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Post-2008: How BRICS and NDB Reshape Global Economic Governance?

2008 Sonrası: BRICS ve Yeni Kalkınma Bankası Küresel Ekonomik Yönetişimi Nasıl Yeniden Şekillendiriyor?

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Abstract : The purpose of this study is to explain the role of BRICS and NDB in reshaping global economic governance. To reveal this, the research analyses three dimensions which are the historical and political economic factors that triggered the establishment of BRICS and NDB, intra-block trade and investments within the BRICS, and the NDB's contribution to crisis resilience. Methodologically, to explain this radical development, this study draws on Critical theory, as well as the concepts of uneven and combined development and South-South cooperation, to examine the role and influence of BRICS in global economic governance. The paper shows that the BRICS and NDB have reshaped global economic governance by providing less conditional financing, strengthening South-South cooperation, and providing support to the members during the COVID-19 crisis. However, limited intra-bloc investments and custom tariffs reveal the fractures within the group. Overall, the BRICS and NDB have become an affective alternative institution in shaping global economic governance. The initiatives of these actors remain both effective and limited. The paper hypothesizes that the BRICS and NDB, as institutional expressions of South-South cooperation, challenge neoliberal norms and power inequalities in the post-2008 global financial order through alternative development-oriented concepts, respect for national sovereignty and multipolarity. This study aims to contribute to the literature by providing a comprehensive perspective on the transformation of global economic governance through the lenses of Critical theory, South-South cooperation, and the uneven and combined development framework.

Keywords: BRICS, New Development Bank (NDB), Global Economic Governance, Alternative Economic Institutions.

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Öz: Bu çalışmanın amacı, BRICS ve NDB'nin küresel ekonomik yönetişimin yeniden şekillendirilmesindeki rolünü açıklamaktır. Bunu ortaya koymak için araştırma üç boyutu incelemektedir: BRICS ve NDB'nin kuruluşunu tetikleyen tarihsel ve politik-ekonomik faktörler, BRICS içi ticaret ve yatırımlar ile NDB'nin krizlere karşı dayanıklılığa katkısı. Yöntemsel olarak, bu radikal gelişmeyi açıklamak için çalışma Eleştirel Teori'nin yanı sıra, eşitsiz ve bileşik kalkınma ile Güney-Güney iş birliği kavramlarından yararlanarak BRICS'in küresel ekonomik yönetişimdeki rolünü ve etkisini incelemektedir. Çalışma, BRICS ve NDB'nin daha az koşullu finansman sağlayarak, Güney-Güney iş birliğini güçlendirerek ve COVID-19 krizi sırasında üye ülkelere destek vererek küresel ekonomik yönetişimi yeniden şekillendirdiğini ortaya koymaktadır. Ancak sınırlı blok içi yatırımlar ve gümrük tarifeleri grup içindeki çatlakları gözler önüne sermektedir. Genel olarak, BRICS ve NDB, küresel ekonomik yönetişimi şekillendirmede alternatif kurumlar haline gelmiştir. Bu aktörlerin girişimleri hem etkili hem de sınırlı kalmaktadır. Çalışma, BRICS ve NDB'nin Güney-Güney iş birliğinin kurumsal yansımaları olarak, alternatif kalkınma odaklı kavramlar, ulusal egemenliğe saygı ve çok kutupluluk aracılığıyla neoliberal normlara ve güç eşitsizliklerine meydan okuduğu hipotezini öne sürmektedir. Bu araştırma, küresel ekonomik yönetişimin dönüşümüne Eleştirel teori, Güney-Güney iş birliği ve Eşitsiz ve bileşik kalkınma çerçevesinden kapsamlı bir bakış açısı sunarak literatüre katkıda bulunmayı amaçlamaktadır.

Anahtar Kelimeler: BRICS, Yeni Kalkınma Bankası (NDB), Küresel Ekonomik Yönetişim, Alternatif Ekonomik Kuruluşlar.

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Introduction

The global economic landscape underwent a significant transformation with the Bretton Woods system and the institutions that emerged with it. The effects of the International Monetary Fund (IMF) and World Bank (WB) on developing or underdeveloped countries have been a matter of debate. These institutions have played important roles in shaping and maintaining the stability of the global economy for many years. However, their unequal treatment of developing and underdeveloped countries, their conditional credit policies, and the consequences of these policies have increased pressure on these institutions over time. The 2008 crisis helped make this situation even more visible. In this context, BRICS and NDB have emerged as an alternative institution in global economic governance. However, they never position themselves as anti-western. BRICS summits report clearly reveals this situation.

In line with this idea, I set out to examine the impacts of BRICS (Brazil, Russia, India, China, South Africa) and the New Development Bank (NDB) in shaping global finance after the 2008 crisis. I also aim to reveal the factors that led to the formation of BRICS and NDB from Bretton Woods to the present, as well as trade and investment initiatives among BRICS member countries after 2008. Lastly, I set out to reveal how BRICS tried to reduce the economic effects of the COVID-19 pandemic.

This paper asks the main research question: “How do the BRICS and the NDB play a role in reshaping the global economic landscape post-2008?” To answer this question, it further asks three sub-questions: (1) What were the reasons that triggered the formation of BRICS and the NDB? (2) How do BRICS member countries collaborate on trade and investment initiatives within the alliance? (3) How does the NDB contribute to fostering economic resilience and stability in the face of global challenges such as pandemics?

Overall, the paper argues that BRICS and the NDB have created a collaborative bloc that offers an alternative in the global political economy. The paper hypothesizes that the BRICS and NDB, as institutional expressions of South-South cooperation, challenge neoliberal norms and power inequalities in the post-2008 global economic order through alternative development-oriented concepts, respect for national sovereignty and multipolarity.

In the literature, BRICS has generally been considered as an alternative to Western institutions, and the cooperation between BRICS members, the agency problem and the shortcomings of the IMF/WB have been emphasized separately. However, this study examines the historical and political-economic foundations of BRICS and NDB, their intra-block investment and trade interactions, and their role in major global crises like COVID-19, providing comprehensive analysis. Furthermore, it systematically brings together BRICS’ historical foundations, intra-bloc economic interactions, and responses to global crisis to create more comprehensive perspective. This study aims to provide a deep theoretical foundation to the existing literature by examining the impact of the BRICS and NDB on the global system through the Critical theory and the concepts of South-South cooperation and uneven and combined development. This multifaceted framework has significant implications for interpreting the future actions of the BRICS and NDB.

Methodologically, the Critical theory will be used to reveal the reasons for the establishment of BRICS and NDB. To be able to support the analysis process, the concepts of uneven and combined development and South-South cooperation will be used in the study. Because these approaches show more clearly how BRICS and the NDB are transforming global economic governance. While the uneven and combined development explains why BRICS countries seek an alternative to the Western-centered model, South-South cooperation explains how BRICS and the NDB institutionalize this alternative model and reshape global power dynamics. In addition, historical contextualization will be used to deepen the analysis. This method has been employed to explain

the origins of BRICS and the NDB, to demonstrate the transformation of global economic governance, and to compare the functioning and shortcomings of the IMF/WB from the perspective of the BRICS/NDB. This study is a qualitatively oriented research that relies on secondary sources such as academic articles, policy reports, and official data, but it also incorporates quantitative data to provide a better explanation of global economic governance.

The paper first presents its literature review under four main headings. Next, the paper moves on to the historical background section to reveal the reasons for the establishment of BRICS and the NDB. Subsequently, the role of BRICS and the NDB in global economic governance is analyzed through different dimensions such as NDB's role in the global economic governance and its response during the COVID-19 crisis, South-South cooperation, intra-bloc investments and trade, BRICS+, and the institutional comparison with the IMF and the World Bank. Finally, the paper concludes with an overall assessment.

1.Literature Review

The literature emphasizes that the role of advanced economies in the global system is gradually diminishing, while Southern countries such as Brazil, China, India, etc. are increasingly assuming a rule-shaping role (Nach & Ncwadi, 2024: 153-154). Although disagreements and deficiencies may arise in this process, successful moves by BRICS countries should not be ignored. Literature emphasizes the formation of BRICS and NDB under four categories: the distinctiveness of both institutions, the representation problem, the incapacity of Western institutions, and cooperation among BRICS members.

The role of BRICS and NDB in reshaping the global economic landscape after 2008 should not be underestimated. Dixon (2015: 1) highlights that the NDB emerged as an alternative economic institution to the traditional IMF and WB structures. It is known for providing quicker and more cost-effective loans compared to the IMF and WB. This situation also creates an opportunity for the diversification of funding sources. Moreover, Hatipler and Kazel (2019: 576-577) emphasize that South-South cooperation is another key point in reshaping the global economic landscape. Funds from the NDB are distributed promptly and are not subject to political constraints, in contrast to Development Banks managed by the West. Viewed from this angle, the NDB attempts to close the gaps that currently exist in the economic institutions of the Southern nations. Additionally, Abdenur (2014: 88-91) touches on the common aim of BRICS in the field of the expansion of South-South ties in trade and investment, reducing the dominance of the US dollar, etc. Muhr (2016: 636-638) examines the history of South-South cooperation in Latin America and the Caribbean (Triangular Cooperation) under three phases: 1949-1979, 1980-1998, and 1999-Present, and shows us cooperative potential among major Southern actors. Furthermore, Amrita (2017: 7) points out that BRICS was formed with the intention of discussing trade and economics to reform the IMF and WB and to increase the share of developing economies in these economic organizations. The BRICS bloc, which comprises 40 percent of the world's population and consistently contributes 25 percent of global economic production, wishes to be more involved in international rulemaking and increase its influence and voice. Amrita (2017: 9) also draws attention to hierarchy problems in Western institutions and says that NDB prevents hierarchical structure or monopoly among BRICS countries, unlike the West banks such as the IMF and WB. This situation emerges as a principal factor in terms of states representing themselves democratically and being equal within their structure.

According to Poyraz (2019: 437), the IMF and WB have made their reputation fragile with their inadequate response to emerging crises. In particular, the economic crisis that emerged in 2008 was the main factor that triggered the formation of BRICS. Wade (2011: 359-361) highlights the loan and grant deficits during the crisis. In the face of increasing credit demand during the 2008 crisis, the IMF and the WB had to change their policies. However, this credit policy was

implemented reluctantly because the states that would provide funds to the IMF and the WB were faced with economic difficulties within their own countries. Emphasizing the concept of whip of external necessity from the perspective of uneven and combined development, Makki (2015: 482-485) points out that late industrializing nations are forced to adapt to global economic forces, creating a debate between obligation and privilege. Furthermore, Hillebrand (2017: 18) says that failure to achieve the desired results is due to the problem of adapting neoliberal policies to the structure of the borrowing countries. This led to a feeling of more intense poverty, inequality, and economic crises caused by globalization. For these reasons, East Asia and especially China prefers to follow a state-centered development policy, ignoring liberal policies and the recommendations of the IMF and the WB. Hillebrand (2017: 16) also highlights the fact that the IMF and WB remain under the political domination of the U.S. and Western countries. Especially during the Cold War, these institutions were used to keep developing or underdeveloped countries under control. In line with Hillenbrand's discourses, Cui (2016: 31) explains that the purpose of establishing the NDB and other new development economic institutions is to provide opportunities for developing countries to explore their development paths. Hillebrand (2017: 17) refers to hegemonism in the IMF and WB, which is a problem for these institutions, making them unproductive.

De Castro (2013: 136-141) shows that collaborating on trade and investment within BRICS can be seen negatively and positively. While trade liberalization, diversification of trade partners, and increasing demand seem like positive effects, tariff levels, protectionist measures, and trade distortions still affect BRICS negatively due to the unequal and combined nature of the world. But Hiratuka (2019: 26) underlines the fact that investments between BRICS countries are still small and can increase in the future, although there are important spaces for deepening economic relations within BRICS, such as trade flows and intra-industrial trade. On trade and investments, there are a lot of factors within BRICS. According to the BRICS 2020 report, for example, reducing barriers in mutual trade in goods and services, contributing to the field of multilateral trading system based on transparency, non-discrimination, a rule-based system, and promoting predictability were the potential to play a part in this process.

Shah (2020: 52) says that when the BRICS countries were facing a serious pandemic, their fiscal response was significant financial support to heavily affected sectors and workers. NDB contributed to fostering economic resilience and stability in the face of COVID-19 under the name of the Emergency Assistance Program, which committed to providing up to USD 10 billion to reduce the economic vulnerabilities of member countries and support their economies. While USD 5 billion was spent on the most urgent needs, such as health and social safety nets, the other USD 5 billion was allocated for supporting economic recovery (NDB, 2020).

While this study's relationship with the literature is generally parallel, it differs in certain respects. Many authors in the literature (Poyraz, 2019; Wade, 2011; Hillebrand, 2017; Dixon, 2015; Abdenur, 2014; Hatipler & Kazel, 2019; Muhr, 2016) find the IMF and World Bank's capacity to respond to crises inadequate, emphasize that neoliberal policies intensify inequalities, and argue that the NDB strengthens South-South cooperation by providing unconditional, rapid financing. From this perspective, this study aligns with these prevailing views in the literature. This study offers a multifaceted perspective to highlight not only the BRICS's successes but also its shortcomings. It attempts to develop a more critical framework by highlighting limited intra-bloc investments, tariffs, and incompatibilities among its members. At the same time, the study enhances the BRICS/NDB analysis by integrating the BRICS' approach to the COVID-19 crisis. Furthermore, while some studies interpret BRICS as an anti-Western bloc, this study explains that BRICS positions itself not as anti-Western, but as an alternative and complementary actor. Using the Critical theory and the conceptual framework of uneven and combined development and South-South cooperation offers a more comprehensive analysis that

goes beyond the one or two-dimensional approaches in the literature. Overall, this study attempts to provide a more comprehensive framework to the literature by integrating topics that have been examined separately.

2. Historical Background

Historically, the Critical theory is a valuable tool for explaining the inequality created by capitalism and imperialism. It also helps to examine the pressures of the hegemonic structures of Western institutions on developing and underdeveloped countries. In particular, the oppressive environment created by neoliberal policies leads to the questioning of the actors implementing these policies (Karaca, 2024: 102-112). The asymmetric balance of power created by the injustice and inequality brought about by the capitalist system causes some actors to be suppressed by other actors in the economic and political arena (Azmanova, 2014: 358-362). Horkheimer emphasizes that the Critical theory cannot be separated from social structure, facts are products of social and historical structure, and people in society shape them. He also mentions that to understand society, it tries to understand the structure of society by positioning itself outside of society (Hoffman, 1987: 235-237). In line with this idea, the number of experiences we have faced related to the global economy have been crucial and remarkable examples to understand how the economic situation could affect the whole world politics.

In this context, Bretton Woods was supported and put forward by Harry Dexter and John Maynard Keynes. States joined together at Bretton Woods to save themselves from other crises like the great depression and war-torn economic conditions. Because of the Bretton Woods system, some institutions emerged to facilitate cooperation in the world economy, such as the IMF and WB, which have been helping global economic stability for a long time. The IMF was established to promote international monetary cooperation and fix inter-war economic problems. Furthermore, the WB, another institution of Bretton Woods, was established to support and maintain post-war economic cooperation and reconstruction. But currently, the IMF is an institution that provides financial and technical assistance to developing and transnational economies, and the WB tries to ensure economic development and poverty reduction by providing financial and technical support (Woods & Narlikar, 2001: 244-248). However, these institutions have made their reputation fragile with their inadequate response to emerging crises. In particular, the economic crisis that emerged in 2008 was the main factor that triggered the formation of BRICS. In addition, the USA's influence in the IMF and WB also supported this situation. Due to the absolute veto power that the USA has in two economic institutions, no plan that the USA does not want is implemented (Poyraz: 437). Since these two institutions were established, they remained under the political domination of the USA, and a few countries used the IMF and WB for their interests, especially during the Cold War, to keep developing or underdeveloped countries under control (Hillebrand, 2017: 18). Western European States also used the right of veto, which has a critical place in important decisions. In the face of increasing credit demand during the 2008 crisis, the IMF and the WB had to change their policies. However, this credit policy was implemented reluctantly. Because the states that would provide funds to the IMF and the WB were faced with financial difficulties within their own countries (Wade, 2011: 360). This situation reveals the loan or grant deficit of the IMF and WB in crises. Also, it can be considered as the inadequacy of the crisis intervention mechanism. With globalization, the reasons why the policies of the IMF and the WB are criticized by developing or underdeveloped countries are that problems such as poverty, inequality, and economic crisis cannot be solved. For these reasons, East Asia, and especially China, prefer to follow a state-centered development policy, ignoring liberal policies and the recommendations of the IMF and the WB. It is another source of concern that it tries to make underdeveloped and developing countries dependent on themselves instead of ensuring their economic self-sufficiency, debt awareness, and economic independence (Hillebrand, 2017: 16). When capitalist policies and practices are examined

geographically and historically, they differ from country to country and cause adaptation problems. The specific socio-economic problems faced by different states are not solved by the capitalist system, and at the same time, the policies implemented to solve them are not suitable for the states in need. This is the result of uneven and combined development (Makki, 2015: 481-482).

The neoliberal policies implemented by these two institutions pose a separate problem in terms of adapting to the structure of the borrowing countries. These problems cannot adapt to the social structure, democratic structure, and cultural structure of the country. As a result, the loan given cannot provide the desired result. After the Asian economic crisis, some developing states were forced to accumulate foreign currency due to the insufficient response capacity of the IMF and the WB. This situation will be one of the factors in forming the basis of the NDB established by the BRICS countries, as well as establishing the Contingent Reserve Allocation Institution (Hillebrand, 2017: 17). Another point that should be mentioned is that the IMF is inadequate in evaluating current economic events. The fact that the IMF's forecasts were often wrong during the Asian fiscal crisis is an example that supports this situation. Also, this is supported by the fact that the IMF is not held responsible for making the crisis worse due to inaccurate forecasts it gave or provided (Katz, 1999: 433-434).

3. BRICS and the NDB: Pathways in Global Economic Governance

Crucial factors that affect the growth of intra-BRICS trade are technology and sustainable development. Economic cooperation also provides mutual benefits between member countries. Especially, the economic sanctions that Russia was subjected to due to the Russia-Ukraine war pushed Russia to do more trade with BRICS countries and demonstrated the feasibility of the alliance (Liang, 2024: 2). Moreover, two main factors that create and affect trade relations between BRICS countries are tariffs and exports. Customs tariffs have a key place in shaping long-term export relations. However, these tariffs have negative consequences for member countries. On the other hand, since BRICS countries are important actors in global trade, they have caused significant developments in intra-BRICS trade in the last twenty years. Establishing free trade agreements and strategies such as customs duty exemptions, reductions, and trade facilitation are among these important developments. The high growth, developing trade, and increasing foreign direct investment flows of the BRICS countries supported this process, enabling the BRICS to become important and challenging players in the global economy (Yılmaz, 2022: 664-682). The factors shaping intra-BRICS trade and investment are economic size, geographical distance, market size, and trade policies. Despite geographical issues, the BRICS countries effectively manage trade costs and increase intra-bloc cooperation (Rahman, 2020: 12-18). While intra-BRICS trade increased faster than the world average from 2000 to 2011, it slowed down after 2011. There are potential gaps to strengthen economic relations among the BRICS countries. However, investments among BRICS countries remain relatively small compared to large economic institutions (Hiratuka, 2019: 26). Although there are efforts to improve integration among BRICS actors, it cannot be said that there is a significant commercial harmony within the group. The development of relations within the future of BRICS is based on further tariff reductions, the elimination of non-tariff barriers, and the development of bilateral and multilateral trade agreements. These factors will play important roles in shaping the relations of BRICS countries (De Castro, 2013: 136-141).

While domestic trade and investment factors have a major place among BRICS countries, the COVID-19 epidemic is one of the most important examples of the critical role of cooperation between member states. The supportive attitude of the NDB during crises is crucial. The COVID-19 and the fiscal response by BRICS countries highlight each country's unique policies. China USD 380 billion (2.5% of GDP), Russia USD 12 billion (0.9% of GDP), Brazil USD 43 billion (2.9%

of GDP), India USD 21 billion (0.7% of GDP) and South Africa USD 1.7 billion (0.6% of GDP) were used by countries to implement COVID-19 policies for their citizens. Every country had a different COVID-19 package and priorities. For example, China's approach was broader and larger when we compare it to Russia from the perspective of immediate relief and long-term investment. However, Russia's approach was towards immediate financial support and sector-specific reliefs (Shah, 2020: 52).

The NDB was established in 2014 to support the development of BRICS countries. The NDB provides financing for infrastructure and sustainable development projects in BRICS countries. This situation supports economic growth within the alliance and tries to cover the remaining financing gap in the field of infrastructure (Jones, 2015: 2). The NDB played a supporting role in line with the policies of the BRICS countries. The NDB, which is responsible for all member countries, became the first multilateral institution to approve the COVID-19 loan facility in China and was also the first institution to issue bonds related to COVID-19. The difficulty of countries combating COVID-19 in 2020 paralyzed economic life as well as social life. The fight against the pandemic and the economic crisis that emerged during the pandemic was supported by the NDB. As an urgent response to the pandemic, the "Emergency Assistance Program" is committed to providing up to USD 10 billion to reduce the economic vulnerabilities of member countries and support their economies. While USD 5 billion of the aid would be spent on the most urgent needs (health and social safety nets), the other USD 5 billion would be used to support economic recovery. In addition, the most crucial factor in NDB's ability to quickly respond to the urgent needs of its members in the face of the emerging crisis is the strong banking infrastructure. The Emergency Assistance Program has provided up to USD 6 billion in credit support to Brazil, China, India, and South Africa by the end of 2020. The purpose of the loan provided for each country differed. The purposes of using the loans are to reduce poverty, work to protect vulnerable populations from the impact of COVID-19, control the onward transmission of COVID-19 and help manage the disease, and support economic recovery. This program has strengthened the position of the Federal Government of Brazil, allowing it to fight the COVID-19 pandemic more efficiently and the implementation of priority investment projects, helping the country's economic recovery. It also aimed to strengthen employment and prevent temporary liquidity problems by providing loans to small and medium-sized companies. Additionally, it provided economic support to women and tried to achieve gender equality by providing double aid to women-led families in Brazil. In China, the loan provided by the program was used to combat urgent health problems and prevent the spread of COVID-19 in Hubei, Guangdong, and Henan provinces, reduce the negative impact of the epidemic on the economy, and fulfill the urgent financing needs. In India, the program tried to prevent human loss as much as possible, reduce social and economic loss, support health systems, and support economically and socially vulnerable groups. In addition, it tried to create employment opportunities for rural immigrants who lost their jobs to reduce the economic fragility of people migrating to cities due to the pandemic. In the Republic of South Africa, a social safety net was created to alleviate the economic impact on individuals vulnerable to the disease. It is aimed to prevent and control the spread of the disease by providing economic support to groups that are vulnerable to the disease (NDB, 2020: 17- 22). After COVID-19, 400 million people benefited from these aids, including women, healthcare workers, and disabled people. NDB played a critical role during the pandemic period and facilitated crisis management by providing contributions to member states (Evaluation Report Finds 400 million People Benefitted from NDB's USD 10 Billion COVID-19 Emergency Financing - NDB).

The NDB's role in reducing economic vulnerability during the COVID-19 pandemic and supporting investment and trade within the alliance has helped BRICS to increase its power and influence in the global economic landscape. In 2024, Egypt, Ethiopia, Saudi Arabia, Iran, and the

United Arab Emirates joined the group of the BRICS and have increased its significance globally. These states have a crucial impact on the global economy, such as population, trade, oil, GDP, etc. (Liang, 2024: 1). According to the expansion, at least 2.5 billion people and a \$16 trillion GDP shifted to the BRICS institution. It has created a powerful impact on global trade in terms of oil markets and economic output (Egypt, Iran, Saudi Arabia, UAE, Ethiopia Formally Join BRICS - Dailynewsegypt, n.d.). Although BRICS initially focused on the global economic crisis, over time, the group has expanded and has begun to focus on different areas such as development cooperation and political cooperation (Abdenur, 2014: 87).

Furthermore, BRICS Plus aims to create a multilateral global system that is more adaptable and inclusive by addressing the needs of the Global South, but it never positions itself as anti-western (Liang, 2024: 1). The rise of many emerging economies has brought South-South cooperation into a new era. They have changed the balance of power in the international system. While there has been inequality between North and South, the BRICS and NDB have brought equality in South-South cooperation. The principle of equal governance provides an advantage to developing countries and helps them represent themselves and constitutes the spirit of South-South cooperation (Cui, 2016: 27-29). BRICS has similar objectives to South-South cooperation from the perspective of promoting self-reliance and independence. BRICS provides economic support through institutions such as the NDB to promote development within the group and for developing countries. This situation is compatible with the goals of South-South cooperation. In addition, the BRICS, which emerged as an alternative development model, offers a different economic growth and development model compared to the IMF and WB. This model, which appeals to developing countries, emphasizes independence and sustainable development, which are its founding goals, like South-South cooperation (Diko & Sempijja, 2021: 4-6). The evolution of South-South cooperation from the Second World War to the present is important. The rise of South-South-South trilateral cooperation in Latin America and the Caribbean demonstrates the interconnectedness of Southern actors in reshaping global power dynamics and promoting sustainable development paths. The cooperation potential of countries such as Argentina, Brazil, China, and Russia, which are the main actors of the South economy, challenges the traditional North-South paradigms and supports a more balanced global development (Muhr, 2016: 5-7).

Moreover, the NDB provides quicker and more cost-effective loans than the IMF and WB. This situation creates an opportunity for developing states to diversify their funding sources (Dixon, 2015: 1). This situation arises under four categories: economic diversification, currency diversification, market diversification, and development funding diversification. It is seen that the strategic importance of the BRICS to diversify economic and policy domains holds a critical point. Consequently, BRICS is an example of alternative pathways and reduces reliance on existing dominant systems and resources (Is BRICS Offering an Alternative Model for Global Governance? East Asia Forum, n.d.). The BRICS emerged to reform the strategy of the IMF and WB, and to increase the representation of developing countries and their share in financial institutions. BRICS also draws attention to the problem of hierarchy in Western institutions and emphasizes that, unlike the IMF and the WB, all members are equal and prevent monopolization. This situation will not only strengthen the democratic structure but also positively affect interstate relations (Jash & Global, 2017: 7-9).

Conclusion

The establishment of BRICS and NDB, because of the 2008 global crisis, brought about a significant change in the international political economy. The factors that formed the main pillars of the emergence of these changes were the use of the IMF and WB, which were dominated by the West, for their political interests, and the need for more sensitive and inclusive mechanisms during the periods when the global economic crisis emerged.

The BRICS and NDB not only remain alternative institutions in global economic governance but also symbolize the turning point of global economic governance. They are the main driving force supporting the role of developing economies in shaping international economic policy.

The steps BRICS and NDB took after the 2008 crisis and the policies they implemented during the COVID-19 pandemic are crucial in shaping global financial dynamics. The "Emergency Assistance Program" introduced by the NDB, especially during the COVID-19 epidemic, is an important example that supports this situation. This program supported economic recovery efforts and economic relations between member countries during the COVID-19 pandemic. In addition, the NDB's faster and more affordable loans are an important feature that makes it stand out. Furthermore, investment and trade initiatives within the BRICS could increase cooperation and solidarity and lead to an increase in the group's potential in the global system. By supporting the South-South cooperation, the BRICS has not only promoted equality among states but also enabled developing countries to explore their development paths. In addition, the South-South cooperation is a tool that challenges the North-South relationship.

Consequently, the BRICS and NDB never position itself as anti-western even though their actions may appear anti-western. Nevertheless, these institutions are a turning point in global economic and political governance. As alternative institutions, both institutions prioritize main problems such as sustainable development, equality, and social-economic welfare by offering more inclusive and diverse approaches. Furthermore, they provide credit opportunities to developing states without imposing neo-liberal policies and offer the opportunity to explore their economic policies. The opportunity for an alternative order against the West that emerged with the BRICS after 2008 can only survive with the solidarity, common action, and ownership of the ideologies they have adopted within the group. Although this alternative order has its ups and downs and successful moves, its future position is still uncertain.

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