

NIGERIA'S BRICS MEMBERSHIP: STRATEGIC PATH TO GLOBAL INFLUENCE AND ECONOMIC GROWTH



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Overview

In 2006, the acronym “BRIC” was coined to represent the four countries: Brazil, Russia, India, and China. These nations have a shared recent history of rapid socioeconomic growth and are projected mainly as potential dominant players in 21st-century global economics. South Africa joined the group in 2010, transforming it into “BRICS.” The group aims to challenge wealthier nations' political and economic dominance in North America and Western Europe, seeking to give emerging economies a greater voice and representation in global geopolitics. It advocates for reforms in the operational structures of global institutions like the International Monetary Fund (IMF) and the World Bank.

In 2024, Saudi Arabia, Egypt, Ethiopia, Iran, and the United Arab Emirates (UAE) were invited to join BRICS. Argentina was also invited but withdrew at the end of 2023 following the election of the incumbent president, Javier Milei. The expanded group now includes nine countries. According to the 2023 statistics of the Energy Institute, BRICS countries collectively represent about 45% of the world's population. Their combined economies are worth over \$28.5 trillion, accounting for approximately 28% of the global economy. With the inclusion of Iran, Saudi Arabia, and the UAE, BRICS nations produce about 44% of the world's crude oil.

The group established the New Development Bank (NDB) in 2014 to fund infrastructure projects in emerging nations. All member nations aim to grow their influence globally, especially in Africa, through BRICS, a strategy to counter Western dominance and influence worldwide. BRICS is mainly a platform for cooperation, economic development, and geopolitical influence among its member countries.

Russia took over the BRICS presidency in 2024, prioritizing the expansion of its membership, which represented an essential stage in further developing and strengthening BRICS' position on the world stage. Russia's leadership could catalyze the development of Africa, offering opportunities in investment, education, policy, and cooperation that could potentially change Africa's development trajectory. BRICS is currently discussed in the context of its prospects for cooperation with countries of the Global South. The President of the Global Migration Research Institute (GMRI), Professor Williams Ijoma, has advocated for Nigeria to join BRICS to rescue it from poverty and open opportunities for rapid development.

The BRICS objectives revolve around cooperation, development, and global influence. Their main goals include enhancing economic cooperation by boosting member trade and growth and improving market access. They also aim to establish institutions like the Contingent Reserve Arrangement (CRA) and the NDB to finance development projects. Politically, BRICS seeks to enhance coordination on global issues, adapt global governance structures, and give emerging economies a stronger voice. They also prioritize social and cultural exchanges, technology and innovation collaborations, sustainable development practices, and promoting peace and security. Additionally, BRICS emphasizes South-South cooperation, sharing best practices, and supporting Global South development initiatives.

Nigeria's interest in joining BRICS

Despite being one of Africa's largest economies, Nigeria has not yet joined the BRICS bloc. However, amidst the ongoing war between Ukraine and Russia and the resultant sanctions on the latter, Nigeria re-iterated its intention to join the BRICS group in February 2024. Nigeria's Minister of Foreign Affairs, Yusuf Tuggar, disclosed that Nigeria would be looking to apply to join the bloc over the next two years.

Nigeria's foreign relations with Western powers, particularly the United States, have been speculated to be a significant reason for its delayed subscription to BRICS membership. Nonetheless, this action by the Nigerian Government comes as no surprise, as the country has previously expressed interest in the bloc after several other nations showed interest, applied, or were accepted to the bloc, namely Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates who were admitted in the 15th annual summit of 2023. However, this objective was thought to have been abandoned due to Nigeria's current economic headwinds, especially as the BRICS group, like the G7 countries, is an economic powerhouse. Another factor is Nigeria's foreign relations with Western powers, which significantly influenced its delay in pursuing BRICS membership. Despite over 63 years of ties with the West, the advantages of this relationship for Nigeria are still a topic of debate.

The BRICS' global expansion strengthens its economic clout and challenges institutions like the World Bank and the International Monetary Fund (IMF), which the West dominates. Nigeria's inclusion would further bolster BRICS' influence and diversify its representation:

- **Economic Influence:** adds significant weight to BRICS's combined economic influence, particularly in trade negotiations with other major powers.
- **Geographic Reach:** BRICS currently lacks representation from Africa. Nigeria's inclusion would add a crucial geographic dimension, making the bloc a more comprehensive voice for the developing world.
- **Shifting Global Landscape:** With the recent addition of several other members to BRICS, the bloc is transforming. Nigeria's inclusion aligns with this trend of incorporating a more comprehensive range of developing nations.
- **Stronger Voice for Africa:** Nigeria can champion the interests of the African continent, especially the Western region, within BRICS, promoting African development and economic integration.

Reasons for Nigeria's Interest in BRICS

Nigeria is considered an economic power in Africa, along with Algeria, Egypt, and South Africa. The country qualifies and has made its final decision to join BRICS.

Nigerian Foreign Minister Yusuf Tuggar has highlighted Nigeria's aim for a strategic partnership with Russia, mainly on nuclear energy projects. Both sides are executing direct measures and training individuals; the Nigerian Atomic Energy Commission (NAEC) and partners in Russia's Rosatom are working to expedite the process.

Nigeria is also looking to enhance its relationship with Russia across multiple sectors, including medicine, agriculture, and industrial application of nuclear technology. This partnership underscores a joint commitment to technological progress and sustainable development extending beyond conventional reels into new collaborative endeavors.

There is also much advocacy for Nigeria's BRICS membership to promote trade using national currencies. As the naira remains somewhat volatile and has an exchange rate, being part of BRICS could facilitate direct trade transactions in local currencies, reducing reliance on external currencies like the US dollar and facilitating smoother trade relations with other BRICS nations.

BRICS membership provides a platform for Nigeria to exert influence within Africa. As part of this influential group, Nigeria can collaborate with other member countries to shape regional policies and initiatives.

Being part of BRICS also enhances Nigeria's global standing. The group collectively represents a significant share of the world's population, economy, and geopolitical influence. Nigeria's participation allows it to contribute to global discussions and decision-making.

Traditionally, Nigeria has relied on Western development institutions and private investors for infrastructure projects. The New Development Bank (NDB), a multilateral development bank operated by the BRICS member states, offers a potential alternative source of financing for critical infrastructure development in Nigeria. The NDB focuses on financing projects and innovating tailored solutions to build a more inclusive, resilient, and sustainable future for the planet. These solutions involve clean energy and energy efficiency, transport infrastructure, water and sanitation, environmental protection, social infrastructure, and digital infrastructure. The bank has approved over 90 projects with a financing amount of \$32.8 billion. This could be particularly beneficial considering the increasing scrutiny of Western financing due to environmental concerns surrounding Nigerian oil projects.

Challenges and Uncertainties

Though joining BRICS offers many prospects, there are drawbacks to consider. First, not every member of BRICS imports a significant amount of Nigerian commodities. Nigeria exports mostly raw goods like cocoa and cashew nuts, aside from oil. Increased market access might not result in appreciable growth in these industries without a significant investment in value-added processing. Second, the oil market is unclear. The worldwide push for sustainable energy may reduce long-term demand for fossil fuels. Even among the BRICS, Nigeria might be particularly vulnerable to price swings and a decline in overall demand if it relies too much on oil exports.

Lastly, Nigeria asserts its independence in decision-making. Due to the rising geopolitical tension and conflicts, there is growing concern over Nigeria being influenced by external pressure and funders making choices made by the Government seemingly for national interests appear false. Nigeria joining BRICS may represent an image of not only an economic alliance.

The Road Ahead

The African Development Bank's 2024 Annual Meetings highlighted the significant trade and investment opportunities from the BRICS alliance's expansion. Key takeaways include:

1. Expansion of BRICS Membership:
 - New members include Egypt, Ethiopia, and Iran.
 - Expands trade prospects and access to larger markets for African businesses.
 - The infrastructure and investment deficit in Africa is between \$70 to \$100 billion annually.
2. Focus Areas:
 - Leveraging the African Continental Free Trade Area (AfCFTA).
 - Addressing trade barriers and attracting private capital.
 - South Africa's Country Investment Strategy (CIS) includes green hydrogen, next-generation digital services, special economic zones, industrial cannabis, and ESG impact investments.
3. Partnerships:
 - Collaboration between the New Development Bank, African Development Bank, and the UN to finance critical projects.
 - Importance of partnerships for a just and equitable energy transition.
4. Nigeria's Aspirations:
 - Nigeria aims to join BRICS to enhance global influence and economic growth.
 - Potential benefits include diversified representation, new avenues of economic cooperation, infrastructure financing, and a stronger geopolitical presence.

Strategic Actions for Nigeria:

1. Value-Added Processing: Invest in processing raw materials to boost export competitiveness.
2. Energy Transition Plan: Develop a strategic plan to reduce dependence on oil exports and navigate the global energy transition.
3. Knowledge Exchange and Technology Transfer: Leverage BRICS membership for economic diversification.

Nigeria can ensure sustainable economic growth through BRICS membership by adopting a multi-pronged approach. As of June 2024, there have been no updates on the official application process.