organski, 1958). Scholars claim that the inclusion of countries like Iran and Saudi Arabia adds a new dimension to BRICS' geopolitical influence, enabling the group to engage in regional issues such as energy security and conflict solution (Sergunin & Gao, 2018).

Pakistan's potential membership in BRICS Plus is particularly relevant in this context. Analysts note that China's support for Pakistan within BRICS could strengthen Pakistan's strategic position in South Asia, counterbalancing India's influence. However, BRICS typically refrains from intervening in bilateral conflicts, requiring Pakistan to leverage diplomatic avenues rather than relying solely on BRICS to mediate regional disputes (Glosny, 2010). While the expansion of BRICS offers significant opportunities, the literature highlights several challenges. Political scientists warn that internal divisions among BRICS members—such as border disputes between India and China—could hinder the group's ability to function cohesively (Mandrup & Smith, 2015). Moreover, the addition of new members with divergent political systems introduces further complexities in decision-making processes.

The future of BRICS also depends on its ability to translate economic growth into sustainable development and political power. Scholars argue that BRICS must address internal inequalities and invest in new technologies to remain competitive with the G7 economies (Brawley, 2007). Additionally, the bloc's success will hinge on its ability to build inclusive institutions and foster meaningful cooperation among its diverse members.

Theoretical Framework and Methods

This research draws on the theory of multipolarity in global governance, which posits that international relations are increasingly shaped by multiple power centers. BRICS expansion signifies a shift from unipolar dominance to a multipolar world, where developing nations like Pakistan can play a significant role. The research also applies economic integration theory, which suggests that inclusion in international economic blocs like BRICS could drive economic growth through trade, investment, and cooperation.

This study uses a qualitative research approach, relying on secondary data sources such as existing literature, reports, and expert analyses. The research follows a thematic review of BRICS expansion, focusing on economic, geopolitical, and security implications for Pakistan. Data is collected from credible sources including BRICS reports, IMF databases, and policy papers to understand the impact of BRICS Plus on Pakistan.

BRICS expansion and future prospects

The expansion of BRICS nations contributes to the emergence of a multipolar world, where various power centers exist, challenging the unipolar dominance of Western nations (Ghalib, 2023). The perception of BRICS as a potential challenge to Western hegemony is because of several factors. The BRICS countries hold a share of 32 % of the world GDP in term of purchasing power parity (PPP) compared to 30 % held by G7 countries in 2023 (Statista, 2023). Bloomberg reported while quoting IMF data, that by 2028, BRICS countries will contribute close to 40% of global economic growth (Bloomberg, 2023). It is predicted that the economy of BRICS countries will continue to grow at a faster rate than the average growth rate for the entire world (Saddam, 2023). BRICS represents almost half of world's population i.e., 55.75% (IMF, 2023). The BRICS nations are challenging the dominance of IMF and world bank by increasing their influence in global governance and forums

(Ghalib, 2023). The collaboration of BRICS countries on various fronts economic development, security, and culture exchange can enhance their collective power contribute to a more balanced global order (Ghalib, 2023). The shifting of global economic power balance could lead to BRICS play an even more decisive role in the formation of international norms and regulations. BRICS countries have varied geopolitical interests, often conflicting, like border disputes and differing foreign policy objectives, requiring careful management. The BRICS nations have distinct economic systems, making unified policy formulation challenging. Aligning diverse economies like China's and South Africa's needs negotiation and compromise.

United Nation Security Reforms

A joint statement has been issued by the BRICS countries during the 15th summit; "We support a comprehensive reform of the UN, including its Security Council, with a view to making it more democratic, representative, effective and efficient, and to increase the representation of developing countries in the Council's memberships so that it can adequately respond to prevailing global challenges and support the legitimate aspirations of emerging and developing countries from Africa, Asia and Latin America including Brazil, India and South Africa, to play a greater role in international affairs, in particular in the United Nations, including its Security Council" (Onultalia, 2023). UN Secretary-General Antonio Guterres said that most UN countries recognize the need for reforming the Security Council. "Africa is underrepresented in the global financial architecture, just as it lacks a permanent seat on the Security Council. The world has changed. Global governance must change with it. We need reforms to make global frameworks truly universal and representative of today's world".

Implications for Pakistan

Pakistan is a potential candidate for join the BRICS plus, recently China and Russia expressed their wishes and hinted that Pakistan may join the block in future (Ghalib, 2023). Joining BRICS will surely have positive implications for Pakistani considering its geopolitical position, economic needs, and diplomatic relationships.

Economic Implications

The analysis of BRICS expansion into BRICS Plus reveals several economic opportunities for Pakistan, primarily in the areas of trade, investment, and energy cooperation. The inclusion of Saudi Arabia and the UAE, two of the world's largest oil producers, presents Pakistan with a chance to secure more favorable energy deals. This could help alleviate Pakistan's ongoing energy crisis, which is a significant hurdle to economic growth.

In addition, the potential for increased trade with BRICS members, especially China and Russia, provides an avenue for Pakistan to diversify its exports. The geographic proximity to China, in particular, allows Pakistan to strengthen its participation in the China-Pakistan Economic Corridor (CPEC), which is already a vital economic partnership. However, Pakistan's current economic instability and lack of export diversification pose a challenge to fully capitalizing on BRICS membership.

Key Findings:

- BRICS Plus membership would enable Pakistan to secure energy resources from oil-rich member countries like Saudi Arabia and the UAE.

- Pakistan's exports could reach new markets within BRICS, but the country must improve the quality and competitiveness of its products.
- Strengthened ties with China through BRICS Plus could lead to deeper integration within CPEC, but economic reforms are necessary to take full advantage.

Geopolitical and Diplomatic Implications

Geopolitically, joining BRICS Plus offers Pakistan a platform to elevate its diplomatic influence on the global stage. China and Russia's backing for Pakistan could enhance its standing within the organization, particularly in balancing its complex relationship with India. Although BRICS does not typically engage in bilateral disputes, Pakistan could use its position within the bloc to counterbalance Indian influence.

The inclusion of Middle Eastern countries, such as Saudi Arabia and the UAE, presents Pakistan with additional diplomatic leverage. These countries have traditionally maintained close ties with Pakistan, which could enhance regional cooperation on issues like counter-terrorism and regional stability. Iran's inclusion adds another layer of complexity, as Pakistan would need to carefully manage its relationship with both Iran and Saudi Arabia, given their geopolitical rivalry.

Key Findings:

- Pakistan's strategic partnership with China could be further strengthened, positioning Pakistan as a key player in BRICS Plus discussions.
- India's opposition to Pakistan's inclusion in BRICS remains a significant geopolitical challenge, requiring a strong diplomatic strategy to overcome.
- The addition of Middle Eastern countries offers Pakistan a broader diplomatic platform to engage in regional and Islamic world affairs.

Security and Regional Stability Implications

From a security perspective, BRICS Plus could offer Pakistan opportunities to collaborate on counter-terrorism and regional stability initiatives. Both China and Russia have vested interests in combating terrorism, particularly in the context of South Asia and Central Asia. Pakistan, being a frontline state in the fight against terrorism, could benefit from intelligence-sharing agreements and security cooperation within BRICS Plus.

However, Pakistan's internal security challenges, including insurgency and terrorism, must be addressed to fully participate in BRICS security initiatives. Furthermore, BRICS does not typically interfere in regional disputes, so the potential for BRICS to facilitate dialogue between Pakistan and India is limited. Nonetheless, Pakistan can leverage its membership in BRICS Plus to highlight its role in regional security and counter-terrorism efforts.

Key Findings:

- BRICS Plus could facilitate greater cooperation on counter-terrorism efforts, benefiting Pakistan's security apparatus.
- Internal security challenges in Pakistan could limit its ability to fully engage in BRICS security initiatives.
- The bloc's non-interference in bilateral disputes means that Pakistan cannot rely on BRICS to mediate tensions with India, but it can use its membership to strengthen its diplomatic position.

Challenges in Joining BRICS Plus

Despite the opportunities that BRICS Plus presents, Pakistan faces several challenges that must be addressed to fully benefit from membership. Indian opposition is perhaps the most significant hurdle, as India may attempt to block Pakistan's entry into the bloc. Additionally, Pakistan's internal political instability, coupled with economic stagnation and security concerns, could hamper its ability to engage effectively with BRICS Plus.

Pakistan must also navigate Western opposition to BRICS, as the bloc is seen as a counterbalance to Western-dominated institutions like the IMF and World Bank. This could strain Pakistan's relationships with its Western allies, especially the United States, which views BRICS as a potential challenger to the global economic order.

Key Findings:

- Indian opposition remains the primary challenge for Pakistan in joining BRICS Plus.
- Pakistan's economic and political instability may hinder its ability to engage effectively within the bloc.
- Western pressure on Pakistan could increase if it aligns too closely with BRICS, especially given the bloc's opposition to Western-dominated financial institutions.

The findings from this study indicate that BRICS expansion into BRICS Plus presents significant opportunities for Pakistan in terms of economic growth, energy security, and diplomatic engagement. However, the challenges, particularly related to India's opposition and Pakistan's internal instability, must be carefully managed through strategic diplomacy and economic reform.

Pakistan's successful entry into BRICS Plus depends largely on its ability to leverage its relationships with key BRICS members, particularly China and Russia, and to balance its relations with both Iran and Saudi Arabia. Additionally, Pakistan must focus on improving its domestic political stability and economic resilience to fully capitalize on the opportunities BRICS Plus offers.

While BRICS Plus provides Pakistan with a platform to expand its geopolitical and economic influence, the country's internal challenges—economic, political, and security—must be addressed to take full advantage of these opportunities. Effective diplomacy, economic reforms, and strategic partnerships will be critical for Pakistan to successfully navigate its path to BRICS membership.

Conclusion

The expansion of BRICS presents significant opportunities for Pakistan, particularly in terms of trade, investment, and security cooperation. However, the challenges posed by India's opposition and Western pressure must be navigated carefully. Pakistan's policymakers should develop a strategic approach that strengthens its diplomatic ties with key BRICS members, enhances its economic resilience, and promotes regional stability. By actively engaging with BRICS Plus, Pakistan could enhance its global standing and contribute to a multipolar world order.

Pakistan's policy makers would need to navigate these with a strategic vision that leverages the country's strengths and addresses its vulnerabilities in a rapidly evolving global landscape.

Recommendations

1. Pakistan should continue to make its case as an eligible candidate for BRICS membership, despite Indian expected opposition by utilizing its good relationship with China and friendly nations.

2. To counter India's Pakistan will have to conduct an aggressive diplomatic campaign to lobby all BRICS' member to vote in favor of Pakistan and convince India to let Pakistan in for the larger interest of the BRICS plus.
3. It is crucial for Pakistan to balance geopolitical interests, especially regarding the India-Pakistan dynamic.
4. Pakistan will have increase its agriculture and food production output plus quality that will substantially contribute to the collective output of the organization.
5. Pakistan should focus on strengthening economic diplomacy with BRICS Plus members, leveraging its relations with China and other friendly nations.
6. Pakistan will have to strengthen its national currency as it will aid in smoothly dealing in national currencies with other members for commercial purposes.
7. The overall export portfolio also needs to be expanded extensively and move towards product specialization in order to compete with bigger economies within the group and avoid becoming commercially redundant.
8. Policy consistency will have to be ensured at every level; this will boost confidence of other BRICS members on Pakistan as a potential candidate for BRICS
9. Pakistan should immediately apply for NDB membership even before it formally applies for BRICS full membership. This will complement and strengthen Pakistan's full membership case into BRICS.
10. Enhancing security cooperation, promoting cultural exchanges, and preparing for potential full membership in BRICS Plus should also be key components of Pakistan's strategy.
11. Pakistan should put its diplomatic efforts for UN reforms by stressing inclusive global governance. This approach will enable Pakistan to maximize the benefits of this evolving geopolitical landscape.

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