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Abstract: The BRICS alliance, consisting of Brazil, Russia, India, China, and South Africa, has become a forceful grouping that opposes the Western financial leadership system in the global order. The study investigates how BRICS functions in worldwide financial governance by evaluating its initiatives to challenge international institutions such as the IMF and World Bank, including the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA). BRICS works for economic multi-polarity together with financial collaboration, yet internal economic differences join with political divergence to reduce its power. The dominating position of China, along with India's pro-Western approach and Russia's ongoing geopolitical disputes, works to decompose teamwork between members. The group has instead shown development through recent program expansions as well as financial initiatives that aim to decrease dependence on the U.S. dollar. BRICS possesses the ability to construct new financial governance structures that support a global economic system characterized by inclusion and multi-polarity, even though it deals with internal obstacles, according to this research. The paper establishes that BRICS needs better institutions and clear strategic planning, together with unified policy development, to succeed as an organization.

Introduction

The post-war system is mainly comprised of Western institutions for instance the IMF and World Bank. A number of these organizations were created after the Second World War to monitor and control financial systems and maintain order within the international economy. However, their policies have been seen as unreasonable in continuing with the dominance of the Global North over the Global South. As much emphasized by Wade (2003), these institutions tend to support developed countries merely while shifting most of the costs to the developing nations through the introduction of new economic reforms often referred to as neoliberal. This critique has formed the basis of discussions on the governance of the international economy as developing states complain that the structural features promoted by these institutions remain an impediment to their development.

BRICS as a political and economic group or coalition in international politics and economy was the newest phenomenon in the previous decade. They include Brazil, Russia, India, China, and South Africa and the group has attempted to counter previous hegemonic power of institutions like the IMF & the

World Bank. In the opinion of Stuenkel (2020), BRICS is a sign of further diversification and a shift towards a polycentric world order as opposed to a world dominated by a few Western countries. This shift offers an attack on the post-Second World War world order which has until this period been characterized by institutions fashioned mainly by the United States of America and its allies. This way, BRICS is not only an answer to the philosophy of the West but also a new tilt in the composition of power shifts across the world.

Looking at these disparities the BRICS bloc was formed as an anti-Hegemonic model to alter the existing paradigm of power. The BRICS group includes Brazil, Russia, India, China, and South Africa and is an organization of new players who are seeking to minimize the W ECB dominance in the international system. The creation of BRICS standing for Brazil, Russia, India, China, and South Africa, is an indication of the polarity shift from unilateralism to multilateralism, whereby these countries seek to recast the modalities of global power sharing fairly and liberally (Stuenkel, 2020). As these nations have increasingly accumulated economic capabilities they also employ both political and economic means in a synchronized fashion identifying common goals in an effort aimed at reshaping the international financial architecture to include their viewpoints.

BRICS formation however cannot be viewed as solely a diplomatic endeavor that was in response to the existing inequalities that are imbedded in the global financial structure. As one of the bloc's objectives is to become an alternative to the IMF and World Bank, it has been long regarded as the only source of international financial aid. BRICS interventionists' answer to this has been the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). These institutions are BRICS's promise to provide a financing model that does not come with the strings typical of Western organizations. For example, the NDB has financed projects in energy, and infrastructure sectors that are considered to be important for the development of the member countries. In this regard, BRICS envisioned the creation of a financial order that should cater to the developing nations without prejudice to the developed nations known as the Global North.

Nonetheless, the problem today is that while BRICS has consistently tried to develop an alternative to the traditional financial architecture, the internal issues remain quite acute, which will cast a shadow on the bloc's transformative potential in the context of global governance. One of the most important is the enormously large differences in gross domestic product, political orientation, and strategic goals and interests of its members. For example, China has become the economic giant for the bloc while having a much higher GDP than any of the other BRICS countries' products. This economic disparity has made some of the smaller members especially Brazil and South Africa, worried about the growing clout of China within the BRICS grouping. Such inequity has contributed to a conflict of sovereignty over decision-making, and some of the countries feel that they are sidelined by China in setting the direction of the bloc as noted by Hopewell (2015).

In addition to economic disparities, political cultures, and political systems of BRICS member countries also differ. For instance, China and Russia's political systems are quite alike, being one-party states and having highly centralized political systems, India is the largest democracy in the world, and Brazil and South Africa are also democracies but their political systems are quite different. Such differences in governance models present a conflict of interest hence the challenges in coordinating political economic and foreign policy agendas in the bloc. Critics have noted that while they all seek to rise to the ranks of the world's powers through their cooperation, the BRICS member states seldom agree on major geopolitical issues including; their position on trade liberalization or Climate change. (Armijo, 2007).

The second important problem that occurred with BRICS is the problem of the coordinated foreign policy vested interests of the member states. While China and Russia, as permanent members, are more outspoken on global security threats, especially in the Middle East, Ukraine, or Syria, members like India or Brazil are more concerned with maintaining regional security and socio-economic growth. Such divergences have given rise to some frictions within the block especially when it comes to issuing consolidated statements on world security or changes in the world economy. According to Hopewell (2015), these contradictions can weaken cohesion, and, as a result, BRICS has more difficulties in acting in a consolidated manner on key questions in international relations.

Although BRICS has been somewhat successful in establishing organizations such as NDB and CRA as rivals to IMF and World Bank at most the scale of such steps appears negligible when compared to the total global power of Western institutions. In the present context, Gershman and McGee (2019) have stated that, although, over the years the NDB has been able to expand its funding capabilities still it is not nearly as large or as financially powerful as the IMF or the World Bank. The meaning of the CRA which was intended to provide funding during emergencies remains undefined and does not command the level of confidence internationally those organizations such as the IMF have gained over the years. Such restrictions bring into question, whether BRICS is well equipped to pose a threat to the dominant powers that have maintained their status in the global economic system for so long.

The pricking idea is whether the newly emerging BRICS holds any significant ground to pose a potential threat to the West-led international financial order. Existing literature covers much about the West-led financial dominance, and the potential rise of the BRICS alliance as an alternative to the existing international financial order. The present study attempts to explore the possibilities and challenges the BRICS alliance is faced with in its potential bid for an alternative system of international financial governance. The study attempts to explore what possibilities are there for BRICS in the race as well as deconstructs the challenges that are faced by the alliance.

Methodology

The thematic analysis serves as the method to examine the BRICS alliance functioning as a non-Western alternative in the present study. By collecting policies, expert opinions, and scholarly research materials; the study attempts to extract themes from the existing sources of literature. Themes-based analysis in qualitative research helped the researchers to understand the internal challenges alongside external opportunities that affect BRICS operations through investigations of economic cooperation. It developed grounds for inquiry into institutional performance, member nation disagreements, and geopolitical outreach. The researchers utilized secondary research literature and official BRICS declarations with reports from international bodies and scholarly texts to assess original documents in their analysis. Random availability in research leads to independent theme generation through collected data while providing advanced and detailed interpretation structures (Creswell, 2009; Bryman, 2016).

The study combines coding techniques to match similar concepts thus allowing both enabling and inhibiting factors to be recognized as part of the unified group identity in BRICS. The research method helped researchers study the way BRICS member states perform both inter-state interactions as well as their policy development activities. The research analyzes unevenness within BRICS alliances to establish their capability as a potential alternate global financial management system from that of Western-established institutions. This investigative approach shows the complete contribution of BRICS to global governance structures and reveals what internal forces, as well as external elements, suggest about its upcoming strategic path.

Theoretical Framework

The multilateralism theory studies BRICS as a non-Western institution by establishing a conceptual framework. The study of BRICS functioning as a unified entity in global governance depends on multilateralism because numerous standardized practices enable many-state cooperation and shared purposes between institutions. BRICS participates through multilateralism by combining economic ties with political institutions and the New Development Bank system as an operational arrangement. The research assesses how BRICS complies with typical multilateral standards that permit extensive involvement and analyzes if actual power discrepancies limit operational performance between member states.

The framework helped researchers to determine the extent to which BRICS institutions substitute Western control over financial institutions including the World Bank and International Monetary Fund. The research investigates BRICS' strategic multilateralism by studying whether members work together for common goals or if their goals conflict during multilateral processes. By analyzing BRICS capabilities for global governance transformation, the study identifies limitations within the organization that prevent joint multilateral efforts despite its theoretical exploration.

Discussion and Findings

Challenges

Bound by its objective to transform the world and address the issues of inequality and unbalanced power in the financial system of the contemporary world, BRICS has some serious internal problems that do not let the group be unified and make all the necessary changes effectively. According to Hopewell (2015), factors such as a) economic size, b) political ideology, and c) strategic priorities create internal conflicts and appear to shape the bloc's coherence. The nature of BRICS is diverse because each country has its national interest at heart and this at one point has acted as a barrier to the group presenting a united front on any issue around the globe. This lack of cohesion reduces its ability to advance further-reaching change in the global governance architectures.

Hyping of the strength of the BRICS alliance is another problem, which exists due to the difference in the size of economies. Therefore, the decision-making and actions of the group are normally influenced by China which has the largest economy of the group. They have argued that this domination has raised eyebrows over its influence in determining the matrix of the group. In the case of China, Pijl (2012) has asserted that China is the most influential member of BRICS because of its economic dominance over the entire world including South Africa and Brazil. Such distribution of power immediately poses questions about the genuine democratic nature of the group and whether it is to be a viable platform for every one of the group's members.

However, multiple political systems inside BRICS fail to form a coherent strategy precisely where its member states have differing political systems. Although China and Russia are relatively autocratic compared to Russia, India, Brazil, and South Africa's political systems are comparatively more democratic (Duggan et al, 2021). Such differences in governance structure give rise to conflict since each of these countries has different approaches to questions like human rights, political liberty, and the State's economic role. This ideological split may reduce the capacity of the group to present a unified front on matters of concern in matters of international relations especially where there is a subject on age values such as democracy and governance.

The other internal threat that BRICS is experiencing is that it has dissimilar strategic orientations. While for China and Russia key narratives concern the need to defend geopolitical agendas while nurturing international influence, for India the primary discursive strategies concern economic growth, and integration in globalization (Xiao, 2018). Brazil on the other hand with South Africa has put importance on regional development and the South-South approach. These rewritten priorities make it difficult for the two countries to agree on the way to handle subjects like global warming, trading standards, and security. On some of these global issues, there is a poor consensus on what exactly the BRICS want, which makes it hard for the group to portray itself as a unified block to compete with Western-led institutions.

Critics have noted that BRICS as a formation has insignificant influence on advanced GEG realignment and on the practice of demanding alterations to directly dispute the dominance of the Western FI such as the IMF and the World Bank. However, the group has created new features such as the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA) to counter these institutions but their ability to reorient the international financial architecture is limited. The NDB is still small in comparison to the kind of funding it offers where compared to the IMF and World Bank multimodal resources. It has, therefore, given rise to the possibility of skepticism regarding whether the BRICS formation can indeed provide a more effective solution to the conventional world financial system, most particularly when there are world financial crises.

Moreover, the BRICS' function in global management remains ambiguous the member building has not developed a complete political and economic union. Although BRICS has created some financial and institutional arrangements to break through the old world order, they have not been strong enough to encourage an integrated and coordinated system of world governance. One of the main problems is the insufficient institutionalization within the group which, for example, in many circumstances, cannot have a major impact on the global agenda including climate change, trade, or conflict regulation. If there is no increased cooperation between institutions, BRICS will be unable to counter power efficiently.

In addition to the economic and political imbalance within the BRICS association, there is also inequity in the manner that it approaches the various sovereign and international political questions within the region and at the global level. On some issues the BRICS countries are indeed rather unified in their stand on challenging the existing global institutions to increase the representation of the developing countries but, at the same time, they are divided when it comes to certain issues of their immediate concern. For instance, trade protectionism, agricultural support, and intellectual property rights remain issues that are contentious in the sense that, while some of the BRICS members have advocated “beggar-thy-neighbor” type policies for protectionism, some are for open access policies and trade liberalization. These polarized stances undermine BRICS’ efforts towards advocating for consistent and efficient reforms in acting on international governance.

Besides, internal inequity remains an issue in the group; externally, the challenges are even bigger and act as a counterforce to BRICS’s desire to reform the global architecture. Some of the member countries of the BRICS have recently been characterized by the growth of populist and nationalist sentiments, which does not yet allow the BRICS to act as a united force in the international arena. Aggressive nationalism in India and Brazil among other nations has contributed to their mimic rejection of multilateralism in favor of the “inward looking”. This trend counteracts the group’s agenda on reforms in international relations especially on governance since individual members focus on sovereignty.

Also, different staking and interaction of BRICS members with Western countries escalate the bloc’s potential to overcome the current world settings. As Lee (2018) also pointed out Russia and China are often using BRICS as a tool to counter the Western powers and on the other side, India and Brazil try to keep friendly relations with the West. This balancing entangled rivalry strains the unity of BRICS and otherwise hinders it from offering a coherent stance on vital worldwide matters. This is due to the instability of the geopolitical conception, which hinders the group’s capacity to coherently advance an opposition of sorts to predominantly West-led institutions.

However, there are a few optimists concerning BRICS’s future in world governance among scholars. Although the options of BRICS are far from being obtained, due to internal and external challenges, the beginning of the formation of a new type of political and economic structure that implies greater democracy and a pluralistic vision of the world is seen. Even though the group has not made a meaningful impact for some time, it has succeeded in paradigmatically churning out fundamental and pivotal questions about the governance of the global economy and world politics. The BRICS’ simple participation in international fora has caused the Western-dominated institutions to rethink and adjust their tactics and methods; some basic realignments have occurred, he suggests, which may lead to more profound transformations in the future.

Altogether, one can conclude about the well-coordinated and productive actions of BRICS members in the sphere of global governance, oriented mainly at the offer of a new financial system that does not depend on the Anglo-Saxon world. However, the difference between the members, and the organizational structure that does not possess the potential for revolutionizing the current global economic structure makes the group questionable for provoking substantial changes. Thus, BRICS may transform the multilateral financial system to some extent but the internal disputes, institutional consolidation, and idea system in the global governance need critical development. That is why BRICS still has the potential and, at the same time, its promises remain vague – it is important to understand what contribution this emerging power can make to the new organization of the world economy and the overall improvement of the system of global governance.

Opportunities

The member nations of BRICS stand to benefit from improved intra-bloc trade through better trade barrier removal increased investments and improved regional supply chain strength. The implementation of trade agreements between BRICS member states supports easier commercial movement by cutting down established domestic trade restrictions (UNCTAD, 2023). World Bank (2023) shows that infrastructure investment particularly in transport and logistics improves networking and decreases trade expenses (WB Report). One important aspect of achieving financial independence includes trading with settlements under local currencies instead of dollar transactions which reduces

foreign exchange vulnerability (IMF Report, 2023). The bloc can improve its financial stability together with monetary autonomy by encouraging transactions to use the Chinese yuan and Indian rupee along with other BRICS currencies (Desai, 2022).

The economic and strategic development of BRICS nations advances because they possess substantial technological potential in artificial intelligence (AI) and digital payments and e-commerce sectors (Cyman et al, 2021). China together with India currently leads AI development and fintech research domains and Russia maintains superior capabilities in space technology alongside cyber security. Brazil besides South Africa advances its digital economic expansion with blockchain and mobile payment solutions and cloud computing infrastructure (Ghosh, 2021). BRICS nations will gain better technological autonomy and world leadership position through combined activities in cybersecurity along with quantum tech research and cosmic initiatives (World Economic Forum, 2023). Through its Digital Economy Partnership, the BRICS nations create digital cross-border trade while harmonizing regulations and uniting resources for 5G development which enhances their economic integration while making BRICS a lead force in global digital policy development (Bhattacharya & Sen, 2022).

BRICS is well-positioned to modify global governance systems through its attempts to conduct institutional transformations at the UN, IMF, and World Bank institutions. Historically Western powers have controlled these worldwide institutions which have generally excluded emerging economic voices (Santos et al, 2023). The diplomatic action of BRICS aims to establish fair voting rights distribution while managing financial resources to make global economic decisions and embrace developing country interests (Soong, 2025). The endorsement of a multipolar world order by BRICS fights against one-polar dominance while creating financial instruments such as the New Development Bank (NDB) to decrease reliance on Western economic control (Dasgupta, 2023). The strategic change represents a pathway toward better economic stability which includes diverse regions.

The BRICS alliance has become more influential geopolitically and economically through new member additions like Saudi Arabia and the United Arab Emirates (UAE) along with Egypt known as the BRICS+ Group. BRICS+ enhances its influence in worldwide commerce power protection and financial operations by bringing together leading energy vendors with regional governing bodies (Choudhury & Ranjan, 2023). The expansion establishes enhanced economic integration through the creation of multiple trade networks and increased investment connections between emerging economies (Gopal, 2023). Through BRICS+ the member states gain enhanced diplomatic power because it establishes a comprehensive diplomatic platform that represents the Global South while challenging Western control of international organizations (Silva, 2024). The strategic partnership among BRICS+ members in trade alongside finance and multilateral governance allows them to reshape economic structures globally and support a multi-power political system (Noort, 2017).

The BRICS countries should take on a vital role in worldwide climate management through their promotion of sustainable energy finance their efforts to share modern technologies and their backing of southern global development initiatives. The BRICS nations with their diverse energy systems should dedicate more investment toward developing solar power wind power and hydroelectric facilities according to Iranmanesh (2025). Through the BRICS Clean Energy Cooperation Framework work groups they develop climate-friendly technologies jointly that help decrease worldwide carbon emissions (Xinzhu, 2021). BRICS nations serve as financial and technical backers to developing nations that foster both climate resilience and sustainable economic growth according to Santos et al. (2023). The support of equal climate policies through BRICS enables the organization to establish stronger leadership in worldwide environmental governance.

Conclusion

BRICS makes a significant global transformation because it introduces a financial system that challenges Western leadership in governance. The NDB together with CRA institutions form the BRICS coalition which stands against IMF and World Bank dominance to promote global economic development in a multipolar framework. The bloc suffers significant impediments to its operational efficiency and unified structure due to member state differences in economic capability and political beliefs combined with strategic goals. BRICS faces internal challenges because China holds disproportionate economic power

alongside varied democratic and autocratic governance models which make decision-making complex (Armijo & Roberts, 2014). Geopolitical differences especially between India and Russia create a barrier for establishing a unified foreign policy strategy because they maintain conflicting international relationships.

The combined economic power of BRICS enables the alliance to use trade together with technological advantages and financial self-reliance to transform existing global administrative systems. By adding Saudi Arabia and the UAE as members of BRICS+ the alliance gains increased economic power to become an influential representative of Global Southern nations. The initiative drives financial de-dollarization infrastructure digital economy and clean energy investments to develop long-lasting economic independence. BRICS initiatives have successfully influenced global financial governance through reforms that established organizations are currently undertaking even though the bloc has not achieved dominance over Western institutions. Transformative changes to a fairer and more multipolar global order might be achieved by the bloc if it resolves internal conflicts and strengthens its organizational structures alongside developing a unified strategy (Peters, 2023). BRICS functions today as a developmental bloc that keeps exposing established power dynamics while fighting for a more balanced global economic structure.

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