

# HMUN 2025

**Guaranteeing economic independence for member states from other nations**

**BRICS**

**Sudarshan Padmakumar**

**Deputy President**



**Forum:** Brazil, Russia, India, China, South Africa

**Issue:** Guaranteeing economic independence for member states from other nations

**Name:** Sudarshan Padmakumar

**Position:** Deputy President

## Introduction

The pursuit of economic independence has long been a critical objective, especially for nations striving to maintain their own sovereignty and tenacity in an ever increasingly interconnected world. For BRICS member states, Brazil, Russia, India, China, South Africa, Iran, Egypt, Ethiopia, and the United Arab Emirates, this goal has been particularly significant. Despite the economic diversity each member state inhabits, all these nations face similar challenges rooted in global power imbalances, trade dependencies, and the clear dominance of Western-led financial systems. Albeit this focus may seem relatively simple, pivoting solely around each member's state economic strategies, external affairs such as the influence of foreign powerhouses, for example, the United States and European Union, and their specific policies all combine to add a deep complexity in achieving this independence.

This situation is further complicated by the diverse economic systems of BRICS Nations, subsequently leading to varying and conflicting priorities. Additionally, the unique cultural and political landscapes encompassed by each individual member state influence and impact their economic decisions, emphasizing the need for cooperation in a time of distress. Global crises, such as supply chain reactions and energy shortages, have subsequently intensified these issues, highlighting the imperative nature of relying more on each other and member states than external factors.

This report will discuss and provide historical context on current challenges and possible solutions regarding this issue. Ultimately, it is up to the member states to acknowledge the situation at hand, contributing effectively and cooperatively efficiently to fulfill this goal, ensuring the guarantee of economic independence for member states of BRICS from other nations.

## Definition of Key Terms

### Economic Dependency

*“Economic dependency occurs when a country's economy relies heavily on another country for trade, investment, or financial support, making it vulnerable to external economic fluctuations.”*

(“Economic Dependency - (AP Human Geography) - Vocab, Definition, Explanations | Fiveable”)

### Economic Independence

The ability of a nation to sustain its economic needs without excessive reliance on external actors.

### Sovereignty

The authority of a nation to govern itself without external interference, especially in economic matters.

### Trade Deficits/Surpluses

The balance of a country's imports and exports.

### Globalization

The increasing interconnectedness of global economies impacts trade and investment flows.

### Sanctions and Trade Restrictions

Tools used by nations to exert economic pressure on others, affecting independence.

### BRICS New Development Bank (NDB)

A financial institution aimed at supporting development and reducing reliance on Western-dominated systems like the IMF and World Bank.

### Bilateral/Multilateral Trade Agreements

Agreements between countries allow for trade, often focusing on reducing external dependence.

### **Shanghai Cooperation Organization (SCO)**

A regional bloc that includes some BRICS members, focusing on political and economic collaboration.

### **Export-Oriented Growth**

Policies focusing on boosting exports to grow an economy.

### **Economic Diversification**

Expanding an economy to reduce reliance on a single sector or trade partner.

### **Import Substitution**

Strategies to replace foreign imports with domestically produced goods.

## **General Overview**

### **Context**

BRICS countries, including Brazil, Russia, India, China, and South Africa, have had a very intricate journey to complete economic independence, influenced vastly by different historical events, modern globalization, and specific geopolitical situations. These can first be traced back to the post-Cold War era when globalization started to develop emerging economies but also increased their dependencies on Western-led financial systems and trade networks. These nations, representing large regional and global economic influence, struggled to face the challenging dominance of Western institutions like the International Monetary Fund, the World Bank, and the U.S. dollar. Over time, this group came together into a bloc that was formerly known as BRICS in pursuit of collective strategies toward economic resilience and sovereignty.

The early 2000s were the years of phenomenal economic growth for Brazil, Russia, India, and China, commonly referred to as BRIC. Their growing influence naturally generated debate on the need for a platform of shared interests. But this was also a time when various vulnerabilities were brought forward, located primarily in external dependencies; many BRICS countries relied on their exports to Western markets or foreign technology for industrial and economic growth. The 2008 global financial crisis was a "wake-up call" for these several nations, as it showed them how fragile a global economy with dominance by the West really was. The crisis had long-lasting effects on such

emerging economies, expressing the need for different systems that could ensure safety from external influences.

### A Unique initiative

An important milestone came around in 2014 when BRICS formally established the New Development Bank (NDB). The NDB was designed to serve as an alternative to the Western-dominated financial institutions that had given, or would give, infrastructure and development financing without some of the strict conditions from the IMF or World Bank. This

initiative is the commitment by the bloc to reduce reliance on traditional financial systems and enhance South-South cooperation. At about the same time, BRICS nations started this de-dollarization drive to weaken the hold of the U.S. dollar in world trade. By promoting trade in local currencies and developing their financial systems, BRICS sought to build greater economic sovereignty.

### Multinational Cooperation

The general time period from 2015 to 2019 saw the bloc shift focus to enhancing trade cooperation, addressing and acknowledging the various imbalances, and “diversifying” their economies. However, the COVID-19 pandemic in 2020 brought many unforeseen challenges that further emphasized the urgency of economic independence. Global supply chains were severely disrupted and damaged, highlighting how over-reliance on external suppliers for essential goods, such as medical equipment and technology components, could, in fact, fatally destabilize economies. The BRICS nations took to the priority of supply chain strength and higher investments in domestic production. For example, India initiated the "Make in India" program to promote local manufacturing, while China accelerated efforts to decrease dependency on Western technologies by expanding its semiconductor industry.

### Pandemic

The pandemic also brought forth the importance of energy security and personal/national resources. Russia, being one of the largest energy exporters, utilized its vast reserves to leverage up its economic position, while Brazil expanded its agricultural exports to ensure food security within the bloc. Simultaneously, countries like India and South Africa began to take up renewable energy projects seriously to reduce dependence on fossil fuels. These efforts illustrate a larger trend within BRICS to develop sustainable and self-reliant economic models.

### Trade gaps:

The geopolitical changes of the past few years have created a new urgency to the BRICS goal. A U.S.-China trade war, initiated in 2018, disrupted markets worldwide and gave China cause to accelerate its drive for technological dominion. Meanwhile, Western sanctions against Russia after the Ukraine conflict in 2022 highlighted how geopolitical rivalries could indeed be weaponized against economic vulnerabilities/weaknesses. These events reinforced the need for BRICS to create alternative tools that would protect their economies from external pressures. Simultaneously, global

inflation, rising energy prices, and supply chain disruptions have further highlighted the imperative of collective action among the BRICS nations. The annual BRICS summits have turned out to be key platforms for discussing strategies to enhance economic independence. Discussion topics have covered areas such as intra-BRICS trade expansion, shared technological innovation, and enhanced cooperation in diverse sectors, including renewable energy and infrastructure. BRICS has also considered introducing a single digital currency and enhanced the authority of the New Development Bank. In fact, these summits have tried to align the diversified economic interests of the member countries despite their internal rivalries, for example, tensions between India and China borders or even competition for regional influence.

The broader timeline shows how BRICS transformed from a mere concept of shared economic growth in the early 2000s into a strategic bloc with clear goals of reducing Western influence in global systems. Though this path toward economic independence has its many difficulties, including trade imbalances, technological gaps, and geopolitical pressures, BRICS nations are making significant strides in fulfilling their ultimate goals and ambitions as a collective. Their focus on South-South cooperation, de-dollarization, and technological innovation positions them as a force truly capable of reshaping and impacting the global economic order for the better.

### The goal

Through these causes, BRICS is working not only for the economic independence of its member states but also for a world in which developing nations will be at the core of international trade, finance, and development. It is this vision that continues to guide their joint actions, ensuring that BRICS remains a key factor in the changing global environment.

## Timeline of Key Events

**Date**

**Event**

**1990s:****Pre-BRICS (1990-2000)**

- The end of the Cold War and the rise of globalization increase the merging of upcoming markets.
- Economic growth in Brazil, Russia, India, and China begins to overtake traditional Western economies.

**2001:**

- Economist Jim O'Neill at Goldman Sachs coined the term "BRIC" to describe Brazil, Russia, India, and China as rising economic powers.

**2006:****Early BRICS Cooperation (2006-2010)**

- BRIC countries formalize their cooperation with the first BRIC foreign ministers meeting at the sidelines of the UN General Assembly.

**2009:**

- The first official BRIC summit was held in Yekaterinburg, Russia. The focus is on reforming global financial institutions like the **IMF** and **World Bank** to better represent emerging economies.

**2010**

- South Africa joins the group, turning BRIC into BRICS, adding representation from the African continent as well.

**2014:****Growth and Strategic Development (2011-2019)**

- Establishment of the **New Development Bank (NDB)** during the BRICS summit in Fortaleza, Brazil. The bank is created to fund infrastructure and development projects in BRICS and other developing nations.
- The BRICS "Contingent Reserve Arrangement" (CRA) is launched, providing a financial safety net of \$100 billion to all member states in BRICS in order to effectively counter external financial pressures in case of any possible/future adversities.

**2015:**



- 2016:**
- BRICS nations begin formal discussions on **de-dollarization**, aiming to reduce dependence on the U.S. dollar in international trade.- (Focus on local supplies, trade, etc.)
- 2018:**
- The U.S. Vs. China trade war begins, prompting China to enhance its focus on domestic innovation and reducing reliance on Western technology and markets.
- 2020:**
- The COVID-19 pandemic exposes various vulnerabilities and weaknesses in global supply chains, emphasizing the need for general economic independence.
  - BRICS nations focus on domestic manufacturing, supply chain resilience, and strengthening their own healthcare system.
- 2021:**
- The 13th BRICS Summit emphasizes enhancing **South-South cooperation** and scaling up renewable energy efforts to achieve energy security. (Nations)
  - India launches its "Atmanirbhar Bharat" (Self-Reliant India) campaign, focusing on reducing external dependencies.
- 2022:**
- The Russia-Ukraine conflict triggers Western sanctions on Russia, pushing BRICS nations to further accelerate de-dollarization and explore trade in local currencies.
  - Russia strengthens trade ties with China and India as part of its strategy to counter sanctions from Western nations primarily (USA)
- 2023:**
- Recent Developments and Future Focus (2023-2024)**
- BRICS summit in South Africa highlights initiatives for expanding the role of the NDB and exploring a shared digital currency.
  - Ongoing efforts to reduce reliance on Western-led supply chains and financial systems remain central to the agenda and focus.

- 2024:**
- On January 1<sup>st</sup>, 2024, Egypt, Ethiopia, Iran and the United Arab Emirates joined BRICS.
  - BRICS continues to focus on creating alternatives to Western-dominated global systems, with greater emphasis on renewable energy, technology development, and intra-BRICS trade.

## Major Parties Involved

### Brazil

Brazil focuses on utilizing its vast natural resources and agricultural exports to ensure economic independence. Its primary stance within BRICS is to promote South-South cooperation and use its economic ties to expand its trade and move away from reliance on Western economies, especially economies situated in the U.S. and Europe. As a whole, Brazil is a nation that advocates for fairer global trade practices, resource sharing, and sustainable development.

### Russia

Russia emphasizes reducing its reliance on Western-dominated financial systems, especially due to the sanctions imposed after the Ukraine conflict. Russia seeks to strengthen trade relations within BRICS, promote de-dollarization, and expand its energy exports to all BRICS member states. Russia views BRICS as a crucial medium in which member states can counter Western geopolitical pressures and maintain their own global influence.

### India

India aims to achieve self-reliance through initiatives like “Atmanirbhar Bharat” (Self-Reliant India) while encouraging greater collaboration with BRICS nations in areas such as technology, trade, and energy. India’s stance is centered on balancing regional security, reducing reliance on imports, and maintaining a “global order” that limits dominance by any single superpower.

### China

China is an economic powerhouse and sees BRICS as a way to extend its global economic influence, particularly through initiatives like the “Belt and Road Initiative.” China’s stance emphasizes trade expansion, supply chain resilience, and technological independence. As the largest BRICS economy, China advocates for a world order but is often overcome with challenges in aligning fully with other BRICS members due to its dominant position.

## South Africa

South Africa uses BRICS as a platform to represent its voice in global discussions, fighting for Africa’s economic and development needs. South Africa focuses on “resource-driven” growth, increasing overall foreign investment, and promoting infrastructure development. South Africa’s stance as a whole is to make effective use of BRICS partnerships to ensure regional stability and equitable growth across the African continent and hence limit its reliance on external/ Western and foreign powers.

## United States of America (External Party)

The U.S. views BRICS as a challenge to its global dominance, particularly regarding the dollar's role in international trade and Western-led financial institutions like the IMF and World Bank. The U.S. often seeks to counter BRICS initiatives through trade policies, sanctions, and geopolitical alliances but remains closely engaged with individual BRICS members due to their economic importance.

However, it is important to note the US has had major positive impacts on the well-being of member states, and therefore, it is important for member states to acknowledge the unbiased perspective of the nation and maintain a fair stance on the involvement and global impact of the US. The US has consistently been a Western power also aiding the economic growth of countries and, therefore, should not be seen as only an obstacle but rather also an opportunity for growth.

## Previous solutions:

### 1. **Strengthening Intra-BRICS Trade and Investment:**

Throughout the timeline of the BRICS, the committee has significantly enhanced trade among BRICS members using local currencies to reduce dependence on the U.S. dollar.

Initiatives like the New Development Bank (NDB) effectively finance infrastructure projects

to boost general economic connectivity.

**2. Promoting Dedollarization:**

Expanding the use of local currencies for bilateral and multilateral trade, along with exploring a common BRICS digital currency, hence protecting economies from external financial implications and Western sanctions.

**3. Technological Sovereignty:**

BRICS nations have collaborated on technology development in areas such as artificial intelligence, semiconductors, and green energy to reduce reliance on Western innovations. Shared research and development initiatives, which, in essence, drive collective growth.

**4. Supply Chain “Resilience”:**

Established a strong system where regional supply chains reduce dependence on global systems, thus mitigating risks from geopolitical disruptions. This includes developing alternatives in sectors like energy, agriculture, and pharmaceuticals.

**5. Energy Security and Renewable Energy:**

Collaborative investments in renewable energy projects and resource-sharing agreements have helped ensure stable energy supplies while addressing climate change. Subsequently, it also reduces reliance on fossil fuels imported from non-BRICS countries.

## Further Possible Solutions:

**1. Ensuring international Cooperation (Non-western):**

Strengthening ties with other developing nations outside BRICS through trade agreements and partnerships can create a broader coalition for shared economic growth and reduce dependency on Western markets.

**2. Institutional Reforms and Policy Alignment:**

BRICS could improve coordination in policy making and a better streamlined institutional framework in order to ultimately maximize the effectiveness of their collective actions. Aligning their diverse economic priorities can lead to greater unity and effective impact.

## Further Reading

<https://www.cfr.org/backgrounder/what-brics-group-and-why-it-expanding>

Provides valuable background information on who are the BRICS members and provides further context/information on the topic at hand.

<https://stratheia.com/brics-and-the-quest-for-financial-independence/>

This source discusses specifically the possibilities and attempts of gaining economic independence for member states within BRICS and may be useful to read up beforehand. However, please note that this source may inhibit an inherent bias, so do not use this source as factual but rather as a medium to gain new perspectives and enhance your understanding.

<https://en.aletihad.ae/news/business/4505484/the-brics-currency--a-step-towards-financial-independence>

Much like the second source, this source provides insight into certain geopolitical tensions prevalent between BRICS nations, providing realistic insight into what the current situations are regarding the guarantee of economic independence for member states. However, please once again note this source may inhibit some form of bias as this is merely opinionated and not objective.

## Bibliography

“1945–1959 the Post-War Period and the Beginning of the European Venture - Research Corpora - CVCE Website.” *Cvce.eu*, 2024, [www.cvce.eu/en/collections/unit-content/-/unit/56d70f17-5054-49fc-bb9b-5d90735167d0/63dfd5f2-b99e-4d5e-a7ee-528a8e0a23b9](http://www.cvce.eu/en/collections/unit-content/-/unit/56d70f17-5054-49fc-bb9b-5d90735167d0/63dfd5f2-b99e-4d5e-a7ee-528a8e0a23b9). Accessed 16 Dec. 2024.

“BRICS Intergovernmental Organization.” *Brics-Russia2024.Ru*, 2024, [brics-russia2024.ru/en/about/#:~:text=BRICS%20is%20an%20interstate%20association,Arabia%20C%20and%20Ethiopia%20joined%20BRICS](http://brics-russia2024.ru/en/about/#:~:text=BRICS%20is%20an%20interstate%20association,Arabia%20C%20and%20Ethiopia%20joined%20BRICS). Accessed 16 Dec. 2024.

Dalal, Rajbir. “Atmanirbhar Bharat: Prospects and Challenges.” *MZUJHSS*, vol. 1, 2024, p. 46, [mzuhssjournal.in/images/resources/v10n1/dalal.pdf](http://mzuhssjournal.in/images/resources/v10n1/dalal.pdf). Accessed 16 Dec. 2024.

Dorpe, Simon Van. "Europe's Quest for More Economic Independence – and Its Pitfalls."

*Follow the Money - Platform for Investigative Journalism*, 2 Mar. 2023,

[www.ftm.eu/articles/made-in-europe-the-pitfalls-and-the-money](http://www.ftm.eu/articles/made-in-europe-the-pitfalls-and-the-money). Accessed 16 Dec. 2024.

"Economic Dependency - (AP Human Geography) - Vocab, Definition, Explanations |

Fiveable." *Fiveable.me*, 2024, [library.fiveable.me/key-terms/ap-hug/economic-dependency](https://library.fiveable.me/key-terms/ap-hug/economic-dependency).

Accessed 16 Dec. 2024.

"Economic Independence." *Statistics Netherlands*, 2018, [www.cbs.nl/en-](http://www.cbs.nl/en-gb/news/2018/50/economic-position-of-women-has-improved/economic-independence)

[gb/news/2018/50/economic-position-of-women-has-improved/economic-independence](http://www.cbs.nl/en-gb/news/2018/50/economic-position-of-women-has-improved/economic-independence).

Accessed 16 Dec. 2024.

Kenny, Miles. "BRICS | Members, History, Name Origin, Proposed Currency, & Facts."

*Encyclopedia Britannica*, 8 Dec. 2023, [www.britannica.com/topic/BRICS](http://www.britannica.com/topic/BRICS). Accessed 16 Dec.

2024.

"Learn about BRICS." *Ipea.gov.br*, 2024, [www.ipea.gov.br/forumbrics/en/learn-about-](http://www.ipea.gov.br/forumbrics/en/learn-about-brics.html)

[brics.html](http://www.ipea.gov.br/forumbrics/en/learn-about-brics.html). Accessed 16 Dec. 2024.

Nations, United. "What Is "South-South Cooperation" and Why Does It Matter? | United

Nations." *United Nations*, 2023, [www.un.org/nl/desa/what-%E2%80%98south-south-](http://www.un.org/nl/desa/what-%E2%80%98south-south-cooperation%E2%80%99-and-why-does-it-matter)

[cooperation%E2%80%99-and-why-does-it-matter](http://www.un.org/nl/desa/what-%E2%80%98south-south-cooperation%E2%80%99-and-why-does-it-matter). Accessed 16 Dec. 2024.

Pasricha, Anjana. "India Not Pursuing Shared BRICS Currency, Analysts Say." *Voice of*

*America*, Voice of America (VOA News), 8 Dec. 2024, [www.voanews.com/a/india-not-](http://www.voanews.com/a/india-not-pursuing-shared-brics-currency-analysts-say/7888407.html)

[pursuing-shared-brics-currency-analysts-say/7888407.html](http://www.voanews.com/a/india-not-pursuing-shared-brics-currency-analysts-say/7888407.html). Accessed 16 Dec. 2024.

Pistilli, Melissa. "How Would a New BRICS Currency Affect the US Dollar? (Updated

2024)." *INN*, 2 Dec. 2024, [investingnews.com/brics-currency/](https://investingnews.com/brics-currency/). Accessed 16 Dec. 2024.

"The ILO and the BRICS." *International Labour Organization*, 28 Jan. 2024,

[www.ilo.org/about-ilo/how-ilo-works/ilo-and-multilateral-system/ilo-and-brics](http://www.ilo.org/about-ilo/how-ilo-works/ilo-and-multilateral-system/ilo-and-brics). Accessed 16

Dec. 2024.

"The Shanghai Cooperation Organisation." *The Shanghai Cooperation Organisation*, 7 Nov.

2024, [eng.sectsco.org/](http://eng.sectsco.org/). Accessed 16 Dec. 2024.