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Elbay Ahlimanov
Adam Mickiewicz University
Master student
ahlimanovelbay@gmail.com
<https://orcid.org/0009-0004-5292-8879>

Economic Diplomacy as a Tool for Geopolitical Influence: The Case of BRICS

Abstract

The BRICS alliance has morphed into a force to reckon with where challenging all along the lines of western initiation global governance. Economic diplomacy is the alliance's indispensable instrument through which it evinces its capability with trade accords, investment initiatives, and the New Development Bank (NDB) to strengthen the voice of developing nations. They are efforts that directly aim to form a multipolar power order that goes beyond the narrow confines of equity and inclusivity.

China, with the transformative Belt and Road Initiative, demonstrates that infrastructure development can mix with political motives, creating opportunities and controversies. India has continued to nurture that role through connectivity, including deepening relationships across Africa, for example, with the International North-South Transport Corridor on which it has initiated high-level discussions and activity. South Africa makes a string link between BRICS and the African continent, advocating for regional integration and sustainable development, notwithstanding challenges coming from a rather small economy.

The bloc is, however, not without hitches. This has been made worse by internal disparities: economic imbalance and differences in priorities, all of which make it difficult to unify lines of decision making. External pressures from established powers pose a further threat to its integrity. Yet in redefining global economic standards, BRICS continue to make headway, as seen in its efforts for de-dollarization and alternate financial systems.

This article purports that, while BRICS has made considerable advancements, its long-run prospects will also depend on the organization's ability to work through its internal strains and external opposition. Only by working together over time and adapting actions can one solidify that role as a champion of the Global South in a changing geopolitical world.

Keywords: *economic diplomacy, BRICS, geopolitical influence, global South, dedollarization*

Elbəy Əhlimanov
Adam Mickiewicz Universiteti
magistrant
ahlimanovelbay@gmail.com
<https://orcid.org/0009-0004-5292-8879>

İqtisadi diplomatiya geosiyasi təsir vasitəsi kimi: BRICS nümunəsi

Xülasə

BRICS ittifaqı Qərbin hegemonluğu ilə idarə olunan qlobal idarəçilik strukturuna ciddi bir alternativ kimi formalaşmışdır. Bu ittifaq iqtisadi diplomatiyanı öz strateji fəaliyyətlərinin əsas mexanizmi kimi qəbul edərək, ticarət, investisiya və Yeni İnkişaf Bankı kimi alətlər vasitəsilə inkişaf etməkdə olan ölkələrin maraqlarını irəli sürür. Bu cür təşəbbüslər, daha ədalətli və inklüziv bir çoxqütblü dünya nizamının təşviqinə xidmət edir.

Çin, "Bir Kəmə, Bir Yol" təşəbbüsü ilə həm qlobal infrastruktur layihələrini dəstəkləyir, həm də geosiyasi təsirini artırır. Hindistan isə Qlobal Cənubun lideri kimi, Afrika ölkələri ilə güclü tərəfdaşlıq münasibətləri quraraq regional inkişaf və qarşılıqlı faydaya yönəlmiş əməkdaşlıqlar

təşviq edir. Digər tərəfdən, Cənubi Afrika BRICS ilə Afrika qitəsi arasında körpü rolunu oynayaraq, regional inteqrasiyanı dəstəkləyir və qitənin inkişaf hədəflərini beynəlxalq platformalarda müdafiə edir. Bununla yanaşı, Cənubi Afrikanın iqtisadi imkanlarının digər üzv ölkələrlə müqayisədə kiçik olması bəzən onun təsirini məhdudlaşdırır.

İttifaq, eyni zamanda, daxili iqtisadi və siyasi fərqliliklər, eləcə də xarici təzyiqlər ilə üzləşməkdədir. Lakin BRICS, dedollarizasiya təşəbbüsləri və alternativ maliyyə sistemlərinin qurulması ilə global iqtisadi idarəçilik normalarını yenidən formalaşdırmaqda mühüm rol oynayır.

Bu məqalədə iddia olunur ki, BRICS-in uzunmüddətli təsiri daxili ziddiyyətlərin həlli və xarici müqavimətə uyğunlaşmaq qabiliyyətindən asılıdır. Davamlı əməkdaşlıq və vahid yanaşma vasitəsilə BRICS, dəyişən geosiyasi mühitdə Qlobal Cənubun lideri kimi mövqeyini gücləndirməkdə davam edə bilər.

Açar sözlər: iqtisadi diplomatiya, BRICS, geosiyasi təsir, qlobal Cənub, dedollarizasiya

Introduction

The BRICS alliance has grown to a very solid opposition against global governance dominated by the West. For a great part of the economy of the world and nearly half of the earth's population, the BRICS nations account. Their cooperated attempts have collectively focused on restructuring international systems to meet the needs of emerging and developing countries. Since its very beginning, BRICS has taken the shape of a correct and legit forum for the expression of geopolitical power and economic cooperation that challenges Western hegemony and its established institutions (Amsden, 2001).

The BRICS strategic pillar is economic diplomacy, which empowers securing broader geopolitical targets by making financial tools and trade relations work for them. For instance, BRICS has demonstrated the way that economic diplomacy could reshape global power structures via such financial institutions as New Development Bank (NDB) strategic partnership initiatives and programs like China's Belt and Road Initiative (BRI). The undertakings and activities also correspond with the intended vision of the bloc towards the establishment of a multipolar world order that is characterized by inclusivity and fairness in international governance (Arapova, 2018).

Research

This article examines the role of economic diplomacy within BRICS, especially as it pertains to major players such as China, India, and South Africa. Each of these three countries has adopted distinct approaches within BRICS to meet its own objectives while contributing to the larger mission of the bloc. This article examines the tools, achievements, and challenges of BRICS economic diplomacy in order to highlight the relevance of this mechanism as a catalyst for geopolitical influence and trace its possible future impacts on global governance (Bandelj, 2008).

Economic Diplomacy in Theory and Practice

The term "economic diplomacy" refers to the broader usage of economic resources such as trade, investment, and financial aid, strategically engaged toward an end achieved through foreign policy. Thus, it both exists between economics and politics and is a nexus of domestic along with international priorities for attaining specific geopolitical goals. To BRICS, economic diplomacy is a means of economic cooperation among member states: it serves as that agent wherewith the bloc will further its challenge for competing with the existing global order while advancing its developmental goals.

Economic diplomacy makes sense most acutely to BRICS since it bases its agenda on common South-South cooperation for its constituent countries. Unlike traditional North-South economic engagements, BRICS establishes frames of partnership on mutual benefit and equality-such as the New Development Bank, which will support financing for infrastructure projects across developing countries without entrenching them further in Western sources like the International Monetary Fund for their projects (Drezner, 2020).

BRICS economic diplomacy also progresses on realizing alternative global financial systems. For instance, the bloc has been envisioning de-dollarization plans as well as relating them to the transformation of the present-day global power system. Furthermore, members efficiently maximize

their collective economic power to push for suitable reforms or changes in existing global institutions towards providing better input or more considerable consideration of developing countries' voices at the international level.

The theoretical rationale for BRICS economic diplomacy rests mainly on the values of multipolarity and inclusivity. BRICS member states thus position themselves as demonstrating trade and finance initiatives that make development and equity priorities (Hassan, 2015).

China: The Economic Giant of BRICS

Be both core and transformational within BRICS, with China having become at once the second-largest economy in the world and a mega dominant actor in global trade. Here, the country's heft in the bloc would naturally determine the strategic directions and economic priorities that it follows within that organization. At the heart of its method of economic diplomacy is the Belt and Road Initiative (BRI) - a multi-trillion dollars infrastructure project spanning Asia, Africa, and Europe. This is a strong sign of China's willingness to promote global connectivity while offering developing countries essential infrastructure and expanding its economic-geopolitical footprint.

To BRICS, China pursues initiatives that offer an alternative to Western-led global financial systems. One example was the establishment of the New Development Bank (NDB), based in Shanghai, with the New Development Bank's mandate being new entrant, thus contesting the terrain covered by the likes of the IMF and World Bank. The NDB, thus, becomes for the Chinese an emblem of its essential avant-garde position in the advance of South-South cooperation, rather than just a tool for economic synergy (Mearsheimer, 2019).

Of course, Chinese economic diplomacy is much broader than financial innovation. Strong trade relations with BRICS show China's dominant position in trade within the bloc. In 2022, China contributed more than 40% to the GDP of this bloc and is therefore the main locomotive of economic activity within BRICS. Such economic heft allows China to push through the agenda of the bloc and often even steer the discussions towards initiatives that form part of its larger priorities such as dedollarization and improving regional connections.

Still, nothing comes free as controversies accompany its course. Critics of the BRI argue that it tends to suffocate the host countries under unsustainable debt over a certain time.

India: Development Diplomacy and Global Outreach

India plays a specific role in BRICS, combining the advantages of being both an emerging economic power and a constant voice for South-South cooperation. Inclusive partnership for mutual benefit is also a cornerstone of its development diplomacy, matching the broader goal of reforming global governance arrangements to be more favorable toward the South. This is deeply rooted in the history of India as a leader of the post-colonial world, based on unity and self-reliance through the Non-Aligned Movement and, increasingly, through BRICS (Jones, 2011).

A salient feature of the Indian diplomatic efforts is the active engagement of India with Africa-a strategically as well as economically pivotal region. The whole span of India's relations has grown through the India-Africa Forum Summit by means of offering economic investments, technical assistance, and exchange in knowledge. These activities have targeted a lot of the main issues facing agriculture, renewable energy, healthcare, and more, marking evidence toward India's pursuit of sustainable development at the heart of all prosperity. In the BRICS framework, India has emerged as an intermediary that links the developmental priorities of African countries with the common agenda of the bloc, which is for the increasing representation of African countries in international decision-making institutions (Pant, 2013).

India's development diplomacy does not stop only at bilateral relations, but also with the regional dimension of connectivity. Initiatives like the International North-South Transport Corridor give evidence to this and reflect the commitment of India towards facilitating trade and ensuring economic integration among South Asia, Central Asia, and Europe. Such investments in infrastructure are supposed to alleviate logistical hurdles and hence create better trade routes and regional cooperation. Likewise, India's efforts toward digital inclusion and capacity building for the Global South resonate with a strong conviction that technology would be enabling empowerment and economic prosperity.

However, the role of India within BRICS certainly poses challenges in some aspects. Topmost was the challenge India's juggle of providing leadership to the bloc while managing its strategic relations with the West. Its international relations with the US and the EU determine a course along which India would have to actively maintain healthy economies and security while cultivating its independent vision in BRICS. This strategy-that of bifocalism-indicates India's ability to manoeuvre through intricate geopolitical landscapes-as such, it guarantees India continued prominence as one of the significant voices on both regional and international platforms (Rewizorski, 2017).

Intense international relations now place India firmly among the few leading advocates of the Global South within BRICS to advocate such a development diplomacy. "It is through building such alliances, few systematic reforms, and the arguments for fair growth that India would increase contributions not only in collective outcomes but also further entrench itself as a leader among the emerging powers."

South Africa: Bridging BRICS and Africa

South Africa is in a very unique and strategic position within BRICS, being the only member from Africa, and serving as an important bridge between the bloc and the continent. Its inclusion in BRICS heeds toward a much larger vision of global inclusiveness, pointing out and emphasizing the participation of Africa in international governance structures. With the most industrialized economy in Africa, South Africa has used its membership to champion the development priorities of the continent, ensuring that the BRICS agenda is aligned with the aspirations of the African nations (Ruggie, 1982).

One of the significant roles of South Africa in BRICS is to underscore Pan-Africanism and espouse regional integration. Through frameworks such as the African Union's Agenda 2063, South Africa has been at the forefront of efforts to fast-track economic growth, reduce inequality, and foster sustainable development in Africa. BRICS platforms, including the New Development Bank, have gone a step further in supporting these objectives by financing infrastructure projects critical to Africa's economic transformation. South Africa has played a major role in funneling these resources into the areas of energy, transportation, and digital connectivity that are critical to unleashing the huge economic potential of the continent.

Much of South Africa's foreign policy, often imbued with the philosophy of Ubuntu, speaks of mutual respect and interconnectedness, guiding its efforts within BRICS. The approach that the country has chosen for diplomacy cooperates rather than competes, as reflected in the commitment to creating equitable partnerships. It converges with BRICS on a more panoramic level in the building of a multipolar world order that is inclusive and fair. In so doing, South Africa has placed itself as a regional leader and a champion of the Global South by taking up an advocacy role for more representation of African voices in global decision-making (Shelepov, 2017).

However, South Africa's place in BRICS is not without challenges. Its relatively smaller economic size compared to other BRICS members, especially China and India, has sometimes brought up questions about its influence within the bloc. Some critics have also pointed to the gap between South Africa's ambitions and its capacity to deliver on them in view of domestic challenges such as unemployment and social inequality. In any case, South Africa's membership in BRICS has provided it with a platform to air Africa's grievances, from climate change to global trade reforms. It bridges interests at a continental level between BRICS and Africa, playing thus in multiple roles as a regional champion and a global player. How it balances those duties with its internal problems will determine the degree to which it can continue shaping the BRICS engagement in Africa as the bloc develops. The vision of partnership and shared prosperity South Africa contributes to BRICS remains its lodestar for relevance at world level (Wallerstein, 2016).

Impact of BRICS' Economic Diplomacy

The BRICS' economic diplomacy, which is influenced by the West, has fundamentally changed regional and global economic agendas by placing different emphasis on important issues like South-South cooperation to support inclusive growth and redefining ideas about development and governance. BRICS has committed to tackling financial stability concerns and infrastructural deficiencies in poor nations through programs like the Contingent Reserve Arrangement (CRA) and

the New Development Bank (NDB). For example, by providing vital money for sustainable development initiatives, the NDB lessens reliance on Western financial institutions such as the World Bank and IMF.

BRICS promotes trade and investment among its incredible members, one important area is the resolution of the bloc to reduce its members' reliance on the US dollar in trade settlements, sometimes referred to as dedollarization. Its aim is to challenge the established governing global financial systems, and these collective actions must enhance economic resilience within BRICS.

BRICS poses a greater internal challenge to economic diplomacy. There are disparities within the bloc such as differences in economic and political priorities among the members. Such differences negate the need for unity in decision-making. External to the bloc are pressures from defined and pre-existing powers that still insist on nonmovement toward multipolar rule thus hampering the effectiveness of BRICS in having the desired vision within its framework.

However, continuing with their challenges, BRICS is emerging as one of the most important players in terms of giving fate to global economic governance on terms of equity, development, and mutual benefit. The economic diplomacy of BRICS has, therefore, been able to strengthen ties among the member states while positioning the bloc as the voice of the Global South in the interest of emerging economies in an evolving international landscape (UNCTAD, 2020).

Critiques and Limitations

Although BRICS manages to attain much, it does not escape the big criticisms and limitations to be achieved in realizing these ambitious goals. The most pertinent issue is that the member states have severe internal differences concerning their economic sizes, political systems, and developmental priorities. For example, while the economics and global political power of China and India are hard to deny, many still question the real possibility of substantial influence of South Africa since its economy is relatively small. Differences like these often inhibit the capacity for cohesive decision-making and the ability to speak with one voice on global matters.

Another of such significant criticism is the paucity of deliverables from BRICS; platforms such as New Development Bank and Contingent Reserve Arrangement were considered milestones by many observers, but in the end, they faced lagging benefits from implementation. Besides, other developing nations not part of the bloc look at the BRICS economy as parochialism, more for the purposes of member countries and less for the global benefit (Wallerstein, 2016).

BRICS is thus resisted by other established Western powers, which see the bloc as being contrary to the old world order. External pushback complicates the entity's efforts to reform international institutions and propagate a multipolar agenda. Geopolitical couplings among BRICS members and many other issues like those between India and China do not contribute to internal unity (Zebal, 2021).

Hence, while BRICS would take on emerging economies, it remains a priority in its platform. However, it must continue to address internal schisms and promote proper collaboration, so that it shows benefits to be much more to come.

Conclusion and Future Outlook

BRICS has become an important new actor in the redefinition of global economic governance, challenging the West in creating a more equitable and inclusive international system. It has complemented the commitment to South-South cooperation by setting up the New Development Bank and Contingent Reserve Arrangement, financing critical infrastructure, and reducing dependence on traditional financial institutions for the same. By serving as a champion of regional connectivity and economic integration in relation to shared development goals, BRICS has thus underscored its own position as the champion of the Global South.

Significant challenges include the economic size and development priorities of the countries within the bloc; geopolitical tensions, particularly in China-India relations; and the growing hostility from established global powers that test BRICS' capacity to reform international institutions meaningfully. Tackle the challenges that are both internal and external by using a common approach that allows member states to maintain consistent collaboration.

Thus, in the future, BRICS may forge its way to building influence by developing its relationship with other developing countries, enhancing and creating financial mechanisms, as well as pushing for a more inclusive global governance. By fully capitalizing on its diversity and common weight in fighting for equality in prosperity, BRICS may keep on influencing a multipolar world and remain in place in a transforming geopolitical landscape.

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