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ECONOMIC POWER OF THE BRICS COUNTRIES AND PROSPECTS FOR THE FORMATION OF A MULTIPOLAR WORLD

The expansion of the BRICS group in January 2024 through the accession of five new member countries (Saudi Arabia, Ethiopia, the United Arab Emirates, Egypt and the Islamic Republic of Iran) led to the intensification of academic and expert discussions on the issue of changes in the comparative economic power of countries blocs representing economically developed states, on the one hand, and countries with developing and transition economies, on the other. The fact that, in terms of the total gross domestic product (GDP), the BRICS countries after the expansion are ahead of the G7 countries, is rightfully considered as a landmark event in the world economy and politics. At the same time, the consequences of the BRICS expansion in terms of the possibilities of using the economic potential of the group members to influence global processes are more complex, and cannot be described by simply summing up the GDP indicators of the participating countries.

On the one hand, the total GDP of the group of countries as a measure of economic power has meaningful meaning only in a limited number of cases, which is determined by the very specifics of national GDP indicators. Firstly, they

characterize the comparative sizes of economies, which determine the volume of national markets and the ability to withstand negative external pressure (in the form of trade wars, economic sanctions, etc.). Secondly, GDP provides an indication of the amount of resources that can be used to achieve foreign policy, defense and security goals. As a consequence, summing up country GDP indicators makes sense only for those international groupings that together form a single market, the scale of which may be attractive to potential partners, and are able to formulate common goals in the field of international politics, defense and security, to achieve which they allocate resources together. It is obvious that the BRICS group does not yet satisfy any of these conditions.

On the other hand, national GDP indicators of countries occupying leading positions in international groupings and their potential allies from among the member countries of the corresponding groupings are of great importance for assessing the prospects for forming the economic base of the emerging multipolar international order. In this regard, however, the most informative are not GDP indicators converted into US dollars at the current exchange rate of national currencies (fluctuations of which can cause significant “jumps” in GDP even if the physical volumes of national production remain unchanged), but GDP indicators at purchasing power parity (PPP) of national currencies that provide the most objective measurement of the volume of economic resources in national economies, as well as in their associations that meet the criteria described in the previous paragraph. It is GDP indicators based on PPP that should be used when comparing the economic power of countries that claim to participate in the formation of a new economic and political world order.

In fact, a comparison of the size of the economies of the leading countries of the world calculated using the two specified methods, demonstrates cardinal differences. When calculated at current exchange rates, US GDP in 2022 was more than 1.4 times that of China, and was also higher (albeit by a fraction of a percent) than the total GDP of all other eight countries in the world's ten largest

economies (Germany, Japan, India, Great Britain, France, Russia, Canada, Italy). On the contrary, when calculated using purchasing power parity, China's GDP already surpassed that of the United States in 2016, and in 2022, China's share of the global economy was almost 3 percentage points higher than that of the United States (18.4% compared to 15.5%). At the same time, neither Canada nor Italy (G7 countries) are in the top ten largest economies in the world, but representatives of the developing world – Indonesia (one of the most likely candidates for joining BRICS during the next waves of expansion) and Brazil (one of the founding countries of BRICS) are in 7-8 places in this top.

Additional information about the comparative economic power of participants in international interaction can be obtained by taking into account in international comparisons the summary measures of international integration associations, which in accordance with the criteria formulated above, together constitute a single market and are capable of formulating common goals in the field of international politics, defense and security. Such associations include, in particular, the Eurasian Economic Union (EAEU), the European Union (EU), ASEAN and MERCOSUR, but do not include country groupings that are based on free trade agreements and do not have common priorities in the field of foreign policy and security (such as USMCA, Comprehensive and Progressive Trans-Pacific Partnership, etc.). In order to ensure completeness of the comparisons, it is also necessary to take into account the fact that commonly international statistics list China's GDP without taking into account Hong Kong and Macau, gross regional product of which, however, meaningfully represents an integral part of the economic potential of the country ("Greater China").

Therewith, the ten largest subjects of the world economy are as follows. The undisputed first place belongs to Greater China (18.8% of global GDP), followed, with a noticeable distance, by the USA and the EU with 15.5% and 14.9% of global GDP, respectively. In fact, these three international subjects form the "cluster of leaders" of the world economy. Its closest pursuers are India and the

ASEAN bloc (“cluster of pursuers”), whose share in the world GDP from 2001 to 2022 increased respectively from 4.1% to 7.3% and from 4.9% to 6.3%.

The third cluster of subjects included in the ten largest economies in the world is quite heterogeneous. Firstly, it includes developed economies that in the period 2001–2022 experienced a decline in their share of global GDP, namely Japan (from 6.7% to 3.8%) and the UK (from 3.2% to 2.3%). Secondly, it includes two integration blocs of countries with developing and transition economies, whose positions during the period under study were in one way or another subject to erosion or stagnation, namely MERCOSUR (decrease from 4.0% to 3.2%) and the EAEU (decrease from 3.6% to 3.5%; data for 2001 are taken for the countries that were members of the studied associations in 2022). Finally, the top ten is closed by Turkey, which for 2001–2022. increased its share in the world economy from 1.3% to 2.1%.

The comparisons made allow us to draw a number of important conclusions regarding the economic prerequisites for the participation of leading countries with developing and transition economies in the formation of a new economic and political world order.

Firstly, today none of the relevant countries (including Greater China) and their integration groupings are able to secure an advantage over the coalition of economically developed countries (USA, EU, Japan, UK) without forming their own coalitions united by the tasks of reforming the existing world order. In this sense, the BRICS group (with the addition of new member countries and potential future rounds of expansion) represents a key platform for the formation of such coalitions.

Secondly, ASEAN and the states included in this bloc can be considered among the key potential partners of the BRICS countries in the future. The strong growth of the share of ASEAN countries in the world economy and their active role in shaping the global agenda of international cooperation and regulation give reason to expect that their positions will continue to strengthen, enhancing the

potential for cooperation with them. In this regard, the possibility of including countries such as Indonesia and Vietnam in BRICS should be considered as a priority when planning the next expansion of the BRICS membership.

Finally, the issue of the economic power of the Russian Federation as a factor of its participation in the formation of a new multipolar world order deserves priority attention. In 2022, the Russian Federation produced 2.9% of global GDP, the EAEU as a whole – 3.5%, which corresponds to the third cluster of leading international entities. In turn, the combined economic power of the leading subjects confronting the Russian Federation during the current geopolitical crisis (USA, EU, Japan and UK), despite a noticeable decline over recent decades (from 50.1% of GDP at PPP in 2001 to 36.5% in 2022), is an order of magnitude greater than the Russian one. Despite this, the Russian economy has been successfully withstanding sanctions pressure for more than 10 years, which over the past two years has reached unprecedented proportions. The main reasons for this situation, which is paradoxical for many Western observers (“David defeats Goliath”), is the successful mobilization of economic resources for defense and security purposes, as well as the creation of incentives for economic entities to be actively involved in solving nationally significant problems. At the same time, no matter how significant the country’s internal resources are, for the successful solution of strategic tasks of ensuring its national interests (including in relation to the issues of transforming the existing world order), its participation in coalitions with leading countries and regional associations of countries of the developing world becomes critically important in the medium and long term. The BRICS group is intended to be the main platform for the formation of such coalitions, and the Russian presidency therein in 2024 should give new impetus to its transformation into an effective instrument for ensuring effective representation of the interests of countries with developing and transition economies on the world stage.