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Analyzing the BRICS Expansion and the Transformation of Global Governance

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ABSTRACT

One of the most important events of modern international politics is the growth of BRICS. The original "BRICS" consisting of Brazil, Russia, India, China, and South Africa has grown to become an important geopolitical and geoeconomic platform for Global South interests. The countries that joined the League, including Saudi Arabia, U.A.E., Egypt, Ethiopia, Iran and other partner countries, are part of a wider reconfiguration of the international system. This is an expansion that undermines the Western-led institutions, while marking the beginning of a multipolar world order. This study explores reasons, scope and consequences of BRICS expansion on global governance. It examines the historical development of BRICS, the motives behind the expansion of BRICS and its implications for international institutions, global economic governance, financial architecture, energy security and South-South cooperation. The article continues to say that the expansion of BRICS offers a chance and a challenge to global governance. It will increase the representation of developing countries and contribute to institutional pluralism, but it might have limits in practice due to internal differences among member states. It is concluded that the expansion of BRICS has been changing the global governance landscape through the concept of multi-polarity and reforming international institutions and the creation of alternative mechanisms of economic and political cooperation.

Keywords: *BRICS, Global Governance, Multi-polarity, Global South, International Institutions, Emerging Powers, New Development Bank, Geopolitics*

1. Introduction:

There have been enormous shifts of power in world throughout 21st century. Rising regional powers and emerging economies are threatening post-Cold War unipolar world order dominated by USA. One of the most notable developments of this shift is formation and growth of BRICS bloc, which aims to increase influence and representation of developing nations in global affairs. Goldman Sachs economist Jim O'Neill coined term "BRIC" in 2001 to refer to fast-growing economies of Brazil, Russia, India and China. In 2006, grouping was officially formed with diplomatic consultation between these countries. South Africa was added in 2010, making it BRICS. The project BRICS moved from economic to political and strategic alliance in support of reforms in global governance institutions over time. The international relations landscape is undergoing a major transformation with expansion of BRICS, which began in 2023 and continues to build. The growing membership of BRICS, now expanded and to be continued with in 2023 and beyond is a major turning point in international relations. Its expansionist agenda to include new members from Middle East, Africa and other parts of the world is an acknowledgment of current dissatisfaction with existing international institutions that are seen as being heavily influenced by Western powers. In contemporary world, Acharya (2018) argues, nature of global order has become "multiplex world politics," one in which there are multiple centers of power that interact and compete. The expansion of BRICS is not just an organizational growth, but an attempt to provide a new challenge to current governance system in world. In a vicious circle, institutions of global governance need to adjust to shifting power dynamics to retain their legitimacy and effectiveness, which in turn leads to further changes in power dynamics. As Weiss and Wilkinson explain, there is a vicious circle between institutions of global governance and shifting power dynamics, such that as institutions adapt to power shifts, they will continue to shift. (Weiss, 2019) The expansion of BRICS aims to remedy issue of underrepresentation, economic decision-making and development financing. This article examines role of BRICS expansion for transformation of global governance. It looks through history of BRICS, motives behind its growth, impact of the group on international institutions, economic governance, financial systems and the future world order.

2. Literature Review:

The growth of BRICS has been a subject of great academic interest and a significant event in development of global governance and multipolar international order. The existing literature covers history of formation of BRICS, influence that it has on reform of international institutions, implications of expansion of BRICS for Global South and problems it may face from an increase in its membership. Most scholars are of the view that BRICS is now a key platform for emerging economies, but see varying powers in its ability to alter existing international order. The empirical genesis of BRICS goes back to 2001 when concept of BRIC was coined, denoting emergence of economic power of Brazil, Russia, India and China. It has been suggested that term was used initially as an economic term, but further research on political and strategic development of term has been conducted. According to Stuenkel, BRICS has slowly evolved into an alliance that wants to give emerging economies a better seat in decision-making process in the world (Stuenkel, 2017). Similarly, it is argued by Cooper and Farooq (2016) that BRICS has transformed from being an economic alliance into a diplomatic platform promoting reform of international governance institutions. There is an extensive literature that explores BRICS from point of global governance reform. Rosenau (Rosenau, 1995) defines global governance as collective management of international affairs, whether formal or informal with understanding that these institutions require changes in global power dynamics that came after Second World War; Weiss and Wilkinson also believe that changing power dynamics in world require a reform of some institutions that were established after Second World War. (Weiss, 2019) From this perspective, BRICS is considered to be a driver for institutional pluralism in increased representation of developing countries in institutions like United Nations, International Monetary Fund (IMF) and World Bank. In addition, current financial system is not well suited to rising economic power of emerging economies, and this further reinforces the need for change. (Woods, 2010).

In current international system, there is a “multiplex world” in which multiple centers of power exist, rather than one hegemon, according to Acharya (Acharya, 2018) This is the wider picture of growing rebalancing of global power in expansion of BRICS, which has seen addition of nations from Middle East and Africa. Hurrell (Hurrell, 2006) also contends that emerging powers are demanding a role in establishing norms and institutions of international affairs—one that goes beyond simply participating in existing order that is dominated by Western powers. In area of economic aspects of expansion of BRICS, several authors have dedicated their study. The establishment of New Development Bank (NDB) as an important alternative financial institution to traditional western financial institutions is considered in (Armijo, 2014). Similarly, Chin (Chin, 2014) claims that NDB and Contingent Reserve Arrangement are important institutional innovations that offer increased financial autonomy for developing countries. Recent studies also discuss BRICS' push for local currency trade and need to minimize reliance on US dollar

(Eichengreen 2011), but warn that process of changing international monetary system is likely to be slow, as dollar is entrenched. However, scholars also note key constraints, recognizing increasing influence of BRICS. According to Pant, there are internal geopolitical tensions between China and India that could limit collective decision making. (Pant, 2023) Patrick (2023) also suggests that ideological differences, varying national interests and differences in economic development among members are important challenges to institutional cohesion. The internal divisions create doubts regarding BRICS' future role as a single body in global governance. Overall, existing literature suggests that BRICS expansion represents a significant step toward a more inclusive and multipolar system of global governance.

3. Theoretical Framework:

Global governance are the mechanisms, institutions, rules, and processes that govern international affairs without a world government (Rosenau, 1995). It includes formal organizations, like United Nations (UN), International Monetary Fund (IMF) and World Bank and informal arrangements between states and non-state actors. BRICS can be explained by several theories; realists see BRICS as an alliance of emerging powers to counterbalance dominance of the West. In an anarchic international system, states seek power and influence, Mearsheimer (2014) argues. BRICS expansion is a sign of new powers trying to reform world's institutions according to new power dynamics. Liberal institutionalists promote cooperation and institutional change. According to Keohane (1984), international institutions help to enable cooperation even when states have conflicting interests. BRICS aims to establish institutions that are alternatives to ones that exist, like New Development Bank (NDB) and to call for changes to institutions. Shared identities and norms are key features of constructivists. Today, BRICS members regard themselves as representing Global South. International behaviour is driven by identities and shared understandings, as Wendt (1999) maintains. The collective narratives of development, sovereignty and multi-polarity are reinforced through expansion of BRICS.

4. Historical Evolution of BRICS:

The process of evolution of BRICS is one of most thrilling development in world relations of modern time. In past two decades, BRICS has evolved from a "dialogue among four fast-growing economies" into a significant intergovernmental forum that represents a significant part of global south. This development is in line with overall structural transformation of global system, which is characterized by relative loss of Western economic power, emergence of emerging economies and growing call for a more just and multipolar world order. The brainchild of BRICS was in 2001, when Jim O'Neill, a Chief Economist at Goldman Sachs published an influential report named Building Better Global Economic BRICs. Brazil, Russia, India and China had population, economies and developmental paths they needed to transform twenty-first century's world economy. O'Neill predicts; "in coming decade or two, world economy will be powered by expansion of Brazil, Russia, India and China. (O'Neill, 2011) BRIC had emerged at time of growth of globalization, trade liberalization and rapid industrialization of China and India. These trends posed a threat to supremacy of Group of Seven (G7) economies and underlined increasing importance of emerging markets. The acronym was first used in financial sector but Brazilian, Russian, Indian and Chinese governments soon saw strategic benefit of institutional cooperation. The first key diplomatic success was achieved in 2006 when Foreign Ministers of four countries met on sidelines of United Nations General Assembly in New York. The leaders of BRIC met for first time at G8 Outreach Summit in 2006 and BRIC was then formally set up by regular consultations between ministers of these countries, according to the Ministry of External Affairs of India. The transition from an economic concept to a diplomatic forum took place in this stage.

The first BRIC Summit was held in Yekaterinburg, Russia on 16 June 2009, which marked a significant milestone. The summit was held in wake of 2008 Global Financial Crisis, which revealed structural flaws in western financial system and spurred a push for reforms of international financial institutions. Yekaterinburg Summit was a crucial moment that formed the basis for long-term cooperation of group in creation of a more just and equitable global financial and economic order. As Oliver Stuenkel noted, “The financial crisis of 2008 increased political salience of BRICS in wake of weaknesses in Western economic governance.” (Stuenkel, 2017). South Africa was invited to join BRICS in 2010, which marked second major phase in evolution of grouping. South Africa officially attended Third BRICS Summit in Sanya, China in April 2011. The addition of South Africa had a positive impact on group's legitimacy as it brought Africa into BRICS group, boosted political representation of developing countries, added geographical diversity and enhanced concept of South-South cooperation. In contrast to being an annual meeting, BRICS gradually began to build cooperation in various areas of cooperation, such as foreign affairs; finance; trade; health; education; agriculture; science and technology; digital governance and security dialogue. Expansion of this institution cited increasing confidence of members of BRICS in dealing with issues in international arena collectively.

Following South Africa's accession, BRICS entered a period of institutional development. Rather than remaining an annual summit, BRICS gradually established cooperation across numerous sectors, including foreign affairs; finance; trade; health; education; agriculture; science and technology; digital governance and security dialogue. The most important institutional accomplishment of BRICS states was achieved at Sixth BRICS Summit in Fortaleza, Brazil in 2014. Two big institutions were set up New Development Bank (NDB) and Contingent Reserve Arrangement (CRA). Stuenkel writes; “New Development Bank represents shift from BRICS as a forum of discussion to as a coalition in process of developing institutions.” (Stuenkel, 2017) These institutions were not necessarily an alternative to ‘old’ Bretton Woods financial system but were rather accepted as a parallel solution that was complementary. From 2015 to 2022, BRICS began to direct attention towards reforming international governance bodies. Major priorities were reform of United Nations, reform of quota system at IMF, governance at World Bank, reform of WTO, sustainable development and digital economy and climate governance. The group also enhanced cooperation, in form of annual ministerial meetings, parliamentary fora, business councils, cooperation between think tanks and academic exchanges. Weiss and Wilkinson argue that, in order to be legitimate in a world of power change, “global governance institutions must evolve.” (Weiss, 2019) The biggest change in history of BRICS came during 15th BRICS Summit in Johannesburg (2023). For South Africa's accession, it was the first time in its history that it agreed to a significant expansion. Egypt; Ethiopia; Iran; United Arab Emirates and Indonesia became members. Saudi Arabia invited and participated in BRICS processes, while status of its accession has been on discussion. According to official sources, enlargement process is part of BRICS' overall mission to “promote cooperation among Global South countries and to further increase their contribution to international governance. This growth greatly boosted demographic, economic and geopolitical power of BRICS. Stewart Patrick states that expansion of BRICS is an example of how developing nations are seeking a role in defining institutions. (Patrick, 2023)

5. Drivers of BRICS Expansion:

The rise and development of BRICS is one of biggest geopolitical phenomena of twenty-first century. BRICS was formed as an economic alliance of Brazil, Russia, India and China and South Africa and has expanded to become a larger economic grouping that aims to influence how the world is governed. BRICS expansion is not some monolithic movement, but the result of numerous interlinked drivers such as a transition in international economic power, discontent with current international systems, emergence of multipolarity, increasing South-South collaboration, energy security issues, financial diversification and geopolitical rivalry. According to official framework of BRICS, goals of association are to enhance cooperation between countries of Global South and to make international institutions like United Nations (UN), International Monetary Fund (IMF), World Bank and World Trade Organization (WTO) more legitimate, more equitable, and more effective. Transformation of global economy is among biggest reasons behind expansion of BRICS. The emerging economies have been witnessing rapid economic growth since the start of the twenty first century, growing their share in global GDP, trade, investment and industrial production. The decreasing economic power of old western powers has increased the interest of new ones in increasing their influence in global governance institutions. The BRIC group of countries—Brazil, Russia, India and China—and their influence on the world economy was first claimed by Jim O'Neill (2001), who stated; "The world economy will be increasingly driven by BRIC countries—BRICs will be: Brazil, Russia, India, and China" (O'Neill, 2001). This forecast has come true. BRICS is gaining popularity in countries throughout Asia, Africa and the Middle East as a forum that better represents current economic reality than the institutions that were founded after Second World War. Amitav Acharya (2018) also says: In twenty first century, the world is beginning to become more of a multiplex world in which multiple centres of power exist side by side. The rising power of BRICS is thus intricately bound up with a rebalancing of world economic power from Atlantic North towards Global South.

Another big factor is general discontent with organization and management of international bodies like IMF, World Bank and United Nations Security Council. It is view of many developing countries that these institutions still embody political reality of 1945, not economic reality of 21st century. The right to vote, leadership and authoritativeness is still heavily skewed towards advanced Western economies. Ngaire Woods (2010) points out: "The governance systems of IFIs have not followed pace set by changing nature of global economy. In the same way, Weiss and Wilkinson (2019) contend that international institutions need to evolve with shifting balances of power to remain legitimate. There are two types of powers–Great powers are trying to maximize their share of world power, says *John J. Mearsheimer* (2014). In a realist approach, expansion of BRICS can be seen as a balancing measure by which emerging powers, through use of collective action, improve their political influence. The 2023 Johannesburg Declaration reiterated group's commitment to a more representative, fairer international order and a reinvigorated and reformed multilateral system. The Voice of Global South must be heard and strengthened. BRICS expansion has also been spurred by wanting to make collective voice of Global South more resonant. Inclusion of African, Middle Eastern and Asian countries extends geographic and political diversity of BRICS, making it more representative and legitimate platform for developing countries. One of other major drivers is growing significance of South–South co-operation. South–South cooperation focuses on mutual advantage, technical cooperation, infrastructure development, technology transfer, investment cooperation and capacity development in contrast to traditional North–South development model. Energy has become a growing factor in explanation of BRICS expansion. The great energy producers represent a significant boost in organization's influence in global energy markets. Daniel Yergin writes; "Energy continues to be a key determinant of national security and geopolitical influence." (Yergin, 2020) BRICS' participation of key energy exporters enhances its ability to shape global energy security matters, energy transition, sustainable development and global energy value chains. Many emerging economies are striving to gain greater financial autonomy by expanding use of local currency, alternative payment systems, financial cooperation in region and diversified reserve assets. Barry Eichengreen argues; “Reserve currency transitions occur gradually rather than suddenly.” (Eichengreen, 2011) While the dollar is still primary reserve currency, BRICS has been gradually developing financial mechanisms that would help mitigate overreliance on one currency. The rising geopolitical landscape has fueled increase in interest toward BRICS membership. Strategic competition among major powers has prompted many developing countries to diversify their diplomatic and economic relations. Many states aim to achieve more strategic autonomy, not only joining one geopolitical group. The financing needs of infrastructure in developing countries are still huge. Stuenkel suggests that NDB is a testament of shift of BRICS' discussion forum into an institution-building coalition. (Stuenkel, 2017) This step aligns with institutional maturity and international credibility. The institutional development of BRICS is another factor propelling expansion of group.

6. BRICS Expansion: New Membership and Strategic Significance:

The growth of BRICS is one of the most profound changes in international relations that has taken place in recent times, and marks a shift from a world dominated by Western bloc towards a more multipolar and inclusive world of international governance. The expansion of the membership, which was decided at 15th BRICS Summit in Johannesburg (2023), was a key milestone, giving bloc a significant boost in terms of its demographic, economic, political and strategic weight. BRICS was expanded in August 2023 when several countries were invited to join the group at Johannesburg Summit and it has since grown to become one of the largest intergovernmental forums of developing countries. As Oliver Stuenkel notes; “From an investment concept, BRICS has grown into an influential political coalition aiming at reconstruction of global governance.” (Stuenkel, 2017) The main reason for expanding BRICS is to offer more voice to developing world in international governance. The parameters of existing institutions, like United Nations Security Council, World Bank, and International Monetary Fund (IMF), remain those of 1945 world, not the present day one. Amitav Acharya (2018) states that new world order is one that is “multipolar” rather than one in which a single power is in control. As a consequence, expansion of BRICS increases collective bargaining power of developing countries through forming a bigger bloc to have a greater impact on global negotiations on trade, finance, climate change, development and international security. The expanded BRICS more and more assert their role as main forum in which interests of Global South are represented. The expansion greatly enhances economic significance of BRICS. The combined power of expanded BRICS is about half of global population, a significant share of global GDP (purchasing power parity), major energy producers, significant manufacturing capacity and growing consumer markets. The resource-rich countries' inclusion, including Iran, the UAE, and others, enhances BRICS' stakes in global investment, trade, energy markets, and financing infrastructure.

7. Challenging Western-Dominated Global Governance:

Many academics see BRICS expansion as a way to reform instead of to replace existing global institutions. Ngaire Woods (2010) says: “The governance systems of IMF and World Bank has not kept up with transformation of global economy.” Likewise, Thomas G. Weiss and Rorden Wilkinson (2019) argue that global governance institutions need to adjust to changing power dynamics in order to be legitimate. BRICS thus calls for reform of IMF quota systems and restructuring of governance of World Bank; expansion of UN Security Council; elaboration of more significant voting rights for developing countries; and more equitable international financial governance. The more the bloc grows, the more it becomes a legitimate entity to claim these reforms. The impact of expansion of BRICS members is among the most significant as it increases its influence on the global energy field. The presence of the big oil producers adds a strong muscle to BRICS' international energy game. The member nations also have vast oil reserves, significant natural gas supplies, vital shipping lanes, and key minerals and renewable energy resources. Energy security has become more and more a part of geopolitical competition. Daniel Yergin (2020) states that "Energy continues to be a determining factor in national security and geopolitical power." The expansion of BRICS group of countries therefore gives it a stronger role in discussions on world market oil production, energy investment, transition to green energy, critical minerals and pricing of energy. The most tangible result of BRICS has been the creation of New Development Bank (NDB). The expansion increases capital base and geographic reach of NDB and will allow NDB to provide financing for infrastructure and sustainable development in more parts of developing world. Expansion also provides support for local currency trading, the cross-border payments system, financial resilience and South-South investment. The main goal of BRICS is to foster South-South cooperation. The expanded membership opens up new possibilities for collaboration in infrastructure construction, digitalization, education, healthcare, artificial intelligence, adaptation to climate change, agriculture, scientific research and technology transfer. The most strategic importance of expansion of BRICS is the boost in speed of process of transition to multi-polarity. John J.Mearsheimer indeed states; "Great powers always try to increase their relative power." (Mearsheimer, 2014) One of realist viewpoints is that BRICS growth is a balancing mechanism to counterbalance Western domination. Likewise, Barry Buzan asserts that international politics today is being defined by several regional centres of power, rather than one dominant hegemonic power (Buzan, 2018). This, in turn, helps reduce fragmentation of international order and gives emerging powers more say in global governance.

8. BRICS and Reform of International Institutions:

A core goal of BRICS since its inception has been the need for reform of international institutions to be more representative, fair and responsive to twenty first century realities. BRICS countries believe that existing framework of world governance such as United Nations (UN), International Monetary Fund (IMF), World Bank (WB) and World Trade Organization (WTO), was established post Second World War. BRICS thus calls for comprehensive institutional reforms, which involve more and give more weight to emerging economies and developing countries in decision-making process. BRICS do not aim to challenge current international framework but instead to reform it in a more inclusive, legitimate and multi-lateral direction. BRICS declarations always called for reform of multilateral system, reform of UN, reform of IMF, World Bank and WTO. Global governance is set of institutions, norms and mechanisms by which states cooperate to solve international political, economic, security, environmental and humanitarian challenges. Weiss and Wilkinson argue that international institutions will remain legitimate so long as they change as a function of the changing power balance around the world. (Weiss, 2019) Amitav Acharya (2018) points out that international order is becoming "multi-centered" rather than dominated by a single player. BRICS believes that international institutions should adjust to these new realities, not maintain old power balances.The reform of United Nations (UN) Security Council (UNSC) has been one of consistent priorities of BRICS. Since 1945, this structure has very little changed. The current geopolitical circumstances demand a more comprehensive representation, particularly for developing countries, in BRICS, organization believes. India, Brazil and South Africa have come forth for second time to ask for a permanent seat in Security Council. The institutions must be shaped by the world of today, not the world of 1945, as Kofi Annan, former UN Secretary General, said. (Annan, 2005) This is the fundamental principle that lies behind BRICS' calls for Security Council reforms. BRICS have recently reiterated need for a reform of IMF quota, which should give emerging market and developing economies more voice and representation and more weight in global economy. But, as Ngaire Woods (2010) says, governance systems of international financial institutions have not evolved with global economy. Financial institutions, too, need to undergo governance changes if they are to remain legitimate in a multipolar world, says Eichengreen (2011).The World Bank's traditional mission has been on reducing poverty and funding development. This approach is reflected in creation of New Development Bank (NDB) in 2014. The NDB's goals are to provide financing for infrastructure and sustainable development, and to supplement, not supplant, financing already provided by World Bank and to provide financing with fewer political strings. Make the World Trade Organization (WTO) more responsive and transparent; and BRICS supports modernisation of WTO. International institutions promote cooperation by decreasing uncertainty, says Robert Keohane (1984). BRICS feels WTO should continue to play this role, adjusting to realities of present times. BRICS does not just call for changes within individual institutions but also for changes in international financial architecture. It aims to boost financial stability, promote more use in South-South trade of local currencies, cut down on transaction costs, boost South-South investments and enhance global financial resilience. BRICS has tried to fill gaps in existing financial mechanisms through various initiatives like New Development Bank and Contingent Reserve Arrangement (CRA). These institutions improve financial cooperation and lower reliance on traditional western financial institutions. The establishment of New Development Bank (NDB) represents one of the most important institutional achievements of BRICS and a landmark development in transformation of global financial governance. Created during Sixth BRICS Summit in Fortaleza, Brazil, in July 2014, NDB was designed to mobilize financial resources for infrastructure and sustainable development projects in emerging markets and developing countries (EMDCs). The creation of NDB is widely regarded as a response to growing demand for alternative financial governance mechanisms capable of addressing financing needs of developing economies while reducing dependence on traditional Western-dominated financial institutions. Ever since its inception in 2009, South–South Cooperation (SSC) has been one of key pillars of BRICS. It is a political, economic, technical, scientific and cultural partnership between developing countries that aims to foster development of others, break dependency on North-South aid paradigm and enhance collective voice of Global South in international affairs. South–South Cooperation is a development cooperation that is based on principles of sovereign equality, mutual benefits, non-interference, solidarity and shared development. BRICS has institutionalized cooperation between South and South countries in form of three pillars of cooperation, namely political and security, economic and financial and cultural and people-to-people cooperation. In course of time, agenda has broadened to sustainable development, digital economy, innovation, agriculture, climate change, education and science and technology and health. The current world order, as put forward by Amitav Acharya, is not a one-superpower order, but rather a multipolar one. (Acharya, 2018).

9. BRICS and Global Economic Governance:

Global economic governance shall mean institutions, rules, norms and decision making processes governing international trade and transactions, international finance, foreign investment, monetary cooperation and economic development. The system has been largely dominated by institutions since end of Second World War including International Monetary Fund (IMF), World Bank (WB), World Trade Organisation (WTO), and, more recently, Group of Twenty (G20). But these institutions have been found inadequate to represent the economic realities in modern economy due to speed at which emerging economies have emerged. One of the main proponents for reforming global economic governance is BRICS (Brazil, Russia, India, China, South Africa and its expanding members). The bloc also says international economic order does not reflect the position of developing nations, and that it needs to be adjusted to better reflect economic power of emerging world. The official statements of BRICS always emphasize need for a more representative, inclusive, equitable and rules-based global economic order, which includes reforms to international financial institutions, multilateral trading system and development finance. In twenty-first century, the world is becoming a multiplex one with several centres of authority, as Amitav Acharya (Acharya, 2018) notes. This change gives context to how BRICS is changing the global economic governance. Global economic governance refers to the formal and informal institutions that govern global economic relations. They are International Monetary Fund (IMF), World Bank Group, World Trade Organization (WTO), Group of Twenty (G20), Multilateral Development Banks, International financial markets, Global taxation frameworks and International investment regimes. BRICS aims to reform these institutions, rather than to break them apart, to better align with current economic conditions. Initially, it was a casual meeting of emerging economies but, over years, agenda has shifted from economic consultation to institutional reform. The key events are first BRIC Summit in Yekaterinburg (2009), entrance of South Africa into BRICS (2011), establishment of New Development Bank (NDB, 2014), creation of Contingent Reserve Arrangement (CRA, 2014) and expansion of membership of BRICS (2023). These developments brought BRICS from being an economic idea to an important player in global economic governance. According to Oliver Stuenkel, "BRICS has grown to become more than an investment acronym; it is a powerful group of nations aiming to overhaul international governance." (Stuenkel, 2017)

One of the key goals of BRICS is to reform international financial institutions. The current quota distribution by IMF is not aligned with realities of today's world economy, according to BRICS. The issues of underrepresentation of emerging economies, voting rights inequality, selection of leaders by developed countries and obsolete quota formula are all issues of concern. BRICS Xiamen Declaration said; "We will build a more effective and globally representative governance framework for global economy in which emerging markets and developing economies play a more prominent role." *Ngaire Woods* states; "Governance mechanisms of international financial institutions have not caught up with changes in global economy." *(Ngaire Woods*, 2010) BRICS also calls for a reform of World Bank. The key proposals are more representation for developing countries in transparent leadership selection; more funding to infrastructure; fewer political conditionalities; and more climate finance. BRICS is not meant to supplant World Bank, but rather complementary institutions that offer increased flexibility in financing. New Development Bank (NDB) is BRICS' most significant institutional support for global economic governance. NDB takes a particular interest in financing infrastructure projects, renewable energy, sustainable development and adaptation to climate change and urban development. The Bank funds projects specifically for infrastructure and sustainable development in emerging markets and developing countries. Stuenkel said, "New Development Bank marks the BRICS move from talking points to creation of an institution." (Stuenkel, 2017) NDB is different from traditional multilateral lenders in terms of its focus on equal governance among its founding members, local ownership, development partnership and financing based on national priorities. Another focal point of BRICS' economic agenda is trade. It has always been an active supporter of an open multilateral trading system, WTO reform, protectionism opposition, fair market access, and digital trade governance. Three key priorities were highlighted in 2025 Joint Declaration of BRICS Trade Ministers, including: bolstering multilateral trading system through WTO reform; revitalizing BRICS 2030 Economic Partnership Strategy; and deepening cooperation in digital economy. Robert Keohane

(1984) states that, “Institutions lower transaction costs and promote long term cooperation.” BRICS thus considers reform of WTO as fundamental to continued international trade. One of hallmarks of BRICS economic policy is promoting South–South Economic Cooperation or South–South Cooperation. Economic cooperation includes investment promotion, infrastructure connectivity, technology transfer, industrial cooperation and agricultural development and digital economy partnerships. The expanded BRICS has greater potential to open new avenues for trade between developing economies and minimize unwarranted reliance on traditional North–South economic relations. As *Amitav Acharya* (2018) puts it, “Emerging powers are increasingly looking to build institutions that match their developmental agendas. One of the topics that have been a lot of discussion around the economic governance of BRICS is the promotion of local currency transactions. The goals are to mitigate exchange-rate risks, minimise transaction costs, build financial resilience and diversify payment systems. The bloc also discussed cooperation on cross-border payments and financial infrastructure to enhance trade between members. Recent declarations of BRICS focus on areas of payment cooperation, financial innovation and reforms in international financial architecture. *Barry Eichengreen* (2011) stated; “reserve currency transitions are not sudden, but rather gradual. This means that BRICS is looking for diversification, not the instant replacement of US dollar. The digital economy is an integral part of cooperation between BRICS countries. These areas involve artificial intelligence; fintech; digital trade; cybersecurity; digital payments; e-commerce and innovation policy. Digital economy has been included in 2025 BRICS Trade Ministers' Declaration as one of the key elements of future economic cooperation among BRICS.

Sustainable development plays an integral part in BRICS's vision of governance of global economy. Placing special emphasis on renewable energy, green infrastructure, climate finance, poverty reduction, food security and sustainable industrialization. These goals are aligned with United Nations (UN) Sustainable Development Goals (SDGs). *Joseph E. Stiglitz* (2002) said that; “Globalization should be managed in order to promote equitable and sustainable development.” (Stiglitz, 2002) BRICS aims to implement this principle in terms of financial and economic cooperation with development agenda. BRICS members are active in G20, where they speak up on IMF quota reform; international tax cooperation; debt sustainability; financial stability and financial development financing, among other topics. Although significant strides have been made, there are some obstacles to be overcome. The differences in economic size, industrial structure, monetary policy and development level of members are very wide. Economic coordination is sometimes marred by political tensions between some members. BRICS institutions are relatively new and have less financial resources than IMF and World Bank. Lack of supranational authority and hence most of decisions rely on political consensus. As has been remarked recently, BRICS have grown more economically influential but more also have been their policy differences, complicating coordination.

10. BRICS and Energy Governance:

One of the most important fields of cooperation in BRICS (Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, Indonesia and United Arab Emirates) is energy governance. With ongoing significant changes in global energy landscape, including climate change, geopolitical conflict, technological advancements and shift towards cleaner energy sources, BRICS is emerging as a key player in global energy governance. In total, population, production, and consumption of energy and GHGs, of BRICS countries occupy a significant share of global. Cooperation between them is fundamental for energy security and sustainable development of the world. Energy governance is the term used for the institutions, policies, laws, and cooperation arrangements that are used to manage production, transport, distribution, consumption and regulation of energy resources at national, regional, and global level. BRICS promotes an energy governance model that is characterized by the principles of energy security, energy affordability, inclusive access to energy, technological innovation, environmental sustainability and respect for national sovereignty. Energy continues to be core of economic development and geopolitical power, as Daniel Yergin (2020) states. This is an observation that highlights the importance of energy governance in BRICS agenda.

Global energy governance includes the international rules, institutions, organizations and policy mechanisms that control energy resource production, trade, transportation and consumption. The main institutions participating in global energy governance are the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), Organization of Petroleum Exporting Countries (OPEC), the International Energy Forum (IEF), United Nations Framework Convention on Climate Change (UNFCCC) and Meetings of Ministers of Energy of the G20. BRICS plays a role in this governance system by encouraging cooperation between big energy producers and consumers, and supporting creation of a more representative and inclusive international energy governance system. Goldthau and Witte attribute this development to “Global energy governance is becoming more complex and fragmented, with multiple institutions and actors emerging at the global level.” (Goldthau, 2010) This is evident in the trend towards institutional pluralism in international energy governance, as seen in BRICS. Energy cooperation has slowly been becoming one of the strategic priorities of BRICS. Some important achievements include the establishment of BRICS Energy Ministers' Meetings, the BRICS Energy Research Cooperation Platform (ERCP), cooperation in the field of renewable energy, collaboration in energy efficiency, technological innovation, energy statistics and policy coordination, etc. In 2020, BRICS Energy Research Cooperation Platform (ERCP) was officially established to deepen cooperation and dialogue among BRICS countries in research. The platform's areas of focus are energy security, low carbon transitions, digital technologies and sustainable energy systems. As stated by Oliver Stuenkel (2017), “BRICS has increasingly expanded its discussions from macroeconomic coordination to strategic areas like energy, technology and sustainable development. One of the main goals of BRICS energy governance is energy security. According to International Energy Agency (IEA), energy security is "the uninterrupted supply of energy sources at an affordable price. To achieve energy security, BRICS members seek to diversify their energy supplies, promote infrastructure development, foster cooperation across their borders in the area of energy, establish strategic petroleum reserves, invest in their own energy sector, and innovate technology. BRICS is a very diverse group with its members consisting of major oil exporters, natural gas producers, coal producers, renewable energy leaders and rapidly growing energy consumers. Energy cooperation is thus one of pillars of energy stability and geopolitical resilience, and is a key priority for BRICS. A key agenda item of BRICS is supporting shift towards cleaner and more sustainable energy systems. Collaborative fields range from solar energy, wind energy, hydropower, hydrogen technologies, bioenergy, battery storage, to smart grids. Clean energy technologies, energy efficiency and low-carbon development are considered critical areas of energy research cooperation and policy coordination with BRICS Platform. The shift from fossil fuels to cleaner energy sources is one of largest technological shifts in human history, according to Vaclav Smil (2017). BRICS is aware that economic development and environmental sustainability are two sides of the same coin.

There is a close connection between energy governance in BRICS and sustainable development and climate policy. The cooperation of BRICS countries covers matters of climate adaptation, technology of carbon reduction, financing of renewable energy, green infrastructure and sustainable industrialisation. BRICS leaders have repeatedly reaffirmed their commitment to implementing Paris Agreement while recognizing principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) under UN climate regime. Joseph E. Stiglitz stated that; “Sustainable development must take into account a combination of economic growth and environmental responsibility.” (Stiglitz, 2002) Therefore, energy governance is an integral part of sustainable development strategies. BRICS' strength is the diversity of its energy resources. The new members of BRICS collective have some of world's biggest oil reserves, major natural gas resources, extensive coal production, abundant renewable energy potential, critical minerals that are essential for clean energy technologies. This diversity opens up opportunities for long-term energy cooperation, technological transfer, investment cooperation and supply-chain resilience. Yergin (2020) states that “Energy diversity boosts resilience in the ever-changing geopolitical landscape.”

BRICS energy governance is also significant on infrastructure development front. Cooperation includes investment in electricity transmission; pipelines; liquefied natural gas (LNG) terminals; renewable energy facilities; energy storage and regional power grids. Technological innovation has become central to BRICS energy cooperation. Priority areas include hydrogen technologies; carbon capture and storage; artificial intelligence in energy systems; smart grids; digital energy management; battery technologies; nuclear safety research. According to Joseph S. Nye Jr. (2011), “Knowledge and technological innovation have become the most important sources of national power." Technology sharing enables BRICS members to accelerate energy modernization while reducing development costs. The New Development Bank (NDB) is playing a vital and growing role in financing energy-related projects. Priority investments are in renewable energy, energy efficiency, sustainable urban infrastructure and green technologies, transmission networks. NDB attaches high priority to funding infrastructure and sustainable development initiatives that can foster long-term economic resilience. As per Oliver Stuenkel (2017), New Development Bank is a manifestation of BRICS' intent to offer development finance alternatives. One of its key areas of business is energy investments. The innovation of technology has come to the fore in BRICS energy cooperation. Hydrogen technologies, Carbon Capture and Storage, Artificial Intelligence in energy systems, Smart grids, Digital energy management, battery technologies, nuclear safety research are among the priority areas. Joseph S. Nye Jr., (2011) states that “Knowledge and technological innovation have become the most important sources of national power. The sharing of technology helps BRICS members move faster towards energy modernization, and to lower costs. Although there are significant strides, BRICS is still plagued with several issues. Members have varying energy portfolios; climate priorities; economic focus; and technological capabilities. The energy demand rises with rapid economic growth and the carbon emissions have to be reduced due to climate commitments. Vaclav Smil stated that energy transitions take a long time and are difficult to achieve technically. (Smil, 2017) Uprising and rivalry among great powers in the region and international sanctions impact global energy markets. Investment needs for transition to low-carbon energy systems are huge. The International Energy Agency (2024) predicts that investment in clean energy will need to continue to grow significantly each year to achieve global climate and energy targets.

11. BRICS and Climate Governance:

Climate change is one of the greatest challenges of 21st century that is impacting the global economic development, security of people, biodiversity, food systems and international stability. As a result, climate governance is now a key part of global governance, and it is defined by institutions, laws, policies and cooperation to reduce GHGs, improve climate adaptation, support sustainable development and enable climate finance. BRICS (Brazil, Russia, India, China, South Africa and its expanded membership) has been increasingly asserting its role as a key player in global climate governance. The bloc argues that climate action must be based on multilateralism, climate justice, equity, sustainable development and principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC). BRICS is conscious of need for climate change, but still believes that developing countries need to have adequate policy space and financial resources for low carbon transitions without limiting their development priorities. Recent statements on climate made by BRICS highlight their resolve to fulfil Climate Change United Nations Framework Convention (UNFCCC) and Paris Agreement, with increased climate finance, technology transfer and South-South cooperation. The coming international order is one of multi-polarity, not hegemony, (Amitav Acharya 2018). This is a new multipolar world that is context in which BRICS tries to influence international climate of governance. Climate governance are institutions, legal rules, international agreements and policy mechanisms by which states and non-state actors communicate and coordinate their climate change responses. The key organizations are United Nations Framework Convention on Climate Change (UNFCCC), Paris Agreement, Conference of Parties (COP), Intergovernmental Panel on Climate Change (IPCC), Green Climate Fund (GCF) and Global Environment Facility (GEF). Biermann et al. (2009) define earth system governance as “interrelated and increasingly integrated-formal and informal system of institutions which guides collective action in face of global environmental change.” BRICS helps in this emerging governance architecture in sharing of ideas for reforms that align to interests of emerging economies and developing countries.

Climate cooperation has been slowly emerging as one of BRICS' strategic interests. Key achievements comprise establishment of BRICS Contact Group on Climate Change and Sustainable Development, regular meetings of Environment Ministers, BRICS Climate Research Platform, Energy Ministers' Meetings, cooperation on climate finance, technology transfer initiatives, and partnerships for sustainable development. The Joint Declaration of III BRICS High-Level Meeting on Climate Change and Sustainable Development, 2025, establishes the BRICS Climate Leadership Agenda, which underscores role of collective leadership, enhanced cooperation on climate change, climate finance and technology transfer for UNFCCC and Paris Agreement. “From the macroeconomic cooperation, BRICS has expanded its agenda lately over to other areas of global governance,” according to Oliver Stuenkel (2017). BRICS is a strong advocate of multilateral approach in field of climate change. International cooperation, UN centered climate governance, collective action and consensus based decision making are recurrent themes in group's work. The 2025 BRICS Environment Ministers' Declaration reaffirmed their commitment for environmental multilateralism and balanced inclusive global governance in fight against climate change. International institutions "can help to coordinate action because they minimize uncertainty and create stable expectations" (Robert O. Keohane 1984). The institutionalist vision is quite similar to one expressed by BRICS which stresses on multilateral climate governance. BRICS' climate agenda has a central theme focused on climate justice. BRICS insists that developed countries have a historical debt on their hands, and that they should provide a greater financial boost for developing countries; climate policies should not be a barrier for poverty alleviation; climate negotiations must be built on principle of equity. This position is in keeping with principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) that is reflected in UNFCCC.

12. BRICS and Paris Agreement:

The Paris Agreement is key international instrument for shaping climate policy in BRICS. The members of BRICS countries have consistently reiterated their support for implementation of Nationally Determined Contributions (NDCs); increasing adaptation actions; building resilience; cutting GHGs; and supporting sustainable development. The 2025 BRICS Climate Leadership Agenda affirmed adherence to UNFCCC and Paris Agreement and emphasized on need for enhanced cooperation between countries on climate finance and technology. Nicholas Stern (2007) said that "Climate change is the greatest and widest-ranging market failure ever recorded." BRICS thus sees climate action as an environmental need and an economic opportunity.

Climate finance is one of BRICS' top priorities. The organization suggests that developed countries honor their obligations in relation to climate finance, concessional funding, adaptation funding, mitigation assistance, technology transfer and capacity development. The 2025 BRICS Climate Leadership Agenda supported adoption of a mechanism to facilitate financing for climate action and a more equitable international monetary and financial system that would enable developing countries to support their climate transitions. BRICS thus calls for increased access to cheap climate investments for developing economies. New Development Bank (NDB) is an important tool to promote climate governance in BRICS. Bank finances projects involving renewable energy; green infrastructure; sustainable transport; clean water; urban resilience and climate adaptation. These investments are meant to complement work of other multilateral development banks and with a focus on sustainable development in emerging economies. Stuenkel (2017) states that New Development Bank is the biggest institutional contribution by BRICS to global governance. Financing for climate change has emerged as a priority for Bank. As BRICS countries understand, the clean energy systems will be key for future economic growth. Solar energy, wind, hydropower, green hydrogen, battery storage, energy efficiency and low carbon technologies are just some of priority areas. Cooperation on deployment of renewable energy, adaptation to climate change and sustainable industrial development has been encouraged by BRICS Environment and Energy Working Groups. The other important pillar of BRICS climate governance is technology transfer. The following areas are prioritized clean technologies, artificial intelligence, carbon capture, smart grids, sustainable agriculture and climate-resilient infrastructure. In 2025, BRICS climate leadership Agenda, a report on IP options for improving climate-related technology cooperation was adopted and more was expected to be provided for support of transfer of environmentally friendly technology to developing countries. Joseph S. Nye Jr. 2011 said; "Knowledge has become one of most important sources of national power." Technological cooperation consequently is both a tool for climate resilience as well as for longer-term economic competitiveness. Increasing emphasis on adaptation, rather than just mitigation, by BRICS. The elements of cooperation are DRR, drought management, flood resilience, sustainable agriculture, water resource management and urban adaptation. The 2025 BRICS Disaster Risk Reduction Work Plan highlights the need for early warning systems, technical cooperation, and building resilience to the growing frequency of extreme climate events. These are the initiatives that acknowledge the vulnerability of many developing nations in the face of climate change.

The cooperation among BRICS countries on climate change issues is always South–South cooperation. The focus on key fields is scientific cooperation, joint climate research, renewable energy cooperation, technical assistance, capacity building and climate adaptation. BRICS Climate Research Platform promotes cooperation in field of research between member countries as well as exchange of best practices. Thomas G. Weiss and Rorden Wilkinson (2019) point out; "Global governance is becoming more institutional complex and more institutional cooperative between different and diverse actors." Under BRICS, this is done through enhanced cooperation on climate issues between emerging economies. BRICS' significance has grown in global climate governance with its expansion.BRICS' role has gained more importance in global climate governance with its enlargement. It has increased membership, which accounts for a large proportion of world's population, large emitters and climate-sensitive countries, rich renewable energy potential and rich biodiversity and forest resources. The 2025 Rio de Janeiro Declaration set out a new agenda for BRICS cooperation on Global South, to support sustainable development and boost climate action in a more inclusive global governance framework.

13. Challenges Facing BRICS Expansion:

The inclusion of new members in ranks of BRICS is one of the most important events in today's international politics. The expansion has boosted BRICS' demographic, economic and geopolitical power and influence by adding more representation of Global South and expanding their role in global governance. On the other hand, expansion has created many political, institutional, economic and strategic problems that could impact bloc's ability to function in longer term. Enlarged BRICS have more global influence, but also more diversity in political systems, economic structure and foreign policy priorities and regional interests. The complexity of enlargement is clearly recognised in repeated emphasis in official statements of BRICS on guiding cooperation by consensus, mutual respect, sovereign equality, solidarity, openness and inclusiveness. The main difficulty that BRICS have is not that everyone is legitimate on outside but that they are very diverse internally, as Oliver Stuenkel put it: “The greatest challenge facing BRICS is not its external legitimacy but maintaining internal cohesion among increasingly diverse members.” (Stuenkel, 2017)(p. 145). The most of significant challenges are the increasing political diversity within states. The expanded BRICS comprises countries that have a democratic political system, presidential republics, constitutional monarchies, socialist political systems and federal and unitary systems. There are significant variations between their domestic political institutions in terms of models of government, electoral systems, civil liberties and foreign policy traditions. BRICS does not aim for political integration like European Union. Rather, it is based on principles of sovereign equality and consensus. Amitav Acharya states that; “Multipolarity does not necessarily result in political convergence among new powers.” (Acharya, 2018) This means that much collective decision-making is often made difficult by political diversity. While all BRICS countries are interested in reforming global governance, they have different priorities in their own countries. These include trade policy, regional security, climate negotiations, energy diplomacy, defense cooperation and relations with Western powers. Strategic autonomy and Indo-Pacific security are the emphasis in India, for instance. China focuses on economic connection and building of world infrastructure projects. Sustainable development and agriculture trading is a key priority in Brazil. Russia's focus is geopolitical security. Energy markets and investment is a top priority for Gulf members. It can be challenging to develop single positions due to various priorities. The *Rio de Janeiro* Declaration of 2025, however, affirmed that cooperation must remain based on consensus and mutual respect, with a focus on the bloc's ability to deal with these differences.

Another significant challenge that comes from current geopolitical conflict between some of BRICS. These include border issues, regional competition, strategic rivalries, and security concerns over sea. The most often quoted example is strategic rivalry between India and China–unresolved border disputes, differing views on Indo-Pacific security, etc. The consensus model is followed in BRICS. All members must agree to any major initiative. This has benefit of promoting sovereign equality, but also a number of disadvantages, including slow negotiations, compromise, weak policy implementation and weak institutional reforms. The institutional framework of

BRICS is comparatively less developed when compared to that of European Union and Association of Southeast Asian Nations (ASEAN). Weiss and Wilkinson have stated that; “effective global governance needs institutions that convert political pledges into action.” (Weiss, 2019) The development of institutions is thus a long-term issue. There are significant differences among members of BRICS in GDP, industrial capacity, technological development, foreign exchange reserves and global trade. The size of China's economy is significantly larger than most of other BRICS countries. This raises issues about inequality of economics influence; agenda setting; financial contributions and institutional leadership. Barry Eichengreen states that “Economic asymmetry can influence governance of international institutions.” (Eichengreen, 2011) To keep confidence within group, it is still important to deal with these imbalances. Another difficulty is the economic coordination. Members have varying monetary policies; exchange-rate policies; fiscal policies; inflation rates and development priorities. The disparities make effort to promote investment rules, financial integration, payment systems and local currency trade more difficult. BRICS calls for increased financial cooperation, but it would be a challenge to align economic policy among very different economies.

The larger the membership, the more challenging it is to keep organization together. The greater the size of the membership, the more complex the negotiation process will be, the greater the diversity of membership's policies, more the membership will be geographically dispersed, and the more the membership will have competing priorities. Recent articles about the expansion of BRICS have pointed out that process of enlargement has complicated the process of reaching consensus on sensitive geopolitical issues, with possibility of meetings of ministers not even reaching an agreement on joint statements due to disagreements among members. BRICS often argues for reform and not replacement of current international order. However, some Western governments consider some of BRICS programs as threatening the existing governance system. The following areas are considered to be of concern: IMF reform, alternative payment systems, local currency trade, development finance and global governance reform. Meanwhile, many members of BRICS countries have rich trade and diplomatic ties with United States, European Union, Japan and others in west. Crafting a balance of those relationships and enhancing BRICS cooperation with utmost care calls for diplomacy.

Expansion has fueled expectations in the developing countries. Many states expect BRICS to offer Development Finance alternatives, to improve the reform of international institutions, to boost South–South cooperation, and to enhance representation in the world. This will demand a lot of institutional capability and continuity of political resolve. Thomas G. Weiss and Rorden Wilkinson (2019) state that “Legitimacy is not just about representation, it's also about institutional performance. For BRICS' credibility, it is important that it delivers tangible benefits. The New Development Bank (NDB) has emerged as a valuable institution, but it remains with some limitations. These include reduced lending capacity as compared to World Bank; credit ratings; raising more capital; and providing funds for growing membership. With addition of more countries as member states, there will be growing demand from countries for infrastructure financing and investments in sustainable development. BRICS functions in a more volatile international context of evolving strategic competition between the great powers, trade tensions, conflicts in region, sanctions regimes and global supply-chain disruptions. These developments impact on cooperation within organization and outside relationships. The 2025 BRICS Trade Declaration emphasized that geopolitical uncertainty and fragmentation is a major challenge to international trade and development, and that they will continue to support an open and rules-based multilateral trading system. BRICS calls for reform of the United Nations, the IMF and the World

Bank and WTO. But meaningful reform is hard to come by, for these institutions must be accepted by current great powers. “Reforming global governance is much harder than criticizing it,” says Ngaire Woods (2010). Therefore, BRICS need to be mindful of political realities while pursuing their goals of ambitious reforms.

14. BRICS and Implications for Future World Order:

The emergence and growth of BRICS is one of the most important phenomena in the 21st century's international relations. The original “BRICS” was made up of Brazil, Russia, India, China and South Africa (BRICS), and now includes expansionist members. The current “BRICS” group of major emerging economies was originally composed of Brazil, Russia, India, China and South Africa (BRICS), and has since expanded to include additional members who wish to foster a more representative, inclusive and equitable international order. The expanding role of BRICS in international trade, finance, development, energy and climate governance and multilateral diplomacy has led scholars to consider bloc as one of key players in shifting from West-dominated international system to a more multipolar world order. Future world order denotes changing distribution of power, institutions, norms and governance that govern international relations. BRICS, instead of promoting replacement of current body of international law, tend to focus on reforming its institutional settings, in order to better fit current political and economic realities. With cooperation between Global South countries, multilateralism and institutional reform, the 2025 *Rio de Janeiro* Declaration reaffirmed BRICS' commitment to “a more representative, fairer international order.” The new international order is increasingly multi-polar, and not dominated by a single power. (Acharya, 2018) One of main institutional forms of this new multipolar system is BRICS. Following end of Cold War, many scholars described the international system as unipolar, characterized by predominance of United States. However, rapid economic growth of emerging economies has gradually transformed global balance of power. BRICS contributes to this transition by strengthening cooperation among emerging economies; promoting institutional pluralism; expanding South–South cooperation and advocating reforms in global governance. The 2025 BRICS Foreign Ministers' Chair's Statement noted that multi-polarity creates greater opportunities for emerging markets and developing countries to achieve more inclusive and equitable globalization, while emphasizing growing role of Global South in shaping international affairs. According to Samuel P. Huntington, “The world is moving from a unipolar moment toward a more complex distribution of power.” (Huntington, 1999) BRICS reflects this long-term structural transformation. Following end of Cold War, many scholars described international system as unipolar, characterized by predominance of United States. However, growth of emerging economies, however, has gradually shifted global balance of power due to fast economic development. BRICS is doing its part in this process by deepening cooperation between emerging economies; fostering institutional pluralism; enhancing South-South cooperation and calling for changes in global governance. The 2025 BRICS Foreign Ministers' Chair's Statement highlighted that multi-polarity is providing more opportunities for emerging markets and developing countries to promote more inclusive and equitable globalization and that Global South is playing increasingly important role in international affairs. Samuel P. Huntington (1999) said that the world is shifting from a unipolar moment to a multipolar moment. This is a long-term structural shift that is evident in BRICS. One of main goals of BRICS is to establish a multipolar system of global governance. The *Rio Declaration* (2025) pledges members to work to reform and reinforce “reinvigorated and reformed multilateral system" and to advance peace, inclusive growth and sustainable development.

One of key implications of BRICS for future world order has to do with institutional reform. BRICS is always advocating for reforms of United Nations, International Monetary Fund (IMF), World Bank, World Trade Organization (WTO) and multilateral financial governance in general. The group believes that these institutions should reflect new geopolitical and economic realities. Ngaire Woods states that "governance structures of the international financial institutions have not followed changes in global economy. BRICS thus aims to increase representation of emerging economies in these organizations. The most important contribution made by BRICS is to give Global South a stronger voice in global political arena. BRICS has emerged as one of key forums where developing countries are able to coordinate actions on issues of development; trade; climate change; food security; technology; and international law. The 2025 *Rio* Declaration puts Strengthening Global South Cooperation in heart of BRICS agenda. "BRICS has emerged as most significant political bloc of major emerging powers", according to Oliver Stuenkel (Stuenkel, 2017).

BRICS has important implications for future global economy. It has following programs in place such as New Development Bank (NDB), Contingent Reserve Arrangement (CRA); local currency cooperation; infrastructure financing; and South–South investment. The bloc also supports WTO reform and a more inclusive international trading system. BRICS trade ministers agreed to reforms of multilateral trading system, extension of BRICS Economic Partnership Strategy and development of cooperation in field of digital economy. Joseph E. Stiglitz stated; "Globalized must be handled in a manner that facilitates equitable and sustainable development." (Stiglitz, 2002) Alternative development financing and economic inclusiveness is a part of BRICS vision to realize this. BRICS is different from many other informal coalitions since it has slowly established its own institutions. The key institutional changes are establishment of New Development Bank, Contingent Reserve Arrangement, BRICS Business Council, BRICS Think Tank Council and Energy Research Cooperation Platform. These institutions are complementary to current international organizations, rather than an alternative to them. The concept held by Robert O. Keohane is that international institutions lessen uncertainty and ease path of long-term cooperation. (Keohane, 1984) Hence, building of institutions strengthens BRICS' influence in long-term. The expanded BRICS includes several of world's largest like oil producers; natural gas exporters; renewable energy investors and critical mineral producers. This means that BRICS likely will become a central player in field of global energy security, energy transition, cooperation in renewable energy and critical mineral supply chains. Energy governance is thus one of the most important aspects of the future world order. Another important field in which BRICS is looking to expand its influence is climate change. The bloc advocates for implementation of Paris Agreement; climate finance; technology transfers; sustainable development and climate justice. The latest declarations made by BRICS reiterate their pledge to UNFCCC, Paris Agreement and deeper partnerships on climate finance and sustainable development. Nicholas Stern has said that; "climate change is the greatest market failure ever." (Stern, 2007) BRICS increasingly brings climate governance into the framework of international cooperation. Technological innovation is becoming more and more important to future global governance. BRICS has furthered collaboration on areas of artificial intelligence; digital economy; cybersecurity; digital infrastructure and innovation policy. Artificial Intelligence governance and digital cooperation are featured in 2025 Rio Declaration in context of reforms in global governance. These efforts suggest that BRICS aims to not only shape traditional international institutions, but also new international governance spaces as well.

14. Conclusion:

The growth of BRICS is one of the most significant events in the current global governance landscape. The economic cooperation of emerging powers has become a larger club aiming to change the world order and international structures. BRICS' demographic, economic and geopolitical power gains greatly from addition of new members from Middle East and Africa. The expanding BRICS is a sign of current dissatisfaction with lack of representativeness of current governance structures. BRICS is doing its part for reformation of global governance by promoting local currency transactions, advocating for IMF and UN reforms, and supporting South-South cooperation, among other things. But the team is held back by the divisions within it, geopolitical competition, and institutional restrictions. The difficulty for BRICS is to turn collective vision into concrete policy results and also to keep unity of more and more diverse members. However, expansion of BRICS bloc is likely to be one of main characteristics of the emerging multipolar world. Instead of supplanting current system, BRICS is adding to the governance pluralism of the present order, where developing world has a larger voice and speak. Cooperation, competition, and institutional reform will be crucial for future of global governance, as established and emerging powers are expected to play a key role in process. In all this, BRICS expansion is a symbol and a catalyst for constant shift in twenty-first century international politics.

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