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# Economic Multipolarity and Global Governance: Can BRICS' Growing GDP Challenge the Established G7 Dominance?

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***ABSTRACT***

*The redistribution of economic power in the international system has intensified scholarly and policy debates on the future of global governance. Central to this debate is the rise of the BRICS (Brazil, Russia, India, China, South Africa), whose expanding economic weight increasingly challenges the long-standing dominance of the Group of Seven (G7) (Canada, France, Germany, Italy, Japan, the United Kingdom, the United States). This study examines whether BRICS' growing economic influence can reshape global governance structures traditionally dominated by advanced Western economies. Using comparative GDP indicators in nominal and purchasing power parity terms, the study analyses the evolving economic positions of BRICS and the G7 within the global economy. Adopting a qualitative analytical approach supported by secondary data from international financial institutions and scholarly literature, the study situates its analysis within the multipolarity framework. The findings suggest that while BRICS collectively account for a rising share of global economic output and growth, this expansion has not yet translated into proportional representation or influence in key global institutions. Institutional inertia, entrenched decision-making norms, and the G7's continued leadership in shaping development agendas limit the transformative potential of BRICS' economic rise. The study concludes that while economic power is necessary to reshape global governance, it is not sufficient. Meaningful change will require coordinated political strategies, institutional reforms, and promoting alternative normative visions among BRICS states. This paper contributes to ongoing debates on economic multipolarity and highlights the complexities of translating growing GDP into institutional power in the contemporary international system.*

## 1. Introduction

The current international political economy is increasingly shaped by the interaction and contention

between established, highly developed countries and emerging economies. This shift is most visible in the Group of Seven (G7) and the BRICS bloc (Brazil, Russia, India, China, and South Africa). While the G7 has, over the years, functioned as the core steering committee for promoting a liberal international economic order, the BRICS bloc emerged as an agglomerated response to perceived structural imbalances in global governance. Today, the evolving relationship between the G7 and BRICS reflects deeper transformations in power, spatial arrangement, legitimacy, and contention within the global system.

Besides, the G7 began in the mid-1970s against the backdrop of an economic crisis following the collapse of the Bretton Woods system and the 1973 oil crisis. Earlier, the G7 was formed as the G6 in 1975; the group later enlarged its membership to include Canada in 1976, thereby consolidating its membership as an informal platform for coordinating macroeconomic policy among advanced industrialised democracies of the world (Kirton, 2013). Over the years, the G7 has expanded its agenda beyond economic stabilisation to include security, development assistance, democracy promotion, and international governance reforms. Scholars have argued that the G7 functioned as a "club of the powerful" states, shaping global economic and political norms through international institutions such as the World Bank, the International Monetary Fund, and the World Trade Organisation (Ikenberry, 2011).

However, BRICS began as an abstract concept rather than a political platform. The term "BRIC" was first coined by Jim O'Neill in 2001 to describe fast-growing emerging economies in the world with the potential to reshape the international market (Momoh, 2025). Moreover, the political institutionalisation of the BRICS bloc started after the 2008 global financial crisis, during the BRICS first summit in 2009. Later, in 2010, South Africa joined the BRICS bloc (Cooper & Antkiewicz, 2008; Momoh 2025). The 2008 global financial crisis exposed the vulnerabilities of Western-led financial, monetary, and economic systems, intensifying international demands among mostly BRICS nations for greater representation in international institutions such as the UN, WTO, World Bank, and IMF decision-making processes. Since BRICS's formation, cooperation among its member states has increasingly centred on development and finance, as shown by the establishment of the New Development Bank and the Contingent Reserve Arrangement (Shameem & Jayaprasad, 2020).

Since BRICS's establishment, economic relations with the G7 have been characterised by both interdependence and contention. BRICS economies remain integrated into the global capitalist financial and economic system dominated by the G7 through global institutions such as the World Bank, the IMF, and the WTO. Moreover, BRICS has continuously challenged Western economic dominance in the international system through its ongoing demand for alternative global financial mechanisms that are equitable and fair among nations, and its push to promote South–South cooperation (Ten Brink, 2018). Moreover, research shows that BRICS have progressively increased their share of global GDP and trade by closing the economic gap with the G7 states (Blyth, 2013). Meanwhile, the G7 have continued to retain structural advantages in technological advancement, international financial market share, and global institutional power (Kirshner, 2022). This asymmetric economic relationship between the G7 and BRICS has produced a competitive yet constrained rivalry rather than an outright economic face-off.

Moreover, the political rivalry between the G7 and BRICS has continued to manifest in their competition for new visions of global economic order that will alter the existing G7-dominated global economic order. Likewise, the G7 have continued to emphasise neoliberal economic norms, liberal democracy and a rules-based governance system. Yet, BRICS nations have continued to promote sovereignty, non-interference in the internal affairs of any state and a quest for a multipolar world order, contrary to the existing unipolar economic and political order (Stuenkel, 2015). This divergence in interest between the G7 and BRICS has become more pronounced in contemporary debates among scholars of International political economy over sanctions, development assistance and global security governance. Research has also shown that BRICS engagement in the global system reflects a reformist approach to altering the existing global economic and political order,

rather than revolutionary ambitions, seeking greater voice within existing international institutions such as the UN, World Bank, IMF, and WTO (Cooper, 2014).

Nevertheless, the hostility between the G7 and BRICS has intensified in recent years, predominantly following geopolitical crises involving Russia and China, which have deepened ideological and strategic cleavages between the two blocs (Farrell & Newman, 2019). Therefore, the historic development of BRICS and the G7 relations reflects a broader transformation in the international political economy from a unipolar dominance arrangement to a contested multipolar world order. Today, the G7 remains influential in the international political economy and the BRICS bloc has emerged as an important agglomerative actor challenging the dominance and representation in the global governance system. Therefore, the contention between the G7 and BRICS is best understood not as a zero-sum conflict, but as an ongoing negotiation over authority, legitimacy, and leadership in an increasingly fragmented international economic order. Therefore, can BRICS' growing GDP challenge the established G7 dominance in the international political economy? Thus, the future stability of the contemporary international economic order will largely depend on whether the rivalry between the G7 and BRICS can accommodate multilateralism without undermining institutional cooperation. In light of this, this study investigates whether BRICS's growing economic influence can reshape global governance structures traditionally dominated by the G7.

## 2. Conceptual Clarification

### 2.1. Economic Multipolarity

In international relations literature, economic multipolarity has been used to describe a return to a more dispersed distribution of material capabilities, measured by a country's Gross Domestic Product (GDP), trade volume, and technological advancement among many nations (Mearsheimer, 2001). However, contemporary studies in international relations have refined this concept of economic multipolarity, emphasising the operational and systemic dimensions of economic power. For instance, Subramanian (2011) views economic multipolarity through the perspective of "economic dominance,". He asserted that a nation's ability to project power in the international arena largely depends on the size of its economy, the volume of its trade, and the stake of its currency in international reserves.

However, scholars have argued that a country's GDP alone does not automatically translate into systemic multipolarity unless the rising power dissociates from the hegemon's economic architecture (Stuenkel, 2016). Therefore, recent definitions of economic multipolarity in international relations literature tend to focus on "geo-economics" and the weaponisation of interdependence. For instance, Farrell & Newman (2019) have argued that in a multipolar economic order, global supply chains and digital financial networks (like SWIFT) have become the "choke points" of power. Consequently, economic multipolarity is no longer viewed as a dispersion of wealth, but as an uneven landscape in which competing economic blocs are often framed as pursuing "de-risking" or "decoupling" and dynamically structure international markets around different geopolitical interests (Beeson & Li, 2022).

### 2.2. Institutional Multipolarity

Institutional multipolarity denotes the pluralisation of international organisations and the shift from a centralised, dominated institutional order to a fragmented, overlapping system. Conventionally, scholars viewed international organisations as mechanisms for hegemonic stability, where the dominant power within the international system creates rules to lock in its preferences (Ikenberry, 2001).

The conceptual shift toward institutional multipolarity is best captured by the literature on "regime complexity" (Raustiala & Victor, 2004) and "competitive regime creation" (Morse & Keohane, 2014). Today, as emerging global powers like China, India, Russia, and Brazil became dissatisfied with their

marginalisation in traditional international institutions, namely the Bretton Woods system, they did not simply exit the international system; they created parallel institutions known today as BRICS. Besides, the establishment of the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) represents what Zeng (2017) terms "institutional statecraft", using new International Organisations to offset the institutional power of the hegemon, and at the same time maintaining existing ties with the old institutional order.

Cooley and Nexon (2020) advance the concept of institutional multipolarity by arguing that the liberal international order is experiencing "heterarchical" fragmentation. Cooley and Nexon (2020) see institutional multipolarity as driven by "exit and voice" mechanisms, in which states and non-state actors shift to alternative international institutions that impose limited conditionalities. These new international institutions tend to bypass Western democratic governance norms in favour of Westphalian non-interference. Thus, institutional multipolarity is characterised by overlapping jurisdictions, competing regulatory standards, and the strategic weaponisation of institutional veto power.

### 2.2. Normative Power

Manners (2002) originally conceived normative power in the context of the European Union, defining it as the ability to shape conceptions of "the normal" by diffusing ideas, values, and norms rather than through military or economic coercion. Manners (2008) later expanded the concept of normative power, arguing that it depends on the "credibility" and "consistency" of an actor's internal values with its external actions.

However, the rise of multipolarity has forced a conceptual evolution of normative power. Scholars now recognise that normative power is not the exclusive domain of liberal Western democracies. Stuenkel (2016) argues that rising powers are actively reshaping international norms by promoting "sovereign internationalism", emphasising non-interference, state sovereignty, and the "right to development" as counter-norms to Western liberal peacebuilding and human rights agendas.

Furthermore, contemporary international relations literature has highlighted how emerging powers use normative power to legitimise their institutional and economic projects. However, Diez (2005) has argued that "normative imperialism" is inherent in the original concept of normative power, noting that normative power inevitably involves exclusion. In the contemporary multipolar era, BRICS and the entire Global South apply discursive power to redefine norms surrounding global infrastructure, technology governance, and human rights, framing them as culturally relative rather than universal (Zhu, 2020). Normative power in global governance has thus transitioned from a unidirectional diffusion of liberal norms to a multi-directional contestation of what constitutes legitimate international behaviour.

### 2.3. Global Governance

Global governance is the collective management of transnational issues, without a supreme global authority. Global governance sits at the intersection of economic, institutional, and normative multipolarity. Acharya (2014) submits that the convergence of economic, institutional, and normative multipolarity is transforming global governance from a hierarchical system into a "multiplex" order. Acharya (2014) conceptualises the "multiplex world" as one where multiple actors, institutions, and ideas coexist and interact without a single hegemonic orchestrator. In this system, economic multipolarity gives rising powers the material capacity to build alternative institutions, while normative power provides the ideological justification.

This triad (economic, institutional, and normative multipolarity) has led to what Hale et al. (2013) term "gridlock" in traditional global governance, as economic power is diffused and normative consensus has collapsed, traditional International Organisations like the United Nations Security Council and the World Trade Organisation have been subjected to intense criticism. However, more recent literature views these criticisms not as merely a gridlock, but as a transition to "polycentric

governance" (Weber, 2021). Therefore, in a polycentric system, governance is decentralised across various scales and institutional types, ranging from minilateral groupings like the G20 or BRICS+ to transnational public-private partnerships.

The risk inherent in this conceptual fusion of economic, institutional, and normative multipolarity, as Ikenberry (2018) warns, is the potential fracturing of global public goods provision, such as climate change mitigation and pandemic response. When economic alliances operate within separate institutional frameworks, driven by conflicting normative visions, global goods provision becomes highly securitised and inefficient.

Overall, scholarly consensus theorises the present international order as transitioning from a unipolar, liberal hegemonic system to a fragmented multipolar one. Today, economic multipolarity is providing the material foundation for dissent among nations, especially BRICS and the Global South; while institutional multipolarity, on the other hand, is providing the structural mechanisms for parallel governance; and the democratisation of normative power is ensuring that this transition is driven by an ideological contest, not just material interests. Collectively, economic, institutional, and normative multipolarity are redefining global governance from a centralised, rules-based system into a polycentric, contested, and highly fluid arena of overlapping authorities.

## 3. Empirical Review of Literature

International Political Economy literature has increasingly produced evidence-based research that systematically compares the Gross Domestic Product (GDP) contributions of the G7 and BRICS as indicators of shifting economic power. Much of this research relies on longitudinal datasets from the World Bank and the International Monetary Fund (IMF), enabling researchers and scholars to track structural changes in the international economy.

Moreover, international political economy literature examines the G7's historical dominance in international GDP, particularly in nominal terms. For instance, Kirton (2013) and Ikenberry (2011), in separate studies, show that from the post-war era through the early 2000s, the G7 accounted for the largest share of global output due to its industrial development, financial complexity, and technological dominance. Empirical studies of G7 business cycles further show that G7 economies have consistently shaped global macroeconomic stability (Kose et al., 2018). However, this study has a gap: limited engagement with post-2020 data, especially on the structural implications of the COVID-19 pandemic and rising emerging-market growth for G7 economic leadership.

However, empirical studies on BRICS economies have further emphasised rapid GDP growth, particularly when measured in purchasing power parity (PPP). Stuenkel (2015) and Ten Brink (2018) find that BRICS economies' share of global GDP increased significantly between 2000 and 2020, largely driven by China and India. More recently, Tan et al. (2024) supported the claim that BRICS economies have surpassed the G7 in global GDP share under PPP metrics. However, this literature has a clear bias. Yet, many studies treat BRICS as a homogeneous bloc, thereby under-examining internal disparities and divergent growth trajectories among member states.

Furthermore, comparative empirical research has also identified rivalry between the G7 and BRICS blocs. For instance, Duggan et al. (2022) argue that while BRICS contribute an increasing share of global GDP growth, the G7 still dominates global finance and innovation. Similarly, Farrell & Newman (2019) show that economic size does not automatically translate into systemic power. Nevertheless, a key limitation of these studies is their limited integration of GDP data with political and institutional influence, leaving unanswered questions about how economic weight reshapes global governance.

The goal of the Petrone (2020) study is to determine the BRICS' influence on the global governance structure. The study differs from previous research by focusing on three aspects of BRICS growth. These include establishing institutions outside the Bretton Woods framework, pursuing soft power, and expanding their presence worldwide. The study explores the limitations and opportunities

BRICS nations face in reconfiguring the global architecture. It also interprets the current situation, particularly the potential implications of COVID-19 for these fields.

In a recent study, Lebedeva (2025) argues that the world's political organisation is shifting from its traditional hierarchical structure to a more networked one. This new configuration creates more complex ideas than the usual images of multipolarity and unipolarity. BRICS exemplifies this, as it increasingly reflects the world's networked logic. Lebedeva (2025) examines the implications of BRICS' structural correspondence for its international role. The study shows how this relationship can help strengthen the group's influence on global economic governance. It also looks at how the group evolved from an economic coalition to a multi-faceted grouping that is now focused on addressing political, developmental, and social issues. Lebedeva (2025) further explores how BRICS can strengthen its international influence and position itself within the world's evolving political and institutional structures. It argues that BRICS has the necessary resources and experiences to become part of the new order. BRICS's ability to shape the new order will depend on how it mobilises the "power of ideas." This involves developing effective, persuasive ideas to establish and run a new political organisation.

Overall, the literature reviewed shows a clear trend toward multipolar economic output. Still, it lacks an integrated framework linking GDP data, PPP, and voting shares between BRICS and the G7 in global governance transformation. This study's novelty lies in updated GDP data, PPP, and voting shares for BRICS and the G7, explicitly differentiating economic, institutional, and normative power in global governance within the BRICS-G7 relationship. In light of this, this study investigates how BRICS's economic weight can reshape global governance.

## 4. Theoretical Framework

To study changes in global governance and economic power, it is important to analyse them through the lens of international relations and political economy. This can be done through IPE and IR theories. Theories provide an analytical framework that can be used to study how economic metrics can transform into political influence. Some of the most popular frameworks include the Power Transition Theory and the Hegemonic Stability Theory.

Robert Gilpin and Charles Kindleberger developed Hegemonic Stability Theory in the 1970s (Kindleberger, 1973; Gilpin, 1987). It states that a stable political and economic order requires a single hegemon to provide essential services such as maintaining a secure reserve currency and establishing open markets. Hegemonic stability theory argues that global governance works best under a hegemon that sets the rules of the game. But as its economic position deteriorates, the system becomes more unstable. This study explores the post-World War II order maintained by the US and other G7 nations. The growth of BRICS countries' aggregate gross domestic product has weakened the G7's unipolar hegemony. This suggests that the global governance system may eventually face systemic instability as the G7's ability to implement global rules unilaterally diminishes (Kindleberger, 1973; Gilpin, 1987).

However, Neoliberal Institutionalism, which was developed by Robert Keohane in 1984, focuses on the role of international organisations in maintaining a stable global order. According to Neoliberal Institutionalism, states are driven by their desire to maximise their absolute gains, while international institutions are established to provide information and solve collective problems (Keohane, 1984). Institutional neoliberals argue that institutions can adapt to changes in the balance of authority without collapsing. This theory applies to the BRICS versus the G7 dynamic, as it suggests that even as these countries gain economic clout, they may prefer to work within established global governance frameworks, such as the World Bank and the IMF, to safeguard their interests. Today, the emergence of parallel institutions, such as the New Development Bank, can supplement the global architecture rather than replace it immediately.

Although the hegemonic stability and neoliberal institutionalism theories were presented in this

study, the Power Transition Theory is considered the most appropriate framework for the analysis. This theory was originally developed by Organski A. Fok in 1958 and was expanded by Douglas Lemke and Jacek Kugler in 1996 (Organski, 1958; Lemke, 1996). It is designed to study the changes that occur when a coalition's dominance is challenged. According to Power Transition Theory, the global system is hierarchical, with a dominant state ruling it by establishing global norms. It also states that economic growth is the primary engine of national power. As a rising power's gross domestic product grows, it inevitably demands changes to the global order to reflect its newfound status. Tensions between the BRICS and G7 eventually peak when the former reaches parity with the latter.

Power Transition Theory allows the study to address the factors shaping the global order, such as BRICS's growing GDP and shifts in global governance dominance. Although Hegemonic Stability Theory focuses on a single hegemon and neoliberal institutionalism theory, Power Transition Theory better suits the dynamics of a multipolar G7 coalition. Against this background, this study adopts the Power Transition Theory framework to analyse factors shaping the global order, such as BRICS's growing GDP and shifts in global governance dominance. It then assesses whether the narrowing gap between the G7 and the BRICS is driving a power transition or whether the G7's entrenched advantages remain resilient to this challenge (Organski, 1958; Kugler & Lemke, 1996).

## 5. Methodology

This study analyses the economic trajectory and competitive advantages of the BRICS countries relative to the Group of Seven (G7). It uses a quantitative, comparative approach and utilises data from the International Monetary Fund (IMF) and the World Bank. The International Monetary Fund (IMF) and World Bank standard aggregate datasets are used to ensure global comparability. The study covers 2010 to 2024 (15 years). The baseline year is chosen because South Africa joined the BRICS bloc, expanding it to BRICS. This establishes the group's geographic and demographic footprint. Moreover, the 2024 forecast uses the most recent data and projections from the International Monetary Fund's latest World Economic Outlook (WEO) release. It covers the period following the COVID-19 pandemic and the impact of global geopolitical developments, such as Russia-Ukraine hostilities.

The study also employed secondary data sources such as textbooks, journal articles, policy reports, and official statistics from international financial institutions such as the International Monetary Fund (IMF). Furthermore, data obtained for this study were systematically reviewed and synthesised to identify patterns, trends and disparities in international economic influence and governance participation. In addition, Special attention was paid in this study to the extent to which BRICS' economic growth translates into decision-making power within important international institutions such as the IMF, World Bank, and World Trade Organisation (WTO). In conclusion, the methodology combines comparative economic analysis with qualitative interpretive appraisal to provide a nuanced understanding of the limitations and expectations of BRICS' influence on global governance. This approach guarantees that the study captures both economic changes and the increasingly nuanced institutional and political realities that shape international power.

## 6. Can BRICS' Growing GDP Challenge the Established G7 Dominance?

Over the years, the structure of international governance has reflected the distribution of economic power within the global system. In the aftermath of the Second World War, international economic institutions such as the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO) have been dominated by the Group of Seven (G7). These states not only shaped the rules of the international economic system, but also integrated liberal norms, voting patterns, and leadership structures that reinforced their dominance in the international system (Ikenberry, 2011). In recent years, the rise of BRICS has altered the international economic landscape in its interest and sustained its dominance. At the same time, BRICS account for an increasing share of global Gross Domestic Product (GDP), global trade, and economic growth, especially when measured

in purchasing power parity (PPP) terms (IMF, 2023). This shift has intensified debates among scholars and policymakers over whether economic power is sufficient to reshape global governance structures or whether institutional and normative restrictions continue to restrict the exclusive rights of established Western powers dominated by the G7.

Over the past decades, the international economy has witnessed a gradual but significant shift in the redistribution of economic influence from the G7 toward the BRICS, in both nominal terms and Purchasing Power Parity (PPP), which provides us with a useful framework for understanding this shift and its implications for international economic hierarchy and governance.

**Table 1: Global GDP Share Based on Purchasing Power Parity (PPP)**

The table below shows the global gross domestic product share according to purchasing power parity (PPP. The measure is expressed in current international dollars. It highlights the productive capacity of the domestic economy.

| Year | BRICS Share of Global GDP (PPP) % | G7 Share of Global GDP (PPP) % | Global Total GDP (PPP) (Trillion Intl. $) |
|---|---|---|---|
| **2010** | 25.4% | 32.1% | 90.1 |
| **2015** | 30.1% | 30.2% | 108.5 |
| **2020** | 32.8% | 30.0% | 133.5 |
| ***2024** | 34.2% | 28.9% | 175.6 |

*Source: Author's aggregation based on data from the IMF World Economic Outlook Database (April 2024). *2024 figures represent IMF estimates/forecasts.*

Table 1 shows that, by 2024, the BRICS accounted for 38% of the world's economic output, more than the G7's share of the global economy. The BRICS' power transition surpassed the G7 in 2015. This shows that multipolarity is based on countries' productive capacity and real economic size.

**Table 2: Global GDP Share Based on Nominal GDP**

The measure is based on the current US dollar. It highlights market exchange rates, institutional voting power, and financial clout.

| Year | BRICS Share of Global GDP (Nominal) % | G7 Share of Global GDP (Nominal) % | Global Total GDP (Nominal) (Trillion US$) |
|---|---|---|---|
| **2010** | 18.3% | 50.8% | 66.1 |
| **2015** | 22.2% | 46.5% | 74.8 |
| **2020** | 24.6% | 45.8% | 84.7 |
| ***2024** | 25.3% | 43.2% | 109.5 |

*Source: Author's aggregation based on data from the IMF World Economic Outlook Database (April 2024). *2024 figures represent IMF estimates/forecasts.*

Table 2 shows different perspectives on global governance using Nominal GDP. While the BRICS' share of the global economy has increased from 18.3% in 2010, it remains behind the G7 at 43.2%.

This shows that while the region's real gross domestic product has risen, the G7 still dominates the world's financial institutions. The results of this study provide a theoretical foundation for Power Transition Theory, a concept that analyses various aspects of global governance. Table 1 shows that the BRICS bloc's economic capability has surpassed that of the G7. The gap between the financial and institutional power of the G7 and the BRICS has not yet fully closed. This shows that the ongoing transformation of the global governance structure is still an asymmetric process. Despite the region's growing economic capabilities, it remains behind the G7.

**Table 3: IMF and World Bank Quota and Voting Shares of BRICS vs G7**

| Bloc | IMF Quota Share (%) | IMF Voting Power (%) | World Bank (IBRD) Voting Power (%) |
|---|---|---|---|
| **BRICS** | 13.94% | 14.12% | 14.18% |
| **G7** | 40.99% | 41.11% | 39.02% |

*Source: Author's aggregation based on data from the IMF Quota and Voting Power database and the World Bank Corporate Secretariat Voting Powers database (data reflecting the latest available as of 2024, following the completion of the 15th General Review of Quotas).*

Table 3 above shows how institutional governance fails to reflect the reality of the global economy. The G7 holds disproportionate power in decisions made by the International Monetary Fund's steering committees. This gives them veto power over the organisation's major structural decisions. With 16.5% of the voting power, the US is the only country that can effectively veto these decisions. Despite being the biggest contributor to global GDP, the BRICS bloc only holds around 15% of voting power in various institutions. This is why Power Transition Theory argues that parallel institutions such as the New Development Bank are needed to challenge the G7's dominance.

Empirical evidence consistently shows that BRICS' growing economic influence has become a source of concern for the G7. According to the IMF (2023), BRICS collectively account for over 31 per cent of global GDP measured in PPP terms, exceeding the G7, whose share has increasingly declined. Today, China and India have emerged as the bedrock of international growth, contributing proportionately to annual increases in global output (World Bank, 2023). In nominal GDP terms, the G7 has remained dominant for years. But it is beginning to face stiffer competition from the BRICS. According to IMF statistics, the G7 accounted for approximately 45–47 per cent of global nominal GDP in 2014, a share that declined to about 43 per cent by 2024 (IMF, 2024). The United States alone consistently contributed over $20 trillion annually in nominal output, underscoring the continued centrality of the dollar-based international economic system. However, G7 growth rates have generally been modest, reflecting demographic challenges, productivity slowdowns, and periodic financial shocks.

However, the BRICS economies have experienced faster aggregate growth, even though their combined nominal GDP remained lower than that of the G7 until the early 2020s. China and India have driven this growth. For instance, China's nominal GDP grew from about $10.5 trillion in 2014 to over $17 trillion by 2023, while India's rose from about $2 trillion to over $3.5 trillion over the same period (World Bank, 2024). Despite this progress by China and India, exchange-rate disparities and income differences continue to limit BRICS's apparent global influence when measured in nominal terms. But since 2014, BRICS economies led by China and India have collectively surpassed the G7 in terms of share of global GDP (PPP). IMF estimates indicate that BRICS accounted for roughly 31 per cent of global GDP (PPP) in 2014, rising to over 36 per cent by 2024, whereas the G7's share declined from about 32 per cent to below 30 per cent over the same period (IMF, 2024).

Besides, China's dominance in PPP terms has been especially striking. By 2016, China had overtaken the United States as the world's largest economy on a PPP basis, and by 2024 its GDP (PPP) exceeded $37 trillion, when compared to the United States' $29 trillion (CEOWORLD, 2024). India also emerged as the world's third-largest economy in PPP terms, reflecting its rapid growth and large domestic market. These trends suggest that while the G7 retains financial and institutional leverage, the real economic centre of gravity is gradually shifting toward the Global South.

Nevertheless, BRICS's growing economic size has arguably not translated into proportional influence within global economic governance institutions. Voting power and leadership structures within the IMF and World Bank continue to favour G7 states, reflecting post-World War II arrangements rather than contemporary economic realities (IMF, 2024). This disconnect highlights a key tension in the global economy: economic multipolarity without institutional multipolarity. A ten-year comparison of GDP indicators between G7 and BRICS reveals a clear difference. The G7 remains dominant in nominal economic terms and institutional power, while BRICS has grown increasingly influential in real output and growth dynamics, particularly in PPP terms. These trends reinforce debates about the sustainability of the existing global economic order and raise questions about whether governance reforms will eventually align with shifting economic realities.

In nominal GDP terms, the G7 retains a larger share of global output, reflecting currency valuation, financial market depth, and technological leadership (Kirshner, 2022). This dual measurement reveals an important distinction: while BRICS dominate in real economic production and domestic market size, the G7 continues to exercise influence through financialisation and control over global monetary systems. For instance, Stuenkel (2015) argues that the economic rise of BRICS is historically unprecedented in scale and speed, marking a transition from Western-centric growth to multipolar economic expansion. Yet studies have also focused on internal asymmetries within BRICS, as China alone accounts for a significant share of the bloc's GDP growth, raising questions about collective economic coherence (Ten Brink, 2018).

However, despite relative economic decline, the G7 continues to dominate global governance institutions. Voting power in the IMF and World Bank remains heavily skewed toward advanced economies, with the United States retaining veto power in key decisions (Wade, 2011). Leadership selection practices further reinforce this imbalance, as the heads of the IMF and World Bank have traditionally been drawn from Europe and the United States, respectively. Institutional inertia plays a critical role in sustaining this dominance. Global economic institutions are path-dependent, meaning that early power distributions become embedded in formal rules that are difficult to reform (Pierson, 2004). Even incremental reforms, such as quota adjustments, have failed to produce proportional representation for emerging economies (Woods, 2010).

Since their establishment, the World Bank and the International Monetary Fund (IMF) have faced sustained criticism for operating largely as instruments of the G7 states, the dominant shareholders of the Bretton Woods institutions, especially the United States. Moreover, several studies show that decision-making within the IMF and the World Bank is largely shaped by the strategic interests of G7 states. For instance, Woods (2003) argued that the United States exercises decisive control over key policy outcomes at both the World Bank and the IMF. Equally, Fratianni & Pattison (2003) argued that the G7 nations collectively dominate decision-making on major issues within the IMF, leaving institutional staff with autonomy only in areas of limited importance to powerful shareholders.

Furthermore, Rieffel (2003) describes the IMF as essentially an instrument of the G7 nations. He noted that it is difficult to identify any significant IMF policy position that has not enjoyed the tacit or explicit approval of the United States and its G7 partners. Consequently, many studies have also shown that political alignment with the United States plays a crucial role in shaping IMF lending conditions. Scholars such as Thacker (1999), Stone (2002), Barro & Lee (2005), Vreeland (2005), and Dreher & Jensen (2007) have argued that developing countries with closer political ties to the United States are often measured through their voting patterns at the United Nations General

Assembly and often receive more favourable treatment from the IMF. This trend is also evident in World Bank operations. For instance, Gwin (1997) argues that the United States has sometimes directly influenced World Bank policies when its core national interests are affected. Previous studies have also supported this assertion. For instance, Schoulz (1982) argued that U.S. political pressure has frequently shaped the allocation of World Bank loans, sometimes leading the World Bank to act in ways contrary to its formal rules and regulations. This assertion was further buttressed by Frey & Schneider (1986), who noted that political considerations considerably influence the distribution of World Bank loans. Similarly, Fleck & Kilby (2001) argued that U.S. national interests are linked to World Bank and IMF lending patterns. In the same vein, Faini & Grilli (2004) have further buttressed Schoulz (1982), Frey & Schneider (1986) and Fleck & Kilby (2001), arguing that both World Bank and IMF lending decisions are influenced by the political priorities of the United States and other G7 nations.

Collectively, scholars largely agree that G7 influence often shapes the operations of the World Bank and IMF, raising questions about the objectivity of these financial institutions. Moreover, the G7's dominance extends beyond formal institutions. G7 economies continue to exercise agenda-setting power through regulatory standards, development finance norms and control over global financial infrastructure (Farrell & Newman, 2019). These structural advantages enable the G7 to maintain influence despite declining shares of global GDP.

Nevertheless, in response to governance exclusion, BRICS states have pursued institutional innovation as a strategy of contestation. The establishment of the New Development Bank (NDB) and the Contingent Reserve Arrangement reflects efforts to create alternative financial mechanisms outside G7-dominated financial institutions such as the World Bank and the IMF (Cooper, 2016). These ingenuities represent disappointment with existing global governance structures and reveal collective action among BRICS nations.

However, a critical assessment of the World Bank and IMF shows that these institutions complement each other (Duggan et al., 2022). Today, BRICS-led institutions remain limited in scope compared with the World Bank and IMF, as their practices often reflect existing norms rather than offering fundamentally different governance models. This underpins the argument that economic weight alone does not automatically translate into global governance transformation. Therefore, without coordinated political strategy and normative leadership, alternative institutions risk reproducing the very hierarchies they seek to challenge, as the New Development Bank does.

From a multipolarity perspective, Acharya (2018) argues that the rise of BRICS demonstrates a shift toward a more diffused global order, but not necessarily a more unbiased one. It is important to note that, while economic multipolar order is increasingly apparent, normative and institutional multipolar order remains restricted, as the G7 has continued to strengthen its normative power, which represents the ability of the G7 to define what constitutes sound economic policy, legitimate economic governance and acceptable behaviour by states within the international system, as market regulation, liberal norms of transparency and rule-based cooperation are entrenched in global financial institutions, which often downgrade alternative development prototypes (Finnemore & Sikkink, 1998). In contrast, BRICS states are beginning to articulate a coherent normative vision that can challenge G7 dominance in the global economic and governance order. Therefore, divergent political systems, geopolitical rivalries and national interests have been seen to weaken collective BRICS action and reduce their capacity to act as a unified governance bloc (Stuenkel, 2015).

In contemporary times, the consistent G7 dominance in the international system, despite BRICS' economic rise, has significant implications for global governance. This highlights the limits of GDP as a sole indicator of power and highlights the significance of institutional access, legitimacy and normative authority. Therefore, reform of present global governance institutions will likely remain incremental rather than transformative. Thus, without continued synchronisation among BRICS states, joined with a shared vision of alternative governance norms, an economic multipolar order can coexist with institutional continuity rather than disruption. Overall, challenges in the

contemporary international order suggest that the present global order will be characterised by an entrenched governance structure, where BRICS will exert significant influence through equivalent institutions. In contrast, remaining institutions will be partially constrained by Western-dominated systems.

## 7. Conclusion

This study examined whether the growing economic influence of BRICS has the capacity to reshape global governance structures until now dominated by the G7 nations. Drawing on comparative GDP indicators and quantitative analysis, the study finds that while BRICS now account for a substantial and growing share of global economic output, this shift has not translated into proportional influence within significant global governance institutions such as the World Bank and IMF. Today, structural advantages, institutional inertia and normative power continue to sustain G7 dominance, limiting the transformative impact of BRICS' economic rise. BRICS' economic weight therefore represents significant competition with the G7, but remains insufficient to challenge G7-dominated governance arrangements. Therefore, meaningful transformation by BRICS will depend not only on economic size but also on institutional coordination, political cohesion and normative leadership among BRICS states. Lastly, the study contributes to broader debates on the prospects and limits of economic multipolarity, showing that global governance reform is as much a political and normative struggle as an economic one.

## 8. Recommendations

International financial institutions like the IMF and World Bank should reform their voting systems to reflect better the growing economic influence of emerging economies, especially BRICS countries.

BRICS nations should work more closely together, coordinating policies and strategies to convert their rising economic power into meaningful influence within global financial institutions.

Leadership selection and decision-making in international financial bodies like the IMF and World Bank should become more transparent and merit-based, reducing the long-standing dominance of traditional Western powers.

Developing countries could benefit from diversifying their financial partnerships by engaging both G7- and BRICS-led institutions to reduce political pressure and dependency.

Global governance reforms should embrace a wider range of development approaches, giving space to alternative models rather than focusing solely on Western-centric economic norms.

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