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BANGLADESH AND BRICS: EMERGING DYNAMICS

Abstract

The 15th BRICS summit sparked significant interest due to Bangladesh's optimistic stance towards its membership in the BRICS. For Bangladesh, the possibility of joining BRICS remains a topic of ongoing discussion, as there will be chances for expansion in the upcoming BRICS summits. Considering the possibility of future expansion phases, it is likely that Bangladesh might show interest in becoming a BRICS member. BRICS membership could bring potential opportunities for Bangladesh. Nevertheless, joining BRICS has some challenges that require thorough evaluation and consideration. This paper aims to evaluate the potential benefits and challenges of becoming a member of BRICS. It sheds light on the opportunities that can be availed by Bangladesh and the complexities that may arise if Bangladesh joins BRICS in the future. It also argues that Bangladesh's position in South Asia may be positively impacted by becoming a member of BRICS. Lastly, the paper draws a way forward for Bangladesh. The study is intended to contribute to scholarly discussions regarding Bangladesh's engagement with multilateral organisations.

Keywords: Bangladesh, BRICS, South Asia, Regional Cooperation

1. Introduction

'BRICS' as a group of emerging economies consisting of Brazil, Russia, India, China, and South Africa, started its journey in 2009. BRICS countries have different areas of co-operation, such as agriculture, health, education, science and technology, and economic and financial cooperation.¹ The population of five BRICS member states comprises 42 per cent of the world population and accounts for

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¹ Dr. Arundhati Sharma, "The BRICS: A Decade of Socio-Economic Cooperation," *Indian Council of World Affairs*, June 18, 2018, https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=2382&lid=1782#:~:text=BRICS%20is%20a%20grouping%20of,centre%20of%20global%20power%20transition.

more than 37 per cent of the global GDP.² Economist Jim O’Neill first coined the abbreviation ‘BRIC’ (Brazil, Russia, India, and China) in the year 2001, who was affiliated with Goldman Sachs at the time.³ O’Neill introduced this abbreviation in a study that focused on the development potential of the economies of Brazil, Russia, India, and China. The first-ever BRIC summit was held in Yekaterinburg, Russia in 2009.⁴ With the addition of South Africa in 2011, the BRIC became the BRICS, with the ‘S’ standing for the newest member. BRICS has been holding summits every year since its formation. During August 22-24, 2023, the 15th BRICS Summit took place.

During the BRICS Summit 2023, the leaders of the BRICS countries met in Johannesburg, South Africa.⁵ The member states voiced concern over the use of unilateral coercive measures by certain countries and emphasised their commitment to inclusive multilateralism. At the summit, six countries were invited to join BRICS as member states. These countries were Argentina, Saudi Arabia, Iran, the United Arab Emirates, Egypt, and Ethiopia.⁶ The expanded BRICS, dubbed as BRICS+, has a combined gross domestic product (GDP) of approximately US\$ 65 trillion, which accounts for around 37 per cent of the global GDP in terms of purchasing power parity (PPP).⁷ Although there were discussions on the potential establishment of a unified currency inside the bloc, this proposition ultimately did not materialise.⁸ Bangladesh participated in the 15th BRICS summit after accepting an invitation from the President of South Africa, although Bangladesh had not made any formal request to join BRICS.⁹ The BRICS+ countries will represent 45 per cent of the world’s population, about half of global food output, nearly half of global oil production and reserves, 38.3 per cent of global industrial production, and 23.4 per cent of total

² Waliur Rahman, “BRICS: Six More Countries to Join the Bloc, Bangladesh Not Included,” *Prothom Alo*, August 25, 2023.

³ Jim O’Neill, “Building Better Global Economic BRICs,” *Global Economics Paper Series*, no. 66 (2001), August 12, 2023, <https://www.goldmansachs.com/insights/archive/building-better.html>.

⁴ B Suresh Lal, “The BRICS Countries Trends of Demographic and Economic Development,” *International Journal of Science and Research (IJSR)* 12, no. 4 (2023): 702–708, <https://doi.org/10.21275/SR23410201331>.

⁵ Rajeswari Pillai Rajagopalan, “Growth and Incoherence BRICS 2023 Summit in South Africa,” *The Diplomat*, August 28, 2023, <https://thediplomat.com/2023/08/growth-and-incoherence-brics-2023-summit-in-south-africa/>.

⁶ Md Touhid Hossain, “BRICS Why Bangladesh’s Hopes Dashed at Johannesburg,” *Prothom Alo*, September 4, 2023, <https://en.prothomalo.com/opinion/op-ed/mvbjao67x7>.

⁷ Omar Raad Chowdhury, “Weighing What Bangladesh Can Gain from Membership of BRICS,” *The Financial Express*, December 10, 2023, <https://today.thefinancialexpress.com.bd/30th-anniversary-issue-3/weighing-what-bangladesh-can-gain-from-membership-of-brics-1702111836>.

⁸ Joseph W. Sullivan, “A BRICS Currency Could Shake the Dollar’s Dominance,” *Foreign Policy*, April 24, 2023, <https://foreignpolicy.com/2023/04/24/brics-currency-end-dollar-dominance-united-states-russia-china/>.

⁹ “Bangladesh Didn’t Request BRICS Membership Right Now: PM,” *The Daily Star*, August 29, 2023, <https://www.thedailystar.net/news/bangladesh/news/bangladesh-didnt-request-brics-membership-right-now-pm-3406106>.

exports.¹⁰ This indicates that BRICS membership will bring about certain opportunities for Bangladesh if it joins in the future. The South African President mentioned at the 15th BRICS Summit that there was a consensus that more phases of expansion would follow.¹¹ There were certain criteria for the expansion of membership, which included economic growth, geopolitical position, good governance, a strategic partnership and most importantly, consensus.¹² However, India's opposition to the expansion of BRICS membership was not motivated by a desire to exclude Bangladesh from the group. India expressed its objection to the growth of BRICS to prevent China from incorporating nations that bolster BRICS membership as a platform that opposes Western influence.¹³

Jim et al¹⁴ asserted that China, Brazil, Russia, and India have all altered their political systems to accept global capitalism and further anticipated that China and India will, respectively, overtake Brazil and Russia as the world's major providers of manufactured products and services. This adaptation reflects a significant shift in these nations' economic policies and governance structures, signaling their willingness to engage with the global capitalist system. Overbeek¹⁵ discussed that the BRICS and other developing nations seek to make the world fairer and more equitable by working together to reform the Western-dominated international system. Jaish¹⁶ also argued that the BRICS has been successful in laying the framework of an alternate system in the international arena dominated by the West and can form a multilateral platform in the global order. Similarly, Liu and Papa¹⁷ discussed that BRICS might challenge the dollar hegemony and the US-led global financial system

¹⁰ Omar Raad Chowdhury, "Weighing What Bangladesh Can Gain from Membership of BRICS," *The Financial Express*, December 10, 2023, <https://today.thefinancialexpress.com.bd/30th-anniversary-issue-3/weighing-what-bangladesh-can-gain-from-membership-of-brics-1702111836>.

¹¹ Waliur Rahman, "BRICS Six More Countries to Join the Bloc, Bangladesh Not Included," *Prothom Alo*, September 4, 2023, <https://en.prothomalo.com/bangladesh/pg84kkgvil>.

¹² "XIV BRICS Summit Beijing Declaration - Ministry of External Affairs," The Ministry of External Affairs, the Government of India, June 23, 2022, <https://www.mea.gov.in/bilateral- documents.htm>

¹³ M Serajul Islam, "Bangladesh's BRICS Debacle," *New Age*, August 29, 2023, <https://www.newagebd.net/article/210591/bangladeshs-brics-debacle>.

¹⁴ Jim et al, "How Solid are the BRICS?," *Goldman Sachs Global Economic Paper*, no. 134 (December 2005), http://www2.goldmansachs.com/hkchina/insight/research/pdf/BRICS_3_12-1-05.pdf.

¹⁵ Henk Overbeek, "Will the BRICS Transform the Global Economic Order?," in *China's "One Belt One Road" Initiative and International Society*, ed. Dai Changzheng and Wang Hongyu (Beijing: University of International Business Press and Economics Press, 2016).

¹⁶ Amrita Jash, "The Emerging Role of BRICS in the Changing World Order," *IndraStra Global*, no. 6 (2017): 1–11, <https://doi.org/https://doi.org/10.6084/m9.figshare.5143222>.

¹⁷ Zongyuan Zoe Liu and Mihaela Papa, *Can BRICS De-Dollarize the Global Financial System?* (Cambridge: Cambridge University Press, 2022).

by lowering dollar dependence to avoid US sanctions. The authors concluded that the BRICS alliance can help create a nondollar system and a revisionist de-dollarisation coalition. Contrastingly, Nuruzzaman¹⁸ presents a skeptical viewpoint regarding BRICS' ability to pose actual threats to the US-led post-war system. He argued that the BRICS face tremendous political, ideological, and strategic challenges. According to Nuruzzaman, these challenges hinder BRICS' capacity to work cohesively to overthrow the US-dominated governance structure and establish a new global order. Similarly, Hooijmaaijers¹⁹ discussed that the individual interests of China, India, and the other BRICS states exhibit divergent positions and preferences.

Previous literature on Bangladesh and BRICS has focused on economic diplomacy and bilateral trade balances. Kamal, Russel, and Robidas²⁰ argued that Bangladesh has the capacity to join the BRICS and take part in the global economic uprising with its resources. This perspective suggests that Bangladesh possesses the potential to align itself with BRICS nations. However, Uddin²¹ argued that Bangladesh may have challenges in fully implementing the comprehensive economic diplomacy strategies used by BRICS nations. He also discussed that Bangladesh's economic diplomacy efforts might still benefit from the adoption of the best practices seen in BRICS countries. Kundu²² conducted a study using gravity modelling to analyse the significant correlations between the trade balances of Bangladesh and BRICS nations. Through empirical analysis spanning the 1991-2013 period, Kundu demonstrates that all the relevant factors have a significant influence on Bangladesh's trade balance with the BRICS. Kundu, Sultana, and Munim²³ also conducted a study using gravity modelling to analyse whether the global fiscal crisis has certain impacts on the trade balances between Bangladesh and BRICS nations. The study discovers that as a result of the financial crisis, the significant impacts of all relevant factors

¹⁸ Mohammed Nuruzzaman, "Why BRICS is No Threat to the Post-War Liberal World Order," *International Studies*, no. 1 (2019): 51–66, <https://doi.org/10.1177/0020881719884449>.

¹⁹ Bas Hooijmaaijers, "China, the BRICS, and the Limitations of Reshaping Global Economic Governance," *The Pacific Review* 34, no. 1 (2019): 29–55, <https://doi.org/10.1080/09512748.2019.1649298>.

²⁰ Dr. Mostafa Kamal, Aminul Haque Russel, Lakkhan Chandra Robidas, "Rationality of Bangladesh to Join in BRICS for Adapting the Global Economic Insurgency," *The IOSR Journal of Economics and Finance (IOSR-JEF)* 6, no. 5 (2015): 30-39.

²¹ Mohammad Jasim Uddin, "Economic Diplomacy of BRICS Countries Lessons for Bangladesh," *BISS Journal* 36, no. 3 (July 2015): 225-240.

²² Kundu Nobinkhor, "Bilateral Trade Balance of Bangladesh with BRICS Countries: A Static Panel Data Analysis," *Journal of Economics and Development* 17, no. 2 (2015): 53–68, <https://doi.org/10.33301/2015.17.02.03>.

²³ Kundu Nobinkhor, Nahida Sultana, and Khandaker M.A. Munim, "Effect of the Global Financial Crisis on Trade Balance of Bangladesh with BRICS Countries: A Static Panel Data Analysis," *Bank Parikrama* XLIII, no. 1-4 (2018): 135-157.

on the trade balance led to a decrease in Bangladesh's trade balance with the BRICS countries.

From the above discussion, it can be stated that there is a lacuna in existing studies on the prospect of Bangladesh joining BRICS. There is also a research gap on the emerging dynamics of global politics, and what Bangladesh's way forward might be. This paper fills this existing gap in the literature.

The potential inclusion of Bangladesh as a member of the BRICS in the 15th BRICS summit has generated considerable interest and has become a topic of deliberation and analysis. The BRICS summits have sparked discussions and debates surrounding the potential benefits and challenges that Bangladesh's membership in the BRICS could entail. This paper aims to analyse how BRICS membership can impact Bangladesh's position. It also seeks to explore the various opportunities and challenges that may arise because of Bangladesh's membership in the BRICS. Additionally, this paper aims to draw a way forward for Bangladesh regarding its engagement with the BRICS. The paper will answer the following questions: What potential opportunities can Bangladesh avail of BRICS membership? What are the challenges associated with Bangladesh's membership in BRICS? If Bangladesh joins BRICS, how can the BRICS membership impact Bangladesh's position in South Asia? This study is qualitative in nature. The primary data for this paper has been collected from Key Informant Interviews (KII) of academicians, businessmen, practitioners, and the officials of the Ministry of Foreign Affairs (MoFA). Secondary data has been collected from existing scholarly articles, news articles and reports.

The paper has six sections. The first section includes the introductory remarks. The second section offers a theoretical framework for understanding BRICS as an intergovernmental organisation. The third section and fourth sections focus respectively on the potential opportunities and challenges that BRICS membership might bring for Bangladesh. The fifth section formulates a way forward for Bangladesh regarding its engagement with BRICS. The sixth section concludes the paper.

2. Theoretical Approach to Understanding the 'BRICS'

There are ongoing discussions on the categorisation of BRICS and how to conceptualise the grouping. Although BRICS is a group of developing economies, it

is not a trade bloc or an economic bloc. It also differs from formal military alliances like the North Atlantic Treaty Organisation (NATO). Various theories explain the integration of emerging economies e.g. functionalism, neo-functionalism and liberal intergovernmentalism. The theories of functionalism and neo-functionalism focus on the enhanced political and economic co-operation amongst the countries residing in the same region and focus more on regionalism. As the BRICS countries belong to different regions and continents, BRICS countries are multi-regional, and the theories of functionalism and neo-functionalism do not apply. Among the other theories of integration, there is liberal intergovernmentalism. Andrew Moravcsik explained European integration through the theory of liberal intergovernmentalism and stated that “European integration is the result of a strategic calculation by member governments to promote their key economic interests and of a series of rational choices made by national elites.”²⁴ According to Andrew Moravcsik, liberal intergovernmentalism includes a theory of international bargaining that posits that each member state aims to fulfil its objectives, considering the objectives and inherent obstacles of the other states.²⁵ The interdependence between states in the international arena creates externalities, which can be either negative (costs) or positive (profits), and to lower the transaction costs associated with the fulfillment of these objectives, states create institutions.²⁶ The theory of Liberal intergovernmentalism posits that geopolitical, idealistic and ideological factors play a role in integration, but it is marginal compared to the primary driver of economic interest.²⁷

The formation and functioning of the BRICS can be explained by applying the perspective of liberal intergovernmentalism. The BRICS nations, characterised by their diverse economic structures and political systems, have common economic objectives and concerns. Their cooperation is driven by enhanced commerce, investment prospects, and a more inclusive global economic order. This is consistent with the perspective of liberal intergovernmentalism, which suggests that international integration occurs because member states make strategic calculations to further their primary economic interests. The creation of common institutions by the BRICS, such as the New Development Bank, demonstrates a strategic calculation based on liberal intergovernmentalism, whereby governments form institutions to achieve their economic initiatives. Besides, in the formation of the BRICS, there are geopolitical

²⁴ Sabine Saurugger, *Theoretical Approaches to European Integration* (Basingstoke: Hampshire Palgrave Macmillan, 2014), 54-76.

²⁵ Saurugger, *Theoretical Approaches to European Integration*.

²⁶ Saurugger, *Theoretical Approaches to European Integration*.

²⁷ Saurugger, *Theoretical Approaches to European Integration*.

and ideological factors at play as well. Therefore, the BRICS can be explained by applying the principles of the theory of liberal intergovernmentalism.

Andrew Moravcsik proposes that liberal intergovernmentalism progresses in three stages. The first stage involves the creation of a state's national preferences, which are influenced by issue-specific factors, particularly economic interests. The second stage is inter-state negotiations that rely upon the asymmetrical interdependence between member states; finally, the choice of supranational institutions.²⁸

The formation of national preferences within the BRICS framework aligns with the first stage of liberal intergovernmentalism, where economic interests shape the preferences of states. Each of the member states of the BRICS converges on achieving the common goal of fostering economic growth, and trade expansion along with creating a more inclusive global economic order. The economic-centric national preferences of BRICS underscore the issue-specific nature of the national preferences of the BRICS countries. This is in accordance with the core principle of liberal intergovernmentalism, which demonstrates the logical pursuit of economic interests as the primary incentive for international cooperation. The second stage of liberal intergovernmentalism, that is the inter-state negotiations based on asymmetrical interdependence, explains the internal dynamics of the member states of the BRICS. Asymmetrical interdependence is seen in the varying and geopolitical influences and economic capacities of the BRICS nations. The differences in political and economic systems within BRICS countries show the complexities of negotiations. For instance, China's economic prowess and technological advancements may lead to negotiations to accommodate its economic initiatives. However, once national preferences are established, negotiations ensue to identify mutually beneficial areas for cooperation. Examples of these negotiations can be seen in the BRICS' collaborative efforts in the establishment of the New Development Bank (NDB) or the BRICS Bank and Contingent Reserve Arrangement (CRA). The third stage of liberal intergovernmentalism, involving the choice of supranational institutions finds relevance in the context of the BRICS. Although the BRICS countries have not set up large-scale supranational structures as the European Union has, the countries have worked together to create shared institutions. The economic focus of BRICS nations is evident in their collaborative initiatives in creating institutions like the New Development Bank and the Contingent Reserve Arrangement. The choice of creating shared institutions reflects the rational pursuit of common economic interests, irrespective of ideological differences among BRICS nations.

²⁸ Saurugger, *Theoretical Approaches to European Integration*.

Therefore, the theory of liberal intergovernmentalism provides a comprehensive framework for understanding the formation and functioning of the BRICS. The theory emphasises the role of national economic interests in shaping preferences, driving inter-state negotiations based on asymmetrical interdependence, and influencing the choice of creating supranational institutions by the member states. The BRICS can be defined as an intergovernmental organisation as it fulfills the three stages as suggested by the theory of liberal intergovernmentalism. Having explored the theoretical approach to understanding ‘BRICS’, the following section will shed light on the potential opportunities that Bangladesh can avail of from BRICS membership.

3. Potential Opportunities in BRICS

Joining BRICS in the forthcoming expansion phases can bring about certain opportunities for Bangladesh. Being a part of BRICS will allow Bangladesh to strengthen its economic ties with some of the world’s largest emerging economies and open up new avenues for geopolitical opportunities due to its strategic location. For Bangladesh, the potential opportunities can broadly be divided into two types: economic opportunities and political, diplomatic, and geopolitical opportunities. Economically, joining BRICS can lead to increased trade and investment, as well as access to new markets for Bangladeshi goods and services. This can help boost the country’s economic growth and development. On the political and diplomatic front, being a part of BRICS can enhance Bangladesh’s standing on the global stage and provide opportunities for cooperation on issues of mutual interest, such as climate change, security, and regional stability. The following section will discuss the economic opportunities for Bangladesh.

3.1 *Economic Opportunities*

Bangladesh has experienced growth and development even amidst periods characterised by heightened global economic uncertainty.²⁹ Bangladesh’s growing economic prosperity has transformed it into a ‘miracle of South Asia.’³⁰ Over the course of the past two decades, rapid economic growth has been facilitated by

²⁹ “Overview,” World Bank, accessed December 21, 2023, <https://www.worldbank.org/en/country/bangladesh/overview>.

³⁰ Alaul Alam, “Geopolitical Importance of Bangladesh,” *Daily Observer*, September 4, 2023, <https://www.observerbd.com/news.php?id=435675>.

several key factors, including a robust demographic dividend, a thriving ready-made garment (RMG) export industry, inflows of remittances, and stable macroeconomic conditions.³¹ Joining BRICS in the upcoming phases of membership expansion can bring about certain economic opportunities for Bangladesh.

Bangladesh has the opportunity to enhance bilateral economic co-operation with BRICS countries. In the fiscal year 2022-2023, Bangladesh's exports to India and China were US\$ 2,129.49 million and US\$ 677.36 million respectively.³² In the context of Bangladesh's trade relations, it is noteworthy to highlight that China and India, among the BRICS nations, emerge as the top trade partners. In 2021, Bangladesh's total imports from India and China were US\$ 14.1 billion and US\$ 24.1 billion.³³ These two countries collectively contribute to nearly 40 per cent of Bangladesh's total imports.³⁴ From 2021 to 2022, Bangladesh's bilateral trade value was US\$ 0.3 billion with South Africa, US\$ 0.2 billion with Russia, and US\$ 0.3 billion with Brazil.³⁵ In 2022, Bangladesh's imports from the BRICS nations were US\$ 19.2 billion, while its exports to them were valued at US\$ 18.5 billion.³⁶

Bangladesh's engagement with BRICS nations like Russia and China is crucial for enhancing trade, investment cooperation, and economic ties, potentially leading to increased foreign direct investment and the establishment of free trade agreements. The necessity for an expanded framework of regional trade and investment cooperation for Bangladesh is apparent. Bangladesh's engagement with the BRICS would help improve strategic and economic ties with Russia and China. The business ties between Bangladesh, Russia and China are expected to strengthen, which will also increase the potential for attracting Foreign Direct Investment (FDI)

³¹ "Overview," World Bank.

³² Export Promotion Bureau, Ministry of Commerce, Government of the People's Republic of Bangladesh, *Annual Report 2022-2023* (Dhaka: Export Promotion Bureau, 2023), http://www.epb.gov.bd/sites/default/files/files/epb.portal.gov.bd/annual_reports/be57d59f_05a6_4b2d_a81e_59aef2bdba03/2023-11-05-03-45-9a2d98e9688fae938c2c4bae14a60890.pdf.

³³ "Bangladesh (BGD) Exports, Imports, and Trade Partners," The Observatory of Economic Complexity, accessed February 27, 2024, <https://oec.world/en/profile/country/bgd>.

³⁴ Sajjadur Rahman, "Bangladesh Joining BRICS. What Now?," *The Business Standard*, June 16, 2023, <https://www.tbsnews.net/economy/bangladesh-joining-brics-what-now-650650>.

³⁵ Aishwarya Sanjukta Roy Proma, "Bangladesh in the BRICS BLOC New Dynamics in Economic Partnership," *Modern Diplomacy*, July 20, 2023, <https://modern diplomacy.eu/2023/07/21/angladesh-in-the-brics-bloc-new-dynamics-in-economic-partnership/>.

³⁶ "Bangladesh's Potential BRICS Membership: Broadened Trade Horizons," Chamber News, Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI), July 7, 2023, <https://mccibd.org/wp-content/uploads/2023/07/Chamber-News-July-2023.pdf>.

from these nations.³⁷ BRICS membership is going to serve as a centre for bolstering Bangladesh's trade and economic opportunities as well as its interactions with the nations involved in Belt and Road Initiative (BRI).³⁸ China has emerged as the most reliable development partner for Bangladesh, fostering a strong and enduring friendship between the two nations.³⁹ For a remarkable period of 13 years, China has contributed to the foreign investment in Bangladesh which amounts to US\$ 3.17 billion and has consistently held the position of Bangladesh's largest trading partner.⁴⁰ Active participation in the BRICS could result in the establishment of Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) with China and Russia.⁴¹

Bangladesh's potential membership in BRICS could significantly expand its trade opportunities and economic growth by establishing alternative trade routes and fostering closer economic ties with countries like the United Arab Emirates (UAE), Egypt, Saudi Arabia, Iran, and Ethiopia. The inclusion of the UAE, Egypt, Saudi Arabia, Iran and Ethiopia as members in the BRICS has the potential to significantly expand Bangladesh's trade horizons.⁴² This holds possibilities for enhancing Bangladesh's economic growth and fostering closer economic ties with these nations. By incorporating Bangladesh, BRICS will have the opportunity to establish an alternative trade route to bypass the conventional trade routes of Southeast Asia.⁴³ By attaining BRICS membership, Bangladesh will have access to a larger market and increased opportunities for trade with these countries. Bangladesh is currently engaged in an exploration of potential trade and labour markets in the countries of South Africa, Brazil and the Middle East and North Africa (MENA) region.⁴⁴ Hence, BRICS presents a promising avenue for Bangladesh to foster valuable networking prospects due to the South-South cooperation of the BRICS.

³⁷ Dr. Nasim Ahmed, "Implications of Bangladesh's Engagement with BRICS," *The Daily Sun*, October 11, 2023, <https://www.daily-sun.com/printversion/details/716792/Implications-of-Bangladesh%E2%80%99s-Engagement-with-BRICS>.

³⁸ Ahmed, "Implications of Bangladesh's Engagement with BRICS."

³⁹ "China Most Reliable Development Partner of Bangladesh," *The Daily Star*, November 29, 2023, <https://www.thedailystar.net/news/angladesh/diplomacy/news/china-most-reliable-dev-partner-bangladesh-3481621>.

⁴⁰ "China Most Reliable Development Partner of Bangladesh."

⁴¹ Interview with MS Siddiqui, Non-Government Adviser, Bangladesh Competition Commission, November 23, 2023.

⁴² Interview with MS Siddiqui.

⁴³ Interview with MS Siddiqui.

⁴⁴ Ahmed, "Implications of Bangladesh's Engagement with BRICS."

The establishment of the NDB and the CRA are significant collaborative initiatives among BRICS nations, which could greatly benefit Bangladesh if it were to become a member. Among the various collaborative endeavours undertaken by BRICS nations, the establishment of their own institution, known as the New Development Bank, holds paramount importance. It has some specific areas of cooperation, which include environmental protection, transport infrastructure, water and sanitation, clean energy and energy efficiency and digital infrastructure.⁴⁵ If Bangladesh were to become a member of the BRICS, then Bangladesh would be able to avail the areas of co-operation offered by the NDB, which would result in significant improvement in the socio-economic conditions of Bangladesh.⁴⁶ Bangladesh is going to receive US\$ 800 million NDB loan for two projects, which are the Dhaka-Narayanganj Gas Pipeline and the Basila Water Supply Project.⁴⁷ Due to the strict conditionalities practiced by the World Bank and International Monetary Fund (IMF), it is easier for Bangladesh to take out loans from the NDB. It is anticipated that NDB will extend Bangladesh a loan of US\$ 112 million for a power distribution initiative within the jurisdiction of the Northern Electricity Supply Company (NESCO) and US\$ 115 million for the establishment of a 120 MW solar power plant in Raipura.⁴⁸ Additionally, implementation of a Contingent Reserves Arrangement further contributes to the significance of the BRICS' collective efforts. The CRA, established during the 2014 summit held in Brazil, is a financial mechanism with a total value of US\$ 100 billion. Its primary objective is to offer emergency lending facilities in the event of a liquidity crisis.⁴⁹ Bangladesh can stand to benefit from the Contingent Reserve Agreement in cases of liquidity crisis if it becomes a member of the BRICS.

This section has outlined the potential economic prospects for Bangladesh within the BRICS. The following section delves into the political, diplomatic, and geopolitical opportunities that membership in BRICS could offer to Bangladesh.

⁴⁵ "Focus Areas - New Development Bank," New Development Bank, accessed December 2, 2023, <https://www.ndb.int/about-ndb/focus-areas/>.

⁴⁶ Interview with Rais Hasan Sarwar, Director General, Regional Organisation, Ministry of Foreign Affairs, Bangladesh, December 7, 2023.

⁴⁷ "PM Directs to Initiate Process to Secure Loans from NDB," *The Daily Star*, August 29, 2023, <https://www.thedailystar.net/business/economy/news/pm-directs-initiate-process-secure-loans-ndb-3406396>.

⁴⁸ Mohammad Zakaria, "NDB Likely to Provide \$2B for 8 Projects," *The Business Post*, May 30, 2023, <https://businesspostbd.com/news/2023-05-30/ndb-likely-to-provide-2b-for-8-projects-2023-05-30>.

⁴⁹ "China Most Reliable Development Partner of Bangladesh."

3.2 *Political, Diplomatic and Geopolitical Opportunities*

The potential for BRICS membership continues to be a subject of ongoing consideration, as there will be expansion opportunities in the upcoming BRICS summits. During the 15th BRICS Summit, it expanded its membership by admitting a total of six new members. Given the potential for subsequent expansion phases, it is plausible that Bangladesh may express interest in seeking membership during the forthcoming expansion phases. Bangladesh has attracted considerable attention as a sought-after partner in the dynamic geopolitical context of the region, primarily due to its strategic location which serves as a connecting point between South Asia and the wider Indo-Pacific region.⁵⁰ Because Bangladesh is close to both the global power China and regional power India and because of their rivalry in South Asia and the rest of the regions, discussions about Bangladesh have taken on a new tone, and in recent years, this made Bangladesh important to the US and other world powers.⁵¹ Bangladesh, in its capacity as an emerging middle power, is currently attracting the attention of major global powers who are actively seeking to engage with it as a potential market, investment hub, and strategic stronghold.⁵² Therefore, the potential impacts on Bangladesh's position in South Asia would depend on its ability to strategically leverage this association to further its own goals.

Bangladesh's influence in the region may increase if the country joins BRICS, which would give it a platform from which to participate more actively in global affairs. Bangladesh aims to leverage its autonomous foreign policy, where it seeks to balance its relations with so many different countries, and there is the advantage of being a part of mechanisms and arrangements that advance its ties with the West but also that advance its ties with countries outside of the West.⁵³ By becoming an active participant within the BRICS, Bangladesh stands to benefit from engaging in high-level dialogues and collaboration with fellow member countries. This presents an opportunity for Bangladesh to enhance its regional standing, as it gains access to discussions and initiatives addressing a wide range of global issues. Furthermore, Bangladesh's participation in the BRICS holds the potential to effectively tackle

⁵⁰ Shahadat Hossain, "Bangladesh's Geopolitical Balancing Act," *The Strategist*, August 6, 2023, <https://www.aspistrategist.org.au/bangladeshs-geopolitical-balancing-act/>.

⁵¹ Ali Riaz and Saimum Parvez, "Bangladesh Emerges Important in Geopolitics," *Prothom Alo*, March 20, 2021, <https://en.prothomalo.com/opinion/op-ed/bangladesh-emerges-important-in-geopolitics>.

⁵² Sk Tawfique M Haque and Raymond Kwun-Sun Lau, "How Bangladesh Can Survive in a Geopolitical Age," *The Daily Star*, March 24, 2023, <https://www.thedailystar.net/opinion/views/news/how-bangladesh-can-survive-geopolitical-age-3279716>.

⁵³ Online Interview with Michael Kugelman, Wilson Center, Washington DC, December 6, 2023.

regional security apprehensions⁵⁴ and foster peace in the South Asian region. This can be achieved by capitalising on the combined diplomatic and economic prowess of the BRICS, thereby enhancing Bangladesh's geopolitical influence within the region. Bangladesh's participation would assist in creating unity among states that would help solve problems in the provision of global public goods and common challenges like climate change, pandemics like COVID-19 and trade problems when the Sustainable Development Goals (SDGs) are discussed.⁵⁵

If Bangladesh wants to increase its bargaining capacity at the global level, it needs to increase participation and there is a need to augment the country's diplomatic space.⁵⁶ Joining BRICS has potentially enhanced Bangladesh's capacity to negotiate and exert influence on the international platform. From a prestige factor, Bangladesh is at an advantage as it would be seen as being a part of a very significant global grouping.⁵⁷ The act of participating in various initiatives can grant it a heightened degree of influence in international negotiations. Bangladesh believes in a rule-based multilateral system.⁵⁸ The membership of Bangladesh in the BRICS offers a significant platform for the country to actively participate in a wide range of global issues like trade, finance, and security. Bangladesh is a leading developing nation from the global south that has considerable engagement worldwide, but it still needs to increase that role.⁵⁹ Participation in multilateral organisations, can help Bangladesh uphold the basic dictum of its foreign policy, "friendship to all, malice towards none".⁶⁰

The geostrategic location of Bangladesh is a significant aspect that deserves consideration for BRICS membership. Bangladesh is geographically situated in a region that shares land borders with Myanmar, thereby establishing a connection between Southeast and Western Asia as well as India. Bangladesh, being strategically

⁵⁴ Interview with Dr Noor Mohammad Sarkar, Research Fellow, Bangladesh Institute of Law and International Affairs (BILIA), December 4, 2023.

⁵⁵ Dr Delwar Hossain, Roundtable on "The Strategic Autonomy of Bangladesh Participation in International And Regional Organisations including BRICS", November 5, 2023, BIIS Auditorium.

⁵⁶ Hossain, Roundtable on "The Strategic Autonomy of Bangladesh."

⁵⁷ Online Interview with Michael Kugelman.

⁵⁸ Interview with Dr Shariful Islam, Associate Professor, International Relations, University of Rajshahi, December 17, 2023.

⁵⁹ Hossain, Roundtable on "The Strategic Autonomy of Bangladesh."

⁶⁰ Hossain, Roundtable on "The Strategic Autonomy of Bangladesh."

positioned, operates three major ports, namely Chattogram, Mongla, and Payra.⁶¹ These ports play a significant role in facilitating connectivity between China, India, and Russia with other member countries of the BRICS. The BRICS will have the prospect of engaging in communication and co-operation with other regional blocs, namely the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the South Asian Association for Regional Cooperation (SAARC), and the Association of Southeast Asian Nations (ASEAN).⁶²

If Bangladesh were to join BRICS, it could potentially experience significant geo-economic benefits. It is estimated that by 2030, Bangladesh will become the ninth-largest consumer market in the world.⁶³ Bangladesh's population which is over 160 million, makes it ideal for business and commerce.⁶⁴ Bangladesh has been able to increase its relations with the countries in the West, particularly through very robust trade ties and commercial relations; hence, it would serve Bangladesh's interests well to also be a part of BRICS, which represents an alternative to the West.⁶⁵ Bangladesh could leverage the platform to enhance trade and investment opportunities, particularly with the BRICS nations, which collectively represent a substantial portion of the global economy. Additionally, participation in BRICS would provide Bangladesh with a more influential voice in shaping international economic policies and strategies, potentially improving its access to global markets and resources.⁶⁶

Bangladesh saw a geopolitical upheaval when it acquired sea access and a maritime border from India. During that period, China introduced its BRI. As the Indo-Pacific Strategy was introduced, Bangladesh published its own Indo-Pacific Outlook due to its geographical proximity and strategic access to the Indian Ocean. The BRICS would consider including Bangladesh because of its strategic location in the Indian Ocean, which is advantageous for nations like China, India, and Russia that have significant maritime interests.⁶⁷ The energy supply of the newly added BRICS

⁶¹ S M Saifee Islam, "Why Bangladesh Should Be Offered to Join BRICS," *The Business Standard*, May 19, 2023, <https://www.tbsnews.net/thoughts/why-bangladesh-should-be-offered-join-brics-634426>.

⁶² Md. Badrul Millat Ibne Hannan, "Bangladesh and BRICS: A Potentially Game-Changing Partnership," *The Business Standard*, July 9, 2023, <https://www.tbsnews.net/thoughts/bangladesh-and-brics-potentially-game-changing-partnership-662482>.

⁶³ S M Saifee Islam, "Why Bangladesh Should Be Offered to Join BRICS."

⁶⁴ S M Saifee Islam, "Why Bangladesh Should Be Offered to Join BRICS."

⁶⁵ Online Interview with Michael Kugelman.

⁶⁶ Interview with Mahfujur Rahman, Assistant Professor, International Relations, Bangladesh University of Professionals (BUP), November 29, 2023.

⁶⁷ Interview with Dr Noor Mohammad Sarkar.

members from the Middle Eastern nations navigates through the Indian Ocean. Ensuring maritime security for the BRICS members is a crucial goal, and Bangladesh can significantly contribute to this purpose as trade and security are interconnected.⁶⁸

Hence, Bangladesh's potential inclusion in the BRICS has significant impacts. Joining BRICS could elevate Bangladesh's regional influence, strengthen its global bargaining power, and strategically position the nation as a key player in international dialogues. Geostrategically, Bangladesh's location and ports offer vital connectivity, while economically, BRICS membership could enhance trade opportunities and influence international economic policies. Having explored the diplomatic, political, and geopolitical opportunities associated with BRICS membership, the subsequent section will analyse the challenges and considerations Bangladesh must address in its pursuit of joining BRICS.

4. Challenges for Bangladesh

The potential inclusion of Bangladesh as a member of the BRICS holds significant implications that are not without their fair share of challenges. Considering the dynamic and escalating geopolitical landscape in the Indo-Pacific region, coupled with the increasing heterogeneity observed among the BRICS members, it is evident that there are challenges. In the context of Bangladesh joining BRICS, there are some probable challenges that Bangladesh might face.

South Asia holds significant geopolitical importance and serves as a prominent stage for escalating competition between two major powers in Asia, namely China and India.⁶⁹ The potential inclusion of Bangladesh in the BRICS raises important considerations regarding the country's ability to effectively navigate its trade, investment, and strategic relationships with India and China.⁷⁰ How Bangladesh manages these aspects will play a crucial role in determining the extent to which it can derive benefits from its participation in BRICS. Besides, BRICS is dominated by countries that are more powerful and influential than Bangladesh, like China,

⁶⁸ Interview with Dr Noor Mohammad Sarkar.

⁶⁹ Genevieve Donnellon-May, "India and China's Rivalry Is Reshaping South Asia," *The Strategist*, May 17, 2023, <https://www.aspistrategist.org.au/india-and-chinas-rivalry-is-reshaping-south-asia/>.

⁷⁰ Dr Selim Raihan, "Demystifying BRICS and the Stakes for Bangladesh," *The Daily Star*, September 5, 2023, <https://www.thedailystar.net/opinion/views/news/demystifying-brics-and-the-stakes-bangladesh-3410966>.

Russia, and even India.⁷¹ As Bangladesh would come in as a new member, initially it would probably have a junior-level status, which would make it difficult for it to be as influential as established members.⁷² Despite this, Bangladesh could capitalise on its unique position to forge closer ties with these influential nations and gradually increase its stature within the group.

The New Development Bank plays an important role in facilitating the provision of loans to support the economic development of countries in the global south. In contrast to the World Bank and IMF, the institution lacks a loan supervision system that would effectively oversee and regulate the allocation and utilisation of loans. This loan supervision system is deemed essential in the context of Bangladesh for proper utilisation. Besides, the BRICS primarily focuses on investment cooperation rather than serving as a trade forum.⁷³ In the absence of comprehensive agreements pertaining to trade in goods and services, trade facilitation, intellectual property rights, and non-tariff measures, the significance of investment cooperation would be diminished.⁷⁴ Besides, China would be more inclined to advance its newly established Asian Infrastructure Investment Bank (AIIB) more than the NDB.⁷⁵

Bangladesh does not align itself with any specific geopolitical bloc, so it seeks to balance relations with many different countries, including different powers that are rivals with each other.⁷⁶ Besides, an important point to be noted is that the BRICS has no member states from the West and has no prospect of doing so either. Given the active participation of Russia and China, which are widely recognised as the United States' primary political and economic competitors, it is reasonable to assert that this perception is not unfounded.⁷⁷ Within the current geopolitical context, Bangladesh is confronted with a challenging situation due to its reliance on the United States and its allies as significant export destinations and sources of FDI and Official Development Assistance (ODA).

⁷¹ Online Interview with Michael Kugelman.

⁷² Online Interview with Michael Kugelman.

⁷³ Dr Selim Raihan, "Demystifying BRICS and the Stakes for Bangladesh."

⁷⁴ Dr Selim Raihan, "Demystifying BRICS and the Stakes for Bangladesh."

⁷⁵ Interview with Mahfujur Rahman.

⁷⁶ Online Interview with Michael Kugelman.

⁷⁷ Athar Noor, "BRICS Why Bangladesh Wants to Join the Club," *International Policy Digest*, July 12, 2023, <https://intpolicydigest.org/the-platform/brics-why-bangladesh-wants-to-join-the-club/>.

The 15th BRICS summit prioritised the objective of diminishing worldwide dependence on the US currency. During the summit, the leaders of the BRICS countries engaged in further deliberations over concrete strategies to enhance trade and investment by promoting the use of domestic currencies.⁷⁸ The issue of the common currency is complex, including considerations such as whether it should be a distinct currency or the BRICS member states' own currency.⁷⁹ India is a participant in the emerging Indo-Pacific Economic Framework, which is seen as a coalition against China.⁸⁰ India seeks to establish an independent currency system, whereas China also wants the same.⁸¹ The BRICS members have differences in the size of the economy, the size of the population and the rate of inflation, so the adoption of currency is not going to be a very easy task.⁸² In the pursuit of becoming a member of BRICS, it is imperative for Bangladesh to be cautious when considering the adoption of a common currency, as this decision may have significant repercussions from the West. Having examined the potential challenges and surrounding Bangladesh's membership in BRICS, the subsequent section delineates a way forward for Bangladesh.

5. Way Forward for Bangladesh

The potential for Bangladesh to join the BRICS presents an opportunity for the country to reap economic advantages and enhance its diplomatic leverage. However, this decision entails a multitude of geopolitical complexities and factors that must be carefully evaluated and considered. Bangladesh, as a nation, must undertake a comprehensive assessment of the prospective advantages and disadvantages associated with joining BRICS. Subsequently, Bangladesh needs to devise strategies that effectively optimise its national interests while ensuring alignment with its overarching foreign policy objectives.

Bangladesh's membership would bring more of South Asia to the BRICS, which is a critical region. It would not only have an Indian voice in BRICS but also

⁷⁸ "BRICS Summit Leaders Eye Expansion, Common Currency," *Deutsche Welle*, August 23, 2023. <https://www.dw.com/en/brics-summit-leaders-eye-expansion-common-currency/live-66606155>.

⁷⁹ Professor Mustafizur Rahman, "Joining BRICS is a More Economical Decision than a Political One," Center for Policy Dialogue, <https://cpd.org.bd/joining-brics-is-a-more-economical-decision-than-a-political-one/>.

⁸⁰ Professor Mustafizur Rahman, "Joining BRICS is a More Economical Decision than a Political One."

⁸¹ Nurul Islam Hasib, "PM Hasina's Visit to South Africa: What does BRICS mean for Bangladesh?," *Dhaka Tribune*, August 20, 2023, <https://www.dhakatribune.com/bangladesh/foreign-affairs/322950/pm-hasina%E2%80%99s-visit-to-south-africa-what-does-brics>.

⁸² Interview with Mahfujur Rahman.

a new voice from South Asia if Bangladesh were to join BRICS.⁸³ For Bangladesh, the diplomatic advantages include working more closely with friends like India and also in other regions where Bangladesh is not as present. The BRICS is the first organisation in the 21st century that has no Western members. The BRICS is a new kind of alignment, as it does not accept nor completely reject the West.⁸⁴ While Bangladesh seeks membership of BRICS in the upcoming BRICS summit, it is imperative that the country maintain a strategic balance with both the US and Europe. Maintaining the foreign policy dictum “Friendship to all, malice towards none” should be the guiding force to move forward with BRICS nations.

It is anticipated that Bangladesh will successfully go through a transition from a Least Developed Country (LDC) status by the year 2026. Consequently, Bangladesh will no longer be eligible to receive PTAs from developed nations, and Bangladesh needs to explore new options for export.⁸⁵ Membership in BRICS will provide Bangladesh with access to a vast and growing market. However, if Bangladesh wants to be a part of BRICS, it needs to figure out whether its systems are developed enough to leverage the economic gains that come with it. The time, resources, and diplomatic endeavors that would be required to gain membership in BRICS would need to be evaluated. However, Bangladesh must consider that it is currently not a trading bloc and would not see immediate benefits to its economy from joining this group.⁸⁶ There is a need to undertake a comprehensive cost-benefit analysis to determine the feasibility of Bangladesh’s membership in BRICS.

To gain membership in the BRICS organisation, it is necessary to enhance diplomatic relations with member nations. To effectively communicate with government and organisational leaders, it is important to take appropriate measures, such as writing official letters and appointing a dedicated ambassador for persuasion. Bangladesh did not actively pursue diplomatic engagement to seek membership in the 15th BRICS summit. To seek membership in the upcoming membership stages, Bangladesh should actively participate in bilateral or multilateral discussions with BRICS countries. In addition, Bangladesh should also strive to meet the membership criteria established by the BRICS countries.

⁸³ Online Interview with Michael Kugelman.

⁸⁴ Interview with Dr Noor Mohammad Sarkar.

⁸⁵ Interview with MS Siddiqui.

⁸⁶ Interview with MS Siddiqui.

6. Conclusion

Bangladesh's potential membership in the BRICS has been a subject of considerable deliberation and analysis, particularly in light of the dynamic geopolitical landscape and evolving global dynamics. This paper has conducted an evaluation of the potential opportunities and challenges associated with Bangladesh's prospective membership in the BRICS. The theoretical framework of liberal intergovernmentalism provides valuable insights into understanding the formation and functioning of the BRICS, emphasising the role of economic interests, inter-state negotiations, and the establishment of supranational institutions. The BRICS as a representation of the Global South, aims to promote increased trade, investment, and cooperation among developing nations within a global system dominated by the West. The BRICS has evolved into a significant platform for emerging economies to foster economic cooperation, address global challenges, and shape international discourse. Bangladesh's expressed interest in joining BRICS reflects its aspiration to leverage its growing economic prosperity, strategic location, and geopolitical significance to further its national interests on the global stage.

Given its status as a developing nation, Bangladesh has the capacity to become a member of BRICS and thus get access to the many prospects that BRICS provides. Bangladesh's potential inclusion in the BRICS presents a strategic opportunity to enhance bilateral economic cooperation, expand trade horizons, and attract foreign investment, particularly from key BRICS members such as China and India. It will facilitate loans from the New Development Bank and strengthen cooperation between countries in the southern hemisphere. Incorporating Bangladesh into the BRICS would expand South Asian representation and bolster diplomatic ties, hence amplifying the region's influence within the group. Bangladesh stands to gain significant geopolitical advantages from joining BRICS. Bangladesh could enhance its regional influence, strengthen its global bargaining power, and contribute to addressing common challenges such as regional security, climate change, and sustainable development. However, Bangladesh must also navigate through a set of challenges associated with BRICS membership, including geopolitical complexities and asymmetric power dynamics within the group. The membership of this organisation presents several difficulties stemming from the geopolitical competition between India and China, the complexities associated with implementing a shared currency, and the limitations of NDB loans. The absence of comprehensive trade

agreements and concerns over currency harmonisation pose additional hurdles that require careful consideration.

The paper has suggested way forward for Bangladesh regarding its engagement with BRICS, which includes strengthening diplomatic ties with BRICS countries, conducting a cost-benefit analysis, maintaining strategic balance, and addressing the possible challenges of Bangladesh. The way forward might be taken into consideration throughout the following rounds of membership expansion at the upcoming BRICS Summits. Bangladesh's potential inclusion in BRICS represents a pivotal opportunity to advance its economic, diplomatic, and strategic interests on the global stage. By strategically navigating through challenges and leveraging its strengths, Bangladesh can be a valuable addition to the BRICS.