



ECONOMIC AND SOCIAL COUNCIL

Topic:

Impact of BRICS organization on changing the world economic order

Chairs:

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Introduction:

The Economic and Social Council (ECOSOC) stands as the principal coordinating body for the economic and social activities within the United Nations. As the primary forum for examining global economic and social issues, ECOSOC plays a crucial role in formulating practical recommendations and strategies.

Mandate and Responsibilities:

ECOSOC is responsible for advancing higher standards of living, promoting full employment, and fostering economic and social progress internationally. It serves as a platform for identifying practical solutions to global economic, social, and health challenges. Beyond its economic focus, ECOSOC actively facilitates international cultural and educational cooperation, thereby contributing to the broader objectives of the United Nations.

In addition to its economic and social mandates, ECOSOC is dedicated to encouraging universal respect for human rights and fundamental freedoms. The council plays a pivotal role in shaping policies and initiatives that align with the principles of human rights and the core values of the UN.

Scope and Influence:

ECOSOC's jurisdiction spans over 70 percent of the human and financial resources of the entire UN system. This substantial influence underscores the council's pivotal position in driving initiatives that address global challenges and promote sustainable development. The comprehensive scope of ECOSOC reflects its commitment to creating a world characterized by improved living standards, equitable employment opportunities, and overall social and economic advancement.

As a coordinating body, ECOSOC collaborates with member states, specialized agencies, and various stakeholders to develop comprehensive and inclusive approaches to tackle the multifaceted issues on its agenda. By fostering dialogue and cooperation, ECOSOC strives to catalyze positive change and contribute to the overarching goals of the United Nations.



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Overall, ECOSOC stands as a linchpin in the UN system, providing a platform for collective action and collaboration to address the intricate challenges that impact the economic and social well-being of nations across the globe.

Background:

In 2001, economist Jim O'Neill, affiliated with Goldman Sachs, unveiled a compelling thesis titled "Building Better Economic BRICs." In this groundbreaking work, O'Neill projected that by the year 2050, the collective economies of Brazil, Russia, India, and China would surpass those of the entire G6 (now G7) organization.

Responding to this foresight, these nations formally established the BRIC organization in 2009, a precursor to the current BRICS. The inclusion of South Africa in 2011 transformed it into BRICS.

The emergence of BRICS as a cohesive economic bloc has sparked considerations of its potential as a global counterweight to the G7, representing seven major industrialized economies. The divergent political and economic ideologies of prominent members, such as the United States and China, contribute to the perceived tension between the two groups.

Now, BRICS collectively constitutes 25% of the world's GDP, accounts for 42% of the global population, and contributes 16% of global commerce. Anticipating further expansion, countries like Saudi Arabia, the United Arab Emirates, Iran, Argentina, Egypt, and Ethiopia are slated to join in 2024. This enlargement is particularly significant economically, as BRICS nations are poised to control 80% of the world's petroleum resources.

In a notable moment at a past BRICS summit in South Africa, Brazil's then-President Luiz Inácio Lula da Silva advocated for creating a BRICS currency, signaling a desire to reduce dependence on the US dollar exchange rate. While no outright rejection from other member states existed, a consensus did not materialize.

The cultural, economic, and political diversity among BRICS nations adds complexity to understanding and addressing their varying interests and priorities. Despite their collective influence, China's economic and political dominance within the group raises



concerns about potential power imbalances that might impede effective collaboration and negotiations.

The policies and decisions of the BRICS organization can reverberate globally, impacting countries beyond its membership. Addressing the concerns of non-member states and managing the potential adverse effects of BRICS initiatives on these nations poses a challenge for delegates.

Discussions around the impact of BRICS on the evolving world economic order often delve into geopolitical dimensions. Tensions and disputes between BRICS nations and other major global players create a complex diplomatic landscape, making consensus-building a formidable task.

This evolving situation holds profound implications for the global economy in the long term. The decisions by BRICS countries, pivotal players in the contemporary world, have far-reaching consequences for a significant portion of the world's population. Additionally, the dynamics between the lead countries of the G7 and BRICS could intensify existing global tensions.

Timeline of Events:

- 2001: Jim O'Neill publishes his thesis "Building Better Economic BRICS."
- 2009: Brazil, Russia, India, and China established the BRIC organization.
- 2011: South Africa joins the organization, transforming it into BRICS.
- 2023: Invitations were extended to Saudi Arabia, the United Arab Emirates, Iran, Argentina, Egypt, and Ethiopia to join BRICS; at present, only these six countries have accepted.



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Position of major nations:

BRICS (Brazil, Russia, India, China, and South Africa):

- **Combined Global Territory:** Approximately 34%
- **Combined Global Population:** Around 42%
- **Combined GDP:** This represents about 25% of the world's total GDP.
- **Currencies:**
 1. Brazil: Brazilian Real (BRL)
 2. Russia: Russian Ruble (RUB)
 3. India: Indian Rupee (INR)
 4. China: Renminbi (CNY)
 5. South Africa: South African Rand (ZAR)

Overview:

BRICS, consisting of Brazil, Russia, India, China, and South Africa, is a coalition that aspires to become a dominant force in the global economy. This group, collectively holding substantial territory, population, and economic output, seeks to influence international economic policies and establish itself as a key player on the world stage.

Role Worldwide:

- ✓ Aspires to be a leading global economic force.
- ✓ Advocates for a more balanced and inclusive world economic order.
- ✓ Works towards challenging traditional economic power structures.
- ✓ Promotes cooperation and coordination on global economic issues.
- ✓ A significant contributor to global GDP.
- ✓ Influences global economic policies through collaborative efforts.

Considerations:

Diverse economic, political, and cultural backgrounds within the coalition.

Balancing the interests and priorities of member states can be complex.



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G7 (Canada, France, Germany, Italy, Japan, United Kingdom, and the United States):

- **Combined Global Territory:** Represents around 32%
- **Combined Global Population:** Approximately 10%
- **Combined GDP:** Contributes to about 48% of the world's total GDP.
- **Currencies:**
 1. Canada: Canadian Dollar (CAD)
 2. France: Euro (EUR)
 3. Germany: Euro (EUR)
 4. Italy: Euro (EUR)
 5. Japan: Japanese Yen (JPY)
 6. United Kingdom: British Pound Sterling (GBP)
 7. United States: United States Dollar (USD)

Overview:

The G7, composed of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States, is an international organization representing the seven most influential industrialized economies. Traditionally considered the counterpart to BRICS, the G7 plays a pivotal role in shaping global economic policies.

Role Worldwide:

- ✓ Emphasizes economic cooperation and stability.
- ✓ Historically set the agenda for global economic governance.
- ✓ Addresses global economic challenges through collaborative initiatives.
- ✓ Significant economic influence on a global scale.
- ✓ Coordinates efforts to stabilize and strengthen the international financial system.

Considerations:

Differences in economic priorities and policies among member states.

Strives to address challenges collectively and maintain global economic stability.



Key terms:

1. **Globalization:** The process of interaction and integration among people, companies, and governments of different nations, driven by international trade, investment, and advancements in technology.
2. **Trade Liberalization:** The removal or reduction of barriers to trade between nations, fostering the free flow of goods and services.
3. **Protectionism:** Economic policies and measures that restrict international trade to safeguard domestic industries.
4. **Foreign Direct Investment (FDI):** Investment made by a company or individual in one country into business interests located in another country.
5. **Multinational Corporation (MNC):** A corporate organization that operates in multiple countries, managing business activities through subsidiaries and affiliates.
6. **Bilateral Trade Agreement:** An agreement between two countries to facilitate trade by reducing or eliminating barriers, such as tariffs.
7. **World Trade Organization (WTO):** An international organization that oversees global trade rules and negotiations, aiming to ensure the smooth flow of trade between nations.
8. **Free Trade Area (FTA):** A designated geographic area in which a group of countries agree to reduce or eliminate trade barriers to enhance economic cooperation.
9. **Customs Union:** A type of trade bloc that features not only reduced or eliminated internal tariffs but also a common external tariff imposed on non-member countries.
10. **Balance of Trade:** The difference between a country's exports and imports, influences the nation's economic health.



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11. **Exchange Rate:** The value of one currency in terms of another, affecting international trade and investment.
12. **Protectionist Measures:** Policies or actions taken by a government to shield domestic industries from foreign competition.
13. **Economic Sanctions:** Trade restrictions imposed on a country to influence its behavior or policies.
14. **Foreign Aid:** Financial assistance provided by one country to another, typically for developmental or humanitarian purposes.
15. **Sustainable Development:** Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
16. **International Monetary Fund (IMF):** An organization that aims to promote international monetary cooperation and exchange rate stability, facilitate the balanced growth of international trade, and provide resources to help members in need.
17. **World Bank:** An international financial institution that provides loans and grants to the governments of poorer countries to pursue capital projects.
18. **Organization of Petroleum Exporting Countries (OPEC):** A cartel of countries that produce and export petroleum, aiming to coordinate policies and stabilize oil markets.
19. **Transnational Corporation (TNC):** A large business entity that operates in multiple countries, with a decentralized approach to management.
20. **Diversification:** A risk management strategy that involves expanding products, services, or markets to reduce dependence on a single revenue source.

Guiding questions:



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Guiding Questions for BRICS:

- **Economic Impact:** How does BRICS perceive its economic impact on the changing world order, considering its combined global GDP of about 25%?
- **Global Leadership:** In what ways does BRICS envision itself contributing to and potentially leading the global economy in the future?
- **Cultural Diversity:** How does the cultural, economic, and political diversity within BRICS influence its decision-making processes?
- **Power Dynamics:** How does BRICS manage power dynamics among its members, especially considering China's significant economic and political influence?
- **Geopolitical Relations:** How does BRICS navigate geopolitical tensions and disputes, particularly with major global players outside the bloc?
- **Inclusivity:** With the invitation of new members like Saudi Arabia, United Arab Emirates, Iran, Argentina, Egypt, and Ethiopia, how does BRICS plan to maintain inclusivity while expanding?
- **Petroleum Resources:** Considering the addition of new members, how does BRICS plan to leverage its increased share of the world's petroleum resources?
- **Currency Dynamics:** How does the diversity of currencies within BRICS impact its economic policies, and what steps are taken to address potential challenges?
- **Collaboration with Other Blocs:** What efforts does BRICS undertake to collaborate with other major international blocs and organizations on economic matters?
- **BRICS Currency Proposal:** Is the proposal for a common BRICS currency still a consideration, and how might it impact the global economic landscape?



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- **Balance of Power:** How does BRICS maintain a balance of power among its members, ensuring equitable representation and decision-making?
- **Addressing Global Imbalances:** In what ways does BRICS work to address imbalances within the group and mitigate potential negative consequences for non-member states?
- **Technological Innovation:** How do BRICS approach technological developments related to economic growth and competitiveness on the global stage?
- **Sustainable Development:** What role does BRICS play in promoting sustainable development goals on a global scale?
- **Cooperation on Global Challenges:** How does BRICS collaborate to address global challenges such as climate change, public health crises, and economic inequalities?

Guiding Questions for G7:

- **Economic Policies:** How does G7 coordinate economic policies among its members, accounting for its substantial combined global GDP contribution of around 48%?
- **Global Economic Leadership:** In what ways does G7 exercise its leadership in shaping global economic policies and responding to emerging challenges?
- **Harmonization of Interests:** How does G7 manage the harmonization of interests among its members, given their diverse economic structures and priorities?
- **Role in Global Governance:** How does G7 contribute to global governance mechanisms and promote international cooperation on economic and social issues?



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- **Relations with BRICS:** How does G7 handle relations with BRICS, and what efforts are made to find common ground or resolve economic and geopolitical tensions?
- **Impacts of New BRICS Members:** Considering the addition of new members to BRICS, how does G7 assess the potential impact on the global economic order?
- **Global Trade and Commerce:** What steps does G7 take to foster global trade, economic stability, and cooperation among member states?
- **Currency Dynamics:** How does G7 manage the diversity of currencies within the group and address challenges related to exchange rates and monetary policies?
- **Collaboration with Other Blocs:** To what extent does G7 collaborate with other major international blocs and organizations to address global economic challenges?
- **Promotion of Sustainable Development:** How does G7 contribute to global efforts in promoting sustainable development goals and addressing environmental concerns?
- **Inclusive Economic Policies:** How does G7 ensure that its economic policies are inclusive and considerate of the interests of less economically developed nations?
- **Technological Innovation:** What role does G7 play in fostering technological innovation and addressing the challenges posed by the rapid advancement of technology?
- **Response to Global Crises:** How does G7 coordinate responses to global economic, social, and health crises, ensuring a unified and effective approach?
- **Human Rights and Labor Standards:** How does G7 prioritize, and address issues related to human rights, labor standards, and social equality in its economic policies?



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- **Balancing National Interests with Global Cooperation:** How does G7 strike a balance between advancing national economic interests and fostering international cooperation in economic matters?

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