BRICS EXPANSION IN THE MIDDLE EAST FROM POLITICAL ECONOMY PERSPECTIVE

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ABSTRACT

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This article examines the expansion of the BRICS organization in the Middle East through the lens of the political economy. The BRICS countries, including Brazil, Russia, India, China, and South Africa, have expanded their presence in the Middle East. Despite extensive research on the BRICS studies, more comprehensive studies need to explore the analysis of BRICS expansion to the region. Utilizing a qualitative approach, this study conducts a literature review to explore the depth and breadth of its expansion. The findings of this research reveal some of the interests of the BRICS countries in securing energy resources, establishing political influence, and tapping into the region’s economic potential. Furthermore, the BRICS countries see the Middle East as a crucial region for their geopolitical ambitions and an opportunity to challenge Western dominance in global politics and economics.

Keywords: BRICS; economic; expansion; Middle East; political economy.

INTRODUCTION

Whether we like it or not, the BRICS group is now part of the global political economy landscape. BRICS (Brazil, Russia, India, China, and South Africa) have emerged as the new emerging actors in the global political economy of the twenty-first century. The bloc represents a substantial portion of today’s world’s landmass, population, and GDP. Six
additional countries were admitted at the recently concluded BRICS summit in Johannesburg, South Africa. Four are Middle Eastern countries: Egypt, Iran, Saudi Arabia, and the United Arab Emirates (UAE) (Katz, 2023). This expansion has significant implications for the political and economic dynamics of the Middle East region, and it is essential to analyze this phenomenon from a political economy perspective.

The Middle East has many political and economic dynamics, as the world has structured it. The interests and conflicts over the years have been sparked by oil and gas reserves. One of the most essential oil-related battles in the region’s history was the Gulf War, which pitted Iran and Iraq against one another. Several nations spread oil deposits throughout the Middle East, including Saudi Arabia, the United Arab Emirates, Qatar, Iran, Iraq, Kuwait, Syria, and Oman. The Middle East holds about 55% of the world’s oil reserves; the rest is spread out in other countries. One of them, Russia, as one of the BRICS members and also a part of OPEC with Saudi Arabia and the UAE, produces around 10.94 million barrels of crude oil daily, accounting for 12.2% of global oil output. Canada produces around 5.4 million barrels daily, contributing 6% of global oil production. The United States produces 16.58 million barrels daily, contributing 18.5% of the global oil supply (Purwanti, 2022).

In addition to economic highlights, the Middle East is an area frequently featured in international exhibitions in the political sphere due to the intricate political landscape of the region. The political restructuring in the Middle East started during the Arab Spring wave. It is crucial to remember that the protests and rallies in reaction to the Arab upheavals were part of a more extensive process of change currently occurring in the Arab world when analyzing the BRICS response. Even while the mobilizations that started in the first half of 2011 were the trend’s most noticeable aspect, they were maybe only the first of their kind. Increasing BRICS influence in the global political economy and their strategic expansion into the Middle East marks a significant development that warrants close examination. Historically, the United States is a dominant player in the global political arena and has engaged the region in the most protracted conflict. The international community has seen the failed surge into Afghanistan, the catastrophe in Iraq that helped destabilize vast swaths of the Middle East, an unconstitutional war in Libya that created a power vacuum exploited by ISIS, and a drone war that has killed hundreds of innocents in a half-dozen countries (Manurung & Sihombing, 2017). In addition, the ongoing Israeli-Palestinian conflict is regarded as one of the Middle East’s most distorted political processes. Despite the involvement of numerous global powers and the United States in resolving this dispute, two entities in the heart of the Middle East have failed to find common ground. It is evident that the Middle East is regarded as the ideal geopolitical and economic arena and has occasionally influenced the global political and economic dynamic. The Middle East is recognized as a global energy provider, accounting for most of the world’s oil production.

The BRICS’s growing presence in the Middle East marks a significant development in international politics and economics due to its geopolitical significance and desire to dominate the global political economy. Furthermore, the BRICS’s geopolitical intentions, economic interests, and strategic goals in the Middle East are crucial to comprehend why they are expanding their presence in the Middle East. This article reveals that the BRICS expanding their presence in the Middle East includes tapping into market accessibility, energy security, geopolitical interest, and cooperation with Middle Eastern countries. Thus, analyzing how the BRICS engaged in current power dynamics and regional conflicts in the Middle East is essential. It is also added to the larger conversation on regional partnership, global economic governance, and the new dynamic of international relations in the twenty-first century by analyzing the interactions between the Middle Eastern countries and the BRICS bloc.

Exploration of the BRICS presence in the Middle East is essential to figuring out regional stability and economic development. Collective political and economic structures
carry out different points of view on the framework. One of the BRICS goals is to expand its presence in the Middle East by fostering strategic partnerships and getting involved in the Middle East political dispute. Understanding the motivations and actions of BRICS in this region can provide valuable insights into the future of international relations and economic policies. This research seeks to contribute to the ongoing dialogue on global economic governance and the changing dynamics of international relations in the twenty-first century. The BRICS' engagement in the Middle East is critical to the broader transformation in global politics and economics.

**FINDINGS AND DISCUSSION**

The BRICS is a coalition of countries seeking to increase their influence in the world's political and economic decision-making (Castro, 2013). The BRIC—the grouping of Brazil, Russia, India, and China (BRIC)—is a term first coined by Goldman Sachs’ economist Jim O’Neill in the 2001 paper “Building Better Global Economic BRICs” (Neill, 2002). In 2006, the foreign ministers of Brazil, Russia, India, and China met briefly in New York before UNGA, which marked the first attempt to collaborate between these emerging countries. In 2009, Russia hosted the first BRIC-specific summit, which was followed by meetings in Brazil (2010), China (2011), and India (2012). South Africa was a guest in 2010 and, in 2011, became a full member. Thus, the BRIC was changed into BRICS, which serves to incorporate an emerging African economy and diversify the geopolitical significance of the group (Castro, 2013). Through these strategic partnerships, each state member can balance their power and realize their common goals.

The BRICS is not a traditional international institution since it has no founding charter or institutionalized governing body of bureaucracy (Armijo, 2007). It is in a similar context to the G7/G8, which is an informal and highly successful international cooperation of industrialized democracies. The BRICS, therefore, has become a coalition of emerging economies that focus on defining and establishing cooperation in political and economic initiatives to augment their power on the international podium. At first, the BRICS was an artificially created grouping that has become a diplomatic reality (Galvao, 2010). Its collective powers widely expand beyond their region. The Middle East is a combination of dozens of countries with diverse political identities, religions, economic levels, and socio-cultural, and it was seen as an excellent target for the BRICS group to expand to.

In the twenty-first century, the Middle East is one of the most significant regions that has an influential role in political economy dynamics. For a long time, a lot of global players have been significantly involved in the dynamics of the Middle East. The United States and its allies are the main actors that have dominated the Middle East political economy chess game since the first US involvement in the coalition against Iran in Gulf War I. The 9/11 of Al-Qaeda, Sadam Hussein’s execution, and stabilizing the Israel-Palestine conflict, including the Arab Spring and ISIS terror, are highlighted as waves of political dynamics changes in The Middle East that are impossible to be forgotten. The new Middle Eastern members of BRICS represent the first phase of the organization’s expansion into the MENA, including Egypt, Ethiopia, Saudi Arabia, Iran, and the United Arab Emirates. As the BRICS alliance expands throughout the Middle East and North Africa, many strategists are needed to implement and uphold these ideals.

**Against Western Domination**

The BRICS coalition has become a contender for Western political and economic hegemony. For years, Western countries have been tyrannizing other nations by dominating global organizations through organizations such as the IMF, the World Bank, and the G7 to formulate conditionality policies that favor their interests. BRICS is working to decrease its dependence on systems controlled by the West by establishing financial institutions. The formation of the New Development Bank (NDB) by BRICS is designed to support
infrastructure and development projects in developing nations, offering an alternative to entities like the IMF and World Bank, often viewed as instruments of influence. Furthermore, initiatives such as the BRICS Contingent Reserve Arrangement aim to enhance stability by offering liquidity during currency crises without depending on the US dollar as the global reserve currency (Papa & Chaturvedi, 2024).

China and India, the two nations with a growing economy, enhanced the partnership within the BRICS countries. The recent economic development in both countries and their prowess to act as the world’s factories have placed them on the trade map. Based on the BRICS Wealth Report by Henley & Partners, private wealth grew over the past ten years in both countries, with 92% in China and 85% in India (Henley & Partners, 2024). Other than that, these countries have over two billion citizens, which implies that such countries can offer investment opportunities and trading partners. As the Asian giant, China and India also pressured the existing international trade systems that Europe and North America dominate. This is driven by their economic influence on developing countries in Asia, which positions them as “Asian Drivers” (McDonald, Robinson, & Tierfelder, 2008).

Russia provides fixed assets to BRICS regarding their natural resources and military prowess. Russia is still considered to have power and influence in the international community despite facing sanctions and pressure from the international community for their attack against war with Ukraine. Brazil and South Africa are the two biggest relatively big global economies in Latin America and Africa respectively. This reaffirms the idea that BRICS is not only a coalition group of developing countries but also a strategic group with the potential to counter and challenge Western domination (Dominguez, 2023). In global issues, BRICS countries share the same sense of isolation in the current global governance system. They gradually confronted Western hegemony on many occasions. Russia and China resisted Western domination in the UNSC (United et al.), and Brazil has challenged and confronted the United States on FTAA (Free Trade Area of America). India has objected to Western support for Pakistan several times, including in South Africa, and defended their sovereignty against Western intervention in Zimbabwe (Chakraborty, 2018). BRICS seeks reforms within international organizations like the United Nations. As for them, the UN Security Council does not represent the modern world map. BRICS thus calls for better seats and power for emergent economies in decision-making processes. By conducting summits and fostering collaboration, BRICS aims to increase togetherness among developing nations and ensure they are on the same side regarding issues (Bavier, 2023). In light of political and economic instability and uncertainties in the development regions, BRICS continues to share a common goal with its member countries. BRICS is looking forward to a new development in the political and economic atmosphere in the global governance structure.

Opportunities and Challenges for the Middle East

One specific goal of many of the MENA countries is to keep options open. With the rapidly changing global developments, the Middle East no longer found it wise to rely solely on its long-term security partner, the US. China’s presence in the Middle East has grown more prominent recently. Following the Ukraine war, countries like Saudi Arabia and the UAE have shown their independent stance by taking part in mediating the conflict between Russia and Ukraine. With this in mind, it was unsurprising that four Middle Eastern countries decided to join BRICS. With the expansion, BRICS now comprises up to 46% of the world’s population, 28% of the world’s economy, 36% of the global GDP, and 25% of world trade. (Holtzmann, 2024). The decision to join this group This section will discuss the opportunities and challenges of the new members with their decision to join BRICS.

One of the opportunities of the group is that it serves as an alternative to the West’s world order. With Western-led groups such as the G7 — now G20 — and the OECD (The Organization for Economic Cooperation and Development), BRICS is the only group composed of only global south countries. In the latest BRICS summit in 2023, the group
declared they aim to “amplify and further integrate the voice of the global south” (BRICS, 2023). The group’s older members, such as Brazil, China, South Africa, and India, are also known for advocating for the global south. This further highlights the group’s agenda for global South unity. With a group like OECD, which is known as a Western group and many times deemed for being more accommodative to developed countries, serving primarily interests and expected standards of its mostly Western members, BRICS serves as a group that caters to the interests and needs of developing countries. Its infrastructure and sustainable development projects focus on areas such as clean energy and energy efficiency, transport infrastructure, water and sanitation, environmental protection, social infrastructure, and digital infrastructure, which are areas of projects that are very crucial for countries like South Africa, Brazil, India, and other members (Jr, 2024). Although Brazil, China, India, Russia, Saudi Arabia, and South Africa are also a part of the G20, the group was born out of Western idealism, with its original members comprising Canada, France, Germany, Italy, Japan, the UK, and the US. The group focuses more on being the meeting place for both the global south and the global north, focusing on accommodating all of its members’ interests. In this case, BRICS serves as a unique alternative; it serves as a meeting point where all of its global south members can focus the group’s objectives on issues that are relatable to one another and focus on projects that are less or not accommodated in Western-led groups (Melvin, 2023).

BRICS also serves as an opportunity for the Middle East to reduce petrodollar in its oil transactions. In 2023, one-fifth of the oil trades were made using non-US dollar currency, when before, most of the trade used to be 100% conducted in US dollars (Pitsilli, 2024). Amongst the deals were among the members of BRICS, with China in particular, which has set a goal to do all their oil transactions in the Middle East with the Chinese Yuan. In 2023, the UAE and India’s crude oil deliveries were done in rupees, and Saudi Arabia and China also signed a three-year currency swap agreement worth $7 billion (Slav, 2023). Furthermore, Brazil, as a BRICS member, has strongly advocated for “de-dollarization” (Simon, 2023), and Iran and Russia, who face sanctions, have also finalized an agreement to continue trade activities in their local currencies (Reuters, 2023). With these developments, the Middle East members — Saudi Arabia and the UAE — can use their BRICS membership to further trim the reliance of their oil market on the US dollar, further widening their market to the BRICS members.

Joining a new group inherently also means expanding to new opportunities. With countries like China, Saudi Arabia, and the UAE, which are further down the line in their economic success, other members such as Egypt, Iran, and Ethiopia can utilize their membership for ‘new options’ to develop their economies. With Iran being sanctioned, they have complicated and almost no access to international funds. World Bank last approved lending to Iran in 2005 and never after, and although Iran is a member of the IMF, they are prevented from using their Special Drawing Rights (SDRs) — accounting for $6.6 billion — which was recently due to their recent tension with the US after the October 7 attack and their involvement with the Hamas Group. (Congressional Research Service, 2023). With BRICS’s New Development Bank (NDB), the new members are provided the opportunity for infrastructure and sustainable development without the burden of going through the West’s sanctions and other obstacles.

With many opportunities, membership in BRICS also opens new members to challenges. One challenge is how the Middle East members must survey their long-standing relationship with the US and their dynamic as members of BRICS. Though in recent years China and Russia have made several appearances in the Middle East, where they further their partnership with Saudi Arabia, the UAE, Iran, Egypt, and the Gulf Cooperation Council (GCC) member countries, the expansion of BRICS in the region seems to be another step by the Middle East to loosen their reliance to the US. Many news sources have claimed that Saudi Arabia is still considering their invitation to BRICS by February this year, as said by
Faisal Al Ibrahim, Saudi Arabia’s economic Minister. This shows that the Kingdom still carefully weighs its position between China, Russia, and the US’s geopolitical tension (Reuters, 2024). With this much doubt at the beginning of their joining the group, the Middle East members — especially Saudi Arabia, the UAE, and Egypt, who have strong ties with the US — must effectively work their dynamic between the group and the US. The Middle East members must carry out a strategic plan to take advantage of opportunities with both parties and acknowledge the challenges of being in the middle of two big powers.

Another challenge, not only for the new members but for BRICS as a whole, is the dynamic between Saudi Arabia and Iran; this is a set of new challenges as existing ones, such as Russia’s sanction, China, and their rivalry with the US, are already very thick in the group. As of 2022, Iran has officially become a full member of the Shanghai Cooperation Organization (SCO), and by March 2023, Saudi Arabia also became a dialogue partner to the security group, making BRICS the second multilateral platform with both countries present. Within the same month of joining the SCO, Saudi Arabia and Iran re-established diplomatic relations as another BRICS member, China, brokered it. Even with this development, the tension between Tehran and Riyadh remains, as said by the Chairman of a Saudi Arabian think tank, Gulf Research Center (GCC), Dr. Abdulaziz Sager, that “Saudi Arabia is adamant about keeping their dialogue channel open with Iran, yet they require Iran not to contradict the Kingdom’s security interest.” (Sager, 2024). This tension is further seen as attacks between Iran and Israel recently broke. Though in response, Saudi Arabia and other Gulf states continue to remain neutral, other BRICS members must acknowledge that two of its members are not on good terms; BRICS must also plan out how this dynamic will carry out in the future engagements of the group.

**Strategic Implications of BRICS in the Middle Eastern Geopolitical Landscape**

BRICS have asserted themselves in a way that puts the world’s dominant powers from Western countries in peril. In late 2023, BRICS expanded its influence, with Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE becoming member states (York, 2023). This shift in the power dynamics means changes for the Middle East, which has consistently received Western policy influence and interventions. BRICS involvement in the MENA geopolitical landscape has introduced new ways of political, economic, and security dynamics in the region (Gjevori, 2023).

One of the critical implications of BRICS involvement in the Middle East is the prospect of economic partnership and infrastructure growth. Due to that, China has become at the forefront of this initiative with its Belt and Road Initiative (BRI). The BRI targets trade relations and infrastructure highways connecting China to Africa, Europe, and the Middle East. BRI can potentially increase the connectivity between the Middle East and other countries worldwide. So far, more than 200 BRI partnership agreements have been signed with more than 150 countries, including 30 international organizations. (Feingold, 2023). Countries like Saudi Arabia, the United Arab Emirates, and Iran have joined hands with China in this initiative within their regions. In 2023, Saudi Arabia had the highest construction volume, with USD 5.6 billion, due to BRI (Nedopil, 2024). Chinese investments in ports, railways, and energy projects show potential to boost growth in these areas and improve their connections to markets. (Gaoju, Huang, Huang, & Chen, 2020).

Not only that, but China has also enhanced its connections with important Middle Eastern countries through the BRICS coalition over the past decade. China has signed strategic partnership agreements with Iran, Algeria, Egypt, Saudi Arabia, and UAE Between 2014 and 2018 (Alhasan, Hammad, & Alajlouni, 2023). Through BRICS, China engaged in multilateral cooperation with Middle Eastern countries with China Gulf Cooperation Council (GCC) to establish a dialogue between China and Arab states, particularly in building free trade zones. (Laadam, 2019). China is rapidly becoming a dominant force in the Middle East and potentially directly threatening the dominance of the US in the region. China’s economic
cooperation and infrastructure development approach is becoming an appealing alternative to the Western approach, focusing mainly on intervention and aid. Thus, it became clear that by fostering relations with countries in the region, China could positively alter the structure that influences its political economy, which differs from the US (Regilme, & Hodzi, 2021).

However, when dealing with significant conflicts in the Middle East, China tends to be low profile and more careful than Russia (Dams & Veldkamp, 2024). As a BRICS member, Russia is highly involved in conflict in the Middle East, especially with Syria, which has solidified its role as a player in the region (Rumer & Weiss, 2019). Not limited to that, Russia has been solidifying its ties with Middle Eastern countries through energy trade and arms deals collaborations. Based on Russia’s Federal Service for Military-Technical Cooperation, 40%-50% of Russia’s military exports hovered to the Middle East in the past few years. Russia also finalized a military arrangement to export Sukhoi Su-35 fighter jets and helicopters to Iran at the end of 2023 while holding a military dialogue with Algeria in the same year (Borshchevskaya, 2024). Russia is focusing on forming alliances to safeguard its interests and expand its influence in the Middle East using these economic and military approaches. Russia has established its presence in the Middle East to position itself as a critical player in regional conflicts, thereby challenging the influence of the United States as its current hegemony and adding complexity to Middle Eastern geopolitics (Kennan Institute, 2021).

For other BRICS members, India has always become an important trade partner in the Middle East. In the last decade, India’s investment in the Middle East reached 5%. They are highly involved in various trade sectors, including telecommunication, construction, and food production. South Africa is also highly engaged in oil trade in the Middle East. Like Russia, Brazil has increased its engagement and presence in the Middle East. Starting from Israel-Palestine to Iran’s nuclear program dispute, Brazil is mainly against the Western perspective in its stance. As Middle Eastern countries strengthen their connections with BRICS, they gain access to investment opportunities, trade partnerships, and political support (Özekin & Sune, 2023).

The United States has traditionally built its influence over politics and security through its presence, alliances, and economic ties. However, with strategic implications and rising partnerships, BRICS have challenged the longstanding dominance of Western US-led geopolitics in the region. This strategy eliminates the possibility of having a specific power monopolizing the region to create diverse geopolitical aspects.

CONCLUSION

This article reveals the expansion of the BRICS in the Middle East from a political economy perspective. Expanding the BRICS region in the Middle East has several goals in particular. For decades, The West has been tyrannizing other countries by dominating global organizations through organizations such as the IMF, the World Bank, and the G7 to formulate conditionality policies that favor their interests. The BRICS bloc shares a similar sense of exclusion in the current global governance system. They gradually confronted Western hegemony on many occasions. Russia and China resisted Western domination in the UNSC (United et al.), and Brazil has challenged and confronted the United States on FTAA (Free Trade Area of America). India has objected to Western support for Pakistan several times, including in South Africa, and defended their sovereignty against Western intervention in Zimbabwe. BRICS argues for the reformation of the UN Security Council, which is irrelevant for the unrepresented countries. BRICS thus calls for better seats and power for emergent economies in decision-making processes.

The group offers an alternative world order. With Western-led groups such as the G7 — now G20 — and the OECD, BRICS is the only group composed of non-western countries. In the latest BRICS summit in 2023, they aim to “amplify and further integrate the voice of the global south,” advocating for the global south countries, further highlighting the group’s
agenda for global south unity. Recent countries that have joined: Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE are committed to being part of new emerging global powers to balance Western dominations, including restructing the petrodollar in oil transactions. By stepping out from their region, the group serves that involvement in the Middle East is the prospect of economic cooperation and infrastructure development. Due to that, China has become at the frontline of this initiative with its Belt and Road Initiative (BRI). The BRI targets trade relations and infrastructure highways that connect China to Africa, Europe, and the Middle East. BRI can potentially increase the connectivity between the Middle East and other countries worldwide. So far, more than 200 BRI partnership agreements have been signed with more than 150 countries, including 30 international organizations. China is rapidly establishing itself as a dominant player in the Middle East and might pose a direct challenge to US dominance there. With its emphasis on infrastructure development and economic cooperation, China is emerging as a compelling alternative to the Western strategy, which mainly emphasizes intervention and aid. It became evident that China might favorably affect the structure, influencing the political and economic elements of the region—which is different from the US—by cultivating relations with countries in the region.

Furthermore, Russia is engaged in major conflicts in the Middle East; China tends to be low profile and more careful than Russia. As a BRICS member, Russia is highly involved when it comes to conflict in the Middle East, especially its involvement in the conflict with Syria, which has solidified its role as a player in the region. Not limited to that, Russia has been solidifying its ties with Middle Eastern countries through energy trade and arms deals collaborations. However, it is crucial to validate the lack of literature on the deep analysis of BRICS expansion in the Middle East and other regions. This can be written so the next author can elaborate more on this issue.

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