

Is expansion of BRICS a sign of China's increasing clout and US' decline?

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The recent expansion of the Brazil, Russia, India, China, South Africa (BRICS) grouping to BRICS+6 has predictably drawn differing reactions from commentators globally.



In the aftermath of the Russia-Ukraine conflict, several middle powers sharing strong ties with the US have taken an independent stance regarding the conflict at variance from the US. This includes India, UAE, Saudi Arabia and Indonesia. India's purchase of oil at discounted prices and the decision of OPEC+ to reduce oil production, driven largely by Saudi Arabia and Russia, have not gone down well with the West – especially the US.

There has also been a push for 'de-dollarization' or lesser dependence on the US Dollar for trade. Many countries have already begun oil trade in non-dollar currencies while negotiations are going on regarding non-dollar trade in non-oil commodities. Developing countries, especially India, have also been flagging the point that concerns of the Global South are often relegated to the margins in the existing international landscape. Several countries have also repeatedly highlighted the impact of US sanctions on Russia and their impact on the developing world.

The recent expansion of the Brazil, Russia, India, China, South Africa (BRICS) grouping to BRICS+6 has predictably drawn differing reactions from commentators globally. Many commentators have argued that the expansion of BRICS is a reiteration of increasing Chinese clout and US decline. A few points need to be borne in mind.



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First, several of the countries which have been admitted into BRICS have robust ties with the US – even though there may have been a downward slope in recent years due to various economic and geopolitical changes.

Second, the new entrants into BRICS have stated that they would not like the organisation to be viewed from a zero-sum prism. Instead, they would like to use this platform for leveraging economic opportunities, expanding trade with other members and harnessing other opportunities. The UAE's economy minister Abdulla Bin Touq Al-Marri, for instance, categorically stated that his country's entry into BRICS would not have any adverse impact on its ties with the West.

While the BRICS organisation is often viewed from the dimension of India-China rivalry, several of the new entrants share good ties with India and have also acknowledged India's support for their entry into BRICS. As mentioned earlier, India – during its presidency of G20 -- has been underscoring the concerns of the Global South and is likely to use BRICS platform for raising issues impacting developing countries. Indian Prime Minister Narendra Modi, while welcoming the expansion of BRICS, said that international institutions needed to reform and adapt to the changing global situation.

Third, the West itself has been guarded regarding the expansion of BRICS. A US State Department official, while commenting on the recent expansion of BRICS, said that the country “will continue to work with our partners and allies in bilateral, regional and multilateral fora ... The US reiterates its belief that countries may choose the partners and groupings with whom they will associate.”

The decision of Indonesia to put its entry into BRICS on hold is also important. Indonesia was one of the 40 countries which had been invited to join BRICS, but Indonesian President Joko Widodo said that while he was considering membership of BRICS, he did not want to “rush into it”.

Indonesia’s stance vis-à-vis the Russia-Ukraine conflict was clearly different from the West, and it has been vocal regarding issues pertaining to the Global South. The ASEAN nation also shares robust economic relations with China. Yet, its caution vis-à-vis joining BRICS is being attributed to it not wanting to sour ties with the US. The ASEAN nation is also seeking to join OECD and entry into BRICS could prove to be a stumbling block for the same.

Limits of De-dollarization

If one were to look beyond BRICS and the criticism of the current international economic architecture, there is a clear understanding regarding the pitfalls of “de-dollarization”. In an interview on the sidelines of the B20 Summit, India’s Oil and Gas Minister Hardeep Singh Puri while commenting on the prospects of de-dollarization remarked, “I don’t know what kind of change [the dollar needs to] be affected but I don’t see it ... It’s not so easy.”

In conclusion, while it is tempting to view the expansion of BRICS purely from the prism of China’s growing influence, it is important to have a layered approach and to understand that out of the new members two countries – UAE and Saudi Arabia – have robust ties with the US. It is also important to bear in mind that while many developing countries may have strong differences with the West, anti-westernism by itself is not a strong glue for any grouping.

The author is a policy analyst and faculty member at the Jindal School of International Affairs, OP Jindal Global University, Sonapat.

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