



BRICS and the Changing Power of the Global South

Dasanayaka, D. R. S. D.¹ and Perera, H. R. L.^{2*}

¹Department of Political Science, Faculty of Humanities and Social Sciences, University of Sri Jayewardenepura

²Institute of Democracy and Governance

Reviewed by Dr. Sampath Rajapakshe, Department of Political Science, University of Kelaniya and Dr. HEN Priyadarshani, Department of Political Science, University of Sri Jayewardenepura

Received: 26 October 2025, **Revised:** 10 May 2026, **Accepted:** 17 May 2026, **Published:** 01 July 2026

Citation: Dasanayaka, D. R. S. D. and Perera, H. R. L. (2026). BRICS and the changing power of the global south, The Asian Journal of Politics and Society (AJPS), 4 (1), 50-62.

Abstract

The Global North-Global South debate is a controversial topic in International Politics. This research examines whether the BRICS functions as a counterbalance to the Global North and to what extent it reshapes North-South relationships. From the Cold War period, Western political institutions such as Bretton Woods dominated financial governance, prompting the Global South actors to seek alternative platforms. This study adopts a qualitative research methodology, implementing deductive thematic analysis using secondary data sources, including academic literature, BRICS summit declarations, and institutional reports. Data analysis has been conducted based on five themes: South-South Cooperation, institutional alternatives, de-dollarization and financial autonomy, Normative and discursive resistance, and internal contradictions within BRICS. The findings show that the BRICS has not replaced Western institutions and their dominance completely, however, it promises to become a progressive alternative mechanism. South-South cooperation has facilitated development partnerships and diplomatic coordination. Financial governance diversified due to the New Development Bank and local currency settlements. Further anti-hegemonic factors, such as normative narratives and multipolarity, have challenged the Western legitimacy of financial governance. However, contending geopolitical interests, internal rivalries, and unequal capacities among the Global South limit systematic transformation. The conclusion is that rather than becoming a complete substitute for the Global North, BRICS has become a negotiated counterweight and strives for a gradual shift in the international world order rather than replacing it structurally.

Keywords: BRICS, Multipolarity, North -South Power Relations, South-South Cooperation

* Corresponding author: Tel.: +94 763232868; Email: ruchira.lahiru21@gmail.com

<https://orcid.org/0009-0005-1036-2472>

Introduction

Since the end of the Cold War, the international order has been clearly dominated by Western political, economic, institutional, and Ideological factors. In the meantime, the emerging power has intensified the discussion on multipolarity, reform of global governance, and the place of the Global South in world politics. In this setting, BRICS has become an important platform where emerging states seem to enhance their influence in international affairs. Its significance lies not only in the economic size of its members, but also in its increasing role in debates on power redistribution and institutional change (Singh, 2017).

BRICS has recently made some efforts to strengthen South-South Cooperation and create alternatives to long-established Western-led structures. However, scholars deliver contrasting ideas about the block. Some observers are skeptical about its cohesion and argue that shared rhetoric does not necessarily produce effective collective action (Pant, 2013). And others believe that BRICS has shifted from a dialogue forum to a visible mechanism of political and economic coordination with growing relevance to global governance (Zhu, 2014; Sperlich, 2016). This debate is critical because it shows that BRICS is not only an economic grouping but also a political formation whose broader implications for the international order remain contested. The relevance of BRICS has gradually increased over time because the members have used the bloc to project demands for representation, strategic autonomy, and institutional reform. In particular, BRICS cooperation has been treated by some member states as an important part of their wider diplomatic engagement (Wang & Li-Ying, 2014).

Against this backdrop, this article examines whether the BRICS operates as a counterweight to the Global North and how far it has altered the established North-South relationship. In order to address this question, the study focuses on five interconnected themes: South–South cooperation, institutional alternatives, de-dollarization and financial autonomy, normative and discursive resistance, and the internal contradictions. Rather than framing BRICS as a symbolic coalition of emerging powers, this study approaches it as a political and institutional formation that tries to reshape the global order.

Literature Review

Global North - Global South Hierarchy and Hegemonic Order

The Global North - Global South distinction continues to be a significant way of thinking about inequalities in global politics. It doesn't just refer to a geographic location, but is an expression of historic and systemic inequalities resulting from colonialism, uneven industrial modernisation, and structures of global capitalism (Kenny, 2025; Khaefzadeh & Sadeghi, 2018). While shifts in development pathways have problematised some of the older binary framings, publications still demonstrate that power inequalities in representation, resources, and institutional power shape the modern international system (Pearl et al., 2025).

This power imbalance is linked to hegemony. Haug et al. (2021) suggest that the Global North ought to be recognised as a relational notion of superiority that depends on economic, epistemic, and institutional power. Similarly, Lodigiani (2020) demonstrates how globalisation has often perpetuated rather than overcome post-colonial world inequality. From a general critical point of view, Souza (2019) and Vidal (2023) stress that power is not only perpetuated through material dominance but also through ideological dominance and legitimacy-building. Collectively, this work implies that North–South inequality is not accidental, but integral to broader hegemonic structures that underpin power and authority in world politics.

Multipolarity and the Changing International Order

The second literature is concerned with the transition that is taking place in the international order and the disappearance of unipolarity. Traditional hegemonic theories, such as those of Gilpin (1981) and Keohane (1984), postulate that international order has historically been maintained through the leadership and development of rules and governance mechanisms by dominant powers. But recent discussions are accentuating the decentralised nature of power and the rise of new powers. In this vein, the emergence of new economic and political players has led to debates about the extent to which international relations are shifting to a multipolar system.

BRICS plays an important role in this debate. Singh (2017) locates the organisation in broader shifts in global politics, while Sperlich (2016) points out that scholarly views on BRICS are polarised between sceptical and more positive assessments of its institutional and political impact. Pant (2013) presents one of the most trenchant critiques, suggesting that BRICS is incoherent and unlikely to be effective as a bloc. In contrast, Zhu (2014) emphasises the significance of BRICS in global governance. These contributions show that BRICS needs to be understood in the context of a wider shift in which rising powers seek not only representation, but also a voice and agency to set norms, institutions, and priorities for development.

BRICS as a Platform of Global South Agency

A third body of work views BRICS as an instrument of the Global South. Rather than the bloc merely being an economic entity, this work stresses the bloc's roles in articulating the goals and concerns of emerging and developing countries. For instance, Wang and Li-Ying (2014) demonstrate how BRICS member states have tried to increase their influence in international fora through various forms of coordination and projection. And, Zhu (2014) has argued that BRICS has moved from being a restricted discussion club to a more public platform for political and economic interaction. In this regard, BRICS can be seen as efforts by non-Western powers to expand their influence on the world stage.

This understanding can also be related to broader discussions on South–South cooperation. Mawdsley (2019) suggests that today's South–South cooperation is increasingly concerned with scale, efficiency, and ambition, while Waisbich (2022) brings to the surface the politics of how South–South cooperation is measured and represented in an evolving global order. This is important for BRICS, given that it highlights that the exercise of the Global South means not only resisting Western domination, but also building alternative forms of cooperation, legitimacy, and development. As such, BRICS can be seen as part of a shift to reclaim the Global South as not just a recipient, but also an institutional and political agent.

Institutional and Financial Alternatives to Western Dominance

One of the key debates around BRICS relates to its potential to provide institutional and financial alternatives to Western leaders. One focus is on international finance. Joshua (2019) concludes that the international financial system is in a gradual transition, with emerging powers seeking more flexibility in a still dollar-dominated system. This is supported by the work of Burova et al. (2021), Li (2023), Gouvea and Gutierrez (2023), Saaïda (2023), and Pham (2017), who demonstrate that recent pressures over sanctions, financial insecurity, and USD dependency have encouraged interest in de-dollarization and alternative forms of payment. While initiatives are patchy and do not always succeed, they reflect the interest of emerging powers in unilateralist financial dependence on the West.

The institutional dimension is also important. One of the most obvious examples of this is the New Development Bank (NDB). The New Development Bank (2025), for instance, suggests the bank has been set up to finance infrastructure and sustainable development projects in developing nations. Nach (2025) offers a similar analysis of the growth of BRICS institutions as part of an overarching effort to achieve economic sovereignty and enhanced autonomy. These proposals indicate that BRICS is not just questioning existing institutions (such as the IMF and World Bank), but also trying to establish alternate mechanisms to increase development finance and minimise dependency on Western-led development finance channels. At the level of theory, this work connects hegemony and agency in the Global South by pointing to how emerging powers seek to carve out more space in an international financial order still dominated by Western powers.

BRICS' Internal Contradictions and Limits

As such, the literature also shows the limits of BRICS' potential. According to Bond (2018), the bloc has centrifugal dynamics and contradictions that prevent it from operating as a fully cohesive counter-hegemonic bloc. Despite BRICS challenging elements of Western domination, its member nations maintain divergent interests and priorities in terms of strategic, economic, and geopolitical objectives. This hampers its ability to

act collectively and leads to tensions between a reformist discourse and its capacity to coordinate.

Pant (2013) argues something similar from a more overtly critical angle, by putting forward the view that BRICS frequently lacks the solidarity to undertake joint political projects. This work is crucial for tempering exuberant narratives about BRICS. It reminds us that BRICS is not just a coherent bloc competing with Western powers, but a coalition with multiple and divided agency. Therefore, we need to temper assertions about multipolarity and Global South self-representation with awareness of asymmetries, uneven powers, and national politics at play.

There is considerable research on North–South inequality, the Western-led order, the transition to a multipolar order, South-South relations, and BRICS-led international institutionalism. But there's a gap. Existing works tend to concentrate on structural underpinnings of Western hegemony or on BRICS and economic cooperation, financial reform, and symbolic multipolarity. There is less work on how BRICS simultaneously offers a reformulation of North-South relations and power in institutional, economic, and normative terms, but is also subject to internal tensions. In particular, there is a dearth of research that integrates hegemony, multipolarity, and Global South agency into one analytical framework in order to assess whether BRICS is a real challenge to Global North hegemony or a negotiated form of resistance. It is in this area that our research sets out to rectify.

Research Objectives

1. To evaluate how BRICS implements South-South Cooperation, alternative institutions, and discourses to counterbalance the Global North's dominance in the international system.
2. To explore how Western financial autonomy has been challenged by BRICS-led alternative mechanisms such as de-dollarization, the New Development Bank, and the Contingent Reserve Arrangement.
3. To examine the ability of BRICS to function as a counter-hegemonic bloc due to its competing national interests' internal divergences and various other Geopolitical factors.

4. To assess the extent to which the bloc of BRICS has impacted the conventional Global North-South Power relations, especially in formulating alternative government models and alliances.

Methods and Materials

Methodology

This study adopts a qualitative research methodology with secondary document analysis in order to study how BRICS functions as a counter-balance to the Global North and to what extent it reshapes the Global-North South power relations. A qualitative research design was selected for this study because it focuses on political meanings, institutional strategies, geopolitical narratives, and discursive shifts rather than on numerical measurement. Therefore, the qualitative research approach is the most suitable research approach for this because this study is about issues such as multipolarity, South–South cooperation, de-dollarization, and internal contradictions within BRICS.

Data Collection

The analysis is based on Secondary data sources such as academic journal articles, books and book chapters, policy reports, BRICS summit declarations, institutional publications, think tank reports, and selected public statements by BRICS leaders. The sources were selected based on four criteria: relevance to the research problem, credibility, substantive focus, and analytical usefulness. Priority was given to peer-reviewed scholarship, official BRICS documents, and recognized policy materials. This research mainly focused on secondary data sources, including publications published from 2009 to 2025.

Method of Analysis

The data were analyzed through deductive thematic analysis. Therefore, the themes are derived from the research problem and research objectives. The coding procedure was conducted in three stages. Firstly, the selected documents were closely read, and materials relevant to BRICS in shaping Global North-South power relations were identified. Secondly, key arguments and textual evidence were coded under five thematic categories. Thirdly, the coded material was compared across different source types to identify common patterns, differences,

and tensions. This allowed the research study to connect thematic analysis directly with the research problem and objectives. The thematic analysis was based on the following themes.

- (1) South–South cooperation
- (2) Institutional alternatives
- (3) De-dollarization and financial autonomy
- (4) Normative and discursive resistance
- (5) Internal contradictions within BRICS

Results and Discussion

1. South-South Cooperation

In the contemporary international society, states mostly rely on diplomatic and cooperative strategies rather than direct military confrontations. BRICS is a perfect example of this development. It also works as a collective effort by the Global South to challenge the established dominance of the Global North and reshape the global order. (Harahap et al., 2024). The initial BRICS summit in 2009, held in Yekaterinburg, Russia (Singh, 2017), demarcated the establishment of a collaborative platform that has since gained geopolitical importance.

Identifying the recent development, we could determine that BRICS consolidate South–South cooperation as a strategic tool with discursive weight. The bloc has been able to appeal to states such as Iran, the United Arab Emirates, Egypt, Ethiopia, and Indonesia, which reveals that the bloc is an avenue for geopolitical leverage and economic diversification. The inclusion of these states expands BRICS' potential geographic economic influence, and influencing power in global institutions.

China and Russia, the most powerful and influential states within BRICS, play crucial roles in shaping its counter-hegemony. China's financial capabilities and influence challenge both the USA and the EU, especially in sectors such as renewable energy and electric vehicles. Russia, on the other hand, consolidates its strategy through its energy dominance and geopolitical capabilities. The involvement of states with strategic resources and locations such as Iran (oil reserves), Ethiopia (logistical access), and Egypt (Suez Canal) further establishes the South-South corporation.

The concept of power gained new dimensions compared to the explanations provided by classical realists. (Morgenthau et al., 2005). In the modern multipolar world system, influence is determined by alliances and the ability to shape institutions, rules, and discourses. BRICS implements an alliance strategy to exert this form of structural and ideational power. Rather than directly confronting established Global North institutions, it reshapes the alignment and norms as an alternative platform through institutional development and diplomatic engagement.

The West has responded to the increasing significance of the BRICS. The selective invitation of India, South Africa, and Brazil to G7 forums showcases the strategy of engagement and containment, aiming to reduce the full consolidation of a unified BRICS front. At the recent summit of BRICS held in Rio de Janeiro, member states elaborated on facts such as sanctions imposed by the United States, financial instability, violations of international law, especially collaborative military actions taken by the US and Israel against Iran. These discussions prove that BRICS implements a cooperative framework on global governance while countering Western dominance.

Hence, South–South cooperation in BRICS is better understood as a pragmatic strategy of coalition-building rather than an expression of solidarity. The bloc has served as an alternative platform for Global South actors to boost their negotiating power in global governance through summit diplomacy, coordinated political messaging, and expanding partnerships among emerging and developing countries. In this sense, BRICS contributes to the gradual reconfiguration of international power through the strengthening of diplomatic coordination and the broadening of strategic options for non-Western states, even if its impact remains uneven and constrained by broader geopolitical realities (Singh, 2017; Harahap et al., 2024).

2. De-dollarization and Financial Autonomy

China and Russia made a decision to reduce the use of the US dollar for their bilateral settlements from 20th December 2023, which was a significant benchmark in the de-dollarization process (Team, 2023). This particular decision made by China and Russia also runs parallel to the decision of the BRICS to promote an alternative

currency to the US dollar. Instead of being a singular incident, it is part of a larger trend among BRICS nations to protect themselves from financial hegemony in the West, currency volatility, and sanctions. (Joshua & Joshua, 2019; Burova et al., 2021; Saida, 2023).

The governments of BRICS countries try to enhance their financial strategic autonomy through diversification of foreign exchange. The strategies implemented by BRICS actually facilitated this decision, and they are the weaponization of the US dollar, unilateral sanctions, exposure to internal trade shocks, and further requirements to achieve financial sovereignty. (Pham, 2017). With the development of the Ukraine war, the West made the decision to freeze Russia's dollar reserves. This was one of the eyebrow-raising factors that paved the pathway for these de-dollarization decisions made by the BRICS states (Burova et al., 2021).

De-dollarization efforts among BRICS can be seen in several pathways. Initially, China, as a member state, promoted the use of national currencies in trade settlements and financial transactions, with an ultimate goal to reduce dependence on the dollar as a medium of exchange and store of value (Joshua, J. 2019). As another strategy, initiatives such as the BRICS Payments Platform, which attempts to build an independent monetary framework and discussions around a composite reserve currency or currency basket, indicate attempts to create an alternative financial infrastructure (Saaida, 2023; Gouvea & Gutierrez, 2023). This shows a gradual step of lessening dependence on the dollar-based global system.

Institutional innovations from another edge play an outstanding role. The New Development Bank (NDB) has encouraged the denomination of loans in local currencies and invested in payment platforms that bypass Western systems, providing new financial practices. Ten countries keep working together and support each other through financial necessities by sharing their currencies and combining their financial reserves. Thus, the group of countries becomes less dependent on Western financial institutions. At the same time, BRICS states wish to influence major global organizations, including the IMF and G20, displaying further reduction of Western control over how the world economy is managed (Joshua, J. 2019).

Nevertheless, BRICS countries face diverse challenges while executing these principles. They can be categorized into two segments: internal and structural challenges. A few of the noticeable challenges include divergent monetary policies, varying levels of currency internationalization, capital market depth, and geopolitical alignments that constrain the speed and scope of de-dollarization (Burova et al., 2021). Strengthening financial institutions, improving liquidity mechanisms, and ensuring mutual confidence within BRICS to create a functional alternative monetary system should also be given attention, as all the BRICS countries have no common system developed for monetary purposes.

Consequences of de-dollarization may include financial diversification, shifts in reserve compositions, and uprising of regional monetary institutions. These reforms can possibly reduce the dependency on the Western system or the dollar and also pave the path for several types of risks. Especially organizations like the IMF and the World Bank might not fully adjust for high financial diversity and regional finance systems, instead of one dominant dollar-based system (Li, 2023). From this end, BRICS countries are capable of making new partnerships with other states that share the same intention of reducing the US economic influence (Sawant, 2023; Minerva Research Initiative, 2023).

Taken together, these developments suggest that de-dollarization within BRICS is not an immediate effort to dismantle the dollar-centered global order, but a gradual strategy to increase monetary flexibility and reduce external vulnerability. The BRICS countries are seeking more room to manoeuvre in international finance through settlements in local currencies, alternative payment arrangements, and efforts to limit exposure to sanctions and exchange-rate instability. At the same time, the speed of this transition remains uneven, reflecting the differences in monetary capacity, external dependence, and geopolitical priorities between member states. Therefore, de-dollarization should be viewed as a politically significant but partial move towards increased financial independence, rather than a full-scale substitution of the current international monetary system (Joshua, 2019; Burova et al., 2021).

3. Normative Narratives and Discursive Resistance to Western Dominance

Anti-hegemonic discourse has become a core element of the foreign policy of emerging powers, especially within BRICS. China has played a key role in shaping this narrative on the world stage, positioning itself as a power that rejects the hegemony of the global north, including the West. Official statements by the Chinese government emphasize that, regardless of its rise, China “will never seek spheres of influence” or follow the historical path of dominant powers (Ministry of National Defense of the People's Republic of China). At the 2019 Shangri-La Dialogue, Defense Minister Wei Fenghe repeated this story and stressed that China's interests and identity are not compatible with hegemonic goals (IISS, 2019).

Discursive resistance to Western dominance challenges the assumption embedded within the conventional hegemonic theory that global order requires leadership by a dominant power or coalition. Thinkers such as Gilpin (1975; 1981) and Keohane (1984) have long argued that international stability depends on hierarchical structures led by powerful states that enforce rules and provide economic security. According to the view of Western realism and neo-liberal institutionalism, the world is a fundamentally hierarchical system, and it requires a necessary leadership of one hegemonic power to maintain the international system.

The BRICS narrative invalidates this particular idea for the requirement of a hegemonic power to maintain the order of the international system. The rise of unipolarity under US dominance—characterized by military intervention, financial hegemony, the centrality of the dollar, and institutional influence has reinforced the perception that global governance serves Western interests (Strange, 1982). In contrast, BRICS discourse emphasizes multipolarity, sovereign equality, and the democratization of international institutions.

BRICS promotes alternative ways for countries to develop, showing different pathways to modernization rather than following the single recognized model. According to this perspective, the problems faced by Global South countries stem not only from domestic limitations but also from the structure of the current global economic

system. Western powers have a lot of control over it. BRICS calls for changes in international institutions, evidently mentioning that the existing system makes emerging economies dependent on Western powers and keeps the Global South dependent on Western powers.

Since its early formation, BRICS has aimed to redistribute power within institutions such as the IMF and the World Bank. Leaders of this collection often raised voices against the frustration over the slow pace of reforms and the ongoing dominance of Western countries in decision-making. They continuously challenged the Western system of intervention with the examples, after NATO's 2011 intervention in Libya, which BRICS saw as exceeding the UN's authority. The groups had taken a stronger stance against the regime on humanitarian grounds. This incident shaped the position on Syria and reinforced the principle of non-interference as a key principle in international relations.

BRICS have collectively taken a decision to oppose unilateral sanctions imposed by the Western powers directly targeting Russia. They argue that sanctions imposed without UN Security Council authorization violate international law, disrupt global economic stability, and entertain protectionist interests. The increasing strategic partnership between Russia and China, through their trade agreements and alternative financial systems, showcase both verbal and practical opposition to the influence of the dominance of the West. (Chellaney, 2012).

The normative and discursive strategies implemented by the BRICS clearly pose a challenge to the ideological dominance of the Western hegemony through the instruments of multipolarity, non-interference, and institutional reform. Rather than seeking to replace one hegemon with another, this discourse aims to delegitimize the hierarchical discourse that underpins the existing world order. At the level of norms, institutions, and legitimacy, BRICS opposes Western domination by promoting an alternative model of governance through coordinated discourse and diplomatic stance.

4. Institutional Alternatives to Western-Dominated Frameworks

BRICS has created an alternative financial architecture as a strategy to counterbalance

Western dominance. The New Development Bank (NDB) can be identified as the bloc's core financial initiative, established to assist infrastructure building and sustainable development projects without imposing the political or monetary conditions that are conventionally associated with the IMF and World Bank. Founded on principles of multipolarity and equal voting rights, the NDB demonstrates resistance to the hierarchical governance systems of the Bretton Woods institutions. With an authorized capital of \$100 billion and 96 approved projects worth \$32.8 billion as of 2025, the bank extends financing beyond BRICS members while promoting Global South-oriented development (New Development Bank, 2025).

In addition to the NDB, the Contingent Reserve Arrangement (CRA), which is supported by a \$100 billion resource pool, acts as a financial safety net to protect member nations from payment problems and external shocks while offering short-term liquidity support. These institutions are working to build an alternative mechanism that seeks to reduce reliance on the American dollar, financial control led by the International Monetary Fund, and Western aid conditionality.

Beyond the mechanisms, the BRICS has brought up further alternatives to the US dollar, including proposals for a common currency, an alternative payment mechanism such as the BRICS payment system, and expansion of local currency settlements. They have also projected a common currency for BRICS States, and small steps have been taken, such as border settlement platforms, investigating currency baskets, and lending local currencies through the NDB, indicating a hedging strategy against US dollar dominance.

There is a considerable difference between the Bretton Woods organization and the BRICS institutions regarding international financial governance. The IMF and the World Bank were created based on the post-World War II liberal order, which promoted structural adjustment and the dominance of the US dollar. In contrast, BRICS institutions focus on increasing cooperation and equal representation rather than imposing conditions for structural adjustments (Nach, 2025).

However, these alternative institutions also have internal challenges. Most of the critics argue that the New Development Bank has limited ability to produce major changes in the system because its operations are relatively small in scale and it is also somewhat dependent on US dollar funding. There are some other concerns regarding centralization within the institution. Where China could create new power structures similar to the existing ones. At the same time, these institutions provide countries in the Global South with greater bargaining power and more options for development financing, as they are willing to consider loans in local currencies and generally avoid strict political conditions.

Meanwhile, Institutional convergence is hampered by the BRICS states' differences in monetary policy, economic structure, and strategic interests of the BRICS states. The usability of a common currency still remains uncertain, given the absence of a unified financial authority and heterogeneous national economies. While expanding helps BRICS to make a stronger influence on a global level, it also raises questions about how the group will stay organized and maintain a clear and longer-term identity. Still, there is a debate whether this move is symbolic or represents the real efforts to build a new global structure.

When taken together, these institutional developments suggest that BRICS is attempting to expand the strategic choices of Global South states rather than completely replace the Bretton Woods order. The New Development Bank and the Contingent Reserve Arrangement offer concrete mechanisms for member states to access development finance and short-term liquidity with fewer political conditions and more emphasis on sovereignty and representation. These institutions remain limited in scale, coordination, and cohesion over the long term, but they nonetheless improve the bargaining position of rising powers by showing that alternative models of financial governance are politically consequential and institutionally feasible. In this sense, the BRICS-led institutions are not complete substitutes for the IMF and World Bank, but incremental tools of reform, diversification, and institutional balancing within global governance (New Development Bank, 2025; Nach, 2025)

5. Internal Divergences and Structural Constraints within BRICS

Although BRICS is becoming gradually more important globally, its ability to stand as a single unit against Western dominance has been limited by internal issues within itself. Differences in national interests, uneven economic capacities, and rivalries among member states have made collective action difficult, highlighting the internal challenges of South–South cooperation within BRICS.

China and India are two of the economic powers in the bloc, but they remain divided by broader disputes, a lack of trust, and competing global alliances. Tensions have grown further due to the renewed US-China trade war. After Donald Trump returned to office in 2025, the US raised tariff of Chinese goods up to 90% on variety of items. In response, China limited exports of rare earth materials and imposed 125% tariffs on US products (Huld, 2025).

For India, these developments had mixed effects, showing the complex role of BRICS in the global economy. As the US reduced imports from China, India got the opportunity to expand manufacturing in the most beneficial sectors, such as textiles, chemicals, and electronics. Many global companies shifted investments to India to reduce their dependency upon China, supporting India's "Make India" initiative and boosting exports to regions like Southeast Asia and Europe. (Yahoo Finance, 2025).

However, the higher tariff also negatively affects the Indian economy as well. (Product-specific HTS lines, date of entry-into-force, and an official USTR/Customs notice). (Al Jazeera, 2025). Furthermore, China's export limits on essential raw materials increased production costs and inflation. These facts reveal that the BRICS states witness trade issues in a different manner, creating diverse strategies rather than implementing a similar strategy.

India's reaction projects considerable geopolitical dilemmas against the progress of BRICS. The strategy implemented by India has three main objectives. They are: maintaining a strong economic cooperation with the United States, handling the strategic tensions with China while accepting the economic significance, and conducting trade across Asia, Africa, and Europe. Therefore, the capacity to act in a more cohesive

manner among the BRICS members remains constrained due to these matters.

Although the BRICS projects for a multipolar solidarity, its member hold different long-term objectives shaped by their national interest. They consider national development models, security concerns, and other alignments as well. However, China and Russia conduct a more confrontational approach to Western dominance, while other stakeholders such as India, Brazil, and South Africa tend to conduct hedging strategies that preserve flexibility in the global market. Attempts at greater institutional integration or uniform foreign policy perspectives are further curtailed by economic heterogeneity, currency policy, divergence, and geopolitical competition.

The findings clearly show that BRICS has moved from being a loose political idea to becoming an active platform that produces practical outcomes. One of the main developments is the establishment of the New Development Bank (NDB). The bank now funds a massive number of projects, including in member states. Unlike Western organizations such as the WB and IMF, NDB provides loans without conditions of Economic and Political reforms. Another major finding of this research is the gradual decline in the use of the US dollar in trade among BRICS states. As an example, Russia and China currently conduct the majority of their bilateral trade in their local currencies, which provides a glimpse of real financial independence and de-dollarization. The discussion also finds that BRICS states regularly support ideas such as non-interference, respect for state sovereignty, and opposition to unilateral sanctions, especially those led by the United States and its allies.

The results also show that BRICS functions with certain challenges. There are economic rivalries among the BRICS members as well. Each state has its own unique strategic interests. Although there are these types of internal contradictions and differences, the findings of the research show that cooperation continues because the member states identify the long-term benefits in creating shared credible alternatives to Western-controlled systems. The 2025 Rio Summit can be highlighted as a recent example where BRICS reaffirmed its goals of local currency trade, financial reformism, and a multipolar world order.

BRICS is not only reacting to the dominance of Western powers but is actively working to formulate a new kind of world order. Instead of replacing the West, BRICS is building parallel systems such as its own development bank, local currency payment methods, and stronger South–South partnerships that provide states further autonomy. The bloc also promotes multipolarity, meaning power should be distributed among many global actors rather than concentrated in one or two dominant states.

Even though there are internal issues among BRICS members, they agreed to continue with this program. Their unity is strongest around economic independence, reform of global institutions, and resistance to Western aggression through economic sanctions. Altogether, the findings and discussion show that BRICS has become a serious force in shaping global systems, financial practices, and political realignments, especially for the Global South.

Conclusion and Recommendations

This study concludes that BRICS emerged as a meaningful but limited counterweight to the Global North in contemporary international politics. Its contribution is to enhance the strategic, financial, and diplomatic space available to the Global South rather than replacing the existing international world order. Through South–South cooperation, alternative financial mechanisms, and multipolar political discourse, BRICS has contributed to a partial rebalancing of North–South power relations. However, its transformative capacities have been curtailed due to contrasting national interests, internal asymmetries, and geopolitical rivalries among member states. Therefore, the BRICS can be identified as an evolving and negotiating platform rather than a fully-fledged alternative to the Global North.

Several policy recommendations can be made based on these findings. Firstly, the BRICS should strengthen institutional coordination beyond summit declarations more towards policy consultations in trade finance and diplomacy. Then the bloc should enhance local currency settlements related to payment mechanisms to reduce the dependence on the US dollar and improve financial resilience. Further, the New Development Bank should broaden local-currency lending and prioritize development

sectors such as infrastructure, connectivity, and energy. Finally, the bloc must improve internal policy cohesion and manage strategic tensions more effectively if it is to function as a credible and sustainable platform for advancing Global South interests in an increasingly multipolar order.

References

- Al Jazeera. (2025, August 20). Did Trump's tariff war force India and China to mend ties? <https://www.aljazeera.com/news/2025/8/20/did-trumps-tariff-war-force-india-and-china-to-mend-ties>
- Aqeeq, M. A., Tahir, M. A., Haider, W. A., Aqeeq, F., & Abdullah, F. B. (2023). Energy transition for sustainable economic development in developing countries (DCs)—The case of utility-scale solar (USS) investments in Pakistan. *Energy Economics*, 122, 1–21. <https://doi.org/10.1016/j.eneco.2023.106696>
- Bond, P. (2016). BRICS banking and the debate over sub-imperialism. *Third World Quarterly*, 37(3), 611–629. <https://doi.org/10.1080/01436597.2015.1128816>
- Bond, P. (2018). The BRICS' centrifugal geopolitical economy. *Vestnik RUDN. International Relations*, 18(3), 535–549. <https://doi.org/10.22363/2313-0660-2018-18-3-535-549>
- Burova, A., Kozlovtsseva, I., Makhankova, N., & Morozov, A. (2021). Dollarization, financial stability risks and monetary policy implementation: Exploring the nexus. *Ensayos Económicos*, 1(77), 50–71.
- Caldararo, N. (2023). China, invasions in Europe and de-dollarization: Dismembering empires and collapse of nations. *IUP Journal of International Relations*, 17(4), 7–40.
- Chatterjee, M., & Naka, I. (2022). Twenty years of BRICS: political and economic transformations through the lens of land. *Third World Quarterly*, 43(1), 2–13. <https://doi.org/10.1080/13600818.2022.2033191>
- Chellaney, B. (2012). *Water: Asia's new battleground*. Georgetown University Press.

- Eben, O. (2024, November). Analyzing the New Development Bank and its impact in BRICS and global finance. ResearchGate. Retrieved from https://www.researchgate.net/publication/386110797_Analyzing_the_New_Development_Bank_and_Its_Impact_in_BRICS_and_Global_Finance
- Gilpin, R. (1981). *War and change in world politics*. Cambridge University Press.
- Gouvea, R., & Gutierrez, M. (2023). De-Dollarization: The Harbinger of a New Globalization Architecture? *Theoretical Economics Letters*, 13(4), 791–807. <https://doi.org/10.4236/tel.2023.134046>
- Harahap, A. S., Pulungan, D. F., Gultom, F. R. S. P., Pasaribu, S. S., Gurusinga, S., & Saragih, Y. D. A. (2024). Eksplorasi dan Kolonialisasi: Pengaruh Eropa Terhadap Geografi Amerika [Exploration and Colonisation: European Influences on American Geography]. *Journal of Geografi, Ekologi Dan Kebencanaan*, 1(2), 67–72. <https://doi.org/10.56211/buana.v1i2.519>
- Haug, S., Braveboy-Wagner, J., & Maihold, G. (2021). The ‘Global South’ in the study of world politics: examining a meta category. *Third World Quarterly*, 42(9), 2095–2111.
- Hendrickson, D. (1992). The Renovation of American Foreign Policy. *Foreign Affairs*, 71(2), 48–63. <https://doi.org/10.2307/20045124>
- Huld, A. (2025, September 1). Breaking down the US-China trade tariffs: What’s in effect now? China Briefing. <https://www.china-briefing.com/news/us-china-tariff-rates-2025/>
- International Institute for Strategic Studies. (2019, June 2). The 18th IISS Shangri-La Dialogue, Fourth Plenary Session [Transcript]. <https://www.iiss.org>
- Joshua, J. (2019). The Changing International Financial System. In *The Belt and Road Initiative and the Global Economy: Volume II—The Changing International Financial System and Implications* (pp. 11–46). Springer. https://doi.org/10.1007/978-3-030-28068-0_2
- Kedourie, E. (1961). *Nationalism*. Hutchinson & Co. Publishers Ltd.
- Kenny, M. (2025, September 22). Global North and Global South. In *Britannica*. Retrieved from <https://www.britannica.com/topic/Global-North-and-Global-South>
- Keohane, R. O. (1980). The Theory of Hegemonic Stability and Changes in International Economic Regimes, 1967–1977. In O. R. Holsti, R. M. Siverson, & A. L. George (Eds.), *Change in the international system* (pp. 131–162). Westview Press.
- Keohane, R. O. (1984). *After hegemony: Cooperation and discord in the world political economy*. Princeton University Press.
- Khaefzadeh, M. A., & Sadeghi, S. H. (2018). Theories and Approaches of the North and South. *Opción*, 34(Special Issue 15), 261–275.
- Li, Y. (2023). Trends, reasons and prospects of de-dollarization (Research Paper No. 181). Econstor. <https://www.econstor.eu/handle/10419/278680>
- Lodigiani, I. (2020). From Colonialism to Globalisation: How History Has Shaped Unequal Power Relations Between Post-Colonial Countries. *Glocalism: Journal of Culture, Politics and Innovation*, 2020(1), 1–15.
- Mawdsley, E. (2019). South–South Cooperation 3.0? Managing the consequences of success in the decade ahead. *Oxford Development Studies*, 47(3), 259–274.
- Minerva Research Initiative. (2023). *Rising power alliances and the threat of a parallel global order*. The Fletcher School, Tufts University. <https://apps.dtic.mil/sti/trecms/pdf/AD1199376.pdf>
- Ministry of National Defense of the People’s Republic of China. (n.d.). Defense policy: Resolutely safeguarding China’s sovereignty, security and development interests. Retrieved from <http://eng.mod.gov.cn/xb/DefensePolicy/index.html>
- Molinari, A., & Ceballos, R. (n.d.). Analysing the New Development Bank’s core objectives (2016-2022). Afripoli. Retrieved from <https://afripoli.org/analysing-the-new-development-banks-core-objectives-2016-2022>
- Morgenthau, H. J., Thompson, K. W., & Clinton, D. (2005). *Politics among nations: The*

- struggle for power and peace* (7th ed.). McGraw-Hill.
- Morris, I. (2013). *The measure of civilization: How social development decides the fate of nations*. Princeton University Press.
- Nach, M. (2025, September 18). BRICS institutional innovation and the push for economic sovereignty. Nelson Mandela University. <https://www.internationalaffairs.org.au/australianoutlook/brics-institutional-innovation-and-the-push-for-economic-sovereignty/>
- New Development Bank (NDB). (2025, January 2). About the BRICS: New Development Bank: The NDB is a multilateral development bank (MDB) created to mobilize resources to finance infrastructure and sustainable development projects in developing countries. <https://brics.br/en/about-the-brics/new-development-bank>
- Pant, H. V. (2013). The BRICS fallacy. *The Washington Quarterly*, 36(3), 91–105. <https://doi.org/10.1080/0163660X.2013.825552>
- Pearl, M., Sergi, B. S., & Muszynski, R. J. III. (2025, March). Shifting equilibria: A new framework assessing changing power dynamics between the Global North and Global South. *World*, 6(1), 1–18. <https://doi.org/10.3390/world6010034>
- Pham, T. H. A. (2017). Dollarization and De-dollarization Policies: The Case of Vietnam. In *Dollarization and De-dollarization in Transitional Economies of Southeast Asia* (pp. 131–166). Springer. https://doi.org/10.1007/978-3-319-57768-5_5
- Radulescu, I. G., Mirela, P., & Voica, M. C. (2014). BRICS Countries Challenge to the World Economy New Trends. *Procedia Economics and Finance*, 8, 497–505. [https://doi.org/10.1016/S2212-5671\(14\)00135-X](https://doi.org/10.1016/S2212-5671(14)00135-X)
- Reality of Aid. (2023, October 26). On South-South Cooperation: Assessing its political relevance and envisioning a future beyond technical cooperation. Reality of Aid. <https://realityofaid.org/reality-check-ssc/>
- Saaida, M. B. (2023). The BRICS' Move Away From US Dollar: The Implications For International Politics. *International Journal of Multidisciplinary Research and Development*, 10(7), 35–39. <https://doi.org/10.5281/zenodo.10700468>
- Sawant, P. A. (2023). BRICS and the Sustainable Development Goals. *Indian Journal of Lifelong Learning & Educational Guidance*, 4(1), 36–46.
- Schepp, D. (n.d.). When trade policy turns contentious: Tariffs, currency devaluation, and other trade barriers. In *Britannica*. Retrieved from <https://www.britannica.com/money/trade-war-meaning>
- Singh, S. (2017, August 4). Why 2017 is not 1987. *The Indian Express*.
- Souza, N. M. F. de. (2019). Introduction: Gender in the Global South: Power Hierarchies, Violence and Resistance in the Postcolony. *Contexto Internacional*, 41(1), 1–7.
- Sperlich, Y. (2016). A review of the BRICS literature (Working Paper). ResearchGate. <https://doi.org/10.13140/RG.2.1.2197.9928>
- Strange, S. (1982). Cave! Hic Dragones: A Critique of Regime Analysis. *International Organization*, 36(2), 479–496. <https://doi.org/10.1017/S0020818300019020>
- Team W. W. (2023). Russia, China completely abandon US dollar in bilateral trade, says Russian PM. WION. <https://www.wionews.com/world/russia-china-completely-abandon-us-dollar-in-bilateral-trade-says-russian-pm-671667>
- Tricontinental: Institute for Social Research. (2025, January 14). Towards a new development theory for the Global South (Dossier No. 84). <https://thetricontinental.org/towards-a-new-development-theory-for-the-global-south/>
- Vidal, C. (2023). Hegemony, consensus building, and pedagogical colonisation: new ways of external interference? *Contexto Internacional*, 45(1), 1–18.
- Waisbich, L. T. (2022). 'It Takes Two to Tango': South-South Cooperation measurement politics in a multiplex world. *Global Policy*, 13(3), 405–414. <https://doi.org/10.1111/1758-5899.13086>
- Wang, Y., & Li-Ying, J. (2014). How do the BRIC countries play their roles in the global

- innovation arena? A study based on USPTO patents during 1990–2009. *Scientometrics*, 98(2), 1065–1083. <https://doi.org/10.1007/s11192-013-1141-2>
- Zhu, Z. (2014, August 4). Chinese newspaper coverage of the BRICS summit. Observer Research Foundation. <https://www.orfonline.org/research/chinese-newspaper-coverage-of-the-brics-summit>
- Yahoo Finance. (2025, September 10). Trump tariffs live updates: US to impose up to 100% tariffs on drugs, furniture, kitchen cabinets. https://finance.yahoo.com/news/live/trump-tariffs-live-updates-us-to-impose-up-to-100-tariffs-on-drugs-furniture-kitchen-cabinets-175804558.html?guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNvbS8&guce_referrer_sig=AQAAAME_6x-DJja-pWJjHhRDbyhGu5S2H--D8pQf_HVPfxpbefkg1p2LOgj_XjU7zvEkEBtaR9r8rhDXa4NsIVW5n3aWp5Xec2HIGMOBsueVfrQP9_TxHfo2Yf5wbv2iVmK56JGBrISponwwEJYLRhkGP77uCS5gusotx1kBfB7hN4i-