Analyzing the Global Dynamics: Brics Navigating Uncertainty and Challenging U.S. Hegemony

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ABSTRACT
This article delves into the transformative role of the BRICS alliance comprising Brazil, Russia, India, China, and South Africa in the context of a dynamically evolving global landscape and the challenges presented by traditional U.S. hegemony. An interweaving theoretical framework, incorporating concepts of multipolarity, economic interdependence, and strategic alliances, provides a comprehensive lens for understanding BRICS’ endeavors in navigating contemporary uncertainties. Economically, BRICS demonstrates a steadfast commitment to restructuring the global economic landscape through innovative initiatives such as the New Development Bank and the Contingent Reserve Arrangement, aiming to reduce reliance on established Western dominated financial systems. Diplomatically, BRICS positions itself as a cohesive entity on the global stage, advocating for a multipolar world order while challenging the unilateralism often associated with U.S. hegemony. Despite challenges like divergent economic structures and the imperative for institutional reforms, the way forward for BRICS involves intensified economic integration, strategic diplomacy, adaptive institutional frameworks, and proactive project implementation. This abstract underscores BRICS as a pivotal player in the paradigm shift of the international system, exemplifying the rising influence of emerging economies and their collective resolve to shape a more equitable and multipolar global order
INTRODUCTION

After the Cold War, the world saw a shift from a bipolar world to a unipolar world. For decades this unipolar world kept running, while in hindsight Russia was set on regaining its lost glory but after the USSR’s economic collapse, it was a daunting task. China under the communist party leadership kept building its might quietly. India the second largest population of the world (at that time), also kept pace to develop industry and worked to build a stronger economy. Brazil in the South American continent also showed promising economic trends. According to “worldometer” website, sourced from World Bank development indicators dated 25 July 2023 and United Nations world population prospects 2022, the GDP by country ranking states that China is at number 2, India at number 5, Russia at number 8, Brazil at number 11, and South Africa at number 37 (GDP by Country - Worldometer, n.d.). If we talk of the emerging seven countries of the world, they are Brazil, China, India, Indonesia, Mexico, Russia, and Türkiye.

Looking at this trend, the current geopolitical landscape is characterized by flux and unpredictability, prompting nations to carefully craft foreign policies for navigating global challenges. This analysis focuses on the collective efforts of BRICS countries in addressing the hegemony of the United States in the global economy and the implications of such endeavors.

LITERATURE REVIEW

The analysis of the role of BRICS in facing the hegemony of the USA in the global economy is framed within the context of International Relations theories, particularly focusing on multipolarity, economic interdependence, and strategic alliances.

Multipolarity refers to a distribution of power in the international system where several major powers exist, and no single state or coalition dominates. (Wardhani, 2021) The theoretical lens of multipolarity is employed to understand the shifting dynamics in the global economy. As BRICS nations collectively challenge the U.S. hegemony, the framework of multipolarity helps explain how these diverse powers contribute to a more balanced distribution of economic influence.

Economic interdependence emphasizes the interconnectedness of nations in the economic realm, where actions or policies in one country can have significant repercussions globally. (Braddon, 2012) BRICS' role in countering U.S. hegemony is analyzed through the lens of economic interdependence. The theoretical framework helps explore how collaborative economic initiatives and shared development goals among BRICS nations contribute to reducing dependency on the U.S. dominated economic order.

Strategic alliances involve cooperative agreements between states to achieve shared objectives, often in response to perceived threats or challenges. (Kang & Sakai, n.d.) The theoretical framework of strategic alliances is crucial in understanding BRICS' collective efforts. This lens illuminates how these nations strategically align their foreign policies and economic initiatives to counteract the dominance of the U.S. By forming a cohesive unit, BRICS aims to negotiate from a position of strength in the global economic arena.
The balance of power theory posits that stability is achieved when power is distributed among states in a way that prevents any single entity from dominating the others. (Toledo, 2005) BRICS’ role in challenging U.S. hegemony aligns with the balance of power theory. The theoretical framework helps analyze how the collaborative efforts of BRICS nations contribute to a more balanced distribution of economic influence, preventing undue concentration in the hands of a single power.

By employing these theoretical perspectives, the analysis of BRICS’ role in facing U.S. hegemony in the global economy provides a comprehensive understanding of the evolving dynamics in international relations. These theories collectively offer insights into the motivations, strategies, and outcomes of BRICS nations as they navigate the complex terrain of global economic power.

**METODOLOGY**

This research employs a qualitative descriptive research approach, which involves empirically analyzing issues. The qualitative approach used in this study is a literature review type, where data sources are analyzed from books, journals related to BRICS and its role in navigating global uncertainties against the backdrop of U.S. hegemony. Subsequently, data are analyzed inductively by collecting various relevant information related to this research. In order to create a journal report, authors used theoretical framework that guides the analysis. Incorporate concepts such as multipolarity, economic interdependence, and strategic alliances to provide a theoretical basis for understanding the dynamics of BRICS and its role in navigating global uncertainties against the backdrop of U.S. hegemony.

**RESULTS AND DISCUSSION**

1. **What is BRICS and Why was it Formed?**

   ![Figure 1. Geography of BRICS Countries](https://www.pixtastock.com/illustration/104549889)

   The BRICS (Brazil, Russia, India, China, and South Africa) is an international grouping of major emerging economies that aims to promote
cooperation and coordination on various global issues, including economic matters. It was originally termed as BRIC by Jim O’Neil, a Goldman Sachs economist, in 2001 to refer to the emerging market economies that were expected to grow significantly and potentially dominate the global economy. In 2010 when South Africa joined the group the acronym of “BRICS” was formed.

BRICS was created to highlight the potential economic power and influence of these emerging market countries, with an aim to bring these nations together to address common challenges, promote economic cooperation, and enhance their collective voice on global stage (Ayres, 2017). The following table shows the BRICS countries’ worldwide ranking in 2016:

<table>
<thead>
<tr>
<th>Worldwide Rank</th>
<th>Country</th>
<th>2016 GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>China</td>
<td>11,218</td>
</tr>
<tr>
<td>7</td>
<td>India</td>
<td>2,256</td>
</tr>
<tr>
<td>9</td>
<td>Brazil</td>
<td>1,799</td>
</tr>
<tr>
<td>12</td>
<td>Russia</td>
<td>1,281</td>
</tr>
<tr>
<td>33</td>
<td>South Africa</td>
<td>294</td>
</tr>
</tbody>
</table>

Source: International Monetary Fund, World Economic Outlook Database, April 2017

2. Key Features of BRICS

Table 2. Key Features of BRICS

- The BRICS encompass more than 25% of the world’s land area and 40% of the world’s population.
- All the BRICS are members of the Group of Twenty (G20) major economies.
- The economies of the BRICS have sustained strong growth in recent decades. Four of them enjoy annual GDPs exceeding US$1 trillion.
- Combined, the BRICS bloc has a GDP over 25.85 trillion U.S. dollars in 2022, which is slightly more than the U.S.
- The purchasing power parity terms, the average per capita GDP(PPP) for BRICS economies is $17,990, is much closer to the global average per capita GDP (PPP) of $18,721. (2021)
- The BRICS are carrying out increasing quantities of trade between themselves.
- The BRICS have changed their political systems to embrace global capitalism.
- Political co-operation between the BRICS is creating a new, potentially powerful, global grouping.

Source: (Lowe, 2016), (O’Neill, 2023), (UNITED NATIONS, 2023: 5)
Foreign investment has played a crucial role in the growth of BRICS economies since 2001. The following data shows that BRICS as a group have seen four times increase in their annual FDI inflows from $84 billion in 2001 to $355 billion in 2021 (UNITED NATIONS, 2023: 6):

![Figure 2. FDI Inflows to BRICS 2001-2021 and Compound Annual Growth Rate](source: UNITED NATIONS, 2023: 6)

3. What does BRICS do?
   - BRICS initially focused on advocating for greater representation of emerging powers in global governance.
   - The 2009 joint statement emphasized coordination of financial policy through the G20 and reform of international financial institutions for more representation.
   - Concerns were raised about the dominance of Western economies in organizations like the World Bank and IMF.
   - The 2011 joint statement acknowledged the aspirations of India, Brazil, and South Africa for a greater role in the UN, but progress was limited.
   - The BRICS represents 43% of the world's population, emphasizing their desire for increased global institutional representation.
   - Over time, the BRICS diplomatic activities expanded to include multiple interactions, such as finance ministers' meetings, security advisors' meetings, business councils, think tank councils, etc.
   - Joint statements grew in length to reflect the expanding activities, reaching up to forty-three pages in some instances (Ayres, 2017).

4. How can BRICS Play a Role in Facing U.S. Hegemony in Global Economy?
   While the role of BRICS in facing the perceived hegemony of the USA in the global economy can vary based on different perspectives, the following few ways in which BRICS nations have sought to address the issue are:
   a. Economic Diversification and Cooperation. As discussed earlier, BRICS countries collectively representing a significant portion of the world's population and GDP. They have worked towards diversifying
their economies and reducing dependence on traditional Western markets. They have created a paralleling international financial system that threatens the hegemony of the U.S. dollar, such as the New Development Bank (NDB) (Home - New Development Bank, n.d.), established in 2014, which provides funding for infrastructure and sustainable development projects in member countries. This helps in reducing reliance on established global financial institutions dominated by Western powers. In addition to the NDB, Contingent Reserve Arrangement (CRA) mechanism designed to provide financial support to BRICS countries in times of economic crisis. It serves as a form of mutual assistance, strengthening economic resilience among member nations.

b. **Currency Agreement.** Some BRICS countries have explored alternatives to the U.S. dollar in international transactions to reduce vulnerability to potential US-led economic sanctions or financial pressures. For example, there have been discussions about using national currencies or even creating a new currency for trade settlement among BRICS nations (Sullivan, 2023). This is not easy tough, because of rivalry between the two major players in BRICS, China and India.

c. **Advocating for Multipolarity.** BRICS countries emphasize the importance of a multipolar world order in which no single country dominates global affairs. They aim to balance the influence of traditional Western powers by advocating for a more inclusive global decision-making process that takes into account the interests of emerging economies (Brand et al., 2012: 11).

d. **Promoting Global Governance Reforms.** The BRICS countries have advocated for reforms in global governance institutions, such as the UN, International Monetary Fund (IMF), and World Bank. They seek a more equitable distribution of voting rights and decision-making power within these institutions to better reflect the current global economic landscape (UNITED NATIONS, 2023: 20).

e. **Strengthening South-South Cooperation.** BRICS nations often emphasize South-South cooperation (Brand et al., 2012: 11), which involves collaboration between developing countries to address common challenges and share knowledge and resources. This approach aims to reduce dependence on Western powers and foster self-sufficiency among member countries.

f. **Promoting Multilateralism alongside Bilateral Agreements.** The BRICS countries have supported multilateralism and promoted domestic reform to make the international system more equitable. They have actively collaborated and sought to speak with one voice within the framework of the UN and the G20. These agreements help to collectively strengthen their positions in the global economy and reduce dependence on Western economic systems (Brand et al., 2012: 8, 14-15).

g. **Political Collaboration.** BRICS aligns its political strategies to achieve shared objectives, including promoting global stability,
preventing conflicts, and fostering economic growth. The alliance leverages its collective strength to influence international policies and challenge unilateral decision-making by Western powers. BRICS nations engage in regular political dialogues to address common challenges and opportunities. These discussions facilitate the exchange of ideas on geopolitical issues, helping build a consensus on key international affairs.

5. Challenges and the Way Forward

The following matrix might help in getting a clear picture about the challenges and possible way forward:

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Way Forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Divergent Economic Structures</td>
<td>• Enhanced Economic Integration</td>
</tr>
<tr>
<td>• Geopolitical Differences</td>
<td>• Strategic Diplomacy and Coordination</td>
</tr>
<tr>
<td>• Institutionalization and Decision Making</td>
<td>• Institutional Reforms</td>
</tr>
<tr>
<td>• Operationalization of Initiatives</td>
<td>• Project Implementation Strategies</td>
</tr>
<tr>
<td>• Economic Volatility</td>
<td>• Risk Mitigation and Economic Cooperation</td>
</tr>
<tr>
<td>• Common Agenda on Global Issues</td>
<td>• People-to-People Engagement</td>
</tr>
<tr>
<td>• Flexibility and Adaptability</td>
<td></td>
</tr>
</tbody>
</table>

Source: Created by Authors Utilizing Various Data

1. Challenges in BRICS

BRICS faces several challenges that span economic, political, and strategic dimensions. These challenges can impact the alliance’s cohesion, effectiveness, and ability to navigate a rapidly changing global landscape. Following can be considered as some key challenges for BRICS;(de Coning et al., 2015)

a. **Divergent Economic Structures.** BRICS member nations exhibit diverse economic structures, sizes, and developmental stages, posing challenges in aligning economic policies and interests. Varied economic priorities and disparities in development levels can hinder cohesive decision-making.

b. **Geopolitical Differences.** Geopolitical ambitions and strategic priorities of BRICS countries may differ. Managing these divergent geopolitical perspectives, particularly in relation to regional conflicts and alliances, poses challenges to maintaining unity within the alliance.
c. Institutionalization and Decision Making. While BRICS has established institutions like the New Development Bank, challenges persist in institutionalizing decision-making processes. Ensuring equitable representation and decision-making power among member nations remains a delicate task.

d. Operationalization of Initiatives. The operationalization of initiatives, especially economic and development projects, may face hurdles due to bureaucratic red tape, regulatory differences, and logistical challenges. Harmonizing policies and procedures is essential for effective collaboration.

e. Economic Volatility. The economic volatility within individual BRICS nations and the global economic landscape can impact the alliance's stability. Economic downturns, trade imbalances, and currency fluctuations may strain cooperation efforts.(Aude Darnal, Ruchita Beri, Sanusha Naidu, 2023)

2. Way Forward in BRICS

Following are some proposed ways to move forward for BRICS (Duggan et al., 2022) (UNITED NATIONS, 2023: 25):

a. Enhanced Economic Integration. Strengthening economic integration through harmonized policies, trade agreements, and investment facilitation will foster a more unified economic front. Developing mechanisms to mitigate economic disparities and promote inclusive growth is crucial.

b. Strategic Diplomacy and Coordination. BRICS nations should engage in strategic diplomacy to address geopolitical differences. Regular dialogues and diplomatic coordination can help build mutual trust and consensus on regional and global issues.

c. Institutional Reforms. Implementing institutional reforms within BRICS institutions, such as the New Development Bank, can enhance efficiency and representation. Transparent decision-making processes and equitable governance structures are vital for institutional success.

d. Project Implementation Strategies. Developing effective strategies for the implementation of joint projects is crucial. This includes streamlining bureaucratic processes, addressing regulatory challenges, and creating frameworks for seamless execution of initiatives.

e. Risk Mitigation and Economic Cooperation. BRICS nations need to collaborate on risk mitigation strategies to counter economic uncertainties. Strengthening economic cooperation, exploring new markets, and diversifying trade portfolios can contribute to greater resilience.

f. Common Agenda on Global Issues. BRICS countries should forge a common agenda on global challenges, such as climate change, public health, and security. A unified approach will amplify their collective impact on international platforms.
g. **People-to-People Engagement.** Encouraging people-to-people exchanges, cultural interactions, and academic collaborations will deepen understanding among BRICS nations. This can foster stronger ties, transcending political and economic differences.

h. **Flexibility and Adaptability.** Flexibility and adaptability in responding to evolving geopolitical and economic scenarios are crucial. BRICS nations should remain open to adjusting strategies and policies based on changing circumstances.

3. **The Pitfall: India-China Tensions**

   In 2017, the Indian and Chinese troops were in a standoff in Himalayan disputed territory (Myers et al., 2017). The divergence between China and India accentuates the limited common ground among the five BRICS members, who are united primarily by their non-Western and large-country status. Consequently, maintaining a cohesive agenda within BRICS beyond uncontentious issues proves challenging, especially given the historical conflicts between two of its members that occasionally escalate into outright adversarial postures. Although India and China have cooperated at times, even within the framework of BRICS, for causes like advocating for global governance reform, their cooperation has certain constraints.

   Despite the occasional turbulence in the relationship between these two prominent BRICS members, the group has emerged as a distinctive platform for collaborative efforts. Much of this collaboration, aside from high profile gatherings, revolves around domestic concerns such as agriculture, education, health, and tourism. This focus aligns with the overarching priority of economic growth and development shared by the BRICS nations. The organization has also indicated interest in security cooperation, evident through an annual meeting of "high representatives" on national security and collaborative efforts at the UN. The BRICS association largely concentrates its expanding activities within a domain of non-controversial subjects, deliberately avoiding topics that might intensify bilateral disagreements. This approach is reflected in the emphasis on the collective representation of 43 percent of the global population by the five member countries, as well as their concerted efforts toward more representative global governance, particularly in the financial sphere.

**CONCLUSIONS AND RECOMMENDATIONS**

   In conclusion, the examination of BRICS and the evolving global dynamics illuminates a relationship of economic, political, and strategic forces that challenge the conventional hegemony of the U.S. In the middle of profound global transformations, the strategic alliance of BRICS nations Brazil, Russia, India, China, and South Africa has emerged as a significant influencer in shaping the international order.

   The application of a theoretical framework, encompassing concepts such as multipolarity, economic interdependence, and strategic alliances, provides a thorough understanding of BRICS' role in navigating the complexities of global uncertainties. The depth of BRICS as a strategic alliance becomes apparent
through its multifaceted approach, spanning economic cooperation, diplomatic coordination, political collaboration, and cultural exchanges.

On the economic front, BRICS demonstrates a steadfast commitment to reshaping the global economic landscape, exemplified by initiatives like the New Development Bank and the Contingent Reserve Arrangement. These endeavors collectively signal a determined effort to reduce reliance on established Western-dominated financial systems, contributing to a more equitably distributed economic influence. In the diplomatic arena, BRICS positions itself as a cohesive force on the global stage, advocating for a multipolar world order and challenging unilateralism often associated with U.S. hegemony. The alliance's shared objectives and coordinated endeavors amplify its impact on international affairs, reflecting the diverse perspectives and interests of its member nations.

Nevertheless, challenges persist, ranging from divergent economic structures to geopolitical disparities and the imperative for institutional reforms. The path forward for BRICS necessitates an emphasis on enhanced economic integration, strategic diplomacy, adaptive institutional frameworks, and proactive project implementation. Tackling these challenges is imperative for BRICS to consolidate its influence and adeptly navigate the uncertainties posed by the evolving global dynamics.

In essence, BRICS signifies a paradigm shift in the international system, underscoring the escalating influence of emerging economies and their collective resolve to shape a more just and multipolar global order. As the alliance continues its evolution, its actions are poised to play a pivotal role in steering the course of international relations amid persistent uncertainties and the challenges presented by U.S. hegemony.

FURTHER STUDY

This research still has limitations, so it is necessary to carry out further research related to the topic Analyzing the Global Dynamics: Brics Navigating Uncertainty and Challenging Hegemony in order to perfect this research and increase the reader's insight.

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