

# New Alliances: BRICS and Azerbaijan

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BRIC was founded by its namesake countries Brazil, Russia, India and China, and its inaugural summit took place in Russia in 2009. Once South Africa officially became a member nation a year later in 2010, the group's acronym changed to "BRICS." With the accession of Egypt, Iran, Ethiopia, Egypt and the United Arab Emirates in 2023, the group was unofficially renamed BRICS+. In this article, I will not only address nuances that motivate political actors with different geopolitical interests and ambitions to collectively act as a unified platform, but also explore the reasons behind Azerbaijan's desire to join the organization.

Founded as an informal club to provide a platform for its members to challenge a Western-dominated world order, together the BRICS countries account for more than 40% of the world population (3,6 billion) and a quarter of the global economy.

The bloc's member states are developing industrial economies that are rich in raw mineral resources and have strong processing industry areas, relatively cheap and qualified labor forces, rapid socio-economic development, and can produce processing industry products based on advanced technologies.

The BRICS agenda aims to promote the development of transport and communication lines, introduce mutually preferential taxes and tariffs among member nations, and create favorable environments for investors and entrepreneurs. Although the formation of the organization is based mainly on economic interests, each member country uses BRICS for its own political interests as well. For example, China is further strengthening its economic footing in Africa and South America in which BRICS is spending billions of dollars to expand its

activities. In addition, the bloc invited strong Middle Eastern players such as Iran, Egypt and Saudi Arabia to join BRICS, which [is an indicator](#) of China's growing strategic interest in the region in recent years. In other words, as Western countries [try](#) to move some of their manufacturing out of China to reduce supply chains risks, Beijing continues to increase the number of its trading partners. As for the Kremlin's interest in BRICS, Russia plans to increase the number of its partners and allies through this organization because it has been isolated from the international system because of its invasion of Ukraine. We can say that India, which periodically faces [territorial conflicts](#) with China, uses BRICS not as an anti-Western bloc, but as a balancing force between the superpowers. In other words, Delhi is playing off the Sino-American rivalry in the 21st century to avoid damaging relations with either side.

BRICS is keen to pursue cross-border investment and increase the weight of local currencies in international trade transactions. For example, the bloc [established](#) its New Development Bank (NDB) in 2015 as a competitor to the World Bank and the International Monetary Fund. The NDB's core mission is to support the construction of necessary infrastructure by member countries. The fact that the loan terms offered by the NDB are simpler and do not impose political requirements, unlike Western financial institutions, adds to the attractiveness of joining BRICS.

The number of countries requesting to join the BRICS group of nations has been growing year by year. More than 40 countries [have expressed](#) interest in joining the group. The candidates are mostly from developing countries. Other factors that add to the attractiveness of BRICS are that the group in no way imposes restrictions on membership in other unions and the criteria for admission to the organization are simple.

On 20 August 2024, [Azerbaijan announced its intention to join BRICS](#). In addition, the [signing](#) of a Joint Declaration of the

Republic of Azerbaijan and the People's Republic of China on the establishment of a strategic partnership adopted as part of the Summit of the Shanghai Cooperation Organization in Astana in July this year indicates the Aliyev government's interest in diversifying political and economic contacts with alternative of Western powers. In addition, Azerbaijan has applied to change its status from a dialogue partner to an observer country in the Shanghai Cooperation Organization (SCO).

Although Azerbaijan's aspirations for BRICS membership can be attributed to economic reasons, there are certainly political interests as well. The first economic reason is the creation of new investment channels to boost the non-oil sector, in particular, those that may come from China are of interest to Azerbaijan. It is possible that investments from China in advanced technologies and innovation will flow to Azerbaijan thanks to the multifaceted cooperation that can be established within BRICS. Given that China is the world's largest investor in green energy, Azerbaijan may also get a chance to expand cooperation opportunities in this area.

The second economic reason is the strengthening of multilateral cooperation with the BRICS member countries in the field of international freight transportation and logistics infrastructure build-out. Thus, Azerbaijan can play an important role in integrating and building the transport capacity of intercontinental trade routes along the *International North-South Transport Corridor* of interest to Russia, India and Iran, as well as along the *East-West International Transport Corridor* of interest to both China and Europe. And that's a grave moment for Azerbaijan, which is enthusiastically participating in intercontinental projects such as TRACECA, the Middle Corridor, and Belt and Road Initiative (BRI). When it is necessary to satisfy the requirement, Azerbaijan, as a logistics hub located on land and sea trade routes, can reap dividends from both cargoes travelling from major ports on western coast of India to

Northern Europe and cargoes travelling from China to Europe and back.

The third economic reason is the financing through BRICS of the above-mentioned multi-modular logistics corridors that pass through Azerbaijan. Thus, by joining BRICS, Azerbaijan will have the opportunity to take advantage of an offer by the New Development Bank, the financial arm of the organization, to fund promising projects. Recall that in 2016, the Azerbaijani government received a loan of US\$600 million from the Asian Infrastructure Investment Bank (AIIB) established under China's Belt and Road Initiative for the construction of the Trans-Anatolian Natural Gas Pipeline Project (TANAP).

The fourth economic reason is the opportunity to join the system of preferential customs tariffs, which is on the agenda for future implementation among the member states of the coalition, or to sign free trade agreements and investment promotion agreements. This would also mean removing trade barriers among BRICS countries, thereby ensuring Azerbaijan's favorable access to large-scale markets. Georgia is the only country in the South Caucasus to have signed a Free Trade Agreement (FTA) with China. Since 2017, Georgian products have reached the Chinese market without customs duties. Three BRICS members are already among the 7 countries with the largest share in Azerbaijan's foreign trade volume (Russia 8,9%, China 7,3%, and India 3,1%).

Of course, the effectiveness and prospects of the above economic cooperation for Azerbaijan will largely depend on established diplomatic contacts, adequate conditions for the presence of international financial organizations in the region, effective regulation of customs and tariff duties, a focus on (the level of attention to) building necessary infrastructure, and the appropriate use of financial resources required in this area. At a time of intensifying global power struggles and transformation of the international system, BRICS membership will certainly have political aspects as

well. From a political perspective, given that BRICS members are part of larger political international political organizations such as the UN Security Council (Russia and China), the G20 (Brazil, China, India and South Africa) and the Shanghai Cooperation Organization (Russia, China and India), Azerbaijan, by joining BRICS, can gain international political support through broader platforms. It is no coincidence that [in the face of deteriorating](#) relations with the West, Azerbaijan is deepening its political contacts with alternative forces. A crisis in Azerbaijan-West relations may be behind the decision to elevate Azerbaijan-China relations to the level of a strategic partnership.

Second, membership in the bloc can facilitate the establishment of constructive diplomatic relations with India, with which Azerbaijan has had some difficult relations in recent years. Although Baku's proximity to Islamabad and the Modi government's support for Armenia in political, economic and military-technical terms [sour](#) Azerbaijan-India diplomatic relations, maintaining and developing economic ties with India is of interest to Azerbaijan. Azerbaijan also [occupies](#) a key place in India's plans for the Caspian basin. Thus, the partnership of both countries within a multinational alliance such as BRICS can be one of the main mechanisms for regulating bilateral relations.

When it comes to determining the organization's place in the global system, disagreements among member countries make it less likely that the organization could evolve into a military alliance like NATO or a political bloc like the European Union. It is also obvious that China and India, which have deep economic ties with the United States and Europe, are not interested in politicizing or militarizing BRICS. Especially in these most challenging times, the BRICS member nations will seek to expand their collective activities in more socio-economic sectors and achieve multilateral economic consensus.