

# The Evolution of the BRICS Trade Alliance: Analysing Strategic Partnerships and Economic Interdependence in the Global South

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## ABSTRACT

The BRICS alliance—comprising Brazil, Russia, India, China, and South Africa—has emerged as a vital platform for fostering economic interdependence and strategic partnerships in the Global South. This study employs a normative juridical approach to analyze the legal frameworks, trade mechanisms, and institutional structures underpinning the alliance. Findings reveal that initiatives such as the New Development Bank, intra-BRICS trade agreements, and currency swap arrangements have strengthened collaboration among member states. However, challenges such as trade imbalances, geopolitical tensions, and institutional inefficiencies persist. This paper highlights the potential of BRICS to reshape global economic governance by advocating for equitable trade practices and promoting sustainable development in the Global South.

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## 1. INTRODUCTION

The BRICS trade alliance, comprising Brazil, Russia, India, China, and South Africa, plays a pivotal role in reshaping global economic dynamics. With a combined population exceeding three billion and a significant share of global GDP, BRICS aims to enhance economic interdependence and advocate for a multipolar world order. This alliance not only challenges the dominance of Western institutions but also seeks to foster deeper cooperation among its members. BRICS economies benefit from trade openness, which positively impacts economic growth and development [1]. The establishment of the New Development Bank exemplifies BRICS's commitment to financial cooperation and reducing reliance on Western financial systems [2]. The textile sector, particularly between India and other BRICS

nations, highlights the potential for increased trade through digitalization and sustainable practices [3]. Additionally, the recent expansion of BRICS to include members like Egypt and Saudi Arabia signifies its growing geopolitical influence and intent to challenge the U.S. dollar's dominance [4]. The alliance promotes a multipolar world order, emphasizing equality and mutual respect among nations [5].

The BRICS alliance, comprising Brazil, Russia, India, China, and South Africa, aims to rectify historical trade imbalances that favor Western powers by establishing initiatives like the New Development Bank (NDB) and fostering inter-BRICS trade agreements to promote equitable trade policies and sustainable development. This collective effort is crucial for enhancing regional economic integration and reducing

dependency on Western financial systems. The New Development Bank was established to finance infrastructure and sustainable development projects in BRICS and other emerging economies, thereby reducing reliance on Western-dominated institutions [2]. Inter-BRICS trade agreements facilitate economic collaboration among member nations by promoting trade and reducing transaction costs [6]. Additionally, BRICS has undertaken de-dollarization efforts, aiming to diminish the dominance of the USD in global trade and advocating for a common currency to enhance economic sovereignty [4]. The alliance also seeks global governance reforms by pushing for more equitable representation of developing nations in international financial institutions [7], [8].

Despite these achievements, the evolution of BRICS has not been without challenges. Divergent national interests, economic disparities among member states, and external geopolitical pressures have tested the alliance's cohesion and efficacy. This study examines the legal and institutional frameworks underpinning the BRICS alliance, employing a normative juridical analysis to understand its strategic direction and impact on global trade dynamics.

The research focuses on three key dimensions: the development of intra-BRICS trade mechanisms, the role of legal agreements in facilitating economic cooperation, and the implications of BRICS initiatives for the Global South. By analyzing these aspects, the paper aims to provide a comprehensive understanding of how the BRICS alliance has evolved as a strategic platform for economic interdependence and its potential to influence the future of global economic governance.

## 2. LITERATURE REVIEW

### 2.1 *Theoretical Frameworks: South-South Cooperation and Multipolarity*

The BRICS alliance exemplifies South-South cooperation, aiming to enhance economic growth among developing nations while reducing reliance on Western powers. Comprising

Brazil, Russia, India, China, and South Africa, the coalition has evolved to include additional members, reflecting a strategic shift towards a multipolar global order. BRICS economies benefit significantly from increased trade openness, which fosters growth and development, while the expansion of BRICS+ enhances market coverage and deepens cooperation among members [1]. The alliance emphasizes principles of sovereignty, equality, and non-interference, aligning with international trade laws, as highlighted in the Johannesburg-2 declaration [5]. Despite internal economic disparities and external geopolitical tensions, particularly with Western institutions, BRICS continues to advocate for equitable global trade policies and address regional needs within the framework of international law [2]. The potential for de-dollarization and the establishment of a common currency among BRICS+ members further underscores its commitment to enhancing economic independence [4], [9].

### 2.2 *Evolution and Institutional Development of BRICS*

The formation and institutionalization of BRICS have significantly influenced global economic dynamics and institutional frameworks. Initially conceptualized by O'Neill in 2001, BRICS has evolved to establish formal mechanisms such as the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA), aimed at enhancing financial stability and reducing dependency on Western institutions like the IMF [6], [10]. These institutions not only provide financial support but also promote sustainable development and infrastructure growth among member states [11]. The NDB and CRA facilitate financial cooperation, offering alternatives to traditional financial institutions and enhancing economic resilience [6]. Furthermore, the NDB emphasizes sustainability by aligning projects with environmental and social governance principles, despite

challenges in execution [11]. BRICS institutions strive to navigate diverse regulatory systems while adhering to international trade laws, aligning with principles of international cooperation [12]. Through its commitment to multilateralism, BRICS challenges Western-led frameworks, fosters cooperation among emerging economies, and advances a multipolar world order [10], [13].

### 2.3 Strategic Partnerships and Trade Mechanisms

The BRICS alliance has made significant strides in enhancing intra-group trade through various mechanisms, yet substantial barriers persist. While studies highlight growth in intra-BRICS trade, challenges such as tariff discrepancies, logistical issues, and non-tariff barriers remain prevalent [1]. Variations in tariffs, infrastructure inadequacies, and regulatory differences hinder seamless trade, increasing costs and complicating transactions. Legal frameworks, including bilateral and multilateral treaties, are essential for standardizing trade practices, harmonizing regulations, and reducing trade costs [14]. Additionally, transnational legal mechanisms play a crucial role in advancing sustainability and fostering cooperation among BRICS nations. To address financial dependencies, the alliance promotes currency swaps and alternative payment systems, emphasizing the use of national currencies for trade settlements as a key step toward financial sovereignty and advancing de-dollarization efforts [4], [15].

### 2.4 Challenges to Economic Interdependence

Despite its potential, BRICS encounters significant hurdles in fostering deeper economic interdependence among its member states, primarily due to disparities in economic power, divergent national interests, and geopolitical tensions. The contrasting economic profiles of member nations—such as Brazil and South Africa's

reliance on commodity exports versus China and India's industrial growth—underscore these challenges [2], [10]. Asymmetric economic capabilities create imbalances that hinder cohesive strategies, while divergent national priorities complicate collective decision-making. Geopolitical issues, such as sanctions on Russia and regional conflicts, further challenge BRICS' unity and effectiveness in global forums [16], [17]. Additionally, while the alliance's principle of non-alignment strengthens its independence, it limits decisive collective action, thereby impacting BRICS' global influence [5].

## 3. METHODOLOGY

### 3.1 Research Type

The study is qualitative in nature, relying on a normative juridical methodology to explore the legal dimensions of BRICS' evolution. This approach focuses on interpreting legal texts, treaties, agreements, and institutional frameworks to understand their implications for economic interdependence and strategic partnerships. The research also integrates elements of doctrinal analysis to examine the theoretical and legal principles that guide BRICS' operations. The study is structured to address three key research objectives:

1. To analyze the legal frameworks that facilitate intra-BRICS trade and collaboration.
2. To evaluate the institutional mechanisms supporting strategic partnerships within BRICS.
3. To assess the implications of BRICS initiatives for the economic development of the Global South.

### 3.2 Data Collection

Data for the study is collected from both primary and secondary sources. Primary data includes legal instruments such as treaties, trade agreements, and policy documents formalized by BRICS member states,

including the BRICS Joint Statements, New Development Bank (NDB) operational guidelines, and Contingent Reserve Arrangement (CRA) agreements. Additionally, official reports from BRICS summits, such as annual reports and communiqués, provide valuable insights into the alliance's objectives and strategies. Secondary data comprises academic literature, including scholarly articles, books, and research papers examining the evolution and impact of the BRICS alliance, as well as case studies analyzing specific initiatives like the New Development Bank's projects and intra-BRICS trade agreements. Furthermore, statistical data on trade and economic indicators, published by international organizations such as the World Bank, International Monetary Fund (IMF), and United Nations Conference on Trade and Development (UNCTAD), supplement the analysis.

### 3.3 Analytical Techniques

The study employs a multi-faceted analytical framework to evaluate the BRICS alliance. A normative juridical analysis interprets legal instruments and institutional frameworks to identify the principles and norms governing BRICS operations, including their alignment with international trade law and their role in promoting economic interdependence. Doctrinal analysis is utilized to explore the theoretical underpinnings of the alliance, focusing on concepts such as South-South cooperation, multipolarity, and economic sovereignty as they relate to BRICS' strategies and initiatives. Additionally, a comparative analysis evaluates BRICS' initiatives against similar regional trade alliances, such as the ASEAN Economic Community (AEC) and the African Continental Free Trade Area (AfCFTA), to highlight the unique features and challenges faced by BRICS in fostering economic integration.

## 4. RESULTS AND DISCUSSION

Findings of the study, derived from a normative juridical analysis of the BRICS

alliance, and discusses their implications for strategic partnerships and economic interdependence within the Global South. The results are organized into three main themes: the legal frameworks supporting BRICS, the evolution of institutional mechanisms, and the broader implications for the Global South.

### 4.1 Legal Frameworks Supporting BRICS

The legal structures underpinning the BRICS alliance serve as the foundation for its strategic partnerships and economic collaborations:

#### a. Trade and Investment Agreements

The BRICS nations have established various trade and investment agreements to enhance economic cooperation and reduce barriers among member states, including bilateral trade agreements and the operational guidelines of the New Development Bank (NDB), which align with international trade laws while addressing the specific needs of each country. Through trade openness, BRICS has fostered deeper economic ties, positively influencing growth and foreign direct investment (FDI) dynamics [1]. The NDB plays a pivotal role in financing infrastructure and sustainable development projects, enhancing economic resilience and cooperation among member states [11]. Additionally, a harmonized regulatory framework, particularly in sectors like medical devices, is crucial for facilitating trade, attracting investments, and ensuring patient safety while promoting innovation [18]. Strategically, BRICS positions itself as a competitor to the G7, leveraging demographic and geographic advantages to enhance global economic influence [17].

**b. Dispute Resolution Mechanisms**

The BRICS alliance has established mechanisms for resolving trade and investment disputes, primarily through mediation and arbitration, which uphold the principles of sovereignty and equality among member states. Mediation is emphasized as a flexible and efficient method for dispute resolution, aligning with cultural practices in member states [19]. However, challenges arise from traditional arbitration frameworks, such as ICSID and UNCITRAL, which face criticism for high costs and lack of transparency, potentially deterring effective dispute resolution [20]. The absence of a centralized arbitration body within BRICS complicates the consistent enforcement of agreements, as evidenced by past tariff conflicts [21]. To address these issues, establishing a BRICS-specific investment arbitration mechanism could enhance enforcement while balancing investor and public interests [21].

**4.2 Evolution of Institutional Mechanisms**

The evolution of BRICS institutional mechanisms, particularly through the New Development Bank (NDB) and currency swap agreements, reflects a strategic shift towards economic interdependence and reduced reliance on Western financial systems. The NDB plays a pivotal role in financing infrastructure projects, primarily in transport sectors led by India and China, thereby enhancing collaboration among member states [11]. Despite its commitment to sustainable development, the NDB faces challenges in ensuring equitable project distribution among members, raising concerns about fair benefits (Daldegan & Vitória, 2024). The bank's growing significance in global

finance is evident from its ability to attract interest from new members [22]. Simultaneously, currency swap agreements aim to reduce dependence on the US dollar, promote trade in national currencies, and enhance financial stability [23]. However, the absence of a unified payment system limits the scalability and effectiveness of these agreements [6].

**4.3 Economic Interdependence and Strategic Partnerships**

The economic interdependence among BRICS nations is increasingly evident through trade growth and collaborative initiatives in research and technology, characterized by a diversification of trade portfolios and joint efforts to enhance innovation, despite challenges such as trade imbalances. Intra-BRICS trade has shown consistent growth, supported by agreements mitigating tariff and non-tariff barriers [1]. Key sectors driving this diversification, including energy, technology, and agriculture, collectively strengthen the alliance's economic foundation [24]. However, trade imbalances, notably China's dominance in exports, continue to challenge equitable interdependence among member states [2]. Collaborative initiatives, such as the BRICS Network University, promote knowledge sharing and capacity building [1], while the BRICS Science, Technology, and Innovation Framework seeks to enhance competitiveness and address development gaps across member states [1].

**4.4 Implications for the Global South**

The BRICS alliance offers a compelling model for South-South cooperation, with implications that extend beyond its member states. Positioned as a strong advocate for reforms in global economic governance, BRICS calls for greater representation of developing nations in institutions such as the IMF and World Bank. This advocacy reflects the alliance's commitment to promoting a multipolar world order,

challenging the dominance of traditional Western-led frameworks.

Additionally, BRICS addresses critical development challenges in the Global South through initiatives like the New Development Bank (NDB) and collaborative research programs. These efforts aim to tackle infrastructure deficits, improve access to finance, and facilitate technology transfer. By catalyzing regional integration and fostering inclusive growth, BRICS contributes to the broader goal of sustainable development and economic resilience in emerging economies.

#### 4.5 Challenges and Limitations

Despite its achievements, the BRICS alliance faces several challenges that hinder its full potential:

1. Economic and political differences among member states create obstacles to unified decision-making.
2. The lack of a centralized governance structure limits the alliance's ability to enforce agreements and implement policies effectively.

3. External pressures, such as sanctions on Russia and trade disputes involving China, pose risks to the alliance's cohesion.

## 5. CONCLUSION

The BRICS alliance has demonstrated significant potential as a model for South-South cooperation, contributing to economic interdependence and fostering strategic partnerships among its member states. Through initiatives such as the New Development Bank and efforts to reduce reliance on Western financial systems, BRICS has strengthened its position as a key player in the global economic landscape. However, the alliance must address several challenges, including trade imbalances, divergent national interests, and geopolitical tensions, to fully realize its goals. By overcoming these obstacles and leveraging its collective strengths, BRICS can redefine economic governance in the Global South, promote sustainable development, and advocate for a more equitable and multipolar world order.

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