

## **Commercial Diplomacy in the BRICS Framework: Objectives and Outcomes**

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### **Abstract:**

The article analyzes the features of the development of BRICS+ at the present stage. The main advantages of this association are identified, the problems are analyzed and its development is seen as a tool of commercial diplomacy. The purpose of this study is substantiated by the escalating influence of the BRICS nations on the global political landscape. Brazil, Russia, India, China, and the South African Republic actively participate in addressing pressing contemporary issues and contribute to the reform of the restructured global financial architecture. Notably, the BRICS states strive for economic growth and enhanced international standing among developing nations. The developing nations forming the BRICS alliance aim to ensure economic stability, countering disturbances in the global financial markets primarily originating from Europe and the United States. An overarching goal of BRICS is to address gaps in ensuring stability that established institutions such as the World Bank, International Monetary Fund, and the U.S. Federal Reserve are unable to fill. Thus, investigating the consolidation of BRICS countries amid geopolitical shifts demonstrates its paramount significance, particularly in relation to pertinent trends in global politics and economics.

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### **1. Introduction:**

In the landscape of international relations and global economics, the rise of BRICS (Brazil, Russia, India, China, and South Africa) has been nothing short of transformative. Originating as an acronym coined by Goldman Sachs economist Jim O'Neill in 2001 to represent the collective potential of these emerging economies, BRICS has evolved into a formidable alliance with significant implications for global trade, investment, and diplomacy. At the heart of BRICS' strategic agenda lies its role as a potent instrument of commercial diplomacy, leveraging economic cooperation and trade relations to advance geopolitical interests and shape the contours of the global economy (Will, 2023).

In recent years, BRICS has emerged as a linchpin of commercial diplomacy, spearheading initiatives aimed at fostering economic integration, trade liberalization, and investment facilitation among its member nations. This article embarks on a comprehensive exploration of BRICS as a tool of commercial diplomacy, delving into its origins, evolution, and impact on the international stage. By unraveling the multifaceted dimensions of BRICS' commercial diplomacy strategies, this study seeks to illuminate the intricate interplay between economic interests, diplomatic objectives, and geopolitical dynamics within the framework of this influential alliance.

The allure of BRICS as a force of commercial diplomacy stems from the collective economic prowess of its constituent members. With a combined GDP exceeding \$16 trillion and representing over 40% of the world's population, BRICS nations command substantial economic clout and wield considerable influence in global markets. Moreover, their strategic geographic locations, abundant natural resources, and burgeoning consumer markets render them indispensable players in the global economic landscape.

However, beyond the sheer magnitude of their economic heft, it is BRICS' concerted efforts to harness economic cooperation for diplomatic ends that truly underscore its significance as a catalyst of commercial diplomacy. Through a series of bilateral and multilateral agreements, trade pacts, and investment initiatives, BRICS countries have sought to deepen economic linkages, enhance market access, and promote mutual prosperity within their bloc and beyond. In doing so, they have not only expanded their trade volumes and investment flows but also reshaped the geopolitical calculus of global economic governance.

This article embarks on a journey to unravel the underlying dynamics of BRICS' commercial diplomacy endeavors, shedding light on the strategies, challenges, and implications thereof. By examining key case studies, policy frameworks, and diplomatic initiatives, we aim to elucidate the evolving role of BRICS as a driving force behind the reshaping of global economic order. From the corridors of power in Beijing to the boardrooms of São Paulo, the echoes of BRICS' economic diplomacy resonate far and wide, heralding a new era of multipolar cooperation and competition in the realm of international trade and investment.

In the pages that follow, we delve into the intricacies of BRICS' commercial diplomacy playbook, dissecting its strategic imperatives, diplomatic maneuvers, and geopolitical ramifications. By unpacking the enigma of BRICS as a tool of commercial diplomacy, we

endeavor to provide fresh insights into the shifting sands of global economic governance and the emerging contours of twenty-first-century diplomacy. Join us on this journey as we navigate the complex terrain of BRICS' economic diplomacy and uncover the untapped potential of this global economic powerhouse.

## 1. The Role of BRICS in Commercial Diplomacy

BRICS (Brazil, Russia, India, China, South Africa) is an intergovernmental informal union of countries with dynamically growing economies, founded on historical bonds of friendship, solidarity, and common interests. In recent years, the countries comprising the BRICS group (Figure 1) have continued to capture the world community's attention with their dynamic economic development, immense potential, and influential position on the global stage. Recently updated statistics provide new data underscoring the significance of this group of countries (Trivedy & Khatun, 2023).

As an introductory overview, the key stages of BRICS' evolution can be delineated as follows:

*Stage I: 1998-2009* - The emergence of the idea of creating an intergovernmental union and steps towards its realization through meetings of government representatives from Russia, China, India, and Brazil at various levels.

*Stage II: 2009-2010* - The emergence of the union and the addition of South Africa.

*Stage III: 2011-2013* - The establishment of intergovernmental interaction.

*Stage IV: 2014-2019* - The development of the intergovernmental union and the creation of new economic mechanisms in opposition to the prevailing Western model.

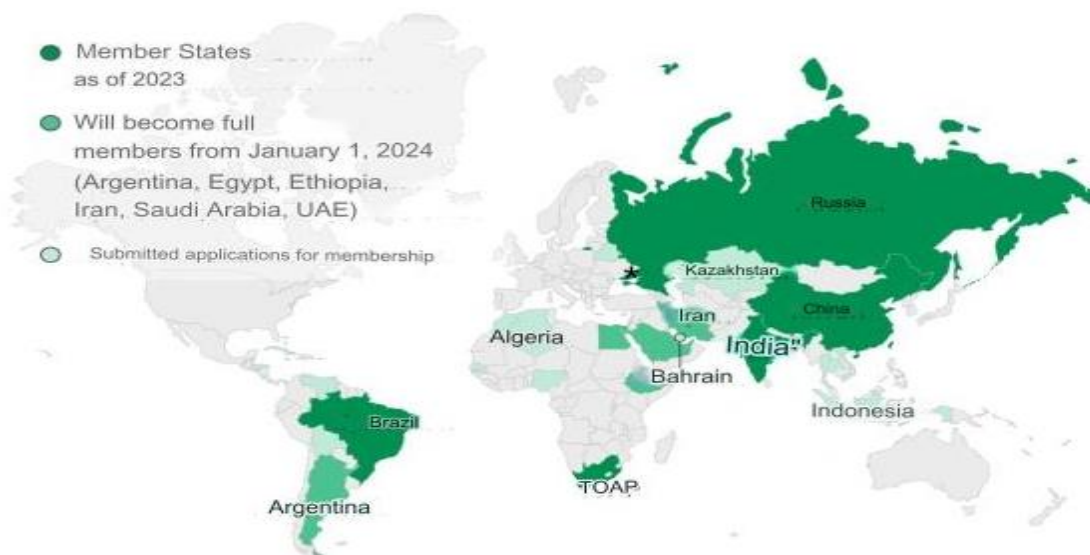
*Stage V: 2020-2023* - The strengthening of intergovernmental interaction through the approval of the BRICS Economic Partnership Strategy for the period until 2025.

*Stage VI: 2023* - The transformation of the union into BRICS+.

As highlighted by Joseph Stiglitz, an American economist and Nobel laureate in economics: "BRICS represents a significant addition to the global economy and serves as a counterbalance to the dominant role of the West. Their economic growth and geopolitical influence are expected to continue on an upward trajectory." Summers (2019) asserts that "*BRICS is a consortium of nations reshaping the global landscape. Their expanding influence in the global economy and politics prompts consideration of a changing cast of primary stakeholders. Despite disparities in interests and approaches, their role in shaping global norms and regulations is steadily gaining importance.*" In their article, Chatterjee & Naka, (2022) underscore that "*BRICS serves as the voice of developing countries in global politics and economics. Their growth and influence contribute to a more equitable complexion of the global economy. These countries demonstrate that developing economies can effectively compete with their developed counterparts.*".

The formation and development of BRICS institutions and mechanisms with the objective of consolidating the efforts of partner countries to address economic crises, coordinate responses to global economic challenges and threats. This objective highlights the significance of collaboration among BRICS nations in ensuring stability and managing economic crises. The establishment of institutions and mechanisms empowers them to efficiently coordinate their actions in response to global challenges and threats.

However, as pointed out by Babaev & Lavrov (2023) one of the primary challenges facing BRICS is the absence of a comprehensive concept for economic cooperation and a development strategy, specifically a clearly defined set of end goals and partnership parameters. One possible method for structuring the group's practical activities and creating a unified and forward-thinking plan could involve adopting the concept of a "Common Economic Space" for BRICS (CES).



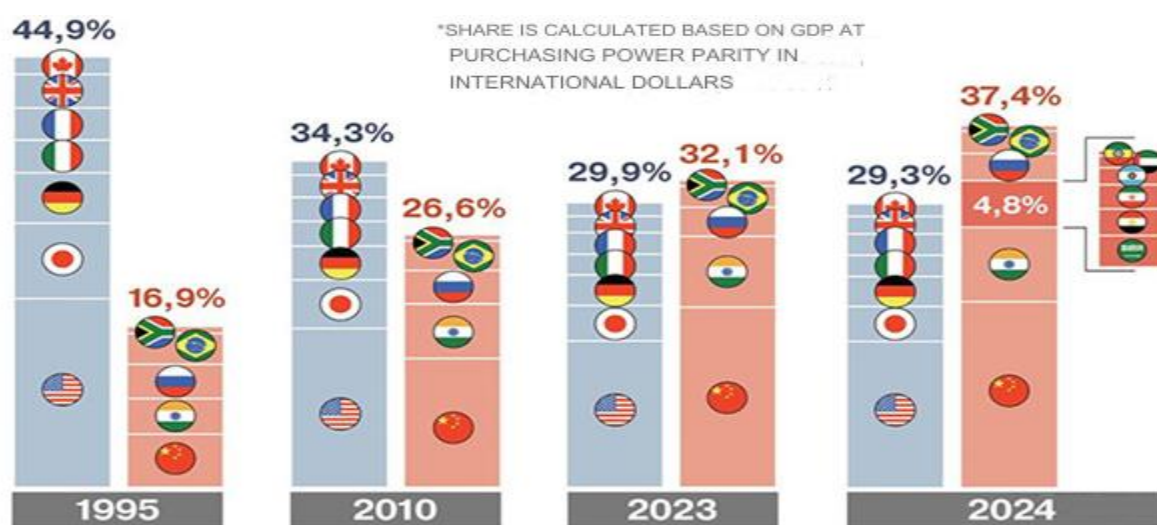
**Figure 1.** Current and future BRICS participants

*Source:* (TASS, 2023).

In 2023 on the 24th BRICS Summit in Johannesburg there were 6 countries invited to join the organization: Argentina, Egypt, Iran, Ethiopia, Saudi Arabia and the United Arab Emirate. The new membership of Iran and Saudi Arabia is not surprising because China had facilitated the deal between Saudi Arabia and Iran, China was trying to get posts on a board which was in cope, it wasn't an agreement in the making. Iran and Saudi Arabia already had some meetings before, but China seized diplomatic opportunity to be the facilitator. Both countries recognized China and now there are these three countries in the BRICS and there can be expected in the future more diplomatic initiatives coming out from the countries. There is an example of the peace proposal of Brazil on Ukraine, but also the Chinese peace proposal on Ukraine in the Ukrainian war, which was rejected by the U.S. right away. The Global South and East is expected to be independent from the North because of strong cooperation between countries. BRICS is not an anti-western alliance but it's an alternative not only for South, it is also reaching out to the East and it is Global South East alternative to the North, which is more or less represented by the G7 (Group of Seven). BRICS is not an anti-alliance against anything, but it coordinates activities economically and diplomatically. Ben Norton, a journalist and analyst whose work focuses primarily on geopolitics, international political recently made an a very interesting video in which he discussed that there are two strains inside the BRICS - Russia and China, that would like to position the alliance more as an anti-west and Brazil, South Africa and India would like it to be more neutral. Apparently, there's some internal disagreement on how and where it should go. This neutral position will probably win out especially now with Saudi Arabia and Iran on board.

The total area of the BRICS member states is an impressive 48.4 million square kilometers, which is equivalent to 32% of the total land area. This is more than twice as large as the states of the West that make up the “Group of Seven” (G7). The total population of BRICS has reached 3.6 billion people, accounting for an impressive 45% of the world's total population. This means that almost every second person on the planet lives in one of the countries of this group. The total size of their economies is approaching about 36% of world GDP (RBC, 2023), which puts them roughly on par with the combined size of G7 economies, depending on whether size is measured in GDP or PPP (Table 1).

In 2023, the foreign trade turnover of BRICS countries, including new members, reached \$12.4 trillion. This is an impressive figure that accounts for one fifth of global trade volume. Given that the World Bank's total world trade volume is \$61.08 trillion, BRICS' contribution to the world economy becomes particularly striking (Figure 2). BRICS also have significant reserves of energy and natural resources, including 45% of the world's oil reserves.



**Figure 2.** The share of BRICS+ countries in world GDP

Source: (Filatov, 2023).

The majority of countries constituting the BRICS group, including its expanded membership, also hold membership in the “Group of Twenty” (G20). It is possible that new contenders for entry into this bloc will emerge at the upcoming summit in Russia in 2024, with some of them also being members of the G20, provided that the African Union is officially accepted as a new member of the G20 in India in the near future. Enhancing representation and democratizing the governance system were significant topics on the agenda of the summit, representing a step towards reform.

**Table 1.** BRICS+ countries by GDP PPP (2023)

Country	World GDP PPP Rank per 2023 WB data	GDP PPP, \$ bn	Percentage of World GDP, %
China	1	30327	18,47

India	3	11875	7,23
Russian Federation	5	5327	3,25
Brazil	8	3837	2,34
SouthAfrica	33	953	0,58
SaudiArabia	17	2150	1,31
Egypt	18	1675	1,02
Iran	22	1601	0,98
Argentina	29	1225	0,75
UAE	34	828	0,5
Ethiopia	57	347	0,21

Source: ПРЕЗИДЕНТ (2023).

The emergence of a multipolar world, following the era of globalization, is becoming an inevitable reality. Groups such as the “G7”, where a strict hierarchy with the United States as the hegemon prevails, and BRICS, representing a collection of states with their own national interests, are becoming opposites in the context of the former unified geoeconomics. G7 strives to establish the “rules of the game”, but it faces resistance from Russia, alienates China, and loses influence not only over the three nuclear powers in BRICS but also over the entire Global South (Министерство экономического развития Российской Федерации, 2020). Global unity is becoming increasingly unrealistic. The abandonment of the post-World War II international order, based on the hegemony of the Transatlantic bloc, and the rejection of the “Western order” by BRICS countries inevitably leads to a struggle of opposites, in line with the Hegelian dialectic.

The inclusion of oil-rich countries such as Saudi Arabia, UAE, and Iran in BRICS+ expands BRICS' influence in the Middle East and strengthens its positions in reforming the financial architecture, in addition to aspects such as population size and regional presence. The entry of Argentina, Ethiopia, and Egypt (which is already a member of the New Development Bank, NDB) confirms the growing influence of this bloc on reform and development programs, adopted by them in 2009. More than twenty countries have applied for membership, and more than forty are interested in joining (Министерство экономического развития Российской Федерации, 2020). This event is significant as it demonstrates the persuasive power of BRICS' arguments in favor of a more just and equitable system of global governance, applying rules that are applicable to all, especially in the realm of global financial and economic management.

The growing trade interdependence appears to provide a fundamental basis for political statements. According to ING calculations, since 2015, the share of BRICS countries in import

volumes with new BRICS+ candidates has increased from 23% to 30%, displacing the eurozone, the United States, and other developed economies (Kommersant, 2023).

However, considering the disagreements among the BRICS countries, it is unlikely that they will be able to create a powerful military bloc capable of becoming a guiding force in the 21st century. What BRICS can hope for is significant influence, which will grow as the group institutionalizes trust and consolidates. To become a guiding force, closer alignment of ideas on global governance is necessary (Singh & Dube, 2014).

If institutional connections are established between BRICS and regional unions, such as the EAEU, the multilateral trading system will be strengthened. Technologies, especially in the areas of digital currencies and trade facilitation, are also more likely to be jointly utilized, providing BRICS – and its allies – with a much larger trade platform to rely on. This fundamentally goes beyond the framework of the Western governance system – SWIFT, sanctions, and overly influential banking policies.

It is necessary to highlight the existing problems at this stage of the historical development of BRICS countries. Initially, the main goal of BRICS was economic development. The countries were grouped together not because they could effectively integrate and create a new political bloc, but because they showed similar growth indicators. Therefore, it is not surprising that India and Brazil are now starting to show activity in their relations and trade with the United States (Единая Россия, 2023). This may also cause some rejection from Russia and China, who view the US more as a political adversary and competitor than a partner. Another complex issue is that views on BRICS+, aimed at expanding the involvement of the Global South, diverge. There are various perspectives on the proposal to include regional integration blocs such as the Eurasian Economic Union (EAEU), South Asian Association for Regional Cooperation (SAARC), Southern African Customs Union (SACU), Mercado Común del Sur (MERCOSUR), and other regional organizations.

Another complex issue revolves around differing views on BRICS+, aimed at expanding the involvement of the Global South. There are various perspectives on the proposal to include regional integration blocs such as the Eurasian Economic Union (EAEU), South Asian Association for Regional Cooperation (SAARC), South African Customs Union (SACU), Mercosur, and other regional organizations. This idea has been advocated by several Russian analysts, citing the growing cooperation between BRICS and the Shanghai Cooperation Organization (SCO); Russia, India, and China are involved in both groups (Karackattu, 2011). Although BRICS appears to be progressing faster in its quest for expansion, the SCO continues to remain an important group despite delays in the preliminary procedures for admitting new members. BRICS has not yet established rules and regulations for admission, whereas the SCO has already included countries such as Bangladesh, Uruguay, the United Arab Emirates, and Egypt, setting a precedent that could be useful for the entry of new countries. However, joining becomes more complex in the case of acceptance by blocs or regional organizations, particularly because each bloc has its own heterogeneities, tensions, and conflicts that can hinder the process and do not always follow clear lines. The recent Mercosur summit illustrates this point with the absence of the Brazilian president and observer countries (Bolivia and Chile), as well as contentious debates regarding the signing of a Free Trade Agreement between Uruguay and China, which puts into question the bloc's agreements and consensus regarding relations with other actors.

Within the BRICS bloc, a diverse picture of relationships has emerged, with China playing the role of the clear leader due to its economic weight (China's GDP exceeds the combined GDP of the other bloc members by more than twice). However, it is becoming increasingly difficult for China to remain neutral as it is forced to balance maintaining relations with Russia and preserving trade links with the "Western collective" states. Despite China's strategic partnership with Russia, the possibility of the crisis escalating to a more tense stage puts the Middle Kingdom in a difficult position. Many analysts already speculate that China may make a choice that differs from the one many anticipate.

India can be characterized as a "neutral player" that acts solely in its national interests. Surpassing China in terms of population, India acts as its antagonist by expressing opposition to Chinese infrastructure projects and asserting itself as an equal shareholder in the New Development Bank, thanks to China's agreement for equal participation in the capital, supported by the Indian government (TVBRICS, 2023).

India is striving to maintain its positions in the Latin American region and invest in key industries of several major countries in the region, despite its limited financial resources. The interaction between the government and the private sector allows India to advance its interests on the continent, strengthening its relationships, for example, with Argentina, where strategic partnership was established during the visit of the Argentine leader to India in 2019. There is concern that Argentina's engagement would make it too dependent on China and disrupt the balance of power in the group in favor of India. Despite economic constraints, the Argentine government asserts that its presence in the BRICS group would be akin to the example of South Africa, which also lacked substantial economic potential upon joining.

Russia's main allies in the region are considered to be Venezuela, Nicaragua, and Cuba, while the governments of Colombia, Costa Rica, and Chile demonstrate their alienation. Among the largest countries in the region – Argentina, Brazil, and Mexico – there is an ambiguous stance. Starting from 2022, there has been instability in their domestic policies, reflecting national interests rather than ideological preferences. Moreover, Venezuela's accession to BRICS+ could heighten tension among the member countries in their relations with the United States (cross-sanctions, political and economic destabilization, pressure in international forums), and this does not seem to be in the interests of Brazil, India, or China in the current geopolitical situation. This could also be perceived as Russia advancing its interests in the region, which the United States considers its sphere of influence.

Despite some disagreements, today BRICS is seen as an initiative close to left-wing governments. In this context, the Argentine authorities have repeatedly expressed their interest in joining this group. However, another, more important aspect remains outside the focus of discussion: for modern Argentina, access to international financial resources is extremely important in order to avoid default (the same applies to Venezuela). This, of course, is primarily about the opportunity for full BRICS members to gain access to the funds of the New Development Bank. Brazil actively supports its neighbor's desire to join the bloc and to this end, the Brazilian President was able to gain the support of his colleagues in the group to appoint ex-President Dilma Rousseff as head of the bank – this decision is aimed at strengthening the geopolitical importance of Brazil and opens up additional opportunities for it to provide guarantees to its export organizations.



Brazil, Russia, India, China and South Africa- those five countries have been getting their act together for years. They have been moving well along, and they are now a very powerful force. These five countries together have a population of over 3 billion people. That is one third of the planet's population. Those five countries have ten times the population of the United States. The total GDP, the total output of goods and services by these five BRICS countries: 23 trillion. That is interesting because it is a bigger economic footprint than the United States. Those five countries together produce a quantity of goods and services per year larger than that of the United States. In recent years, 50 percent of the economic growth achieved in this world was achieved in those five countries and by those five countries (Shonin & Minniahmetova, 2014). They are the engine of the world economy in a way that was once said of Western Europe, North America and Japan. The engine, the powerhouse, the growth mobile, all of that is moved in large part to the BRICS. And now an example of the importance of this alliance, this coalition, this block of countries referring to themselves often as emerging economies. Every one of them disagrees with the United States about the war in Ukraine. Many of these countries are now buying much more from Russia replacing the west (the United States, Western Europe and Japan) as the major customers to whom Russia looks. That of course builds and strengthens the solidarity of the BRICS. They are also developing their own international currency, their own international payments system to get around the blocking that the United States sanctions have imposed on Russia and people who trade with Russia. They are finding the solution by going around, by developing their own alternative system. This is part of the decline of U.S. capitalism of the U.S. empire and of the subordinate position of Europe and Japan in relation to that empire.

The biggest problem that the world is currently facing is terrorism. There is a need to confront the countries which support and sponsor terrorism such countries must be held accountable and a problem must be addressed in a unified manner by the BRICS countries coming together. India acknowledged the support of Russia to the BRICS counter-terrorism strategy and further reiterated India's support to it. UNSA reforms highlighted the issue of credibility and effectiveness of these institutions which are important for global governance and urged other members for their support. BRICS declaration on world war: it recognizes the victory in second worldwar as a common legacy and pays tribute to all those who fought there against faces and trying colonialism and for the liberation of the colonized or the freedom of nations and stresses the importance of preservation and inadequate. In its 12th summit recall that born out of horrors of the IIWorld War, the United Nations as a common endeavor for humanity was established to save succeeding generations from this courage of war. Since then it has helped to shape relations between the nations. All war represents the failure of diplomacy. Diplomacy among the group of BRICS is the best example to have an experiment and to face the challenges of different formats of commercial diplomacy: political exchanges, educational exchanges, business missions, ecological actions.

Thus, the prospects for the development of BRICS and BRICS+ are quite rosy from both a political and economic point of view. Thus, the rapidly growing and evolving trade partnership between China and Russia will accelerate even further in the future, given the growing use of mutual digital currencies, improving Eurasian ties and a mutual, clearly defined desire to break the perceived hegemony of Western-led international trading structures and move towards a more inclusive multilateral trade. In the future, the BRICS group will transform into an international association and strengthen the role of associations in solving global economic and political problems. The addition of six new members underscored BRICS' determination to

create a bloc of major emerging economies that would represent the interests of the developing world. In the lead-up to the summit, it was clear that the group's goals resonated with many developing countries, with nearly forty countries applying or expressing interest in joining the group. The group seeks to change global governance by increasing trade in local currencies, reforming the United Nations and International Monetary Fund to be more inclusive of the interests of developing countries, and aligning positions on global issues such as agriculture, health and sustainable development. Thus, the XV Summit Statement emphasized that while the BRICS seek to complement and reform existing international institutions that are considered not to serve their interests, they do not seek to challenge or replace existing groupings such as the G20.

### 3. Methodology

**Table 2.** Methodology

<b>Component</b>	<b>Description</b>
Introduction	The development of the proposed topic involves the study of literature on the history of the BRICS, its fundamental stages, limitations, and goals.
Literature Review	O. Eremeeva's article "Problems and prospects of integration processes between the BRICS countries, Current issues of regional economics: analysis, diagnostics, and forecasting".
	"BRICS Network Diplomacy" by S. Filatov
	"BRICS as a factor in the formation of a polycentric regime in international relations" by V. Davydov
	All possible online sources (journals, scientific research and works, articles, official websites etc.)
Object of Study	BRICS as a tool of commercial diplomacy.
Subject of Study	The role of BRICS in commercial diplomacy.
Purpose of Study	Analyze the impact of BRICS on the development of commercial diplomacy and the economy in modern conditions, as well as explore potential prospects for the development of this alliance.
Research Methods	Various general scientific research methods and techniques, including analysis, synthesis, description, comparison, and hypothesis. Table and graphical techniques are employed to present statistical data.
Structure of the Article	The article consists of an introduction, the result of the study, methodology, conclusion, and a list of references.

*Source:* Compiled by the author.

The methodology of this article on the role of BRICS in commercial diplomacy includes an analysis of the current development of the BRICS+ alliance at present. The article identifies the main advantages of this association, analyzes its problems, and examines the development of alliance as a tool of commercial diplomacy. The study is based on key terms such as BRICS, BRICS+, economic development, commercial diplomacy, problems, Global South, and prospects.

Analyzing the text, it can be observed that the article extensively discusses the features of BRICS+ development and its influence on the global arena. It mentions the identification of the main advantages of this association, based on the dynamic economic growth of member countries, as well as their influence on the global stage. Another important aspect is the consideration of alliance as a tool of commercial diplomacy, indicating the strategic use of economic relations to achieve foreign policy goals.

The text underscores the significant contribution of BRICS to the global economy and its potential role as a counterweight to the G7. Attention is drawn to the dynamic economic development of member countries, their potential, and influence on the global stage. The increasing trade interdependence among BRICS countries is also noted, laying the groundwork for political statements and strengthening their position on the world stage. The methodology adopted in this research article on analyzing the role of alliance in commercial diplomacy is quite robust and comprehensive. Employs a mixed methods approach, utilizing both qualitative and quantitative techniques to explore this multifaceted topic.

Starting with the literature review, ground the study theoretically by extensively surveying existing works from prominent academics and scholars. This includes analyses from think tanks as well as peer-reviewed journals. By engaging with prior studies, the researcher was able to identify key areas for investigation and map the current state of discourse around BRICS and its significance.

A variety of primary sources were also referred to, including official documents, statements, strategies and reports released by BRICS institutions. Relying on first-hand materials published by the alliance itself lends credibility and authenticity to the research. I was thus able to gain nuanced insights straight from the horse's mouth regarding BRICS' objectives, initiatives and achievements.

Quantitative data on crucial economic indicators featured prominently. Comprehensive statistics tracing metrics like GDP, trade volumes, investment flows, number of collaborations et al were presented logically using tables and graphs. This presentation style enhances readability and makes complex data highly comprehensible. Time-series analysis was also conducted to identify trends.

Case studies of flagship collaborations deepened understanding. Specific examples of mechanisms like the New Development Bank and trade pacts between members were examined in-depth. Such illustrations brought abstract concepts to life and showed BRICS cooperation in action on the ground.

Qualitative methods involved descriptive analysis of BRICS' evolution and operations. The strategic use of economic statecraft for diplomatic ends was unpacked clearly. Comparisons were drawn between alliance and other multilateral configurations to contextualize discussions. Perspectives from all member states added nuance.

Acknowledging internal differences among BRICS members lent balanced objectivity. Both successes and challenges faced were accorded fair coverage. Prospective elements factored in changes like the pandemic and new entrants' viewpoints.

Overall, the study fused quantitative and qualitative methodologies judiciously. No single technique was relied on in isolation. Rather, a flexible mixed methods approach synthesizing multiple tools equipped the researcher to analyze a contemporary topic as comprehensive as BRICS' role in commercial diplomacy from diverse analytical angles.

By triangulating data from academic theories and empirical sources, rigorously presenting statistics, and accounting for multiple variables, the author conducted a robust methodological analysis. Their findings provide novel interdisciplinary insights into this critical intersection of geopolitics and economics. The mixed bag of strategies ensures research rigor and enriches understanding of BRICS' multidimensional impacts. Thus, the methodology of the article is based on a detailed analysis of the current state and development prospects of BRICS+ in the context of their role in commercial diplomacy. It provides an objective representation of the impact of this association on the global order and underscores its importance as a key player in the global economy.

### 3.1 Hypotheses of the Research

The study hypotheses are as follows:

**H1:** Establishing financial institutions like the New Development Bank and working to develop alternative international payment systems helps BRICS gain more independence and leverage in global economic governance by reducing reliance on Western-dominated institutions.

**H2:** Expanding membership to include regional heavyweights like Saudi Arabia, Iran and Argentina will augment BRICS' collective power and representation of developing economies on the global stage.

**H3:** Growing trade and investment ties between BRICS and partner countries/regions like the EAEU, SCO and Africa demonstrate BRICS' potential role as a hub facilitating broader multilateral partnerships.

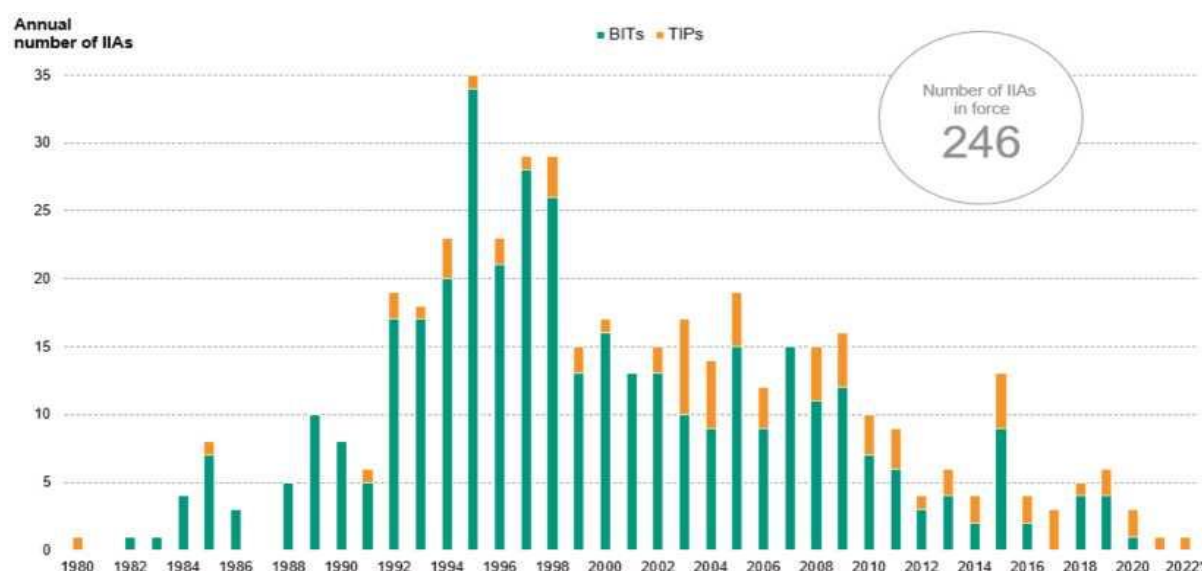
**H4:** Over time, BRICS could transition from an informal intergovernmental union to a more formalized international association or trading bloc through deepening integration of economic and diplomatic cooperation.

**H5:** BRICS plays an important role in promoting commercial diplomacy and international trade through facilitating economic cooperation and investment between member countries.

**H6:** Greater strategic alignment and coordination between BRICS members could bolster the alliance's capability to shape norms and regulations of international trade and investment.

### 3.2 Synthesis and Interpretation

*The principal investment projects within the BRICS framework:* In total, the BRICS countries have concluded 460 international investment agreements (IIAs), including bilateral investment treaties (BITs) and investment agreements with investment provisions (IAIPs).



**Figure 3.** Number of IIAs concluded by BRICS, 1980-2021

*Source:* (UN Trade & Development, n.d.).

Out of the 460 IIAs, 350 have been signed or come into effect (see Table 3), while the effect of 110 of them has effectively ceased. China has the largest network of IIAs among BRICS countries, totaling 150 IIAs (with 128 of them in effect), and the Russian Federation ranks second with 85 signed IIAs (of which 69 are in effect). India has the fewest IIAs, with only 25 signed agreements (17 of which are in effect, following the termination of a large number of older-generation IIAs). Brazil and South Africa have signed 46 and 49 IIAs, respectively, but only 17 and 19 of them, respectively, are in effect.

**Table 3.** Indicators of International Investment Agreements (IIAs) in BRICS

Economy	Total BITs (signed or entered into force)	Total DIPs (signed or entered into force)	Total IIAs (signed or entered into force)
BRICS	275(current 185)	75(current 61)	350(current246)
Brazil	27(2current)	19(15came intoforce)	46(17came intoforce)
China	125(current106)	25(22came intoforce)	150(current128)
India	10(current6)	15(11came intoforce)	25(17came intoforce)
Russia	79(63came intoforce)	6(6came intoforce)	85(current69)
SouthAfrica	38(11came intoforce)	11(current8)	49(19came intoforce)

*Source:* (UN Trade & Development, n.d.)

Investments in new projects in the BRICS countries have exhibited significant fluctuations in recent years. They commenced the decade at a high level due to the increased inflow of financial resources into new projects within the bloc following the global financial crisis. Subsequently, there was a substantial decline from 2019 to 2021, primarily attributed to the repercussions of the COVID-19 pandemic. Despite a 24% decrease in the total value of global new projects over

the course of the decade, the decline within the BRICS nations was more pronounced, particularly during the last three years (refer to Table 4).

**Table 4.** Announced New Projects of Foreign Direct Investments in BRICS Countries for the years 2011-2021 (in millions of US dollars)

	2011	2013	2015	2017	2019	2020	2021
<b>World</b>	867 464	801 886	757 772	699 077	845 921	575 069	659 426
<b>Brazil</b>	12815	7 496	5 237	3 560	4 115	5 599	6 459
<b>China</b>	46 658	24 711	62 568	26 896	29 788	23 976	15 727
<b>India</b>	25 351	18 435	14 675	17 548	24 602	8 058	14 923
<b>Russia</b>	45 405	21 448	16 740	9 643	30 814	17212	23 250
<b>SouthAfrica</b>	106 774	87 063	60 920	54 180	61 999	31 948	31 500
<b>BRICS Total</b>	237 004	159 154	160 140	111 826	151 318	86 793	91 859

Source: (Financial Times, n.d.).

However, the decrease in investments in new projects was offset by other sources of FDI inflow, such as an increase in reinvested earnings and intra-company loans, helping to maintain the overall FDI inflow to the bloc at a relatively stable level. For example, when looking at the value of announced new projects by countries in the past year, Brazil, the Russian Federation, and South Africa saw a recovery after the pandemic in 2021, with growth rates of 35%, 85%, and 15%, respectively.

#### 4. Conclusion

The role of BRICS as a tool of business diplomacy has become increasingly prominent and impactful in recent years, with significant implications for global trade, investment, and economic cooperation. Here are key conclusions drawn from the analysis of BRICS' role in business diplomacy:

- i. *Economic Powerhouse:* BRICS, comprised of Brazil, Russia, India, China, and South Africa, collectively represents a significant portion of the world's population, landmass, and economic output. As major emerging economies, BRICS countries wield substantial economic influence and play a crucial role in shaping the global business landscape.
- ii. *Trade and Investment:* BRICS serves as a platform for promoting trade and investment among its member nations and with other regions of the world. Through bilateral and

- multilateral agreements, BRICS countries facilitate the flow of goods, services, and capital, fostering economic growth and development.
- iii. *Diplomatic Cooperation:* Beyond economic interests, BRICS engages in diplomatic cooperation to address common challenges and pursue shared objectives in the realm of business and commerce. Diplomatic initiatives such as the BRICS Economic Partnership Strategy and anti-corruption efforts demonstrate the alliance's commitment to fostering a conducive environment for business and investment.
  - iv. *Strategic Partnerships:* BRICS fosters strategic partnerships with other countries, organizations, and stakeholders to enhance its influence and leverage in global business affairs. By collaborating with key players in various sectors, BRICS seeks to promote mutual interests, expand market access, and address emerging challenges in the global economy.
  - v. *Future Prospects:* Looking ahead, BRICS is poised to play an increasingly important role in shaping the future of business diplomacy. As the alliance continues to deepen its economic integration, strengthen diplomatic ties, and expand its membership, it is likely to emerge as a key driver of global economic governance and a catalyst for innovation, entrepreneurship, and sustainable development.

A key conclusion is that BRICS has emerged as a formidable force in the realm of commercial diplomacy due to the collective economic heft of its member states. With over 40% of the world's population and 26% of global GDP, BRICS wields substantial influence in international markets. It utilizes this economic strength strategically through cooperative frameworks, agreements, and coordinated actions.

By promoting trade liberalization, crafting investment deals, and facilitating credit/financing, BRICS deepens economic integration between members and partners. This expands trade volumes and fosters prosperity while also advancing diplomatic objectives. Initiatives like the BRICS Economic Partnership Strategy lay the groundwork for further cooperation.

While internal differences pose challenges, BRICS' inclusive, non-hierarchical structure and policy of openness/transparency grants it appeal as an alternative force. This helped expand membership with strategic additions that boost influence. Prospects for the alliance solidified through deepening institutionalization.

In conclusion, BRICS has emerged as a formidable force in the realm of business diplomacy, leveraging its economic strength, diplomatic cooperation, and strategic partnerships to promote prosperity and stability on the global stage. As the alliance continues to evolve and adapt to changing geopolitical dynamics and economic realities, its role as a tool of business diplomacy is expected to grow in significance, offering new opportunities and avenues for collaboration in the pursuit of shared prosperity and inclusive growth.

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