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BRICS and Its Contribution to Global Economic Stability

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ABSTRACT

This study examines the role of BRICS in international cooperation and its contribution to global economic stability. Founded to counterbalance Western financial institutions like the IMF and World Bank, BRICS provides alternative mechanisms through the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA). Grounded in constructivism and soft power diplomacy, it promotes equality, sustainable development, and South-South cooperation. Analyzing the baseline of its five founding members—Brazil, Russia, India, China, and South Africa—before its official expansion in 2024, the bloc represented 41% of the world population and over 35% of global GDP in Purchasing Power Parity (2024). Using a qualitative descriptive literature review, this research reveals that BRICS holds significant potential to shift global economic hegemony, providing an institutional counterweight and fostering economic solidarity among emerging economies.

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1. INTRODUCTION

BRICS is an intergovernmental organization that initially consisted of Brazil, Russia, India, and China. The term BRIC was first introduced by Goldman Sachs economist Jim O'Neill in 2001 to refer to countries with economies perceived to have growth potential and increasing influence in the global economy. Cooperation among these four countries subsequently evolved into a forum for political and economic cooperation, with the first summit of heads of state held in 2009. South Africa joined in 2010, changing the name from BRIC to BRICS. These five countries hold strategic positions in the global order, particularly in the fields of economics, politics, technology, and geopolitics. BRICS demonstrates that its member countries are united in championing international interests and cooperation. Furthermore, BRICS is a rapidly growing organization with plans to challenge the economic dominance of Western nations. BRICS serves as a forum and a hub for discussing various current global issues, with its members endeavoring to understand one another and collectively address global problems such as global economic challenges, sustainable development, and interstate cooperation (Mohammed, 2024:1).

BRICS holds annual summits to discuss various challenges and solutions to global issues that need to be addressed. These summits serve as a platform to endorse various regulations and work programs to be implemented by BRICS. One outcome of these summits was the establishment of the New Development Bank (NDB), operated by BRICS member countries as an alternative to the World Bank and the International Monetary Fund (IMF). The NDB has become a vehicle for developing countries to support various initiatives, such as transportation and infrastructure development, which began to be rolled out in 2015 (Saaida, 2024:16).

The existence of the NDB has become a major focus of global attention because BRICS possesses substantial economic power and has the potential to become a key pillar for global financial stability in the future. The NDB demonstrates an approach that offers developing countries the opportunity to gain voting rights in decision-making processes related to BRICS. This strategy is utilized by BRICS to build trust while facilitating future membership expansion. It is also grounded in the principle of equal partnership, regardless of the economic conditions of individual member states (Ncwadi, 2024:152).

BRICS has also established cooperation with the World Trade Organization (WTO) and reached an understanding regarding digital economic cooperation and sustainable development. Additionally, BRICS has expressed full support for supply chain stability and the backing of micro, small, and medium enterprises (MSMEs) (Alamsyah, 2023:113).

BRICS holds significant opportunities for future growth, particularly amid various controversial global issues. BRICS indicates that the decision-making process and the resolution of global affairs are beginning to shift toward new forms of interstate associations. BRICS believes that regional and international organizations can play a role in addressing international challenges. However, the international community naturally continues to consider the background of BRICS member countries. BRICS serves as a platform for member states with diverse social models and economic resources. Furthermore, BRICS possesses a distinct civilizational character compared to other regional or international organizations. Another unignorable aspect is that each member state brings its own national interests into the organization (Mulibana, 2024:2).

Although previous studies have examined the institutional role of BRICS—such as the establishment of the New Development Bank (Saaida, 2024), membership expansion (Ncwadi, 2024), and the civilizational characteristics and national interests of its members (Mulibana, 2024)—most literature remains focused on the geopolitical rivalry between BRICS and the Western block. A research gap persists regarding how the internal cooperation mechanisms of BRICS realistically transform into a pillar of global economic stability amid global crises and economic fragmentation. Therefore, the novelty of this study lies in its emphasis on the dual role of BRICS: not merely as an associative dialogue forum, but as a balancing institution that makes concrete contributions to global financial stability and supply chains for developing countries. Based on this background, the objective of this study is to analyze the role of BRICS member countries in strengthening global cooperation and to identify their tangible contributions to world economic stability. Specifically, this research is formulated to answer the primary question: What is the strategic role of BRICS in strengthening international cooperation, and to what extent do its contributions support global economic stability?

The contribution of this research encompasses two main aspects. Theoretically, this study enriches the literature on international political economy regarding the role of non-Western institutions in a multipolar financial order. Practically, the findings provide strategic insights for policymakers in developing countries on utilizing BRICS cooperation as a risk-mitigation instrument against global economic volatility.

2. RESEARCH METHOD

This study utilizes a qualitative descriptive method with a literature review approach to analyze the impact of BRICS on global economic cooperation. The research data consists of secondary data obtained from scientific journal articles, books, and academic documents relevant to the development of BRICS, international economic cooperation, global economic governance, and the role of the New Development Bank (NDB). Source selection was conducted by considering relevance, credibility, and traceability to ensure that the information used is academically accountable. Literature on BRICS and the NDB demonstrates that both aspects are vital components in discussions regarding BRICS's role in global economic governance and cooperation (Hooijmaaijers, 2022; Larionova & Shelepov, 2022; Chin, 2024).

The literature search was conducted via Google Scholar, ScienceDirect, SpringerLink, SAGE Journals, Wiley Online Library, and the databases or official websites of relevant international institutions. Prioritized literature includes publications ranging from 2020 to 2026, while still incorporating foundational earlier literature when necessary to explain the historical development of BRICS and its supporting institutions. The keywords used in the search process included "BRICS," "BRICS economic cooperation," "BRICS and global economic governance," "BRICS global economy," "New Development Bank," "BRICS financial cooperation," and "BRICS economic integration." Using these multiple keywords aimed to obtain literature covering the economic, financial, institutional, and global governance aspects related to BRICS.

The inclusion criteria for this study comprise: (1) scientific journal articles or academic books discussing BRICS, BRICS economic cooperation, global economic governance, economic integration, or the New Development Bank; (2) publications containing information relevant to the focus of this research; (3) sources that can be identified and verified through journal publishers, DOIs, or academic databases; and (4) publications in Indonesian or English. Conversely, the exclusion criteria include duplicate articles, sources lacking clear publication identity, unverifiable sources, and writings that only discuss BRICS generally without connecting to economic cooperation, finance, or BRICS's role in the global economy.

The literature selection process was carried out in stages. The first stage involved identifying sources based on the predetermined keywords. The second stage consisted of screening titles and abstracts to assess the alignment of the sources with the research focus. The third stage entailed a full-text examination of the sources that passed the screening phase. Subsequently, sources meeting all inclusion criteria were selected for analysis. Based on this process, a total of 30 literatures met the criteria and were utilized as the primary sources for this research. This selection process was conducted to ensure that the analyzed sources possessed adequate relevance and credibility.

Data analysis was performed qualitatively and descriptively through several stages: data reduction, thematic categorization, interpretation, cross-source comparison, and drawing conclusions. In the reduction stage, information not directly related to the research focus was discarded. Next, data were grouped into several main themes: the development of BRICS, economic cooperation among member states, the role of BRICS in global economic governance, the New Development Bank (NDB), economic integration, and the opportunities and challenges facing BRICS in strengthening global economic cooperation. Findings from various sources were then compared to identify similarities, differences, trends, and evolving perspectives within the literature. The results of this interpretation were used to gain a comprehensive understanding of BRICS's influence on global economic cooperation.

3. RESULTS AND DISCUSSION

3.1 The Role of BRICS in Global Cooperation: A Constructivist Perspective

The research findings indicate that BRICS functions not merely as a coalition for economic transactions, but also as a platform for the formation of a collective identity and the construction of new norms at the international level. From a constructivist perspective (Kratochwil, 1989), sustained interactions among BRICS member states have established a relationship pattern based on norms of solidarity, equality, and respect for sovereignty without interference in domestic affairs. Recent scholarship likewise emphasizes BRICS's institutionalization and its effort to shape global governance norms through collective cooperation (da Silva Bezerra, 2020; Freddy & Thomas, 2023). This partnership has successfully bridged differences in political systems and cultural backgrounds among its members, thereby transforming the perception of interstate interactions from individualistic competition into strategic collaboration (Wen, 2025).

The new norms constructed by BRICS have shifted the paradigm of traditional hierarchical global governance toward a more inclusive multipolar order (Stuenkel, 2015; Larionova & Shelepov, 2022; de Carvalho et al., 2025). Within this framework, BRICS has been able to advance its shared agendas because its members possess common understandings and fundamental values regarding the need to reform the international system into a fairer system for developing countries and the Global South.

3.2 BRICS' Contribution to Global Economic Stability through *Soft Power* Diplomacy

In the context of *soft power* diplomacy, BRICS has successfully utilized economic institutions as a primary source of attraction to strengthen international financial stability (Nye, 2004). The establishment of the *New Development Bank* (NDB) and the *Contingent Reserve Arrangement* (CRA) represents a concrete manifestation of this *soft power* diplomacy. The NDB offers an alternative approach to infrastructure financing

and sustainable development by providing equal voting rights and avoiding stringent political conditions typically imposed by traditional multilateral financial institutions (Saaida, 2024; Dai, 2025).

The appeal of the institutional flexibility and inclusiveness offered by BRICS functions as an alternative financial mechanism for developing countries amid market volatility and uncertainty in global supply chains (Ncwadi, 2024; Hofman, 2024; Voigtel, 2026). Through mechanisms for diversifying local currencies and strengthening financial infrastructure, BRICS makes a tangible contribution to crisis mitigation while supporting the long-term stability of the global economic order. Research on BRICS currencies and recent de-dollarization initiatives further highlights the financial dimension of this diversification (Kumar et al., 2024; Hananto & Astuti, 2025; El Zein et al., 2025).

3.3 Economic Development of BRICS

Economic growth in BRICS member states demonstrates a consistently positive trajectory in restructuring the global economic architecture. Based on data from the International Monetary Fund (IMF, 2024), the BRICS economies collectively recorded a real GDP growth rate of approximately 3.6% in 2024, surpassing the global average growth rate of 3.2%. Measured in terms of Purchasing Power Parity (PPP), BRICS accounted for approximately 35% of global GDP in 2024—exceeding the G7's share of approximately 30% and is projected to increase to more than 36% in 2025 (IMF World Economic Outlook, 2024; Santika, 2025).

Regarding organizational expansion, the 15th BRICS Summit, held in Johannesburg, South Africa, in August 2023, marked a significant historical milestone. Following strong interest from more than 40 developing countries, BRICS officially extended membership invitations to six countries: Saudi Arabia, Argentina, Ethiopia, Iran, Egypt, and the United Arab Emirates (UAE). Based on the official accession date of January 1, 2024, five of the invited countries Saudi Arabia, Ethiopia, Iran, Egypt, and the UAE officially joined as full members, while Argentina withdrew from the invitation under its new administration (Ogwu, 2025:4).

Prior to this membership expansion, the five founding member states (Brazil, Russia, India, China, and South Africa) had already represented a significant share of the global constellation, accounting for approximately 26% of the world's land area, 41% of the global population, and nearly 18% of total global trade in goods and services (Prasetyantoko, 2023). The integration of the new member states has further strengthened BRICS' share of global energy resources, trade routes, and total global economic output, although empirical studies caution that the scale of this change should be assessed across multiple economic and trade indicators (Cochrane & Zaidan, 2024; de Carvalho et al., 2025).

BRICS is widely regarded as a driving force toward a multipolar global financial system aimed at balancing the long-standing dominance of the United States and the Western-led international order. Contrary to misinterpretations concerning short-term surges in GDP growth during periods of crisis, such as in 2020, the long-term impact of BRICS lies in the increasing share of global GDP (PPP), which rose from approximately 20% in 2000 to more than 31% in 2020. This trend contrasts with the decline in the G7's share from more than 43% to approximately 31% over the same period (Priangani, 2025). This sustained macroeconomic shift provides a strategic alternative for developing countries seeking resilience against global economic shocks and financial volatility.

Furthermore, BRICS exerts a profound influence on the internal dynamics of international political economy. This emerging bloc serves as a structural backbone for transforming a unipolar financial system which has historically relied heavily on U.S. hegemony and Western-centered institutions such as the IMF and the World Bank into a more equitable multipolar framework (Yan, 2024:5). By promoting economic cooperation without adopting a confrontational Cold War mentality, BRICS emphasizes sovereign equality, the principle of non-intervention, and a balanced distribution of power in global governance (Yan, 2024:6; Freddy & Thomas, 2023; de Carvalho et al., 2025).

In practice, BRICS plays a central role in modern economic diplomacy through concrete financial mechanisms. The establishment and operation of the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA) alongside initiatives promoting cross-border trade settlements in local currencies provide practical instruments for member states and developing countries to achieve greater financial independence. Through enhanced trade facilitation and investment collaboration, BRICS economic diplomacy provides sustained momentum for balanced development and global macroeconomic stability (Putri, 2023; Tan & Shi, 2026).

3.4 BRICS cooperation in the Global Economy

Jim O'Neill argues that by 2050, BRICS has the potential to become a major force shaping the global economic landscape. Amid increasingly intense market competition, BRICS continues to expand its network of cooperation with both developed and developing countries. At present, BRICS is actively engaged in various forms of international political and economic cooperation to advance the collective interests of the Global

South and strengthen its influence in addressing global challenges. With aligned visions and objectives, BRICS has become one of the focal points in global decision-making processes, particularly through its contributions to peacekeeping, counterterrorism initiatives, and efforts to promote reform within the United Nations (UN) (Putri, 2023).

One of the major milestones in cooperation among BRICS member states is the establishment of the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). The establishment of the NDB and CRA represents a concrete commitment to financial independence, particularly in addressing development challenges faced by the international community. As stipulated in the Articles of Agreement of the NDB, the institution was established to address the urgent need for dedicated funding for public infrastructure development and sustainable projects in developing countries. Through the NDB, BRICS seeks to make a tangible contribution to reforming the global financial architecture by introducing more inclusive principles of governance (Filho, 2024:2).

The operation of the NDB is inevitably associated with significant financial risks, particularly amid global liquidity uncertainty. As a precautionary measure, BRICS established the Contingent Reserve Arrangement (CRA) to strengthen the global financial safety net and safeguard the NDB's operational stability against potential liquidity crises. The CRA functions as a collective financial defense mechanism through a total combined reserve commitment of US\$100 billion. The contributions from each member state are allocated proportionally: China contributes US\$41 billion; Brazil, Russia, and India each contribute US\$18 billion; while South Africa contributes US\$5 billion (Filho, 2024:2).

The NDB offers a different approach from conventional multilateral financial institutions such as the IMF and the World Bank. Comparative research characterizes the NDB as an institutional innovation that expands development-financing options while remaining embedded in the broader multilateral financial architecture (Duggan et al., 2022; Hofman, 2024). The NDB emphasizes principles of openness, efficiency, and innovation tailored to the needs of developing countries. Because it was established by emerging markets themselves, the NDB possesses a stronger empirical understanding of how to formulate targeted financing frameworks without imposing stringent political conditions (Marques, 2024:3).

In general, BRICS member states are categorized as emerging markets—developing economies that are increasingly integrated into global markets. Among its members, China and India have demonstrated the most notable growth performance. China currently ranks as the world's second-largest economy, with a GDP exceeding that of Germany and Japan and reaching approximately 75% of the total GDP of the United States. Meanwhile, India is projected to become the world's third-largest economy by the end of this decade (O'Neill, 2023).

Although China and India are the primary drivers of BRICS growth, other members such as Brazil and Russia continue to make important contributions to the commodity and energy sectors, despite fluctuations in their shares of global GDP compared with the early 2000s. Meanwhile, South Africa—which joined in 2010—faces domestic dynamics that have resulted in its economic position within the regional context being overtaken by neighboring countries such as Nigeria (Junior, 2024:2). This disparity in internal contributions is also evident within the G7, where the United States serves as the primary driver, dominating the economic output of the other members (Junior, 2024:4).

Considering these internal disparities and the complexity of current global challenges, Jim O'Neill, in a Chatham House report, emphasizes that neither BRICS nor the G7 can resolve systemic global crises in isolation. The world requires a revitalization of more inclusive multilateral forums such as the G20, which brings together representation from both blocs to address issues including financial stability, free trade, climate change, and pandemic preparedness through collaborative efforts (O'Neill, 2023).

To maximize its impact on global economic stability, BRICS needs to maintain the intensity and coherence of its internal cooperation despite differences in national interests and domestic challenges among its members. With China and Russia holding permanent seats on the UN Security Council, BRICS possesses substantial political leverage to promote a more democratic, equitable, and balanced global governance system (Ayoub, 2024:3).

3.5 The Contribution of BRICS in the Global Economic Arena

BRICS is a multilateral cooperation forum that initially consisted of five countries, namely Brazil, Russia, India, China, and South Africa, which are generally categorized as Emerging Market Economies (EMEs), or countries with emerging market economies. The emergence of BRICS, along with its various new ideas and principles, has strengthened the position of developing countries in global economic governance. This development has been further reinforced through the establishment of the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA), which are regarded as alternative instruments within the international financial system. Prior to the establishment of BRICS, developing countries largely relied on two international financial institutions, namely the World Bank and the International Monetary Fund (IMF), as major references for development financing and financial stability. During this period, various policies

implemented by these institutions were closely associated with the Washington Consensus, a set of economic policy recommendations emphasizing liberalization, privatization, and fiscal discipline. In practice, this approach subsequently attracted criticism because it was considered not to have fully produced the expected development outcomes in a number of developing countries.

These criticisms were, among other things, related to the conditions and policy reforms that often accompanied lending to developing countries. In some cases, borrowing countries were required to implement various economic policy adjustments stipulated by lending institutions. This situation generated debate regarding the compatibility of such policies with the needs and economic characteristics of developing countries. Habib (2016) identifies differences in per capita GDP growth performance between the period preceding and the period during which policies associated with the Washington Consensus were implemented. During 1961–1980, per capita GDP growth was recorded at approximately 3.2% per year, whereas during 1981–1999, growth was approximately 0.7% per year. In addition, the IMF's governance structure gives considerable influence to countries with large quotas and high voting power, including the United States. This position provides the United States with significant influence over IMF decision-making processes, particularly decisions requiring special voting majorities.

This condition has become one of the sources of criticism from developing countries regarding the governance of international financial institutions. Imbalances in the distribution of voting power are considered capable of affecting the degree of representation of developing countries in decision-making processes. In the context of the IMF, a country's influence is determined not only by its formal status as a holder of veto power, but also by the size of its quota and voting power, as well as the voting-majority mechanisms applicable to different types of decisions. Therefore, the influence of the United States within the IMF should be understood in the context of its governance structure and distribution of voting power, rather than through the claim that the United States either has or no longer has an absolute veto power (Habib, 2016).

Within this context, BRICS can be viewed as one form of response by developing countries to an international economic and financial governance structure that is considered not yet fully representative of the interests of developing countries. The establishment of BRICS demonstrates efforts to strengthen South-South Cooperation and promote the diversification of international development financing mechanisms. Recent research finds that BRICS Plus can also generate measurable development effects through trade, investment, and expanded financing channels, although these effects vary across countries and regions (Banik & Mawdsley, 2023; Tan & Shi, 2026). One of BRICS' important contributions is the establishment of the New Development Bank (NDB) as an alternative mechanism for providing financing for infrastructure and sustainable development. Thus, the NDB can be regarded as a concrete manifestation of BRICS cooperation in strengthening the role of developing countries within the international financial system. BRICS also possesses substantial economic and demographic weight in the global economy. In 2023, BRICS member states were estimated to account for approximately 32.1% of global GDP.

The nominal GDP of BRICS countries has also shown significant long-term growth. According to data cited by CNBC Indonesia (2023), BRICS' economic contribution has expanded considerably since the mid-1990s. This development demonstrates the increasingly significant economic weight of BRICS in the global economy. Nevertheless, recent empirical work suggests that the implications of BRICS expansion should be evaluated carefully rather than treated as automatic evidence of a wholesale transformation of the global order (Cochrane & Zaidan, 2024). Compared with advanced economic groupings such as the G7, the growing economic contribution of BRICS indicates a shift in the distribution of global economic power. However, comparisons between BRICS and the G7 should be made with caution because the two groupings differ in terms of membership characteristics, economic structures, and levels of development (CNBC Indonesia, 2023).

Since the first BRICS Summit in June 2009 and the first political dialogue in September 2006, BRICS has generated a number of cooperation initiatives. Among its important achievements are the establishment of the Contingent Reserve Arrangement (CRA) and the New Development Bank (NDB). Both institutions were established within a relatively short period following the intensification of BRICS cooperation and demonstrate significant institutional development (Quintella, 2024:749).

As noted by a number of analysts, the establishment of the BRICS NDB represents an important milestone in the development of cooperation within the group and demonstrates the strengthening of BRICS' institutional capacity in development financing. Some observers regard the NDB as a response to the structure of the Bretton Woods system that developed after World War II. Nevertheless, the objectives of the NDB also include strengthening South-South cooperation and addressing the development needs of developing countries through infrastructure and sustainable development financing. Therefore, the NDB should not be viewed solely as a competitor to Bretton Woods institutions, but can also be understood as an institution that complements and expands development financing options within the international financial system (Gong, 2023:5).

The NDB actively mobilizes and disburses funds for various infrastructure and sustainable development projects. The institutional development of the NDB is reflected in the operation of its governance structures, including the Board of Directors and the Board of Governors, as well as the appointment of its first President. The founding BRICS countries have also obtained NDB financing for various projects, including renewable energy projects. In addition, the NDB has developed financing instruments through bond issuance and sought to strengthen its access to international financial markets. Studies of NDB projects and governance similarly emphasize its role in expanding development-financing channels and South-South cooperation (Daldegan & Borba, 2023; Hofman, 2024). These developments indicate that the NDB is assuming an increasingly important position in supporting development financing and expanding alternative sources of funding for developing countries (Gong, 2023:5).

Over the past two decades, trade among BRICS countries has increased significantly. Although global trade as a whole has experienced various fluctuations, trade volumes among BRICS countries demonstrated positive development during the 2008–2016 period. The growth of trade and investment has contributed to strengthening economic connectivity both among BRICS countries and between BRICS and other developing countries. If investment in BRICS countries continues to increase, the group's contribution to global economic growth through 2030 could become increasingly significant. Higher growth in BRICS countries, particularly Emerging Market and Developing Countries (EMDCs), can contribute to the expansion of global economic activity. In addition, increased BRICS economic cooperation has the potential to support efforts to reduce global poverty and inequality. However, achieving these objectives requires BRICS to further strengthen its cooperation and institutional capacity (Andrew, 2023:4).

BRICS initiatives in supporting various international development objectives have considerable potential. In addition to the role of trade and investment in promoting economic growth, BRICS development cooperation and various initiatives aimed at strengthening the global economic system to make it more responsive to the needs of EMDCs can constitute important elements of BRICS' contribution to international development. Thus, BRICS' contribution should not be assessed solely in terms of the growth of its economic size, but also through its ability to build financial institutions, expand development cooperation, and provide alternative financing mechanisms for developing countries (Andrew, 2023:5).

There are opportunities for BRICS to undertake new measures that can further support sustainable growth and development, particularly as its economic influence increases and its economic ties with other EMDCs become stronger. Strengthening these economic relationships could create opportunities to expand the use of alternative financial instruments and increase diversification within the international financial system. Through measurable policies and stronger coordination among its member states, BRICS has the potential to promote more inclusive, equitable, and sustainable economic growth. Therefore, BRICS' contribution to the global economic arena can be understood not only through its share of global GDP and trade, but also through the development of financial institutions, the strengthening of South-South cooperation, and efforts to expand policy and financing options for developing countries (Humpe, 2024:1).

4. CONCLUSION

The research findings indicate that BRICS has made a meaningful contribution to the global economic arena, particularly through the development of alternative mechanisms for financial cooperation and development financing. The establishment of the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA) represents an important institutional development within BRICS and demonstrates the group's efforts to strengthen the participation of emerging market economies and developing countries in the international economic and financial system. These initiatives do not indicate that BRICS has replaced existing international financial institutions; rather, they provide additional mechanisms for developing countries to access development financing and strengthen financial cooperation.

The establishment and development of the NDB represent an important aspect of the diversification of international development financing. As a multilateral development bank established by BRICS countries, the NDB was created to mobilize resources for infrastructure and sustainable development projects in emerging market economies and developing countries. Developments within the NDB following its establishment indicate that the institution has expanded beyond its initial membership. By the end of 2024, the NDB had approved 120 projects with cumulative financing of approximately USD 39.0 billion and had expanded its membership beyond the five founding countries. These developments demonstrate the NDB's growing relevance within the multilateral development financing landscape (New Development Bank, 2025).

However, the research findings do not support the conclusion that BRICS has replaced the World Bank or the International Monetary Fund (IMF), nor that the emergence of the NDB has eliminated the influence of these institutions within the international financial system. Instead, the synthesis of the literature indicates that BRICS contributes to the diversification of international financial governance by providing additional institutional channels for development financing and South-South cooperation. Therefore, the NDB

is more appropriately understood as a complementary alternative within the existing multilateral financial architecture, rather than as a direct replacement for the Bretton Woods institutions.

The research findings also indicate that BRICS contributes to strengthening South-South cooperation by providing greater opportunities for emerging market economies and developing countries to participate in development financing and international economic cooperation. The increasing use of local-currency financing by the NDB further demonstrates its efforts to adapt financing instruments to the financial conditions and needs of its member countries. In 2024, 43.5% of NDB-approved financing was denominated in the currencies of its member countries, particularly the South African rand and the Chinese renminbi. This development demonstrates efforts to diversify financing instruments and reduce dependence on a single international currency. However, this condition cannot yet be interpreted as evidence that BRICS has established a comprehensive alternative global financial system (New Development Bank, 2025).

Regarding the existing international financial system, the research findings indicate that the influence of the United States within the IMF remains significant due to its substantial share of voting power. According to IMF data, the United States holds approximately 16.49% of the total voting power. Under the IMF's decision-making mechanism, certain major decisions require approval representing 85% of the total voting power. Therefore, the position of the United States provides significant institutional influence over certain types of decisions within the IMF. Accordingly, this study does not conclude that the United States has lost its veto power or that BRICS has displaced the international financial system from U.S. influence. Rather, the emergence of BRICS is more appropriately understood as a factor contributing to the diversification of the institutional environment of the global economy, in which developing countries have additional mechanisms for cooperation and development financing (International Monetary Fund, 2026).

Furthermore, the development of BRICS should not be understood solely as a process of replacing institutions led by Western countries. The research synthesis indicates that BRICS contributes to the transformation of global economic governance through the expansion of institutional alternatives, the strengthening of South-South cooperation, and increased participation of emerging market economies and developing countries. The NDB provides empirical evidence of this institutional development through the expansion of its financing portfolio, the enlargement of its membership, and the increasing use of local-currency financing (New Development Bank, 2025).

Overall, BRICS' role in the global economic arena can be understood as an increasingly significant and evolving contribution to the diversification of global economic and financial governance. This contribution is demonstrated not primarily through the replacement of the World Bank, IMF, or other existing international institutions, but through the creation of additional mechanisms and institutional space for developing countries. This interpretation is consistent with recent scholarship describing BRICS institutions as parallel or complementary mechanisms that can gradually widen policy space without immediately displacing established institutions (Duggan et al., 2022; de Carvalho et al., 2025; Voigtel, 2026). The research findings indicate that BRICS' future significance will depend on its ability to maintain internal cooperation, strengthen institutional capacity, expand development financing, and establish effective coordination with other international institutions. Recent research on BRICS expansion and South-South cooperation likewise identifies internal divergence and institutional capacity as important constraints on the bloc's transformative potential (de Carvalho et al., 2025; Tan & Shi, 2026). Thus, BRICS can be understood as an increasingly important component in the emergence of a more pluralistic global economic order, rather than as a replacement for the entire existing international financial system.

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