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BRICS AND EAEU: TRENDS IN ECONOMIC COOPERATION

Abstract. *The emergence of BRICS (Brazil, Russia, India, China, and South Africa) and the Eurasian Economic Union (EAEU) signifies a transformative shift in the global economic landscape, challenging the long-standing dominance of Western-led institutions. This study investigates the evolving economic cooperation between BRICS and the EAEU, with a particular focus on their shared objectives, collaborative mechanisms, and the broader implications for global economic governance. By analyzing the interplay between these two entities, the research aims to shed light on how their partnership contributes to the reconfiguration of international economic structures and the promotion of a more multipolar world order.*

Keywords: BRICS, EAEU, cooperation, economy, trade.

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БРИКС И ЕАЭС: ТРЕНДЫ ЭКОНОМИЧЕСКОГО СОТРУДНИЧЕСТВА

Аннотация. *Появление БРИКС (Бразилия, Россия, Индия, Китай и Южная Африка) и Евразийского экономического союза (ЕАЭС) знаменует собой трансформационный сдвиг в глобальной экономической картине, бросая вызов долгосрочному доминированию западных институтов. В исследовании дан анализ развивающегося экономического сотрудничества между БРИКС и ЕАЭС, уделено особое внимание их общим целям, механизмам взаимодействия и широким последствиям для глобального экономического управления. Анализируя взаимодействие между этими двумя структурами, исследование стремится пролить свет на то, как их партнерство способствует перестройке международных экономических структур и продвижению более многополярного мирового порядка.*

Ключевые слова: БРИКС, ЕАЭС, сотрудничество, экономика, торговля.

The emergence of BRICS (Brazil, Russia, India, China, and South Africa) and the Eurasian Economic Union (EAEU) marks a significant shift in the global economic landscape. Both entities reflect an evolving multipolar world order that challenges the traditional dominance of Western-led institutions. This study explores the economic cooperation trends between BRICS and the EAEU, analyzing their objectives, mechanisms of collaboration, and the implications for global economic governance.

BRICS was established in 2009 as a platform for collaboration among emerging economies. Initially comprising Brazil, Russia, India, and China, South Africa joined in 2010, expanding the group's representation to include Africa. The group's primary objectives include fostering economic growth, promoting sustainable development, and reforming global governance structures (O'Neill, 2001). The leaders of BRICS countries emphasize the need for a more equitable international financial system that reflects the interests of developing nations (Huang, 2016).

The EAEU was founded in 2015, building on earlier integration efforts within the Commonwealth of Independent States (CIS). It includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia as member states. The EAEU aims to facilitate economic integration, enhance trade, and create a single market for goods, services, capital, and labor (Dreyer & Popescu, 2014). The EAEU seeks to strengthen regional cooperation and establish a counterbalance to Western economic influence, particularly in the post-Soviet space (Aris, 2016).

One of the primary avenues for economic cooperation between BRICS and the EAEU is through bilateral trade agreements. Both entities have emphasized the importance of reducing trade barriers and enhancing market access. For instance, the EAEU has signed free trade agreements with various countries, including Vietnam and Iran, which align with BRICS's objectives of promoting trade expansion (Gurvich, 2020).

The trade volume between BRICS and EAEU countries has shown promising growth. According to the Eurasian Economic Commission, in 2020, trade between BRICS countries and the EAEU reached approximately 68 billion USD, representing a significant increase from previous years (EEC, 2021). This growth can be attributed to increased demand for energy resources, agricultural products, and manufactured goods among member states.

By 2025, trade volumes are expected to grow further, driven by increased energy exports (e. g., Russian oil and gas to China and India) and agricultural products (e. g., grain exports from Russia and Kazakhstan to BRICS nations).

Investment cooperation is another critical area of collaboration between BRICS and the EAEU. The BRICS New Development Bank (NDB) has been instrumental in financing infrastructure projects in EAEU member states, thereby enhancing connectivity and economic development (NDB, 2021). For example, the NDB has funded projects in renewable energy and transportation

infrastructure, which align with both entities' sustainable development goals. As of 2024, the NDB had approved over 30 billion USD in projects across member countries, including renewable energy, transportation, and digital infrastructure.

By 2025, the NDB is expected to expand its portfolio, particularly in sustainable development projects, such as green energy and climate-resilient infrastructure.

Joint ventures between BRICS and EAEU companies are increasingly common. For instance, Russian and Chinese companies have collaborated on energy projects, including the Power of Siberia gas pipeline, which highlights the strategic importance of energy security and interdependence (Kaczmariski, 2019). Additionally, Indian companies have invested in the EAEU's pharmaceutical sector, contributing to regional healthcare improvements.

Financial cooperation has gained traction, particularly in the context of establishing alternative payment mechanisms. BRICS countries have initiated discussions on currency swap agreements to reduce reliance on the US dollar, enhancing financial sovereignty (Patel, 2020). The EAEU has also explored similar arrangements to facilitate cross-border trade and investment in national currencies.

In addition to the NDB, the EAEU has established the Eurasian Development Bank (EDB), which aims to promote economic integration and development projects among member states (EDB, 2021). Both banks have the potential to finance infrastructure and development projects that align with the strategic interests of BRICS and EAEU countries.

Cultural exchanges and educational collaborations have been increasingly promoted within BRICS and EAEU. For example, initiatives like the BRICS Network University and EAEU's educational programs aim to enhance cooperation in knowledge sharing, research, and academic dialogue, fostering a deeper understanding among member states.

Trade volumes between BRICS and EAEU countries are expected to grow significantly, potentially exceeding 100 billion USD by 2030.

Drivers:

1. Increased energy exports from Russia and Kazakhstan to BRICS nations, particularly China and India.
2. Growth in agricultural trade, with EAEU countries supplying grain, meat, and dairy products to BRICS markets.
3. Diversification of trade beyond raw materials to include high-value goods like machinery, technology, and pharmaceuticals.

Energy trade, particularly in oil, gas, and renewables, will remain a cornerstone of BRICS-EAEU cooperation.

Drivers:

1. Russia's pivot to Asian markets amid Western sanctions, with pipelines like Power of Siberia 2 and expanded LNG exports to China and India.

2. Collaboration on renewable energy projects, including solar, wind, and hydropower, funded by the BRICS New Development Bank (NDB).

Infrastructure investments will accelerate, particularly in transportation, logistics, and digital connectivity.

Drivers:

1. NDB and Eurasian Development Bank (EDB) financing for cross-border infrastructure projects, such as railways, highways, and ports.

2. Integration of China's Belt and Road Initiative (BRI) with EAEU transport corridors, enhancing Eurasian connectivity.

BRICS and EAEU countries will increasingly use national currencies for trade and investment, reducing reliance on the US dollar.

Drivers:

1. Establishment of currency swap agreements and alternative payment systems.

2. Development of a BRICS currency or digital payment platform to facilitate cross-border transactions.

BRICS-EAEU cooperation in technology and innovation will expand, particularly in digital economy, AI, and green technologies.

Drivers:

1. Joint ventures in technology transfer, particularly between China, India, and Russia.

2. Collaboration on 5G networks, cybersecurity, and digital infrastructure.

Agricultural cooperation will grow, with EAEU countries becoming key suppliers of grain, fertilizers, and other agricultural products to BRICS nations.

Drivers:

1. Rising global demand for food security amid climate change and geopolitical disruptions.

2. Investments in agricultural technology and infrastructure to boost productivity.

BRICS-EAEU cooperation in healthcare and pharmaceuticals will deepen, particularly in vaccine production and medical technology.

Drivers:

1. Lessons learned from the COVID-19 pandemic and the need for resilient healthcare systems.

2. Indian pharmaceutical companies expanding production and distribution networks in EAEU countries.

Cultural and educational ties will strengthen, fostering mutual understanding and people-to-people connections.

Drivers:

1. Expansion of programs like the BRICS Network University and EAEU educational initiatives.

2. Increased student and academic exchanges, particularly in science, technology, and engineering fields.

BRICS and EAEU will increasingly align on geopolitical issues, advocating for a multipolar world order.

Drivers:

1. Shared opposition to Western dominance in global governance institutions like the IMF and World Bank.

2. Coordination on issues like climate change, cybersecurity, and regional security.

Both BRICS and EAEU will strengthen their institutional frameworks and explore expansion to include new members.

Drivers:

1. Potential inclusion of countries like Argentina, Indonesia, and Saudi Arabia in BRICS.

2. EAEU partnerships with Asian and Middle Eastern countries to enhance its geopolitical reach.

Despite the promising trends in economic cooperation, several challenges persist. Geopolitical tensions, particularly between Russia and Western countries, have implications for BRICS and EAEU collaboration. Sanctions imposed on Russia have hindered its economic growth and limited its ability to engage fully with BRICS partners (Kahn, 2021). Furthermore, disparities in economic development levels among member states pose challenges for achieving cohesive economic policies (Shatskikh, 2020).

Despite these challenges, opportunities for enhanced cooperation exist. The COVID-19 pandemic has underscored the importance of resilience in supply chains and the need for diversified markets. BRICS and EAEU countries can collaborate on healthcare initiatives, technology transfer, and digital economy projects, fostering innovation and economic recovery (World Bank, 2020).

The potential expansion of both BRICS and the EAEU could significantly impact global economic dynamics. BRICS has expressed openness to including new members, with countries such as Argentina and Indonesia showing interest in joining (BRICS, 2021). Similarly, the EAEU has explored partnerships with countries in Asia and the Middle East, enhancing its geopolitical relevance (EEC, 2021).

To further enhance economic cooperation, both entities need to strengthen their institutional frameworks. This includes establishing clear mechanisms for decision-making, conflict resolution, and project implementation (Huang, 2016). Enhanced collaboration between BRICS and EAEU institutions could facilitate joint initiatives and create synergies in various sectors.

The trends in economic cooperation between BRICS and the EAEU highlight a significant shift in the global economic order. As emerging economies seek to enhance their influence in international trade and finance, collaboration

between these two entities presents opportunities for sustainable development and regional integration. Despite the challenges posed by geopolitical tensions and economic disparities, the potential for enhanced cooperation remains strong. By leveraging their collective strengths, BRICS and EAEU can play a pivotal role in shaping the future of global economic governance.

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