

Editorial for Special Issue On COVID-19: Its Impact on BRICS Economies

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The BRICS, a group of five emerging economies that includes Brazil, Russia, India, China, and South Africa, has a great importance since it represents economies, which in recent past accounted for nearly 23% of the global GDP or 38% if calculated by purchasing power parity (PPP). Today the figures have increased to 35% and 50% respectively. In absolute numbers, the Gross Domestic Product of BRICS stood at US \$ 16 trillion. The BRICS countries are home to 40% of the total world population. The primary goal of creating the bloc was to promote cooperation, policy coordination and political dialogue on international economic and financial issues among member countries. The emergence of COVID-19 in 2019 has affected the growth and development of the BRICS nations and of many other developing countries.

Twenty-two years ago, the idea of creation of an economic block was floated and, accordingly, four of the emerging economies of the world, namely Brazil, Russia, India and China, got a name as BRICs countries. Later on, South Africa joined BRICs and the group came up as BRICS. All these years, the BRICS nations have been contributing to the growth and development of the global economy. Today, the stakes are higher than ever before, because emerging economies have really become central to the global economy.

BRICS Global Initiative

In order to, on the one hand, help in accelerating economic growth and development of the world and, on the other, to fill up the gap created by the west in 1999, the BRICS

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Bank was created. This was the most significant contribution of the economic block; it is believed that the BRICS Bank is now an alternative to the IBRD (World Bank) and Asian Development Bank. Establishing Asian Infrastructure Investment Bank (AIIB) is another milestone in the history of the economic block. The latest achievement of the BRICS group is the setting up of “foreign exchange reserves pool” with an amount of US \$ 100 billion which will help member countries at the time of crisis with dollar liquidity. The above mentioned three initiatives by the BRICS nations are seen as the most significant contribution to accelerating economic growth and development of the global economy in general and developing economies in particular; they may go a long way in compelling the multilateral institutions to embrace the balanced approach and make necessary reforms on which the developing economies are insisting.

BRICS have a chance to introduce a new model of global relations, which will be above the usual division along the “east-west” or “north-south” lines, as the member countries respect national specifics, do not interfere with each other’s home affairs, and want to live peacefully. There is a saying that “coming together is the beginning, staying together is progress and working together is a success”. BRICS have become and are likely to remain an effective and influential multilateral forum promoting the multi-polar global order.

Brazil, Russia, India, China and South Africa have signed an agreement to establish the US \$ 100 billion pool of foreign exchange reserves. The largest contribution is by China with a figure of US \$ 41 billion. India, Brazil, and Russia will contribute equal amounts of US

\$ 18 billion and the share of South Africa would be US \$ 5 billion. The Central Banks of the BRICS countries have agreed to start the operation of the pool by the end of July this year. The Agreement laid down the terms and conditions regarding mutual support for the member countries in the framework of the Agreement on BRICS Pool of Conventional Currency Reserves. The most significant thing is that the pool will be an “insurance instrument” that the member countries could draw on if they experience problems with their balance of payments (BOP). The FERP will play a major role in maintaining financial stability of the member countries that may find themselves in an hour of need.

BRICS bank: Is it an alternative to IMF?

The creation of a development bank by the BRICS nations is a landmark in the history of BRICS countries and it is believed that it could be an alternative to the IMF if the idea of the Bank is implemented in totality and spirit. What made the BRICS nations establish BRICS

Development Bank (BDB), which is an apparent challenge to the existing global financial architecture led by IBRS and IMF? The IBRD (World Bank) and IMF were created immediately after the Second World War. The very purpose of establishing these two multilateral financial institutions was to help in rebuilding the war-

devastated Europe and later, in the 1960s, to extend development finance to newly independent economies and to provide liquidity to the member nations during the time of macroeconomic crises. The BRICS Bank could be an alternative to the IMF and fund not only India, but other developing countries, like many in South America that are reluctant to borrow from the IMF because of many strings attached. A strong group of BRICS can also have more influence in other multilateral forums like the World Trade Organization (WTO) and the Climate Change Convention (CCC).

The BRICS initiatives will support growth and stability in member countries and also benefit other developing economies.

Why Special Issue?

Whether or not the BRICS as an economic, political, social and demographic block will attain its objectives and live up to its philosophy, will depend upon the member nations' sincerity in adherence to this philosophy and their commitment to contributing joint effort to promoting and achieving the goals for which it was established. The group should have greater degree of responsiveness to the developmental goals of both individual member countries and those of the group as a whole, especially after the emergence of COVID-19.

There is no doubt that the BRICS countries, which began their common history in 2000-01, have already marked their international presence. The strengthening relations of the BRICS countries with less developed nations through south-south cooperation, especially those of China, India, and Russia, are indeed significant. The major countries in the BRICS group should act as a partners, rather than rivals.

The issue's structure

There has been overwhelming response to the call for papers: 19 papers were received. In order to maintain the quality, contents and scope, the contributions have passed a rigorous review process and only eight papers were selected for this special issue.

The **first paper [Beletskaya and Zotova]** discusses labor and employment support policies undertaken by national governments in 2020-2022, during the global COVID-19 pandemic. It is focused on the experience of the BRICS countries but also highlights the labor and employment support policies in the USA. The authors point out that the COVID-19 outbreak has posed unprecedented challenges for all countries. The key objectives of all governments were to save human lives and prevent the spread of the infection. While the containment measures used by different countries were mostly similar, the programs and policies aiming to support workers were country-specific.

The **second paper [Petroni]** opines that after the dramatic event which humanity has experienced, the COVID-19 pandemic, innumerable questions arise concerning

the future of the international system. The pandemic highlighted many contradictions within this system: first of all, the logic of divisions covered by the dichotomy “the West and the rest” has proved to be obsolete as it often generated conflicting positions on the issues that concern the whole humanity, such as the distribution of vaccines. In this context, the role of the BRICS is fundamental for several reasons. First, the BRICS have repeatedly demanded democratization of GG, and their actions seem to be aimed at creating more inclusive decision-making processes in international forums, such as the United Nations and the G20. Furthermore, the BRICS are a group of countries fighting for greater multilateralism, especially at the financial level. Finally, owing to their economic and political weight and the size of the population, the BRICS countries are crucial for building the foundations of the future, more inclusive, international relations as they may guarantee the multilateral character of the reformed GG.

The **third paper** [Zolotina and Razumova] examines the ways in which the COVID-pandemic affected youth employment in Russia using the relevant indicators of the past decade and describing the relationship between the crucial characteristics of three subcategories of youth and the changes in employment patterns in response to the pandemic shock. It also identifies the specific factors that determined the transformation of the Russian labour market during the pandemic. The results can provide policy-makers with guidance on how to cope with youth employment risks and help the young people assess their prospects for employment and manage their career paths.

The **fourth paper** [Srinivas and Akanksha] explores the effects of the pandemic on the global society, with particular focus on India, and the measures taken by its government in response to pandemic-related challenges. The paper claims that if India manoeuvres its foreign policy by properly balancing its domestic and external priorities, it will play a most prominent role in the emerging international order. India needs to focus on improving its manufacturing sector, as its neighbour, competitor and another critical global economic player, China, has done earlier. This is especially urgent today, when China’s image in international relations is at the nadir level. Many countries and prominent international actors are accusing China of the COVID-19 pandemic, and some have even threatened to cut ties with China.

The **fifth paper** [Carvalho] highlights three elements that condition economic policy in the post-Covid Brazil: the rigidity of fiscal framework, export industry performance and deindustrialization, resumption of the foreign policy that will allow the country to benefit from international scenarios. The export of goods based on natural resources remains a positive factor as in the previous decades, though with the same problems of low leverage capacity of productivity diffusion to other sectors. The public sector faces great difficulties when trying to promote growth and modernization because of fiscal rigidity aggravated by mandatory expenses and varied resistance to cutting spending and redirecting expenses caused by conflicts that are hard to coordinate.

The **sixth paper** [Gizem] reviews the cooperation between BRICS countries and their internal projection. It also analyses the BRICS engagement as a new, alternative global institution that promotes multilateralism in the global governance. It makes

the argument that BRICS cooperation has presented its global political and economic policies and now ready to prove its global role as more than a regional organization but a new worldwide alternative to the Western-oriented global institutions and cooperation. While it analyses the objectives of the internal and international projections and coordination of the BRICS, it also examines the impact of the COVID-19 pandemic, ongoing global inflation and related challenges on the general situation in the world. The paper attempts to assess the chances of the BRICS to create a new global bifurcation (Wallerstein) and power transition by challenging the rigid Western-based world order through the discourse of creating the multilateral and multi-polar world in the spirit of inclusiveness and openness (BRICS Summit, 2022).

The **seventh paper [Wolhuter]** examines the experience of the BRICS education systems during the COVID-19 pandemic, which presents a valuable lesson for the rest of the world. The BRICS countries were able to provide equitable quality education for all, and also ensure that education contributed to the development of their own economies and of the Global South at large. The paper argues that the pandemic provided both a compelling need and an opportunity to restructure education globally, to design education models suitable for the Global South. The constellation of the BRICS countries as the vanguard of the Global South has a crucial role to play. To grasp the opportunities and attain these goals, every aspect of national education projects and the societal contextual ecology needs to be thoroughly factored in, as failure to do so may result in wasting resources on the activities that are bound to fail.

The **last, eighth, paper [Zreik]** addresses the health and economic crises in China caused by the COVID-19 pandemic and provides an in-depth analysis of the government's economic policies in response to these crises. To achieve this, the study presents data on the spread and progression of the COVID-19 pandemic in China, analyzes information about its impact on the Chinese economy and gives an overview of the government's initiatives to stimulate economic growth, such as tax relief, loans to small and medium-sized enterprises, and investments in infrastructure projects. The study found that the COVID-19 pandemic had a significant impact on the Chinese economy, resulting in the first annual decline in growth since 1976. The paper also draws on relevant literature to contextualize the effects of the past crises on the global economy.

I am confident that all the eight papers included in the SI cover the important segments of the issue's special subject matter. These papers will provide deeper understanding of the COVID-19 pandemic and its impact on the economies of the countries covered. The special issue will certainly become a source of motivation and inspiration for the researchers, planners and policy makers who are directly and indirectly involved with the pandemic-related problems.

It is my pleasant duty to extend my sincere thanks to the persons who are responsible for bringing to light the special issue, especially the reviewers and editors [Prof. M. Sheresheva; E. Buzulukova and E. Sharko] of the journal [BRICS Economic Journal].

About the Theme Editor

Prof. Dr. Badar Alam Iqbal has been associated with many global business schools and research institutes; Monarch Business School [Switzerland], as an Adjunct Professor, Extraordinary Professor; College of Graduate Studies and University of South Africa, Visiting Emeritus Professor; College of Business Administration, International University of Business, Agriculture and Technology; Dhaka; [Bangladesh]; External Relation of Research, Frederic Bastiat Institute for African Economic Research [Ghana].

Prof. Iqbal was educated at India's premier and one of the oldest Universities - Aligarh Muslim University, Aligarh [UP] India and holds a Ph.D., DBA; M.COM, DSW and B.A. (Hons) Economics. He has served as the Officiating Vice-Chancellor of Aligarh Muslim University and has been The Dean, Faculty of Commerce; Chairman, Department of Commerce. He has also served Central Bank of India's [Reserve Bank of India] research institute-Indira Gandhi Institute of Development Research [IGIRD]; Mumbai [India].

Prof. Iqbal has been awarded twelve (12) global fellowships and grants across the continents:- Fulbright Scholar-in-Residence at Claflin University; South Carolina State; USA; 1905 and Kentucky State University; Kentucky 1917, USA; DAAD Fellowship at German Institute for Economic Research, Berlin; Kiel Institute of World Economics, Kiel; South Asia Institute; Heidelberg, Germany; Institute of Developing Economies, Tokyo, Japan; Faculty of Economics, University of Tokyo, Tokyo, Japan; Ford Foundation Grantee, American Research Center, India; Chinese Government Grant at Beijing Institute of Technology, Beijing, China; EU Research Fellowship at University of Warsaw, Poland; Brazilian Government Fellowship at Maringa University, Brazil.

Prof. Iqbal is a widely traveled person, and, hence, a Visiting Professor at University of South Africa, Vaal University of Technology, South Africa, Rennes 1 University, France, International Islamic University, Malaysia, North West University, Vaal Campus, South Africa, and KIEMP University, Kazakhstan.

The Member Secretary, National Board of Accreditation, the Ministry of Education, the Government of India, India, invited Prof. Dr. Badar Alam Iqbal, to participate in Global QS Academic Reputation Survey 2022. The Global QS invited to participate in the Global QS Academic Survey (ranking of global universities) for the year 2022. The AXIOM Publisher from South Africa, appointed Prof. Prof. Iqbal as a Member of Editorial Board for Book Series on Talent Management in January [21-23] 2022.

The Asian Economics Letters [AEL], Australia, has appointed Prof. Iqbal as a Guest Editor for Special Issue on FDI in Asian Economies. The Multicultural Education Journal, SCOPUS Indexed, IJDRI, has appointed Prof. Iqbal as a Member of Editorial Board [Section Editor] Economics. The Future Business Journal, Springer Nature, has appointed Prof. Badar Iqbal; as a Guest Editor for Thematic Series on Post Covid-19 and Global FDI Inflows and Outflows in Emerging Economies. The Journal of Economic and Administrative Sciences [JEAS], Emerald, appointed Prof. Iqbal Guest Editor for the Special Issue on 'RCEP' Vol.39. No. 1, February 2023. The School of Economics, Finance and Banking, University of Utara Malaysia [UUM] has nominated Prof. Iqbal

as Academic Peer for QS Academic Global Survey, February 2022. The Editor-in-Chief, Journal of Asia and Pacific Studies [JAPS], USA has nominated Dr. Iqbal as a Guest Editor for Special Issue on the RCEP. The Editor-in-Chief; Journal of African Trade has appointed as Guest Editor for SI on COVID-19 and African Trade. The Research in Globalization journal published by Elsevier has assigned Prof. Iqbal, Editorship for a Special Issue on Diaspora Direct Investment [DDI]. The Asia and Global Economy published by Elsevier has appointed Prof. Iqbal as an Editor for Special Issue on RCEP. Emerald as appointed Prof. Iqbal as an Editor for a Special Issue on Foreign Direct Divestment. In May 2021, the Government of India, Ministry of Human Resource Development [MHRD] has invited Prof. Iqbal to a select group of Peers for his valuable contribution to India Rankings–2021 of academic institutions in the country, conducted by the National Institutional Ranking Framework (NIRF). Academy of Science of South Africa [ASSAf], Pretoria, South Africa has conferred upon the Membership of the Academy and listed the name of Prof. Dr. Iqbal in the Directory of Scientists in the area of Economics and Business.

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