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Transforming the International Economic Order? A Comparative Study of the NIEO and BRICS

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“You cannot step into the same river twice.”

Heraclitus

Abstract

This study compares two Southern-led initiatives to transform the international economic order: the NIEO of the 1970s and the BRICS coalition of the twenty-first century. Both sought multipolarity and a redistribution of power, yet their approaches diverged. The NIEO demanded systemic rules change to global capitalism, whereas BRICS, embedded in neoliberal globalisation, has pursued power redistribution within existing rules. BRICS achieved greater influence in trade and finance relative to the NIEO, where collective action problems persisted. The analysis underscores the paradox of power shift: adaptation to neoliberalism enabled BRICS' rise, yet simultaneously reinforced systemic resilience, with unintended consequences for multilateralism.

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List of Abbreviations

BIC: Brazil-India-China

BW: Bretton Woods

BWI: Bretton Woods Institutions

CRA: Contingent Reserve Arrangement

ECLA: The Economic Commission for Latin America

EMDCs: Emerging Markets and Developing Countries

G77: Group of 77

G7: Group of 7

G20-T: Group of 20

IBRD: International Bank for Reconstruction and Development

ICT: Information and Communication Technology

IMF: International Monetary Fund

ISI: Import Substitution Industrialisation

NDB: New Development Bank

NIEO: New International Economic Order

NAM: Non-Aligned Movement

MDB: Multilateral Development Bank

PPP: Purchasing Power Parity

SSC: South-South Cooperation

UNCTAD: United Nations Conference on Trade and Development

USSR: Union of Soviet Socialist Republics

WTO: World Trade Organisation

1 Introduction

BRICS and the NIEO are both Southern-led efforts to reshape the international economic order, but they emerged from distinct historical contexts. The NIEO, rooted in the anti-colonial spirit of the 1970s and drawing its intellectual foundation from the structuralist critique of the core-periphery structure of global economy, represented an early form of South-South Cooperation, focused on reclaiming sovereignty and restructuring global capitalism. By contrast, BRICS—whose inaugural summit was held in 2009—emerged after nearly three decades of neoliberal globalisation, as a contemporary form of SSC responding to a transformed global landscape. This comparison thus raises the critical research question: *How do BRICS and NIEO differ in their visions, demands, and outcomes? To what extent does BRICS represent a continuation, or a departure, from the historical NIEO?* These questions bear significance, as they shed light on how neoliberalism has not only reshaped global economic governance but also transformed the Global South and the very nature of Southern solidarity.

Set against broader debates on power shifts and multipolarity, this study situates this comparison within contemporary discussions on global order. Despite the NIEO's ambition to radically transform global economic governance and accelerate Southern development, it quickly lost momentum—derailed by the Latin American debt crisis and the Global South's lack of structural power. Today, with multipolarity gaining traction, many look to emerging powers like BRICS to revive the historical aspirations of SSC and offer a more equitable, post-neoliberal model of globalisation. This study empirically and critically examines the extent of such a shift by analysing BRICS cooperation in financial mechanisms and trade governance and assesses whether BRICS is promoting an alternative vision of globalisation.

On the surface, BRICS leaders position themselves as heirs of the Global South's historical struggles. At the 17th BRICS Summit, Brazilian President Lula invoked the Bandung Conference, portraying BRICS as “an heir of the Non-Aligned Movement” and as continuing “the fight for a multipolar international order” (BRICS 2025a). Similarly, in 2024, Chinese President Xi Jinping framed BRICS as central to “the collective rise of the South” and tasked it with “reinvigorating development” (The State Council of the People's Republic of China

2024). However, beneath this rhetoric, BRICS diverges significantly from the NIEO project. While the original SSC emphasized collective emancipation, decolonial independence, and economic sovereignty, BRICS operates as a selective, club-like coalition. It emphasises 'balancing' global power rather than fundamentally restructuring it. This is evident in both its membership and strategy. While three of its founding members—India, Brazil, South Africa—had been active in the G77, the main advocate of the NIEO, BRICS also brought in Russia, the successor to the USSR and not traditionally part of the Global South. BRICS' own definition of the Global South emphasises strategic cooperation to "reduce dependency on developed countries" and "re-balance global power" (BRICS 2025b)—a more pragmatic and less transformative vision than that of the NIEO, concerned primarily with correcting power asymmetries rather than pursuing systemic change.

While a growing body of literature explores various forms of SSC, most studies remain fragmented, focusing on specific cases or time periods (Fiddian-Qasmiyeh & Daley 2018). Few have systematically compared contemporary SSC with its earlier manifestations. By examining BRICS and the NIEO—two landmark Southern initiatives aimed at reforming global economic governance—this study seeks to fill that gap and contribute to a deeper understanding of continuity and change in the Global South's approach to global economic order. To this end, this study is structured as follows: Chapter 2 introduces the theoretical debates on power shift, outlining key perspectives from realism, liberal institutionalism, and critical approaches—which will later be revisited in light of the case studies. This chapter also presents Mancur Olson's theory of collective action, which serves as the primary analytical lens for explaining the divergent outcomes of BRICS and the NIEO. Chapter 3 details the research design. Chapter 4 offers a systematic comparison of BRICS and the NIEO regarding their origins, visions, demands, and outcomes. Chapter 5 then analyses their similarities, differences, highlighting the deeper structural factors shaping their trajectories and linking the findings back to the broader debate on power shift introduced earlier. Chapter 6 concludes.

2 Theoretical Framework

2.1 Debate on Power Shift

This study situates itself within the broader debate on power shift and the rise of multipolarity. Wade (2011, 351) defines economic multipolarity as a decline in the concentration of global economic activity within the traditional core and the emergence of new centres elsewhere. This shift is visible across multiple indicators. Most notably, the developing world's share of global GDP has risen from just 20% in 1960 to 56% today, surpassing that of developed countries, whose share has fallen from 80% to 44%. Three large emerging economies—China, India, and Brazil—together now account for 25% of global output, nearly matching the G7's combined 33% (Hopewell 2016, 1). The reconfiguration of trade patterns further illustrates this transformation. South-South trade has grown rapidly, with almost half of all manufacturing exports originating in the South by 2015, while Southern consumption is projected to reach 47% of the global total by 2025 (Horner & Nadvi 2018, 208). Together, these shifts point not only to the redistribution of economic weight, but also to a qualitative change in the structure of the global economy—one in which the South is increasingly a driver of growth, investment, and demand, rather than merely a supplier of raw materials to the North.

In contrast to the relatively clear trend of economic multipolarity, scholarly propositions on power shift—both within existing institutions and beyond—remain divided. On one side, some see a genuine expansion of multilateral cooperation within established governance frameworks, as reflected in reforms to voting shares at the World Bank and IMF announced in 2010, or in the upgrading of the G7 to the G20, which was designed to incorporate emerging powers into global economic governance. The G20 itself evolved from a finance-ministers' forum in 1999 to a heads-of-government summit by 2008, signalling at least a formal recognition of shifting economic weight (Monahan 2015; Jokela 2011). On the other side, critics contend that such changes are largely cosmetic. Beneath the surface, interstate cooperation has not moved toward more inclusive multilateralism but instead toward stalemate. For example, a review of transnational institutional innovations over the past decade and a half finds little evidence of sustained Southern leadership and points to a

persistent North-South governance gap (Hale & Held 2018). A related body of literature shifts the focus from reform within existing institutions to the creation of new ones by Southern actors, raising the question of whether such initiatives can challenge the status quo. Examples include the Chiang Mai Initiative, the Asian Infrastructure Investment Bank, and China's Belt and Road Initiative (Sussangkarn 2011; Humphrey 2022; Inada 2025). In the BRICS context, the establishment of the NDB and the CRA represents an effort to create institutional alternatives to the Bretton Woods system. Chapter 4 will examine in detail whether these mechanisms constitute a substantive challenge to the authority and functions of legacy institutions.

Furthermore, has the rise of economic multipolarity translated into a genuine power shift in international economic governance? It is crucial to distinguish between *economic multipolarity*—the dispersal of economic weight—and *power shift*, understood here as greater influence in global economic governance. Such influence can be exercised in two principle ways: by gaining agenda-setting power within existing institutions or by creating competing institutions to challenge the legacy order. As Wade (2011) cautions, economic weight does not automatically yield political influence, and the emerging order may well result in “multipolarity without multilateralism” (p. 349). Intertwined with this debate is the broader question of how economic multipolarity can be converted into political clout—a gap for which, as Wade notes, “there is no body of theory” (p. 367) to guide our expectations. By examining BRICS' role in the governance of trade and finance, this study aims to illuminate the mechanisms that bridge—or fail to bridge—this gap.

2.2 Different Theoretical Camps on Multilateralism and Power Shift

Debates over contemporary power shift reflect not only its fluid and rapidly evolving nature but also the enduring theoretical divides within International Relations. This section outlines their core propositions on power shift and multilateralism, to which I will return in Chapter 5 when assessing the two cases.

The realist tradition is broadly sceptical about multilateral cooperation and views power shifts as inherently destabilising. From this perspective, multilateralism is little more than a temporary alignment of interests (Cox 1992, 167), while hegemonic stability theory (Kindleberger 1987) holds that a liberal economic order requires a single dominant power. Power transitions are thus seen as dangerous, with rising states cast as *system-challengers* unlikely to accept the rules and norms established by the West (Hopewell 2016, 4).

Liberal institutionalism, by contrast, is more optimistic about integrating emerging powers into the existing order. Taking the current institutional framework largely as given, it emphasises the capacity of international regimes to endure even after hegemonic decline by providing predictable, cost-reducing functions (Cox, 169). Here, emerging powers are assumed to be *system-supporters*, bound by economic interdependence, making multipolarity compatible with cooperative multilateralism. Reforming institutions to give new powers more weight is thus viewed as a way to secure their commitment to the liberal economic order (Hopewell, 5).

Critical approaches—including world-system analysis, dependency theory, and neo-Marxist perspectives—see the global economy as structured around core-periphery domination, institutionalised through bodies such as the BWI. Multilateralism is therefore both a mechanism of domination and a potential arena for contestation. Many critical scholars see the rise of the South as an opportunity for a more progressive, pro-development multilateralism, potentially reviving a Bandung-like coalition adapted to current global conditions (Arrighi & Zhang, 2011; Chang, 2021).

2.3 Mancur Olson on Collective Action

The challenges of collective action have been theorised by numerous scholars, most prominently Mancur Olson (1971). In *Logic of Collective Action*, Olson develops a theory linking the success of collective action to group size, group type, and the nature of the good sought. He distinguishes three types of groups. In “privileged” groups, at least one member finds that their personal gain from having the collective good exceeds the total cost of

providing it, meaning coordination is unnecessary. In “intermediate” groups, no individual has sufficient incentive to supply the good alone, but their limited size ensures that inaction is visible and deterred by social pressures. By contrast, “latent” groups—large, diffuse associations—face the greatest obstacle: here, an individual contribution makes no perceptible difference to the outcome, and thus there is no incentive to bear the costs of action (p. 49–50).

Olson further highlights free riding as the central dilemma across all groups. While members share an interest in securing a collective good, they have “no common interest in paying the cost” (p. 21). Each would prefer others to contribute, enjoying the benefits without incurring costs. In small groups, social incentives—peer pressure or reputational concerns—can mitigate this problem, but in “latent” groups, absence of such mechanisms makes free riding particularly acute (p. 62). Where “exclusive collective goods” require universal participation, even a single holdout may wield disproportionate bargaining power, block collective action unless compensated (p. 38–41). For this reason, Olson argues, especially in large groups, effective collective action typically requires “separate and selective incentives” (p. 51). Such incentives may be negative, coercing individuals by punishing free riders, or positive, rewarding those who do contribute. Large groups are thus classified as “latent” because, although they possess the potential capacity for action, this power remains dormant unless mobilised through selective incentives.

Olson’s classification of group types is particularly relevant here: the G77, the main advocate of the NIEO, was so large as to constitute a “latent” group, whereas BRICS and its sub-coalition in the WTO are much smaller and closer to Olson’s “intermediate” groups. Chapter 4 will explore in detail whether such differences in group size help explain the contrasting collective action outcomes in the NIEO and BRICS cases. The problem of free riding will also be illustrated through the example of Southern commodity alliances during the NIEO era.

3 Research Design

3.1 Methodology and Case Selection

This study seeks to address two interrelated puzzles within the broader debates on power shift, collective action, and the trajectory of neoliberal globalisation. First, while both the NIEO and BRICS represent Southern-led initiatives to reshape the international economic order, do they seek to change the same aspects of that order? Emerging at different historical junctures—one on the eve of the neoliberal turn and the other firmly within it—how have these contexts shaped the South's visions, strategies, and demands? Second, though both aspire to a redistribution of power, BRICS has been more successful in institutionalising its initiatives and influencing governance. What accounts for the divergence in outcomes? To answer those questions, this study employs a comparative case study of BRICS with NIEO across three dimensions: origins, visions, and outcomes.

To understand BRICS' objectives, this study examines not only its financial mechanisms but also its trade initiatives, focusing on the Brazil-India-China sub-coalition in the WTO, although this predates BRICS' official formation. The rationale is twofold: first, BRICS functions less as a tightly bound strategic alliance and more as an informal diplomatic 'club', with cooperation proceeding in a flexible, issue-based manner. Analysing the BIC alliance within the WTO provides valuable insight into the evolution of BRICS coalition-building practices and into their shared demands in trade governance. Second, since trade and finance are two important pillars of the international economic order, examining both domains allows for a more comprehensive understanding of contemporary Southern agendas for reform.

Methodologically, this study adopts a qualitative, literature-based research method, relying on secondary data from academic publications, historical archives, and databases of international organisations, supplemented by some descriptive statistics. Given that the research question centres on visions, ideas, strategies, and challenges, which are difficult to quantify, a qualitative approach is best suited to illuminate the dynamics at stake.

3.2 Limitations

A few limitations are inherent in the study. Its analysis is bound to particular timeframes: in examining BRICS, it focuses on major developments during its formative phase and on cooperation among the five original members, excluding the recent BRICS Plus expansion. The enlargement, which took effect in 2024, is too recent to assess meaningfully, given both its nascent stage and the lack of available data. Similarly, the analysis of BRICS' trade initiatives centres on the Doha Round, which marked a turning point in the WTO's power dynamics. Developments in the post-Doha era—with the WTO shifting toward smaller, issue-specific and plurilateral agreements—fall outside the scope of this study and would require extensive separate analysis. Nevertheless, the Doha Round remains a critical case, as it witnessed profound shifts in North-South politics and offers valuable insights into power shift and multilateralism. Finally, any assessment of power shift is inherently provisional, as global economic governance continues to evolve rapidly and conclusions are shaped by the historical context under examination.

4 Comparative Case Analysis

4.1 Origins and Creation Process

4.1.1 The NIEO

The NIEO and BRICS arose in distinct historical contexts. The NIEO, formally proposed as a United Nations Declaration in 1974, was the culmination of the Non-Aligned Movement that had begun nearly two decades earlier at the Bandung Conference of April 1955. Initiated by African and Asian states, the NAM's primary political goal was decolonisation and independence. In 1964, Latin American countries joined the NAM for the first UNCTAD, which soon became the key institutional arena for articulating NIEO demands. Together, they formed the G77, playing a central role in UNCTAD's institutionalisation under its first secretary-general, Argentinian economist Raúl Prebisch. By the early 1970s, the G77 increasingly focused on economic issues, recognising that political independence without economic independence was incomplete (Bair 2016, 349–350). Meanwhile, the post-war

international economic order had been shaped by the 1944 BW System, with the IMF and World Bank overseeing reconstruction. Yet when these institutions were created, most of the Global South was still under colonial rules and excluded from their design (Helleiner 2014). The NIEO emerged against this backdrop of newly independent states seeking economic sovereignty and demanding a say in global economic governance. At the 1973 NAM Summit, Algerian President Houari Boumediene called for a special UN session “with a view to establishing a new system of relations based on equality and common interests of all states” (Bair, 350). This led to the Sixth Special Session of the General Assembly in spring 1974, where the G77 formally launched the NIEO.

The momentum behind the NIEO in the 1970s was driven by two pivotal events: first, the dissolution of the BW fixed exchange rate regime between 1968 and 1973 demonstrated that seemingly immutable global economic structures could shift rapidly. Subsequently, in 1973, the Arab-led Organisation of the Petroleum Exporting Countries (OPEC) succeeded in raising and maintaining high oil prices during the oil-embargo, which showcased the power of effective collective action through Southern solidarity and unsettled many Northern countries. Together, these events gave credibility to the economic ambitions of the NIEO—ambitions that had previously been dismissed as utopian, both before and shortly after this period (Gilman 2015, 3–4).

Intellectually, the NIEO drew inspiration from the structuralist critique of the global political economy, most notably articulated by Raúl Prebisch and Hans Singer in the Singer-Prebisch thesis. They postulate that, in a highly monopolised trading system, the terms of trade for primary commodity producers inevitably deteriorate, with raw material prices pushed down and industrial product prices driven up (Dos Santos 1970, 233). Many Southern countries inherited this structurally disadvantageous position from the colonial period, during which imperial powers had historically relegated their colonies to the role of primary producers. To overcome this structural disadvantage, they proposed a two-pronged response: short-term Northern assistance through technology and capital transfers to spur industrialisation, and longer-term international regulations to restructure trade and support autonomous development (Gilman, 3; Bair, 352).

4.1.2 BRICS

While the NIEO emerged on the eve of neoliberal globalisation, BRICS took shape after decades of it. In fact, neoliberalism has profoundly transformed the BRICS economies: as shown in Figure 1, the combined GDP of the BRICS economies grew rapidly between 1975 and 2023, substantially narrowing the gap with the G7, while simultaneously widening the divergence from the broader G77. A similar pattern is shown in Figure 2, which incorporates 'share of global exports' as a second variable: here too, the BRICS converges toward the G7, underscoring their growing weight in global production and trade. While these figures do not capture per capita GDP or income convergence, they nonetheless demonstrate that, in aggregated terms, the BRICS has undergone profound transformation, increasingly resembling the G7 in their economic profile.

This explains why the BRICS phenomena initially originated as an investment-marketing acronym coined by Jim O'Neil at Goldman Sachs in 2001. It was used to describe common economic traits of Brazil, Russia, India, and China—emerging markets outside the traditional G7 with rapid growth potential. In a 2003 report, Goldman Sachs projected that China and India would become the world's first and third largest economy by 2050, with Brazil and Russia ranking fifth and sixth. This forecast has been partially realised, with China becoming the world's largest economy (measured by PPP) as early as 2014. However, several competing classifications of emerging economies have since emerged, such as the 'Big Ten' cluster and Fidelity Investment's MINT grouping (Cooper 2016, 1–5).

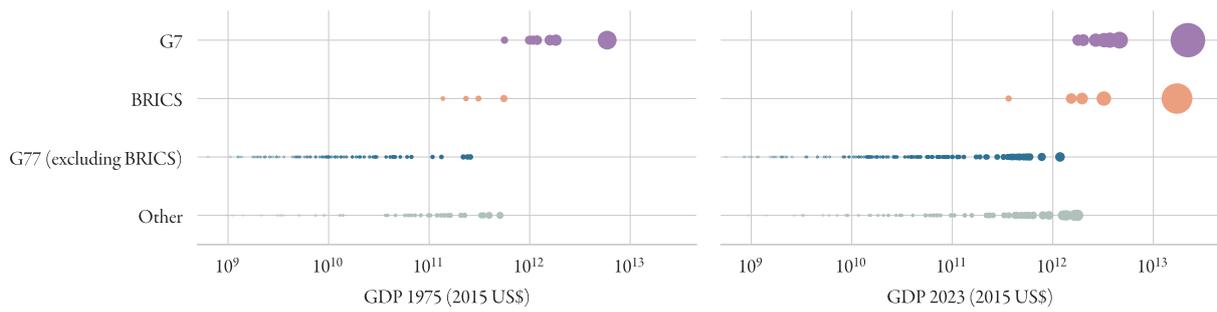


Figure 2. Real GDP (in 2015 US\$) for G7, BRICS, G77 (not including BRICS countries), and other countries, shown for 1975 (left pane) and 2023 (right pane). Each dot represents a country, with the size indicating GDP. Note the log-scaled x-axis. Source: World Bank 2024b. Author compiled.

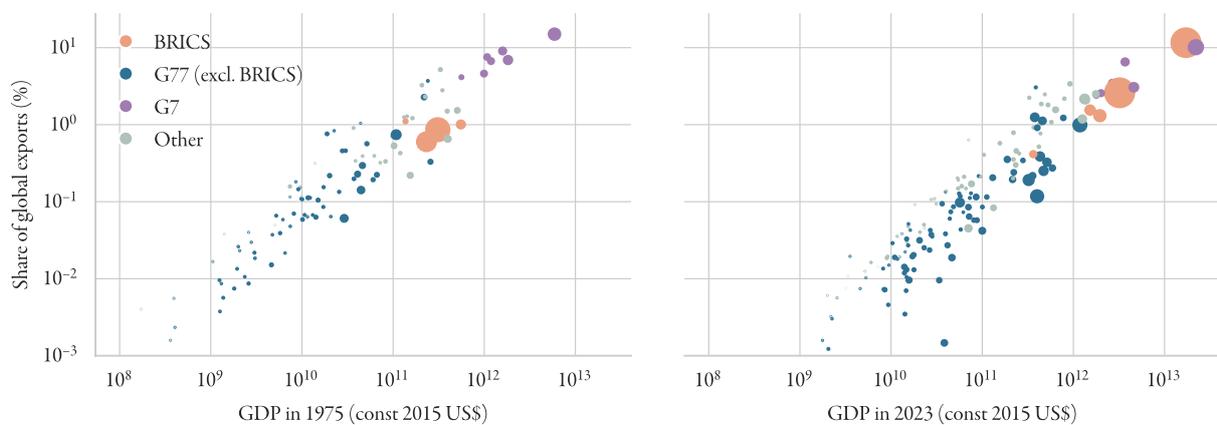


Figure 1. Real GDP (in 2015 US\$, x-axis) and share of global exports (y-axis) for the same country groupings as in Fig. 1. Note the logarithmic scales. Source: World Bank 2024a, b. The size of each bubble indicates total population (Source: United Nations 2024).

What distinguishes BRICS from those other groupings is its evolution from an originally descriptive term into ongoing diplomatic practices and active institution-building. The first official BRIC summit was held in Ekaterinburg, Russia, in June 2009, and in 2011, South Africa joined, transforming the group into BRICS. In 2024, BRICS expanded to BRICS Plus with five new members: Egypt, Ethiopia, Iran, Indonesia, and the UAE (BRICS 2025c). However, this institutional evolution has also introduced divisions within the Global South, with increasing divergence between the BRICS and the ‘rest’. While BRICS members share G20 membership with other Southern states, they enjoy an exclusive diplomatic channel that others lack, leading some to argue that BRICS advances its own strategic interests by leveraging changes in global institutional architecture (Cooper, 5–6).

4.2 Visions and Proposals

4.2.1 NIEO's Visions

Shaped by different historical contexts, the two Southern initiatives articulate distinct visions for transforming the global economic governance. To break the Global South's structural dependence on former colonial powers through trade, aid, investment, the NIEO constructed an agenda centred on strengthening developing states' sovereign control over their economies—particularly natural resources. This included calls for an absolute right of states to control the extraction and marketing of their domestic natural resources, alongside the creation and international recognition of state-led commodity cartels to stabilise and raise prices (Gilman, 3). A central element was the establishment of price floors, below which commodity prices would not be permitted to fall (Bair, 352). These proposals were formalised in United Nations General Assembly Resolution 3202, which set out a detailed programme of action. In sum, the key components of NIEO's proposals can be considered as follows:

- 1) Industrialisation. Support for developing countries to build industrial capacity, particularly through Northern assistance in establishing commodity-transforming facilities. Various forms of protectionism are deemed necessary to promote autonomous industrialisation through import substitution.
- 2) Transfer of Technology. Creation of an international code of conduct to ensure technology transfers occur on favourable terms, alongside support for developing indigenous R&D.
- 3) Investment. Regulation of transnational corporations via a global code of conduct to prevent restrictive practices in host countries.
- 4) Finance. Reform of the international monetary system to better support development and ensure sufficient resource flows to the Global South.
- 5) Trade. Implementation of nonreciprocal trade preferences favouring Southern countries. Preferential tariffs should grant Third World manufactured exports lower rates in First World markets than those applied to goods from other industrialised countries.
- 6) Debt and aid. Cancellation of select debts owed by Southern states to Northern creditors and increase of foreign aid.

- 7) Institutional reform. Multilateral institutions should be reformed to increase the voice of the Third World (UNCTAD n.d.; Bair, p. 352).

With these proposals, the NIEO sought to challenge both the rules and power relations of global capitalism. By challenging the *rules*, I mean rewriting the rules governing the global *market economy* to redistribute wealth and power to postcolonial states. This challenge operated on two fronts: rewriting the rules of the market itself and incorporating some non-market mechanisms. The first was most clearly reflected in its demands for higher commodity prices—an attempt to reverse deteriorating terms of trade by *restructuring* global value chains and elevating resource-dependent Southern economies within them. The second involved pressing for direct concessions from the North, including technology transfer and debt cancellation, thereby relying on non-market instruments to accelerate catch-up industrialisation. Yet the NIEO was not anti-trade, anti-globalisation, or intent on replacing capitalism with socialism; rather, it sought structural reforms of capitalism itself, relying Northern assistance in the short run to create conditions for autonomous development in the long run. This marks a key contrast with BRICS: while it continues the NIEO's challenge to power asymmetries, it does not seek to rewrite neoliberal rules. Instead, BRICS works within them, aiming to expand its agenda-setting *power* in institutions such as the WTO by embracing, rather than rejecting their mandates. Ultimately, where the NIEO attempted to redesign the value chain, BRICS seeks to integrate more advantageously by operating within the established institutional framework.

4.2.2 BRICS's Proposals

Like the NIEO, BRICS emerged from dissatisfaction with the existing international economic order and a shared desire to reform it in ways that allow for greater benefit-sharing. While the NIEO already explicitly advocated for reforming multilateral institutions (see point 7 above), BRICS initially coalesced exactly around a shared frustration with the slow pace of reform in the BWI. Alongside other EMDCs, BRICS countries have consistently

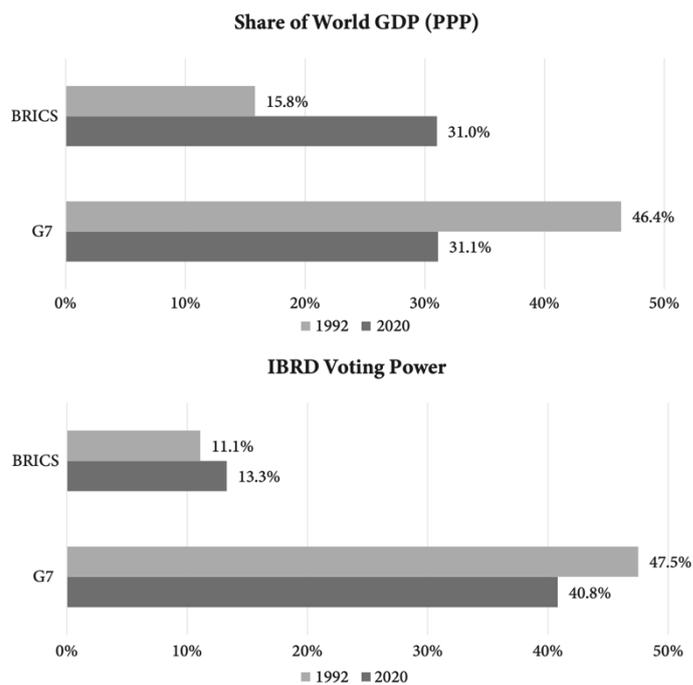


Figure 3 BRICS VS G7 in share of world GDP (PPP) and IBRD Voting Power. Source: Humphrey, 149.

pressed for more equitable voting power, restructured Executive Boards, and fairer leadership selection in the IMF and World Bank, given EMDCs' persistent underrepresentation and Europe's overrepresentation (Batista 2022, 10). This stagnation in voting power reform is vividly illustrated in Figure 3: between 1992 and 2020, the BRICS nearly doubled its share of world GDP, yet their collective voting power in the World Bank rose by only 2%. This frustration with the IMF was heightened during the 2008 financial crisis, when BRICS countries contributed significant financial resources to help stabilise Western economies, only to be met with stalled reforms in voting power and quota distribution — “a sort of betrayal” (ibid. 13). Meanwhile, BRICS' engagement with the broader 'G' summitry process also proved unsatisfying: in the G7/8 outreach mechanism, BRICS countries felt sidelined, excluded from the core decision-making dominated by Western powers. Even within the G20, where BRICS holds greater influence, they have not attained a genuine sense of ownership (ibid. 8-9).

The stalled reforms ultimately prompted the BRICS to create its own financial mechanisms. From 2012 onward, attention turned inward to designing institutions—notably the CRA and the NDB—beyond the BW system (ibid. 13). The CRA, inspired by the Chiang Mai

Initiative—often described as a quasi ‘Asian Monetary Fund’—was created as a multilateral currency swap arrangement, establishing a virtual reserve pool held within members’ central banks. This design avoided the need for new bureaucracies while allowing members to draw funds in times of short-term balance of payments stress. Crucially, the CRA was conceived primarily as a financial safety net, rather than an instrument of regular use, reflecting the generally strong external positions of BRICS economies. As Batista (former Vice-President of NDB) described, its primary purpose was to “strengthen the global financial safety net and was to be viewed as a complement to the existing international arrangement” (p. 17). The objective of *complementarity* is reflected in the design of the CRA and its IMF-link requirement: each BRICS member has a maximal access limit to CRA resources, and to borrow beyond 30 percent of the quota requires an active IMF arrangement in place. The rationale for this design is essentially to make use of the IMF’s macroeconomic surveillance unit and conditionality framework, without building its own, which would require substantive staff and expertise. As a result, the IMF-delinked portion of the CRA is relatively limited in size. Even for South Africa, the smallest BRICS economy, the available funds under this free tranche are modest (ibid., 27-32). This undermines the CRA’s autonomy and limits its effectiveness as an alternative to existing global financial institutions.

The second BRICS financial mechanism, the NDB, was officially launched in 2014 at the Fortaleza BRICS Summit. Similar to the CRA, it was intended to “supplement” existing financial institutions (Chin 2014, 366). BRICS leaders deliberately adopted cautious diplomatic language to avoid portraying the Bank as a ‘threat’ to existing MDBs, particularly the World Bank (ibid. 367). In practice, the NDB aims to address three shortcomings of legacy MDBs: the insufficient focus on infrastructure, the limited voting power of emerging economies, and excessive bureaucratic delays in project approval. As a borrower-led MDB, it introduces several institutional innovations, foremost among them closing the substantial funding gap for sustainable infrastructure. According to estimates, annual infrastructure needs in the developing world amount to around US\$1.0-1.5 trillion, yet actual investment is only about US\$800 billion (Battacharya & Romani 2013). Existing MDBs have underperformed in this area, partly due to the post-1970s shift away from infrastructure lending (see Figure 4 & 5) and limitations in their current lending capacity. As stated in the

BRICS Joint Statement at the Durban Summit, the NDB aims to make “more *productive* use of global financial resources” (Chin, 367) by channelling resources into ‘fundamentals’, promoting broad-based social-economic development through investments in infrastructure and other productive sectors. This emphasis on infrastructure investment to develop productive capabilities, alongside the NDB’s focus on public sector lending and traditional long-term loans, with only 4 percent of projects to private borrowers by end-2020 (Humphrey 2022, 163), echoes with the NIEO’s call for “commodity-transforming facilities” to foster autonomous industrialisation in the South, as well as its broader commitment to a state-led development model.

Moreover, NDB also innovates in governance and administration. Unlike legacy MDBs, where voting power reflects members’ economic weight, the five founding BRICS nations contribute equal capital and hold equal votes, with the presidency rotating among them and vice presidencies reserved for the others. This principle of equality directly addresses EMDC’s frustration over stalled voting reforms in legacy MDBs (Humphrey, 154). Administratively, the NDB aims to avoid “institutional obesity” in legacy banks and speed up project delivery, operating with only 185 professional staff by end-2020, compared to the World Bank’s 12,400 (ibid. 148 & 157). It also rejects the stringent conditionalities of legacy banks, prioritising national sovereignty and relying on a country’s own legislation and regulations, opposing the idea of imposing externally designed standards. However, this design has drawn many controversies—being praised for its flexibility but criticised for potentially weakening environmental and social safeguards (ibid. 167). Lastly, the NDB presents an alternative financial strategy, promoting local currency financing and developing domestic capital base, offering alternative to the dollar and euro-dominated borrowing prevalent in legacy MDBs, though Batista notes this is driven more by practical considerations than a de-dollarisation agenda (p. 46).

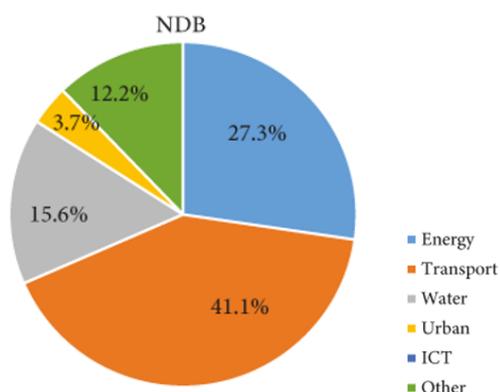


Figure 4 Sector of approved projects at the NDB, 2016-2019. Source: Humphrey 2022, 162.

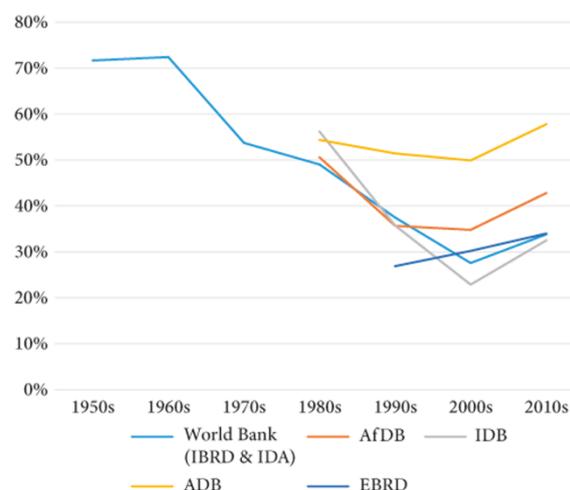


Figure 5 Average annual infrastructure lending by legacy MDBs as percentage of total by decade (to 2018). Source: Humphrey 2022, 107.

In addition to advocating for reforms in international financial institutions, BRICS has consistently advocated for changes in global trade governance—another pillar of global economic governance. In particular, WTO reform has been a longstanding priority. As early as the 2009 Ekaterinburg Declaration—the group’s first joint statement—BRICS called for “comprehensive and balanced results of the WTO’s Doha Development Agenda” (BRIC 2009). Most recently, at the 2025 BRICS Summit in Brazil, the trade ministers endorsed the *BRICS Declaration on WTO Reform and Strengthening the Multilateral Trading System*, which reaffirmed support for a non-discriminatory, rules-based multilateral trading system and emphasised the need for reforms that “reflect the transformations of the global economy” (Mustafa 2025).

4.3 Implementation and Outcomes

4.3.1 NIEO’s Failure

Promulgated through the UN in the mid-1970s, the NIEO rapidly lost its momentum and faded from the international agenda by the 1980s, supplanted by the rise of the Washington Consensus and the ideological triumph of the ‘end of history’. In contrast, BRICS cooperation has yielded more tangible—though uneven—implementation outcomes across different

domains. While the NIEO ultimately failed to translate its ambitious vision into institutional reality, BRICS succeeded in establishing concrete financial mechanisms early on, albeit with much stagnation. Notably, BRICS' cooperation within the WTO framework has seen relatively greater success. What, ultimately, explains the failure of the NIEO and partial success of the BRICS? This section examines both empirical developments and underlying structural factors that contributed to their success and failure.

Empirically, the NIEO's failure was precipitated by the outbreak of the 1980s Latin American debt crisis, which drained its momentum and allowed Northern governments to sideline its demands, instead promoting market liberalisation and structural adjustment via IMF loans (Sharma 2015, 189). The crisis stemmed from the borrowing boom of the 1970s, fuelled by Western banks recycling 'petrodollars' after the 1973 oil shock, following OPEC's successful oil embargo, alongside Latin America's easy access to credit amid financial liberalisation. The triggers of the crisis were a sharp rise in global interest rates, as developed countries battled inflation, and falling commodity prices, which significantly reduced Latin American export earnings and their capacity to repay debt. These shocks combined turned the region's debt binge into the 1980s 'lost decade' (Shadlen 2003). This event was pivotal, as Latin America was a strategic pillar of the NIEO—ideologically through structuralist economists such as Raúl Prebisch, and politically via ECLA and the G77. Moreover, the debt crisis discredited the state-led and ISI-based development model central to NIEO thinking, particularly in Latin America, where some of the most industrialised Southern economies had actively pursued ISI, and shifted focus from collective resistance to individual crisis management, deepening reliance on the IMF and World Bank.

Moreover, the NIEO's proposals provoked fears of systemic upheaval, drawing strong resistance from the Global North and backlash from conservative geopolitical realists such as Henry Kissinger, paving the way for the rise of neoliberalism (Gilman, 7). Between 1979 and 1982, the elections of Margret Thatcher, Ronald Reagan, and Helmut Kohl in the UK, US, and Germany signalled the ascendance of the market-led export-oriented neoliberal development model (Bair, 355). Meanwhile, Northern-led institutions such as the World Bank promoted an alternative to the NIEO, redirecting attention toward eradicating global poverty.

While the NIEO aimed to strengthen state roles in development, the Bank's anti-poverty agenda envisioned only a limited role for developing country governments, shifting lending from capital-intensive infrastructure to poverty alleviation in areas such as smallholder agriculture, education, and housing (Sharma, 190-2). Ultimately, Boumediene's death in 1978 deprived the NIEO of its strongest champion, and in 1981, at the Cancún Economic Summit, Reagan decisively ended the discussion by stating that the US would reject any changes of the global economic governance architecture (Gilman, 8).

Structurally, the NIEO's failure stemmed from the G77's inability to sustain collective action, hindered by internal political and economic divisions, free riding, and the lack of selective incentives typical of large "latent" groups. Politically, the G77 was divided between radicals and reformists. The most prominent radical proponent, Boumediene—who had led Algeria's anti-colonial war—envisioned a new order that rolled back Western dominance and empowered local elites through broader confrontation with the North. Reformist members, by contrast, sought a cooperative model that emphasised peaceful dialogue rather than direct confrontation. Additionally, vast economic diversity further undermined unity: OPEC's success, which inspired the NIEO, had uneven effects across G77: oil-importing countries suffered from price surge, while oil-exporting countries benefited from windfall profits, making them less inclined to support the idea of global redistribution (ibid. 6-7).

Nevertheless, the NIEO once envisioned OPEC's embargo as a model of resistance that could be extended to other commodities and influence geopolitics (ibid.). However, as Krasner (1974) famously argued in *Oil Is the Exception*, OPEC's success was an anomaly rather than blueprint for other commodity cartels. Before OPEC's rise, numerous attempts were made by Third World producers to form commodity alliances. For instance, the Cocoa Producers Alliance (COPAL) was established in 1962, and the Intergovernmental Council of Copper Exporting States (CIPEC) in 1967. Yet these efforts largely failed: in COPAL's case, two member states—the Ivory Coast and Cameroon—did not abide by the agreement; in CIPEC's case, the copper exporters could not agree on how to distribute the costs of market intervention, lacked mutual trust, and had no enforcement mechanisms (p. 69-70). OPEC thrived under unique conditions: according to Krasner, it was "tacit assistance" (p. 78), from

multinational oil companies, a surplus of financial reserves, and a strong shared political value that distinguish OPEC from others. During the oil embargo, the oil companies regulated output, manipulated prices, and absorbed much of the cost and risk of market control, creating selective incentives for individual oil-exporting states, meaning they could all benefit from the ‘collective good’, i.e. higher prices, without having to resolve the collective action dilemma of burden sharing. By contrast, the G77’s size and heterogeneity magnified free-rider problems, as exemplified in previous commodity cartels, making it unrealistic for subgroups—or the G77 as whole—to replicate OPEC’s cohesive model.

4.3.2 BRICS’s Partial Success

4.3.2.1 Financial Cooperation

Despite initial progress in establishing the CRA and NDB, progress has stalled. The CRA has been largely dormant since 2015, hamstrung by its dependence on the IMF and lack of operational infrastructure (Batista, 38). The NDB, though innovative in governance and procedure, remains far too small to rival legacy institutions. With a subscribed capital of only \$50 billion—authorised to rise to \$100 billion—it pales in comparison to the World Bank’s \$233 billion and the IMF’s \$755 billion in liquidity (Cooper, 77–80). Even when paired with the CRA’s \$100 billion reserve pool, BRICS’ financial capacity is a fraction of its BW counterparts. Likewise, the goal of lending in national currencies has fallen short: by mid-2020, 74% of approved loans were in hard currencies (67% USD, 4% Euros, 3% Swiss francs), while only 26% were in members’ currencies (20% RMB, 6% Rand). Dollar, together with BWI, maintain structural hegemony in international finance (Batista, 63).

Moreover, although the NDB is a borrower-led MDB and differs in some governance respects from legacy MDBs, it largely replicates the BW model in its shareholding-voting link, administrative process, decision-making arrangements, and core financial policies. This continuity reflects the enduring appeal of the MDB template: for EMDCs, up-front capital costs to establish new MDBs are modest while the *developmental* and *geopolitical* returns can be significant (Humphrey, 149). Here lies a key divergence from the NIEO: whereas the NIEO

sought to rewrite the rules of the game, BRICS remain confined to operating within them, without mounting a systemic challenge to financial hegemony of the North.

In operational practices, the NDB's expansion in capital and membership has been hampered by the geo-economic divergences, power asymmetries, and rivalries within BRICS. As many observers point out, BRICS countries are characterised more by their economic, cultural, and political differences than commonalities, compared to the more cohesive G7. Within BRICS, China is the super performer in GDP, trade, investment, and currency reserves. Russia, by contrast, is an outlier, with an economy heavily dependent on fossil fuel exports and misaligned with the bloc's ascendent profile. Regarding high-growth sectors, China serves as 'the world's manufacturer', while India accelerates its growth through the ICT sector; both differ sharply from resource-oriented Brazil and South Africa (Cooper, 4). In practice, these disparities surfaced e.g. during capitalisation negotiations, when China initially proposed a larger, GDP-based contribution—affordable for Beijing but prohibitive for others, especially South Africa, where \$10 billion equals 2.5% of GDP. Fearing Chinese dominance in the bank, members opted for equal \$10 billion shares, preserving formal equality but capping total capital at \$50 billion—far below potential and forgoing a large capital base (ibid. 74).

Moreover, divergent economic interests, compounded by the governance model of equal voting power, have also stalled strategic decisions, notably on expansion. Although open in principle to all UN members and membership expansion is a stated goal in NDB's corporate strategy, the bank has added only four new members (Bangladesh, UAE, Egypt, Algeria) by 2025, in part due to Russian opposition to admitting advanced economies and preference to keeping the bank primarily a BRICS bank (Batista, 55). In practice, equal votes combined with conflicting national priorities create gridlock—what Batista called “five USAs”. Political rivalries further complicate operations, as member states remain wary of potential dominance by others. This is for instance evident in disputes over the bank's headquarter location, with each country eager to hosting it. Mostly notably, complex bilateral relations between India, China, and Russia, particularly strained India-China relations over the Belt and Road Initiative and border disputes, have disrupted the NDB's functioning. As Batista reflected,

every low point in this bilateral relationship paralleled a low point in the bank's operations, given its Shanghai headquarter and Indian leadership at inception (Batista, 53).

Despite the lack of 'sameness' among BRICS countries and their internal coordination challenges, BRICS members have been able to align their diverse objectives around shared goals, enabling more coherent collective action compared to the NIEO. The creation of the NDB illustrates this convergence: for India, South Africa, and Brazil, it offers a vital source of finance to meet their extensive infrastructure development needs; for China, it provides opportunity for its engineering and construction companies and a productive outlet for its vast foreign currency reserves; and for Russia, it serves as both a hedge for infrastructure finance and a geo-strategically important institution (Chin, 2014). Unlike the larger and more fragmented G77 coalition—which, despite its rhetorical unity, struggled with internal divisions and collective action problems—BRICS benefits from its small size and relatively more cohesive identity. Their collective action success is more evident in their cooperation to reshape international trade governance.

4.3.2.2 Coalition in the WTO

Before the inaugural BRICS summit in 2009, BRICS countries had already begun forming impactful alliances within the WTO and profoundly challenged its governance structure. One of the most prominent examples was the India-Brazil alliance, which spearheaded the broader G20-T coalition during the 2003 Doha Round negotiations on agriculture. This coalition marked a key turning point in the redistribution of influence within the WTO. The group's leverage was further amplified in 2008 when China joined the alliance, enhancing its ability to shape the trade agenda (Hopewell 2017). This section first outlines how this shift in power unfolded, followed by an analysis of the factors behind their successful collective action.

The turning point came at the 2003 Cancun Ministerial during the Doha Round—a round billed as a 'development' round—when negotiations reached the stage of determining concrete outcomes (Hopewell 2016, 80). Shortly before Cancun, the US and EU struck a bilateral deal on agriculture, pressuring developing countries to cut agricultural import barriers while

retaining their own trade-distorting subsidies and tariffs. Fearing a repeat of the Uruguay Round, where a US-EU deal became the basis for final negotiations, Brazil approached India to forge a broader developing-country alliance. They succeeded in forming the G20-T, representing over half the world's population and two-thirds of its farmers (ibid. 81). Through technically sophisticated counterproposals targeting US and EU subsidies, and with backing from other coalitions such as the G33 and the African Group, the G20-T successfully blocked the US-EU plan (Narlikar & Tussie 2004). Its creation shattered the traditional 'Quad' (Canada, EU, Japan, US) that had long dominated WTO agenda-setting, elevating India and Brazil into the core decision-making circle in place of Japan and Canada. This marked what Hopewell calls a "tectonic shift" in the WTO's power landscape.

This alliance was further strengthened when China joined in 2008. Contrary to expectations that the rising superpower would lead the coalition, it was India and Brazil that undertook this leadership. China had strategic reasons for maintaining a low profile in WTO's negotiations: its position was complex, facing demands to further open its vast and growing market while also under pressure to curb exports, which are vital to its economic growth but viewed as a threat to other countries' industrial capacity. Having endured a difficult bilateral accession negotiation with the US, which took more than fifteen years and required China to undertake substantial concessions and sweeping domestic reforms, China opted to align with the developing-country coalition, both to counter pressure from industrialised nations and to deflect challenges from other developing countries over its exports (Hopewell 2016, 93–96).

The new BIC power alliance significantly influenced the direction of the Doha Round negotiations beyond agriculture. Collectively, they pushed back against developed countries' attempts to introduce TRIPS-Plus provisions—stricter intellectual property rules—as well as the so-called Singapore issues, which sought to expand WTO rules to include competition policy, investment, and government procurement. They also opposed efforts, primarily led by the US, to incorporate labour and environmental standards into WTO negotiations, viewing them as potential vehicles for disguised protectionism that could harm developing economies (ibid. 99).

More importantly, this new alliance has gained agenda-setting power in the Doha Round and succeeded in pushing issues crucial for developing countries' interests onto the negotiation table and winning substantive concessions. For instance, regarding special and differential treatment in both agriculture and manufactured goods negotiations, the alliance has helped to secure weaker tariff-reduction formulas for developing countries, along with substantial flexibilities to allow them to protect their markets. In addition, new provisions on special safeguard mechanism would allow them to breach commitments made during the Uruguay Round, thus regaining lost policy space, while enjoying improved market access to developed countries' markets (*ibid.*). In many ways, this strategy echoed the NIEO's agenda, particularly the defence of policy autonomy, the demand for fairer trade terms, and the use of collective bargaining to counter Northern dominance. Yet the contrast is clear: whereas the NIEO sought to rewrite the rules of global trade, the BRICS-led coalition worked within the WTO's existing framework, leveraging its rules to shift negotiating outcomes without challenging the underlying architecture of neoliberal trade governance.

What, ultimately, enabled this coalition to mobilise broader developing country engagement and deliver results? From a collective action perspective, four factors stand out. First, India and Brazil strategically framed the fight around rich countries' agricultural subsidies, where violations of liberal trade norms were most egregious, and the South's stakes were substantial, thereby reducing intra-coalition heterogeneity and making coordination easier. Second, India and Brazil's effective leadership—rooted in diplomatic skill and technical capacity—proved pivotal in challenging the US and EU. In the lead-up to the Doha Round, both countries invested heavily in the WTO, sending some of the largest and best-prepared delegations to Geneva. Staffed with highly trained officials, their negotiation teams were widely regarded as among the most skilled and knowledgeable in the organisation (Shaffer & Rosenberg 2008). This marked a sharp departure from earlier coalitions such as the G77, which often lacked the technical expertise and institutional resources needed to mount a sustained and effective challenge to the North. Third, the coalition emerged from two decades of experimentation, strategic adaptation, and collective learning among developing countries. Lessons from the Uruguay Round had made many acutely aware of the dangers of negotiating in isolation and the high costs of disunity (Hurrell & Narlikar 2006). Finally, and importantly, the coalition

bolstered its legitimacy by adopting a pro-liberalisation narrative aligned with the WTO's mandate and resonant with the neoliberal ethos. By turning the language of free trade against developed countries—exposing the hypocrisy of their agricultural subsidies—it not only strengthened its moral authority but also made its demands more difficult to dismiss (Hopewell 2016, 90-91).

Compared to the NIEO, the collective-action conditions were simply more favourable: a smaller, more cohesive core (India-Brazil, later joined by China) reduced free-rider risks; selective, club-like benefits kept partners aligned; and the WTO's procedures and enforcement supplied an implementation spine absent in the NIEO's broad, redistributive, and largely declaratory agenda, pursued through the far larger and more heterogeneous G77. This stands in sharp contrast to the NIEO's more radical attempts to restructure the international trading system. Had the emerging powers aimed to overthrow the WTO's fundamental mandate, it would have been far more difficult for them to rapidly achieve influence within the organisation (ibid. 11).

5 Discussion

5.1 Continuation or Departure?

The comparative analysis shows that both the NIEO and BRICS emerge from a shared dissatisfaction with the perceived subordination of the Global South in an unequal international economic order. BRICS inherits the NIEO's aspiration to elevate the South's status and advance a multipolar global order. Yet their strategies diverge sharply. The NIEO pursued a radical, transformative agenda aimed at overhauling both the power structures and the rules of global capitalism, whereas BRICS focuses on recalibrating power imbalances within the neoliberal system, leaving its core rules and institutions intact. While BRICS has taken up certain NIEO demands—such as reforming multilateral institutions—it has pursued them as power challenge, not a system challenge. Its financial mechanisms, the CRA and NDB, are tied to the IMF or modelled on BW MDBs, and its trade diplomacy operates within the WTO's pro-liberalisation framework. As Cooper notes, BRICS' approach reflects “pragmatic

adaptation” and “hedging” (p. 47–48) rather than outright opposition or hard balancing. This stands in contrast to the NIEO’s structuralist proposals for state-led commodity cartels and price controls to reverse the deteriorating terms of trade. In short, the NIEO sought to rewrite the rules of the game; BRICS plays by the rules and seeks to win within them.

Paradoxically, BRICS’ very integration into neoliberal structures has enhanced its effectiveness, yielding tangible institutional outcomes that the NIEO could not achieve. From an Olson collective action perspective, group size and cohesion explain much of this difference. The G77 was a large, heterogenous “latent” group plagued by free-riding and unable to replicate OPEC’s commodity cartel model. In contrast, BRICS, and especially its BIC sub-coalition in the WTO, is smaller and more cohesive, enabling more effective coordination. Strategic framing of agricultural subsidies and strong leadership from India and Brazil also helped to mobilise wider Southern support and secure negotiating gains. Still, BRICS is hardly free of collective action problems. Internal geo-economic asymmetries, power rivalries—especially between India and China—and divergent interests have hindered the consolidation of its financial mechanisms. Both coalitions thus grapple with internal divisions, but BRICS’ selective, club-like structure mitigates them more effectively than the NIEO’s universal approach. In transforming South-South politics, BRICS has shifted solidarity from the NIEO’s vision of broad emancipation for all developing states toward a narrower ‘club of giants’ identity, distinct from the wider South. While this marks a rupture from the older solidarity model, it also underscores that smaller, more selective coalitions have proven more capable of achieving concrete outcomes.

5.2 Neoliberal Hegemony

Although BRICS does not aim to revive the NIEO’s exact historical project, the two are deeply interlinked through the trajectory of neoliberalism. The NIEO’s collapse paved the way for neoliberalism’s ascendance: the Latin American debt crisis not only killed the NIEO’s momentum but also discredited the state-centric ISI-led development model, strengthening the hegemony of BWI, as reliance on IMF and World Bank loans deepened and structural adjustment programs proliferated. Meanwhile, the NIEO’s radical and redistributive agenda

provoked fears in the North, fuelling the political backlash that propelled the neoliberal turn of the global economy. These shifts decisively shaped the very nature of Southern integration: BRICS countries—in particular China, Brazil, India—were drawn into, and paradoxically thrived within, the neoliberal order. Having reaped substantial developmental gains through neoliberal integration, they now have vested interests in preserving its basic framework. However, I argue that their cooperation signals not a pure continuation of neoliberalism, but a variant with stronger developmental dimensions.

To understand why BRICS does not seek to overturn neoliberal rules, it is essential to trace the trajectory of Southern integration since the demise of the NIEO, focusing on Brazil, India, and China—the bloc's largest emerging economies and most active members in shaping its trade and financial agenda. All three began the post-war era pursuing state-centric, inward-looking development strategies—typically ISI—consistent with the NIEO's emphasis on national sovereignty over development. Brazil has followed ISI since the 1930s, but the 1980s debt crisis, fuelled by rising interest rates and collapsing commodity prices, plunged the country into inflation and balance-of-payment crises. Dependent on IMF loans, Brazil abandoned ISI in favour of liberalisation, triggering an agribusiness boom that made it the world's third largest agricultural exporter, with the sector now generating 28% of GDP and 40% of exports (Hopewell 2016, 109). India likewise pursued ISI after independence in 1947, but worsening trade deficits and external debt in the 1980s, compounded by the Gulf War oil shock, forced it to seek IMF emergency aid in 1991 and adopt structural adjustment. Liberalisation paved the way for a globally competitive service sector, with exports growing at 35% annually and generating \$27 billion surplus (*ibid.* 150). China's shift began earlier: after decades of semi-autarky under Mao, the 'reform and opening up' launched in 1978 moved the country towards market liberalisation, accelerating after WTO accession in 2001; by 2009 it became the world's largest exporter, with export-linked activity contributing over 60% of growth in some years (*ibid.* 127). In each case, the collapse of the older, protectionist model under economic crisis conditions pushed these economies into the neoliberal global order—a shift that not only embedded them deeply in export-led growth, as they developed globally

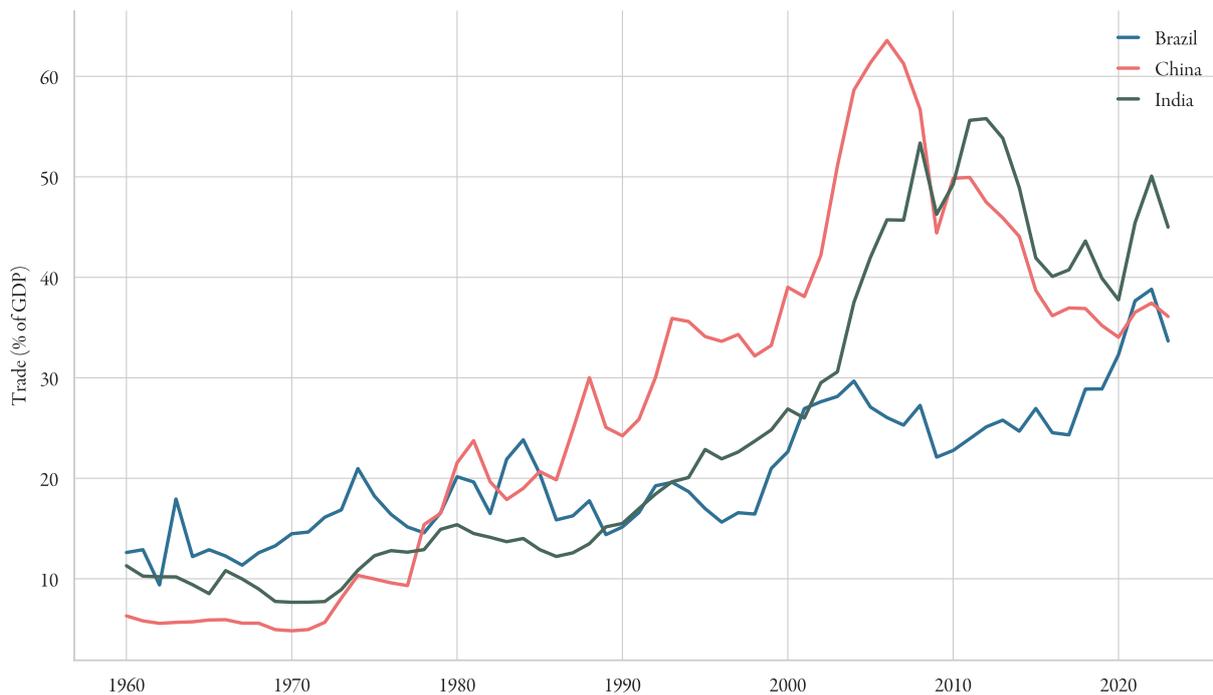


Figure 6. Trade (sum of exports and imports) as a percentage of GDP for selected countries. Source: World Bank 2024c.

competitive, export-oriented industries with vested interests in trade liberalisation and access to foreign markets, but also helps explain BRICS' preference to work within, rather than against, the rules of neoliberal globalisation. Figure 7 illustrates the trade-to-GDP ratio of those three countries since the 1970s: one observes a clear rising trend, indicating their increasing ties to global trade under neoliberalism.

Although BRICS countries have emerged as new advocates for free trade in sectors where they hold key export advantages, their cooperation in both finance and trade also incorporates developmental elements. Over the course of the Doha Round, the G20-T coalition successfully resisted US and EU's demands, securing concessions that limited liberalisation in both agriculture and manufactured goods. Efforts to extend WTO rulemaking and liberalisation into new areas—such as services and intellectual property, as in the Uruguay Round—were largely thwarted, with the agenda narrowed mainly to tariff and subsidy reductions, thereby preserving policy space and flexibilities for developing countries (ibid. 188). In finance, the creation of NDB similarly reflects a developmental ethos: it prioritises the productive use of financial capital for infrastructure—addressing a significant global funding gap—and the development of domestic capital markets, albeit with limited results to date. Its emphasis on

‘national sovereignty’, more flexible conditionality, and a preference for public over private borrowers all signals a renewed developmental discourse.

5.3 Power Shift & Multilateralism

By examining BRICS’s financial and trade initiatives, this study sheds light on the debate over power shift in international economic governance—both whether it has occurred and how. In finance, BRICS’ mechanisms hold potential to challenge existing institutions, yet progress has been limited: the BW twins, remain hegemonic in financial capacity, rule-making, and agenda-setting. In contrast, in trade governance—specifically within the WTO—power shift has materialised. The BIC alliance has broken the traditional dominance of the US, EU, and their industrialised allies, moved into the organisation’s core decision-making circle, and secured agenda-setting influence. Crucially, this shift was not a mechanical result of growing economic weight, as much conventional wisdom tends to suggest. Within the WTO, it was India and Brazil’s strategic leadership of the G20-T that propelled them into the ‘Quad’ (ibid. 103). China, despite an economy nearly 4.5 times larger than India’s and almost 9 times Brazil’s (nominal GDP) (IMF 2025), played an indispensable but deliberately low-profile role. In finance, by contrast, BRICS’ aggregated economic power could pose a greater challenge, yet internal divisions have blunted its impact. The comparison underscores that while economic size is a necessary foundation for political influence, effective coalition-building is often the decisive factor in realising a power shift.

Although BRICS challenges power imbalances within the neoliberal paradigm, its power challenge has produced unintended, anti-systemic effects. The multilateral institutions built at BW and consolidated under neoliberalism rest on deeply unequal power relations; power and rules are so intertwined that shifting the former inevitably destabilises the latter, even unintentionally. Nowhere is this clearer than in the WTO, where the Doha Round has been deadlocked since 2008, with repeated negotiation collapses—notably at the 2003 Cancun Ministerial and the 2008 Geneva Mini-Ministerial—amid heightened North-South confrontation (Hopewell 2016, 184). Ironically, the WTO’s dysfunction has unfolded at a moment of more equitable power distribution, precisely when its foundational principles of

multilateralism and free trade, supposedly embodied by the institutions, were invoked by emerging powers to challenge its principle architect, the US, on its own terms and press it to honour its commitments to multilateralism and free trade. Unlike the NIEO's explicit bid to rewrite the rules, BRICS' sub-coalition has mounted a challenge "from within" (ibid. 191) that has proved even more subversive to the multilateral trading system's functioning. This outcome reveals that the post-war 'liberal international economic order', with its political pillar of multilateralism and economic pillar of free trade, has always rested on a hidden foundation of power asymmetries and unequal benefit-sharing. As Hurrell (2010, 8) observes: "Multilateralism worked for much of the post-1945 period in part because it was *not* very multilateral."

This brings us back to reflections on the insights of international relation theories regarding power shift and multilateralism. As outlined in Chapter 2, liberal institutionalism views multipolarity as conducive to cooperation and anticipates that rising powers will be seamlessly incorporated into the liberal international order. Yet the WTO experience contradicts this: the contemporary power shift has led to multilateral disintegration—a scenario liberal institutionalism fails to anticipate due to its neglect of structural inequalities and the potential for rising powers to resist structural subordination and clash with established powers, as seen with both the NIEO and BRICS. The WTO's paralysis aligns more closely with realist expectations of power struggles and conflicts following the rise of new powers. However, realism assumes such conflict stems from emerging powers rejecting the norms of the existing order. This fits the NIEO's rule-rewriting ambitions, but not the current breakdown of multilateralism, where traditional powers act as 'revisionist' and rising powers as 'status quo' actors. Critical theory, by contrast, anticipates that new powers could challenge the existing order and push towards a more progressive, post-neoliberal system—an expectation that aligns with the NIEO's revolutionary anti-imperial, anti-colonial agenda, but offers limited explanatory power for BRICS, which has largely operated within, and retained stakes in, the neoliberal framework, albeit with some developmentalist features.

6 Conclusion

In this work, I have compared BRICS with the NIEO, two landmark Southern initiatives to transform the international economic order. Both sought a multipolar order and a redistribution of power, but their strategies diverged due to distinct historical contexts. The NIEO, emerging amid deteriorating terms of trade, pursued a radical rules-changing agenda. BRICS, by contrast, has thrived under neoliberal globalisation, developing vested interests in preserving its framework while pressing to rebalance power within it. Paradoxically, this adaptation has both entrenched neoliberalism and enabled BRICS to wield greater influence, making its challenge from within more effective than the NIEO's system-overhauling attempt.

These conclusions have two implications: first, power shifts are structurally paradoxical, as adaptation to exiting rules is necessary to gain influence but also deepens path dependency and reinforces neoliberal resilience. Second, power and rules are inseparable: even challenges focused on power, as in BRICS, can destabilise existing rules, contributing to multilateral disintegration. Future research should explore BRICS Plus, the evolution of its financial and trade initiatives, and other areas central to the NIEO—such as technology transfer, debt, investment—to assess whether contemporary SSC departs or converges with the NIEO's vision. Another venue for future research lies in examining the evolution of other powers within the G77. BRICS, as a coalition of particularly large and geo-strategically influential Southern economies, cannot be taken as representative of the broader South. Since the demise of the NIEO, divergences within the South have deepened, raising the question of whether smaller and intermediate powers continue to articulate similar demands. Ultimately, assessing the transformative potential of the Global South requires situating it in both its historical origins and its own evolving trajectory—an approach that sheds light on the future of multilateralism and modes of transnational integration.

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