

# BRICS Countries: The Future 5 Nation Superpower

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## ABSTRACT

The world order is currently changing where we see the development of new countries forming together. One of the new developing associations that the world is currently seeing is the formation of the BRICS countries namely Brazil, Russia, India, China and South Africa. Within this association, the researchers gathered information on all the five being named as Superpowers of the future. This paper seeks to introduce this development of the five nation ring. It also seeks to bring out information on the viability of these 5 nations to lead the world and help solve economic problems.

Keywords: BRICS, Five- Nation Superpower, Future, Superpowers

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## INTRODUCTION

We are currently living in a world where everything is changing. The world has commonly come across world powers that are heads of states in taking decisions, shaping the planet and solving world problems. Today, countries are evaluated in terms of their economic growth, capacity to defend themselves militarily and even perhaps by their ability to secure the operability of other nations. These elite countries are poised to become future SUPERPOWERS of the world. Sometimes, we might even think of ourselves (as Indians) if all of this is actually true, however, no doubt that it is published sources that claim that we can in fact take on the world to lead. One of India's biggest advantages was the advent of liberalization of the economy coupled with the development of the IT & Telecommunications sector that spurred its growth and is helping it achieve the 8% GDP growth that many countries all over the world envy. During the very difficult time of the recession, many countries found it difficult to grow more than 4% - 5% per year. However, India is already pushing itself to touch the 10% mark in the near future [[The Picky.Com](http://ThePicky.Com)].

If there exists a Superpower country in the world today, it is because of certain criteria that it has over other countries worldwide that makes it unique. It is because; it perhaps has some advanced virtues in it that most other countries don't have in comparison. However, as aptly said, "With great power also comes great responsibility", a Superpower must also go a long way in being noble and solving world problems. So far, the world has probably known the USA to be qualified as a superpower, and even Russia when it was called as the USSR earlier. These countries primarily in the 1980s had military strength, and that was what quantified them to be called as such. After the first and the second world war, much of the world's economic and military strength declined. Countries involved in the war decided to rebuild themselves, and America and the Soviet Union were the ones who were left with the most advanced military might and eventually they became to be called as SUPERPOWERS. However, most countries in Europe declined both economically and militarily.

## WHAT REALLY QUALIFIED THE USA TO BE A SUPERPOWER?

The USA had the maximum number of companies and products. It had the world's financial backing. The

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international currency around the world was the dollar, which it still is until today. Topping everything, the USA was the world's strongest nation militarily.

❖ **What Really Qualified The USSR To Be A Superpower ?** : The Russians / Soviets were also technologically strong but basically, their core strength lay with the fact that they had equal military strength as the Americans did. Furthermore, they had become an international political heavyweight across the world.

❖ **What Happened Eventually: The USA Stood Alone** : Eventually, as history teaches us, with the emergence of Mikhail Gorbachev as President of the USSR, Russia became a democratic country. But at a cost, where 15 countries (now known as the CIS - Commonwealth of Independent States) eventually broke up from the USSR, and the new country was simply known as Russia. Russia lost its supremacy as a Superpower since it collapsed economically and politically. That left just one country standing as a Superpower, and that was the USA.

## THE WORLD IN THE YEAR 2011

❖ **USA Diminishing And The Emergence of Five Countries - Namely China, India, Russia, Brazil and South Africa** : (Economic ) figures have been taken as the basis for bold assertions that the Age of America is drawing to a close and that the next US president will watch it wither (Webber, 2011).

In the present times, we see a world where the USSR has probably diminished, with the CIS countries separating away and the country simply being named as Russia. On the other hand, we are probably seeing an America surrounded by three wars and in economic recession. America's military strength in the long run is being questioned. America's economic dominance is slowly dissipating - the proof of which is seen with the lengthy two-year period of recession.

While the world might have said that these two countries were the Superpowers of the globe. Logically, one would have to think of the parameters which they would still have to fulfil to qualify them as such. All over Europe and the USA, there emerged a new trend in doing business, which translated into setting up their factories in the nations of China and India - by hiring cheap labour and still trying to produce the same quality of products. China is now being termed as the world's factory. After China, the world has come to understand that India is doing the smart thing by investing in education. Therefore, what we are seeing is a change in the way countries are now operating economically, and that has led to a rise in newer countries taking centre stage. Coming back to Russia, Russia's growth is quite behind China and India; however, it is still a country that seemingly has the potential to grow economically since it is a country that has the potential to provide raw materials to the world. Quite similarly, Brazil is also another country which, in comparison to India and China, has considerably slower growth rate. However, it basically follows the same principle as Russia - and that is in supplying the world with raw materials for manufacturing goods.

In 2010, China overtook a limping Japan as the world's second-largest economy. It looks set to catch America within a decade or two. India and Brazil are also growing rapidly ([The Economist .com](http://TheEconomist.com)).

*The list of four countries that were touted to become the world's major producers of products were Brazil, Russia, India and China ; however, a latest addition to this group was recently of South Africa. While the combination of the four countries was coined as BRIC, with the addition of South Africa, it's now known as BRICS. South Africa currently seems to have the slowest economic growth rate. However, on certain parameters, it has been defined as a country that has the potential, in certain number of years, to be an economic dominator worldwide.*

## THE FIVE BRICS COMING TOGETHER AS AN ASSOCIATION

Initially, these countries were only named as possible economic powerhouses, they were not any political unit or association at the time. However, in the recent past, these five countries came together to form a political and economic unit. With the recent meeting of the five countries in China, they agreed to introduce a new currency for operationability within themselves, hoping to gain increase in business and exports. It was known as the Sanya Declaration. This is the list of the five countries by their performance economically : China is the leading of the five with the maximum economic and military growth rate. China's growth rate is the highest in the world, with a current rate of 9.2% GDP [ Gross Domestic Product ]. India follows suit with an annual GDP of 8.2%. Brazil stands third in the group, with its current GDP at 5%. The Russian economy stands fourth, with its growth rate at 4.1% for the year 2011, while the last but not the least is South Africa, with a GDP of 3.8% annually.

Goldman Sachs said that the greatest economic assets that Brazil and Russia possess is their capacity to be the world's biggest provider of raw materials. Whereas China and India are going to be the world's biggest manufacturers of all kinds of commodities.

## INTRODUCTION TO EACH OF THE FIVE BRICS COUNTRIES

❖ **China** : China is a country that has one sixth of the world's population. With the whole world's population being 6 billion, China holds the population of 1 billion. That many consumers are capable of being tapped by international companies for their products. The current employment numbers in China are 700 million out of their 1 billion people, which makes this country a huge contender for the world Superpower status. The Chinese still have a long way to go in terms of getting their remaining 300 million people into jobs, but it is still a huge feat achieved, since they have been able to gear up their economy so much to create employment for their citizens, create products that are being bought worldwide and feed their citizens as well. Many countries with just 10 million people as part of their nation's population are just not able to do the right thing and turn around their economies whereas in comparison, China seems to be taking the right decisions in pushing forward their country and also turning their economy around. But China's situation wasn't always this way. It was always a country that has serious management and control issues. The country has a tragic contemporary history, marked by economic decadence, political instability, military humiliation and social regression (De Ameida, 2009).

China was involved in putting down people's agitation against the government and was noted for not being able to develop their economy for many years. China's GDP fell from nearly one-third of the world's GDP to less than 5%, and the country only managed to recover in the 2000s (De Ameida, 2009).

However, after the year 2000, China decisively turned around its economy and has become the world's leading manufacturer of consumer products. It is this feat which is propelling China into becoming one of the world's largest economic powers. Notably, after the - tsunami earthquake nuclear - explosion issues that have suddenly gripped the Japanese economy, it is China, which has, in fact, replaced Japan as the world' number two economy.

❖ **India** : India, a nation that has been divided and ruled by many kingdoms over the generations has always been looted and raped by foreign powers. One of the manifestations of the coming together of the country happened when the Muslim rulers, namely the Mughals took over. Later on, they left and then it was British. The British stayed for roughly two centuries after which India claimed its independence. However, India is also unique. It has a cultural diversity that is rich and not matched by many countries worldwide. Different languages, people, food habits, fashion and thought processes have given this country what it is today. It is difficult to govern our vast country and bring prosperity to it because each and every state is distinct and different from each other.

Economically speaking, the country emerged from Independence in the year 1947, and it remained poor. India, like China, has one sixth of the world population. Thereby, while the world has 6 billion people, one billion people are Indians. It was in the year 1991 that India decided to liberalize its economy. It was at this point that India's economy took off and capital started to pour in. What the world is currently seeing is a new way of doing business, that cropped up in the USA and Europe which India is now capitalizing on. It's called Business Process Outsourcing, where companies in the USA and Europe can offshore their services to India and still maintain their service quality. In India, these call centres have now become the nation's biggest employer and about 10 million people are employed in this sector alone. The USA and Europe have a new option of cutting costs in their home countries and employing cheaper labour in another one while yet maintaining the same level of product / service quality in their home countries. India's current status is the fact of employing 350 million people out of the population of 1 billion. While there are roughly 700 million more people left to employ in comparison, the entire population of the USA is 350 million. So it has become apparent that India is also a country, almost as equally as the USA, in creating employment and factories for jobs for a vast number of people. It is this feat that put India on the path to Superpower status amongst the whole group of nations worldwide. India's leading and the most positive strength is technology. India's leading sectors are Information Technology (IT) and Telecommunications. India is currently developing its Automobile sector and is poised to become a world producer of cars within the next decade.

❖ **Russia** : Russia has also had a rich culture and has been a country for many thousands of years. However, their economic development had never been high. During its yesteryears, it struggled to come together as a single nation. However, from the early 18th century to the 20th century, it started expanding its borders and became the largest nation of the world - a record that Russia still holds today, even after the separation of the 15 CIS [Commonwealth Countries]. Socialism spread through the country but on the reverse side, it was socialism that helped its 150 million population achieve 100 percent literacy. The nation was known by the name of USSR at the time. It had its share of supremacy when industrialization took over the nation and manufacturing of good quality hi-tech products could be carried out in the country. However, the country has also had its downside. Despite achieving the national security it had always aspired to, it also created an irrational economic system that ended up causing the State's structural crisis and thunderous downfall (De Azevedo, 2009).

The country's main drawback was the fact that socialism was not working for the masses, where their money wasn't going to the real poorer classes. Furthermore, the main issue was the separation of the 15 CIS [Commonwealth of Independent States]. After the separation, the country devastatingly collapsed since each of the 15 countries had to develop individually and independently. Therefore, after their separation from the Russian Federation, they pulled down the resources of Russia, taking a share of the nation's wealth as each of them left.

❖ **The Good Part About Russia** : It has been at the forefront of discussion and has been named by Goldman Sachs to be a part of the elite BRICS group of 5 future Superpower nations. The reason being Russia has now been identified as having almost every known natural resource available and hence, can supply the world with any natural resource. Russia is currently capitalizing on its natural resources, and its extraction activities have increased ever since. Russia's other biggest asset is its people with 100% literacy that it can bank on. Therefore, it is hoped that the 4.1% growth in GDP that Russia is currently projecting increases in the years to come.

❖ **Brazil** : Brazil has predominantly been a country that has had quite a rich culture itself. It's a country that has had Portuguese settlers in the 1500s. In the past decades, Brazil has been ruled by dictators that ran the country down, and the nation has seen rebellion from its citizens fighting for justice and an end to tyranny. However, today, the entire scenario has changed where they have a democratic government pushing for change. They have been named as one of the Superpowers of the future as part of BRICS. Brazil's biggest asset is its supply of iron ore and other raw materials to developing countries like India and China. While India and China are developing their names as producers of consumer products and harbingers of technology to the world, Brazil has earned a name as being a supplier of raw materials to the entire world. The discovery of oil in the country ended its dependence on outside dependence to enhance its extraction activities, and this marked the turnaround period for Brazil. It has become self-sufficient in its production of oil. The BBC in its report claimed that Brazil is South America's most influential country, an economic giant and one of the world's biggest democracies. The discovery of major offshore oil reserves could propel the country into the top league of oil-exporting nations ([www.bbc.co.uk](http://www.bbc.co.uk)).

❖ **South Africa** : The African continent is home to 54 countries. True to its name, South Africa is the southernmost country of the continent. There is no other country to the east or west of the country. South Africa became quite famous during 2010 when they hosted the FIFA Soccer World Cup. The nation also boasts of a very good cricket team and has hosted numerous international cricketing events. As far as history is concerned, this country was ruled by the British for way too many years and SA suffered persecution by their rule. It took Nelson Mandela almost giving up his life for 30 years in prison to break the chain of their power and finally release South Africa from the tenacious grip of the Britishers and set the country free. Many black Africans sacrificed their lives for their country, and Nelson Mandela withstood those long-suffering years to set his people free. When the British left, taking whatever they could from South Africa, this country was left as a clear example of what a third world nation would actually be. Nelson Mandela later became the President of South Africa and ruled his country, implementing a system of development and growth. After Nelson Mandela's Presidency, Thabo Mbeki rose to Presidency and he led the way for almost a decade. Today, South Africans have chosen Jacob Zuma to be their President.

❖ **What's Been On The Positive Side - Economically - For South Africa** : South Africa has been added as the fifth member of the BRICS membership. Their core strengths being their reserves of gold, diamonds and other industrial



elements. They also have a strong consumer-driven economy. This country has pretty much the capacity of becoming like Brazil and Russia - one of the biggest raw materials suppliers in the world. South Africa's GDP has risen to 2.8 percent per annum. Some of the most important export destinations for South Africa have been China and the European Union. Currently, the country is still facing issues that the South African government needs to tackle - such as providing adequate public health services, improving the quality of education, and reducing unemployment, especially for the youth. Hopefully, the GDP of South Africa will increase from 2.8% to far higher rates in the years to come as predicted by Goldman Sachs ([www.bbc.co.uk](http://www.bbc.co.uk)).

## PARAMETERS FOR BRICS TO BE JUDGED AS SUPERPOWERS

Now, it's not fair that we just qualify any country or group of countries, for that matter, simply as economic superpowers, however; there are certain parameters that have to be considered before any country could be qualified as such. As for now, and for this particular paper, the researchers felt that there needed to be some form of guidelines for which these five countries could be termed as future growing economic powerhouses that could lead the world. For this purpose, the researchers decided to provide a brief detail about all the five of these countries as a group and also individually in terms of their economic strength, growth potential and capacity to lead the world in the future.

❖ **Parameters For The BRICS To Be Qualified As Superpowers Of The Future :** The researchers were unable to take on many parameters, but gave a brief on at least 7 parameters (Adapted Source: O'Neill, Wilson, Purshothaman and Stupnyska, 2005).

- 1) Inflation
- 2) Government Deficit
- 3) External Debt
- 4) Investment Rates
- 5) Openness Of The Economy
- 6) Penetration Of Telephones
- 7) Average Years Of Secondary Education

These are the certain parameters taken from the Goldman Sachs publication named "*How Solid Are The BRICs ?*" to put into perspective the five countries and how they qualify. A brief description of various parameters of each country, which helps comparison between each of them is reported in the following paragraphs :

**1) Inflation :** Inflation is an important parameter because the higher the rate of inflation for a country, it would not encourage investment from other countries, and therefore, businesses would not grow. The more a country decides to lower their inflation rates, only then would member countries decide to invest in that country, and employment would be generated. Inflation rates for the countries are as follows :

<b>China</b>	<b>: 5.5%</b>
<b>India</b>	<b>: 9.4%.</b>
<b>Russia</b>	<b>: 9.6%</b>
<b>Brazil</b>	<b>: 6.55%</b>
<b>South Africa</b>	<b>: 4.6%</b>

Currently, Brazil is a country having their own produce of oil and , therefore, their inflation currently stands at a favorable level. Their biggest advantage would be lowering of inflation levels in the years to come. However, China and India have fluctuating inflation levels which are on the higher side, since they don't produce oil and hence have to rely on imports to run their economies.

**2) Government Deficit :** As obviously noted - the poorer a country is in terms of it's borrowings and the amount it owes to the World Bank, the lesser attractive it becomes to other countries to invest in and start Multinational Companies (MNCs). Major industries such as extraction and manufacturing would not be aggressive. China, India, Russia and Brazil score quite well in this category since they have been the fastest of the five growing economies, and they have been able to balance their economic budgets. In fact, they have reduced their borrowings. Furthermore,

India is currently one of the donors, in fact, to countries in the African continent to alleviate poverty. South Africa has to concentrate on this area to boost their economy.

**3) External Debt :** External Debt - once again - makes a country weaker because it becomes dependent on the loans and borrowings from the World Bank. On the one hand, no development takes place in such a country and on the other hand, increasing pressure to repay those loans makes a nation poverty ridden, with a majority of their population living below the minimum wage. It is a great deal that the countries of China and India that were once living in poverty have now turned around their economies so much that they have started to repay much of their borrowings and loans back to the World Bank. We are now actually living in almost debt free countries. Russia and Brazil have also started to do the same. It is projected that Brazil will definitely be in a better position in the years to come. South Africa, on the other hand, may be the country in the group that may have issues in this category, but can still deal with it in the years to come and , therefore, still has a strong potential to turn their nation around.

**4) Investment Rates :** Investment rates are yet another indicator of economic growth of a country. Increased investment rates will definitely be a sign of positive growth, while less investment into a country would be a sign of negative growth. After China and India opened up their economies in the early 90's, they have seen increased investment. Liberalization and Privatization both led the way for India. In China too, there has been liberalization of the economy and the welcoming of all kinds of companies into the country, raising standards of living and increasing job opportunities, eventually turning around high levels of unemployment. Russia and Brazil do have large populations, but their numbers are far lower than that of India and China. In any case, the governments in both these countries have started investing in extraction activities, making both these countries raw materials suppliers to the whole world. South Africa is also making strides in the field of investment, increasingly creating economic reforms and improving on their mining and extraction activities.

**5) Openness of The Economy :** Openness of the economy is a measure taken to reveal how strong the country is growing and if the country can take care of economic contingencies such as recession or depression of financial markets.

China and India score very well in this category. As the world has come to know of it right now, China's biggest strength is its production of consumer electronics. Almost any kind of product being manufactured can be found in China. India opened up its economy in the year 1992 as a result of the efforts of Dr. Manmohan Singh, currently serving as India's Prime Minister. India made rapid strides ever since. India's biggest strengths are the developments in the Telecommunications sector and in the IT sector -advancements in both the software and the hardware sector. India has also seen employment rates soar in the country as a result of the development of call centres all over the country. This has been the result of a new concept known as Business Process Outsourcing. Countries, particularly the USA and Europe, are outsourcing their businesses to India in order to reduce costs and to increase profits while still maintaining the service levels at their home country. Brazil and Russia score lower than India and China in terms of openness of the economy since they have still not allowed too much of foreign investment into their country. What Brazil and Russia have to do is to continue with their extraction and raw materials exports, while inviting foreign countries to invest in their country. This would eventually lead to a wealth of foreign direct investment into their countries, whereby they can increase revenue and also improve job opportunities in the employment sector.

South Africa started to invite foreign investment into the country, but only in the recent past. South Africa still has a long way to go - but to look at the brighter side, the nation is an English speaking country that can still makes great strides economically in the near future. Call centres can be started in South Africa as well. There has been a general shift in the call centre finances from Europe being directed to South Africa. However, the industry would still need time to develop and grow.

**6) Penetration of Telephones :** Penetration of telephones is also an important measure to reveal how far the country can research and create new technology. Communications technology may help the transfer of broader technology and techniques that aid growth (Refer to Table 1).

Overall, with these statistics, it can be denoted that almost all the five countries have about one-fourth telephone penetration. India leaped in the field of telecommunications in the entire continent of Asia and is currently one of the highest telephone communications users in the continent. India has launched few satellites for this purpose. However,

Table 1: Telephone Penetration Among BRICS countries				
Country	Population	Telephone Penetration In Millions		
		Main Lines (2009)	Mobile Cellular (2009)	Internet Users (2009)
China	1.4 Billion	313.68	747	384
India	1.2 Billion	37.06	525.09	61.3
Russia	142 Million	44.80	230.5	59.7
Brazil	193 Million	41.50	173.96	75.94
South Africa	49.3 Million	4.32	46.44	4.42
Source: World Bank Report, 2009				

China has also increased its telecommunications usage by many folds in recent years. Russia and Brazil have to catch up as they are close to India's and China's penetration. South Africa has the potential to grow in this sector in the future ([www. Infoplease. com](http://www.Infoplease.com)).

**7) Number of Years of Higher Education :** The number of years of higher education helps to aid growth. Higher education means that people will be able to research, create and adapt to new technology. Higher education means that people will work longer, keep moving up the ladder of success and earn higher salaries , thus picking up the economy of the nation.

**a) China:** China has a system of education that is organized. They have an organized method of schooling, higher education, colleges and universities. China has set up a degree system, including Bachelors, Masters and Doctoral degrees that are open to foreign students. The country offers non-degree programs as well [Source: From the pages of [www. Wikipedia. org](http://www.Wikipedia.org)].

Apparently, there are 6 million students that enrol for higher education all over the country and hence, there are numerous engineers and researchers that the country does produce. The standard of education in China is claimed to be at par with western standards and is attracting researchers from all across the globe.

**b) India:** The Indian education system is large enough to accommodate at least two-thirds of the population. Literacy levels are growing, and it is projected to reach an 80% increase by the next decade. It is believed that an increased number of literate people has contributed to the nation's growth. However, on the downside, the nation still has to improve the numbers of its literate population. There would be at least 350 million people still not educated by these statistics, which is still a large number and ,therefore, the Indian government has to improve in this area. As of 2007, there were 1522 degree-granting engineering colleges in India, with an annual student intake of 582,000, plus 1,244 polytechnics, with an annual intake of 265,000. However, these institutions face the shortage of faculty, and concerns have been raised over the quality of education [Source: From the pages of [www. Wikipedia. org](http://www.Wikipedia.org)].

**c) Russia :** One of the biggest assets of Russia is its rate of literacy, which is 100%. Russia can always bank on this resource, that it has, to develop the nation. Much like how India draws upon its biggest resource, which is its labour force. Education in Russia is basically free since it is government provided. Before 1990, the course of school training in the Soviet Union was for 10-years, but at the end of 1990, the 11-year course was officially offered to students. Male and female students have nearly equal shares in all stages of education, except tertiary education, where women lead with 57% [Source: From the pages of [www. Wikipedia. org](http://www.Wikipedia.org)].

**d) Brazil :** Brazil is another country which has a good percentage of literacy. For a country that has a population of 200 million, the nation has a rate of 90% literacy. They too have an organized system of education, where people can pursue a bachelor's degree, master's degree and a Ph.D with appropriate qualification. Brazil's undergraduate system usually lasts for 4 to 6 years. While their master's / post-graduate programme lasts for about 2 years. Only upon the completion of the master's programmes or additional master's programmes will a person be qualified enough to take a Ph.D., which is the highest qualification. A Ph.D will usually take 3 to 4 years, as it does in any contemporary university. However, one may claim that their undergraduate courses are very advanced since they are for longer

periods than European training. A European undergraduate programme might last for only 3 years in comparison to a Brazilian one. The Brazilian university system now-a-days reflects world standards, and some of Brazil's universities appear among the 500 best universities in the world [Source: From the pages of [www.Wikipedia.org](http://www.Wikipedia.org) ].

**e) South Africa :** South Africa is now seeing a higher rate of development and also has a regularized system of education, where people can go to school, college and higher-education levels are now increasing. Universities in South Africa mostly follow the UK standard, where quality education is being imparted to students. There are 3 year degree programmes for the undergraduates and 1- 2 years master's programmes as well. There is sufficient scope for Doctorates in Philosophy as well as Post Doctorates as well. It should be noted that South Africa also has a very high level of literacy, with a population of 50 million people, the literacy level stands at 88%. They should be reaching for the 100% literacy level within the next decade, which is an achievement it can bank upon to turn around the economy, much like India.

## **STRENGTHS , WEAKNESSES AND THE DEVELOPMENT OF BRICS**

### **1) STRENGTHS**

**a) Economic Capacity:** Published information claims that Brazil, Russia, India, China and South Africa collectively would have more financial capacity and economic strength than the top G6 or rather the G8 countries of the world. The G6 has now expanded into the G8, with the addition of two more countries to its current list, and hence, the researchers will refer to the current group as G8. The G8 is considered to be the top group of 8 most economically strong countries of the world, and those include ( See Figure 1 ) :

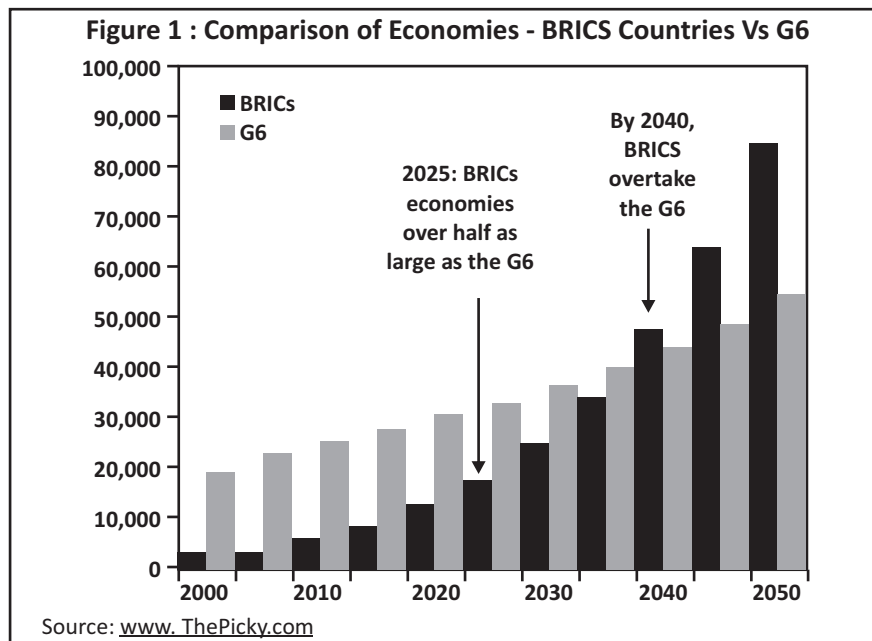
- 1) United States of America
- 2) United Kingdom
- 3) France
- 4) Italy
- 5) Germany
- 6) Canada
- 7) Russia
- 8) Japan

The group of Brazil, Russia, India, China and South Africa having more financial capacity than the G8 by the year 2040 might go a long way to prove that this group of five does have apparent potential to be superpowers of the world.

**b) Future Political & Military Strength:** Published data claims that the five BRICS countries have started with economic strength to start with today. However, this will definitely translate into political and military strength in the future. Currently, within the group, it is China which is leading in terms of investing the highest in their military. Certain published sources do provide an indication regarding China matching up to USA's military might in the next few years. The researchers wish to highlight a news article found on BBC online service, wherein information was published to indicate that at present, the USA is not even aware of how far China has advanced militarily since much of it has been kept secret, however, it is suspected that China could near USA's military strength in the near future ([www.bbc.co.uk](http://www.bbc.co.uk)). With interest to their political aspirations, the BRICS Countries are all part of the United Nations Security Council as of this year. The researchers considered this development as a measure to understand that the BRICS political growth will develop globally . It is hoped that in the years to come, the collective participation of these five countries at the United Nations will put the world in a safer place for a better tomorrow ([www.un.org](http://www.un.org)).

**c) Population Power :** One of the main reasons why the BRICS countries have an increasing political power is because of the voice of the population that they bring to the world community. In a world filled with 6 billion people, China has a population of 1 billion, India has a billion people as well. Russia has about 150 million, while Brazil has 200 million. South Africa has 50 million in population. Because the numbers in these countries are so high, they bring together a great voice that can have the potential of making great changes world-wide.





**d) Currency Stability - Dumping The US Dollar During Trade:** One piece of latest information about this group is that BRICS member countries have decided to use their local currencies for trade within their countries and completely stop the usage of the US dollar. Once this is in place, more people from within these countries and also internationally will start to invest in the banks of all these five countries. Obviously, one key development will be the growth of the banking sector since more money will not be invested in the USA or the European Union.

However, more and more people trading within these five countries are going to keep their money within these countries, improving trading relations and also the financial sector within these five countries ([www.hamsayeh.net](http://www.hamsayeh.net)).

**e) International Political Capacity:** The BRICS association is recently known to have developed an international voice on the world stage, with all five countries being part of the United Nations Security Council. It is hoped that the emergence of the wars is reduced, and world peace is given way for the betterment of mankind ([www.un.org](http://www.un.org)).

**f) Published Sources Are A Great Source Of Confidence:** One of the biggest confidence creators is the fact that there are indeed publications to indicate that India is at the forefront of economic prosperity. Therefore, based on the information from published sources, the researchers of this article are able to postulate that India is on the fast track to economic prosperity. Published sources are particularly from the website of Goldman Sachs - the organization that first published and came out with the findings that India with the team of the BRICS countries is going to become an economic superpower worldwide (<http://bx.businessweek.com> accessed on January 4, 2010).

**g) The Collective Participation Of The Five Countries Encourages Harmonious Thinking Amongst The Whole World:** We have continuously seen a world where the West dominates everything. A world where Europeans and the West have categorized poorer and impoverished countries as the Third World. Collective participation of these five countries will definitely encourage harmonious thinking amongst the whole world. Hence, there is hope for a better future and fate should not always be one sided and that prosperity is the mother of this whole universe that we live in. The coming together of China, India, Russia, Brazil and South Africa will definitely encourage more countries to put their differences on the back burner so that we can live with and amongst different countries for a better tomorrow. With the advent of these five, the world will now be witnessing how newer people in the world, particularly Asians take world decisions. Also, it is hoped that world peace is better established.

**h) The Inclusion Of South Africa Is A Great Milestone In The Development of The BRICS :** One of the most-recent inclusions into the BRICS has been that of South Africa. The group was actually of four countries - the BRIC, and

later on, Goldman Sachs decided to add another name to the group, making it a five-member organization and coined the new name as BRICS. However, the researchers wish to highlight the fact that it was not particularly Goldman Sachs inclusion of the country of South Africa to make the BRICS, but the fact that the actual existing group of four countries decided to add South Africa into their organization to make the four member countries as five. By showing their magnanimity, the group has shown that they are indeed a free thinking group, and that they are a source of encouragement to poorer nations by giving them a voice in this world.

They wanted to represent all the emerging and developing world, so that's a rationale for bringing South Africa in, and all that suggests to me that there's a self-conscious political motivation in how they see themselves (Smith, 2011).

**II) THE DEVELOPMENT OF THE BRICS IS INTERESTING:** Some of the interesting elements that the researchers found out and wish to highlight as part of this article are:

**a) All the Countries Are From Different Parts Of the Globe:** The development of BRICS is very encouraging and interesting because the names of all these countries are new, and all of them come from different continents or areas of different continents. China being the first one comes from the Far East part of Asia. India being the second one comes from the Central part of Asia, otherwise known as the Asia Pacific. Russia comes from the Eastern part of Europe, while Brazil is from South America. And finally, South Africa comes from the African continent. These developments are proof enough that we can live and co-exist with people from different nations, put aside our differences and still succeed, raising our countries to greater heights. This makes the development of this organization something worth watching and reading. To a researcher, it shows that these once before thought of nations that would never grow are now changing and taking on the world since literacy, education, poverty and impoverishment are now slowly reducing, giving way for industries, technology, science and learning.

**b) Countries From The Poorer Parts Of the World Are Growing:** Another important development is the fact that countries from poorer parts of the world are now growing. If there had been development and growth from countries already developed on the western side such as Canada or Australia, they might not have made much research material. But when we say that countries having the worst problems are turning around to raise themselves to superpower status, then that would in fact make heads turn around all over this globe and get everyone's attention.

**c) Hopefully, Newer & Better Ways Of Thinking Will Be Encouraged:** It is hoped that the coming together of these five countries together will solve world problems. The world is going to see the way perhaps how India and China on top take decisions and if, in fact, any of those decisions work. The first interesting area being the fact that poorer nations are growing individually. The second part being that countries from different parts of the world are collectively coming together. There is a positive note for the future that creativity and encouragement will help each of these nations in working together in uplifting poverty all over the world.

**d) Giving The World More Options Than Just One Superpower - The USA :** The coming together of these five countries will give better options to the whole world. So far, the whole world has just one option - the USA being the only Superpower. But what we have to ask ourselves is -- "What happens when they do something wrong ... or what does the world do if they fail?"

Common sense says that the whole world instead of sitting on just one option but instead has five can, in fact, for example, solve global issues of recession. Some would probably be thinking that perhaps the world would not have experienced the global meltdown had there been five countries leading the world instead of just one. That is exactly what happened. The only Superpower - the USA - on which the whole world relies on fell into recession. That, in fact, created a ripple / corresponding effect all over Europe, and now we're experiencing a situation where Greece has financially collapsed and is finding it very difficult to rebuild their financial structure once again. It is projected that Greece financially collapsing will pull down the economies of Portugal and Spain. One by one, we are witnessing Europe drowning in this pool called recession with lesser and lesser chances of coming out.

Some might have been thinking that perhaps if China, India, Russia, Brazil and South Africa had come around earlier; the world might have been saved from millions of jobs being lost, major companies closing down and Governments not knowing what to do to turn their countries around - out of debt.

**III) Weaknesses Of The Five BRICS Nations:** Now, that we have seen the strengths of the BRICS countries, the following section examines some of their weaknesses :

**a) The Group's Coming Together Is Very New:** One could say that one of the biggest disadvantages for this group of five is the fact that they have come together only recently and, therefore, a lot has to be seen in terms of really making a change worldwide. They have to address major issues, so they utilize their status for the common good and prove themselves that they are indeed noble and powerful countries with a vision. The BRICS held their first meeting at Sanya, China and the next BRICS Summit was held in New Delhi, India on March 29, 2012. The group decided to secure themselves economically and use their own currencies during trade with each other, which will definitely go a long way in cementing their association. However, what needs to be seen is the addressing of further important issues such as food shortage worldwide, terrorism, global inflation, oil shortage and global warming to name a few.

**b) Collective Working Of The Five Countries Will Make Them Succeed :** The only way that this group of five will exist and flourish is if they are to collectively put their efforts together. However, as of this writing, there is information to indicate existence of rivalries between the group which would have to be worked out in the future. The differences are huge. There are rivalries, large rivalries, particularly between China and India. And there are potential rivalries between Russia and China in the long term (Smith, 2011). Therefore, the group should decide to work together for the common good and improve upon their growth as well putting aside their differences.

**c) Although The BRICS Have Been Named As The 5 Superpower Combination, It Is Going To Take A Lot Of Time To Improve Themselves :** One obvious point that the researchers have pointed out is that though the BRICS countries have been named as the group that will replace the G7, it has to be noted that it will take a minimum of another 3 decades for them to prove themselves. However, the good point is the fact that they are currently growing faster than the predicted ratings. Nonetheless, the fact remains that BRICS is interesting, but yet with the time frame of 30 years to see the entire change take place.

**d) The BRICS Are Yet To Seriously Address Pertinent Global Issues Affecting Many Countries :** Some of those issues are:

❖ **Terrorism, Inflation and Food Shortages:** BRICS are yet to come forward and reveal their stand in a major way with regard to real global issues that affect the world such as terrorism, worldwide inflation and food shortages. It is hoped that the group can bring forth a new idea to deal with the problem of oil shortage worldwide.

❖ **They Currently Are Making An Effort To Deal With Climate Change & Environmental Protection :** Currently, as indicated in published sources, the group does agree to work with each other quite well with regard to climate change issues. It is hoped that global warming will be addressed even further in the manufacture of green transportation and protection of the environment in various other ways.

❖ **Each of These Countries Individually Has Some Basic Serious Issues Within Their Own Nations To Deal With:** To elaborate on this particular issue, let's look at each of the five countries individually to highlight this point :

**a) China :** China is a communist country. There is still an element of human rights abuse and suppression of its people. Not all of its policies can be implemented in the free world, particularly the “One Family, One Child ” policy. Now, China's policy might be something that the country needs to control its over bludgeoning population. As a policy for population control, it might be commonsensical to impose a measure as such. However, it still infringes upon the basic human right of an individual to have children. In that sense, it is not encouraging and is suppressive in its nature.

**b) India :** India has the issue of illiteracy since at least 350 million people have to get themselves educated and get jobs. India still has millions living below the poverty line. Corruption amidst the government and other institutions also happens to be a major issue that the Indian government has to deal with.

**c) Russia :** Russia has to develop itself economically and completely explore its potential of extraction to provide 100% employment to its people. Russia has the greatest asset of having 100% literacy and the capacity of manufacturing all kinds of products. They have to ensure that they utilize their potential to the fullest capacity to

create optimum growth.

**d) Brazil :** Brazil is also yet another country which has the great asset of 90% literacy, however, corruption remains the biggest drawback that the new leadership of Brazil has to deal with. Brazil is yet to unleash its fullest capacity in the industry of mining and extraction. Only then will it be able to tackle inflation, recession and improvement of employment to all their citizens.

**e) South Africa :** Jacob Zuma, the new President of South Africa has to deal with issues of corruption as well. While South Africa has one of the greatest resources of wealth in the African continent, the government has to deal with getting to the poorer class of the society so that people are equally represented. Literacy is yet again one of the biggest strengths of this nation as well.

## CONCLUSION

**1) BRICS Member Countries Are Beginning To Have A Voice On International Issues :** There is a positive hope for the future where BRICS countries are taking a stand on world international issues. Libya is an example where BRICS is trying to bring about world peace amongst a situation of civil war and aggression. It is hoped that more issues will be addressed by this group of five, and that a real change will come around in the world where people find poverty, war, aggression, etc. So far, they have been able to address issues of climate change together on a common footing, so a lot is left to be seen if this group of five is viable.

**2) Brazil Is One Country That Is Pushing For Change And The Group Coming Together :** There is a positive note within the BRICS that they are indeed working towards a common relationship to making it succeed as a five-member superpower setup. Brazil, in particular, is trying hard to create the right foundation for the BRICS countries. Brazil's new president, Dilma Rousseff, who has adopted a much more pragmatic, result-oriented foreign policy, may have less patience for diplomatic niceties and will want the BRICS to be more than a political talk shop (Smith, 2011).

**3) Indian Trade And Commerce With BRICS Countries Is Continuously On The Rise :** The BRICS member countries have strengths, competencies and confidence as well as potential to contribute both in the growth of development of themselves and substantial share in the global economy in the coming years. The summits of IBSA (India-Brazil-South Africa) and BRIC agreed to forge closer cooperation for enhancing bilateral trade and on international issues like climate change. Moreover, it is obvious to look into the Indian trade with BRICS.

Table 2 : India's Exports Made To BRICS				
YEAR / COUNTRY	CHINA	RUSSIA	BRAZIL	SOUTH AFRICA
1999-2000	233579.82	410761.02	58509.76	123672.25
2000-2001	379775.76	406139.07	103267.48	141927.37
2001-2002	454003.60	380668.93	104449.58	168325.62
2002-2003	956039.13	340703.11	231830.19	234221.74
2003-2004	1357905.85	327979.93	126651.86	247838.96
2004-2005	2523296.90	283636.04	304711.88	442142.40
2005-2006	2992491.28	324589.03	482853.41	676000.35
2006-2007	3752978.03	408548.71	657677.17	1016527.68
2007-2008	4359741.59	378346.96	1013178.34	1069875.52
2008-2009	4266133.36	495824.21	1187440.98	899429.11
2009-2010	5471392.87	463720.99	1136483.36	975125.38
<b>Total</b>	<b>26747338.00</b>	<b>4220918.00</b>	<b>5407054.00</b>	<b>5995086.40</b>
Source: DGFT				



The Table 2 clearly shows the Indian exports to BRICS nations and it is found to be growing over a period of time. In spite of global regression, Indian export is found to be satisfactory and positive.

**4) The BRICS Group Is A Viable Superpower Group Of The Future :** Goldman Sachs revealed that by the year 2020, the Group 7 of the most economically advanced countries will be replaced by the BRICS countries. The information that they had published read as such - the present-day leader, the financial Group 7 made up of the leading Western countries will be replaced by the BRIC group (Brazil, Russia, India and China). This conclusion was drawn by Goldman Sachs, one of the leading US banks, in a report. Jim O' Neill from the Goldman Sachs organization was the person who researched and published this information, eventually coining the name BRIC. He later added one more country to the four-member group, making it five and renamed it BRICS. At the time, the BRICS were not a working relationship of five countries. The meeting at Sanya, China was actually the Group of five's first association together (<http://bx.businessweek.com> accessed on January 4, 2010).

However, one Brazilian diplomat made this comment : “ *We are no longer [just a] creation of Jim O' Neill.* ” (Smith, 2011)

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