

COMPARATIVE ANALYSIS OF EU AND BRICS – ARE THEY REAL RIVALS IN THE CURRENT GEOPOLITICAL CONTEXT?

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Abstract

The last decades marked an increased geoeconomic competition between global trade blocs and geoeconomic actors. The European Union (EU) and BRICS have been among the most important actors in the evolving international context and in the process of deepening the existing global rivalries. Both blocs are similar in their quest for global influence. However, they differ in terms of their political nature, level of economic integration, geographical coherence and decision-making processes. This paper seeks to provide an analysis of the political-institutional structures, global competitiveness, and economic effectiveness of the EU and the BRICS as geoeconomic actors. By building on existing studies of political actorness, and by examining key indicators of rule of law quality, levels of corruption, innovation, economic freedom, social progress, this article identifies the specificities inherent in each bloc's approach to geoeconomic dominance. The paper argues that there is a significant level of rivalry between the two blocs and, while both have their own challenges, the EU is more likely to successfully deal with the complexities of the global economy, although BRICS are becoming increasingly assertive, which makes the competition between the blocs much more complex than it is traditionally assumed.

Keywords: geoeconomics, currency stability, global rivalry, geopolitical competition

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1. Introduction

The European Union (EU) is usually considered as the most developed integration project among independent countries. It is also conceived as a model for other regional integration projects that aim to establish a single market or a single currency. The euro is already to a great extent the single currency of the EU – 20 out of the EU-27 already

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use the euro. It is also the second most important currency in global trade, economic, foreign exchange and financial markets.

At the same time, BRICS' global influence over the last several years has risen considerably. Using the first letters of its founding member states as an abbreviation for its name, which stands for Brazil, Russia, India, China, and South Africa, the establishment of the organisation is usually considered to be in 2009 when four country leaders (Brazil, Russia, India and China) met for the first time.¹ South Africa joined the organisation in 2010. The next enlargement took place only recently – on 1 January 2024 Iran, Egypt, Ethiopia and the United Arab Emirates joined the organisation. BRICS this time did not change its name, but only added „+“ to the abbreviation. Furthermore, according to the organisation currently more than 40 countries applied for membership or expressed some interest to apply or to coordinate more tightly their national policies with BRICS. These countries are all developing nations and are mainly from Africa, Asia and the Americas. However, Europe is also not an exception. Belarus, for instance, as a close ally of Russia, could not be excluded as a potential new member.

In 2024 there was also another major surprise as regards the growing BRICS influence. Turkey has expressed a strong interest to apply for membership in the organisation. This might be the first NATO country to apply for entering an organisation that is strongly influenced by Russia as well as the first European country to try to join that bloc after the Russian invasion in Ukraine. The paradox is even greater because of the fact that Turkey is also a candidate for EU membership. The EU institutions already expressed their position that EU and BRICS memberships are mutually exclusive. Turkey that has customs union with the EU and other trade and economic agreements with that bloc shall abrogate or amend them before possible BRICS membership. Contrary to the EU institutions, the Turkish President Erdogan is on the opinion that both EU and BRICS integration processes may go hand in hand. However, in practice this is very unlikely.

Serbia, the biggest country from Western Balkans, has strong economic and political links with Russia and China, both of them not recognising Kosovo. Therefore, voices are growing that Serbia may also step down its prolonged and currently unsuccessful EU bid in order to join the BRICS bloc (Hamid, 2024). Last but not least, one of the Bulgarian nationalistic parties represented in the National Assembly also defended a strong collaboration with BRICS. They even insisted on working for a possible membership in BRICS as an alternative to the EU membership.

The authors of the current paper do not find sufficient evidence in support of BRICS as an alternative. However, the above cited recent facts provoked them to start a research that makes a comparison between the EU and BRICS. The main research question is the following: *Are the EU and BRICS real rivals in the current global political, trade and economic arena?* In order to respond to that and some other questions, the

¹ Some sources list the establishment of BRIC, later BRICS, back in 2006 when several other meetings were initiated. However, the most realistic year of establishment is 2009.

current paper makes comparative analyses between the two organisations and traces the extent of their international cooperation and rivalry.

After this introductory section, the next one provides a review of the relevant literature pertaining to the global economic rivalry, the geopolitical actorness, and the complicated international relationship of the EU and BRICS. The third and the fourth sections summarise respectively the levels of political and economic integration in the EU and BRICS and attempts to trace the main similarities and differences between the organisations. The fifth section makes comparison in the EU and BRICS member countries through the analysis of some global indicators. The last section summarises the main findings of the study and draws some conclusions.

2. Literature review: EU, BRICS, and political actorness

The important shifts and trends in global politics in the last decades stimulated the generation of a number of academic works which explored the relations between the EU and BRICS and the two blocs geoeconomic actorness, their use of various instruments aimed at achieving global economic dominance (Keukeleire and Bruyninckx, 2011; Scholvin and Wigell, 2018; Maslova and Entin, 2019; Danzman and Meunier, 2024; Quaglia and Verdun, 2024). Various analyses reinvestigated the concept of geoeconomics and found, building on classical accounts, such as Edward Luttwak's (1990), that economic instruments have a growing importance in global power politics (Scholvin and Wigell, 2018), which is in essence what the concept of the geoeconomics is about. According to these contentions the term „geoeconomics“ has multiple interpretations and could be adequately captured in theoretical terms only by drawing insights from different international relations theories (Ibid.).

Babić and Dixon (2022, p. 11), for instance, analysed the geoeconomic role of the EU in an ever-changing world, arguing that the organisation might be the „‘missing third power“, since it is the „single largest unified economic area in the world“. Meunier and Nicolaidis (2019, p. 103) also asserted that the EU might be better equipped for dealing with the complex global geoeconomic situation than the existing analyses suggest, as it has the ability to attain shifts in the global balance of power through trade and to employ economic statecraft for competing with other regional powers in a situation in which existing multilateral institutions are less and less effective. Other authors also corroborated this situation by claiming that the EU's measures undertaken in 2019 and 2024 for dealing with unfair competition might achieve a more robust protection of its economic interests, although they are at an early stage of their development (Höra and Weiss, 2024, p. 4). Digging deeper in these processes, Quaglia and Verdun (2024) provided an apt account of the ways in which the EU „weaponised“ its single market in the sector of financial services on at least three separate occasions, which is a response of evolving nature of the global geoeconomic landscape.

Danzman and Meunier (2024) investigated how the EU came to adopt „a panoply of innovative policy tools“ which have important geopolitical influence, while

officially dedicated to investment policies, thus showing an increasingly serious move by the EU in the direction of economic securitisation. In relation to this, Meunier and Nicolaidis (2019, p. 103) further argued that the politicisation of European trade and investment policy is not a novel phenomenon, but one that accompanied the concluding of international agreements for a long time. Additionally, they put the emphasis on the fact that the process of politicisation has turned into geopoliticisation that includes a „language of economic battlefields and trade warfare“ (Ibid.).

Early accounts also explored the BRICS bloc as an exchange network as regards legal matters, which includes collaboration regarding practices and policies and an analysis of the role of national constitutions for the BRICS internal economic relationships and the current gains the BRICS countries achieved globally. In doing this, the authors provide useful methodological remarks for the ways in which future comparative studies of the EU and BRICS should be conducted (Carducci and Bruno, 2014). In parallel with this, it was noted more recently that the BRICS became ever more focused on issues related to the reform of the international monetary system in order to increase the influence of emergent countries, many of which are members of the bloc (García Herrero, 2024, p. 5). However, various challenges for the bloc were pointed out as well. For instance, the BRICS became increasingly „China-centric with very little interaction among other BRICS members“, which might cause problems in terms of India’s reaction to these developments (García Herrero, 2024, p. 5).

Looking at the economic instruments employed by the EU and BRICS, Vahalík and Staníčková (2016) compared the two blocs as regards their international competitiveness by using factor and cluster analysis and found that BRICS managed to strengthen their presence in international trade, which generates pressures for the EU’s own efforts to retain a dominant position. Various authors also contended that the EU’s ability to act geopolitically vary significantly across different policy initiatives and is affected by a lack of alignment of various member states with common EU positions (Weinhardt, Mau, and Pohl, 2022).

Other early works, in a fashion similar to the task to which this paper is dedicated, explored the relationship of EU and BRICS and the challenges that latter posed for the former (Keukeleire and Bruyninckx, 2011). In doing this, they demonstrated that the EU was perceived at this moment as a „weak power“, which suggested the need for developing a new strategy (Ibid., p. 401). Scholars also sought to find out to what extent the EU and BRICS are „partners or rivals“ and contended that when it comes to international problems they have a relationship ridden with rivalries, while on the state level there is a more substantial interest in cooperative relationship (Maslova and Entin, 2019). It also suggested that a further institutionalisation and unification in the BRICS bloc is possible (Ibid.).

Building on these arguments, later analyses made the argument that the BRICS started to reinforce their institutional and political ties in the last more than ten years and explored how the EU tried to respond to these developments, rather unsuccessfully, by concluding strategic agreements with each of the bloc’s member countries

(Hooijmaaijers and Keukeleire, 2020). Further analyses also put an emphasis on this phenomenon and pointed out the strong re-orientation of the EU toward „geoeconomics“ and even talked of „geoeconomic revolution“ in Europe (Matthijs and Meunier, 2023).

These analyses point out several important tendencies which are explored in more detail in the next sections. First, they indicate the increased importance of geopolitics and geoeconomics overall and the attempts of the EU to respond to this ever more worrisome situation. Additionally, the review of the literature shows the increasingly assertive behaviour of the BRICS and the establishment of a closer cooperation among the members of the bloc. The next section looks at these problems in more detail, as it discusses the level of political integration in the EU and BRICS more closely.

3. Political integration in the EU and BRICS

The relationship between the EU and BRICS is inevitably conditioned by the level of political integration between the two blocs, their international rivalry and aspirations for dominance as regards the governance of the world economy and the international monetary system. In order to explore the state of the art in this respect, this section sheds light on the level of political integration in the two blocs, as it looks at each entity in turn, and then compares them.

First, as regards the EU, it has to be pointed out that it is a closely integrated political union and represents a unique level of political integration in the world (see Table 2). The organisation has a sophisticated political system that is *sui generis* in the international realm and includes a supranational decision-making which allows for an efficient and democratic governance (Stone Sweet and Sandholtz, 1998). It possesses a common market and a supranational currency, which makes the EU a leading geoeconomic power. The EU member states, or at least most of them, have low levels of political corruption, strong records as regards the protection of human rights, and adequate limits on governmental powers (see Tables 1 and 3). Its range of supranational institutions also give to the organisation a unique international presence and makes it a dominant power in world affairs, despite the lack of state-like decision-making in the Union. The EU, due to the common history and legacies of its members, is also founded on a set of common values and norms, which bound its member states and predetermine the course of its external action that Ian Manners (2002) famously depicted as a „normative power“, i.e. an ability to set international standards regarding the „right thing to do“. Probably most importantly, the EU has federal aspirations and, at least nominally, pursues the achievement of federal union, which implies an ever-deeper political unity and a strengthening of the common policies among its member states, i.e. a further pooling of their sovereignty.

Table 1. Comparison of the EU and BRICS as regards the rule of law

Country	Income group	WJP Rule of Law Index: Overall Score	Factor 1: Constraints on government powers	Factor 2: Absence of Corruption	Factor 3: Open Government	Factor 4: Fundamental Rights	Factor 5: Order and Security	Factor 6: Regulatory Enforcement	Factor 7: Civil Justice	Factor 8: Criminal Justice
Denmark	High	0,90	0,95	0,96	0,86	0,92	0,93	0,88	0,86	0,83
Finland	High	0,87	0,92	0,89	0,86	0,90	0,92	0,87	0,81	0,84
Sweden	High	0,85	0,86	0,90	0,84	0,87	0,92	0,83	0,82	0,79
Luxembourg	High	0,83	0,82	0,85	0,82	0,85	0,95	0,87	0,78	0,73
Germany	High	0,83	0,86	0,82	0,79	0,86	0,89	0,84	0,83	0,78
Netherlands	High	0,83	0,85	0,87	0,83	0,84	0,85	0,85	0,84	0,74
Estonia	High	0,82	0,83	0,81	0,81	0,83	0,90	0,81	0,81	0,75
Ireland	High	0,81	0,83	0,82	0,79	0,82	0,95	0,82	0,73	0,72
Austria	High	0,80	0,84	0,80	0,70	0,84	0,91	0,80	0,74	0,79
Belgium	High	0,78	0,82	0,79	0,76	0,84	0,82	0,79	0,74	0,71
Lithuania	High	0,77	0,76	0,72	0,75	0,78	0,89	0,76	0,79	0,69
France	High	0,73	0,72	0,75	0,75	0,74	0,79	0,75	0,69	0,63
Latvia	High	0,73	0,71	0,68	0,72	0,77	0,86	0,71	0,69	0,68
Czechia	High	0,73	0,74	0,66	0,69	0,78	0,89	0,71	0,69	0,70
Spain	High	0,72	0,72	0,73	0,70	0,79	0,83	0,69	0,65	0,66
Slovenia	High	0,69	0,65	0,67	0,66	0,75	0,89	0,65	0,67	0,56
Portugal	High	0,68	0,76	0,71	0,64	0,76	0,78	0,60	0,65	0,56
Malta	High	0,68	0,64	0,68	0,64	0,74	0,91	0,59	0,60	0,63
Cyprus	High	0,68	0,66	0,65	0,60	0,72	0,81	0,66	0,62	0,68
Italy	High	0,67	0,71	0,65	0,63	0,73	0,75	0,64	0,58	0,64
Slovakia	High	0,66	0,67	0,53	0,69	0,73	0,90	0,62	0,55	0,58
Poland	High	0,64	0,53	0,72	0,58	0,61	0,86	0,63	0,61	0,58
Romania	High	0,63	0,61	0,56	0,63	0,67	0,83	0,59	0,63	0,52

Country	Income group	WJP Rule of Law Index: Overall Score	Factor 1: Constraints on government powers	Factor 2: Absence of Corruption	Factor 3: Open Government	Factor 4: Fundamental Rights	Factor 5: Order and Security	Factor 6: Regulatory Enforcement	Factor 7: Civil Justice	Factor 8: Criminal Justice
Croatia	High	0,61	0,58	0,57	0,61	0,68	0,84	0,56	0,56	0,51
Greece	High	0,61	0,67	0,56	0,61	0,65	0,72	0,55	0,58	0,50
South Africa	Upper middle	0,57	0,62	0,47	0,62	0,63	0,60	0,52	0,59	0,50
United Emirates	High	0,57	0,78	0,34	0,45	0,91	0,70	0,66	0,68	0,64
Bulgaria	Upper middle	0,56	0,51	0,45	0,57	0,61	0,78	0,53	0,54	0,44
Hungary	High	0,51	0,37	0,50	0,45	0,55	0,90	0,45	0,45	0,45
Brazil	Upper middle	0,49	0,51	0,43	0,59	0,49	0,60	0,48	0,49	0,32
India	Lower middle	0,49	0,57	0,40	0,59	0,46	0,64	0,48	0,43	0,37
China	Upper middle	0,47	0,31	0,53	0,40	0,25	0,81	0,49	0,52	0,43
Russia	Upper middle	0,44	0,32	0,41	0,45	0,38	0,66	0,46	0,51	0,29
Iran	Lower middle	0,39	0,32	0,37	0,27	0,20	0,63	0,44	0,51	0,33
Ethiopia	Lower middle	0,38	0,35	0,44	0,31	0,30	0,53	0,36	0,42	0,35
Egypt	Lower middle	0,35	0,24	0,38	0,23	0,24	0,62	0,36	0,38	0,33

Source: The World Justice Project (WJP)

That said, in the last at least 10 years the Union experiences instances of democratic backsliding and erosion of the rule of law, although, as important international rankings indicate, the EU is still ahead of BRICS countries in this regard (see Table 1). Challenges appeared also globally as regards the Union's geopolitical standing and critics persistently complain of the weakness of the polity in an ever more challenging global political landscape. The Union is oftentimes unable to act swiftly due to national concerns which impede an adequate collective policy implementation (Höra and Weiss, 2024, p. 4). This harms its ability to react to impending crises and thus to adequately address the concerns of its citizens, which gives prominence to critical voices insisting on internal reforms.

In comparison to this analysis of the EU, the BRICS stands, first and foremost, as a strictly intergovernmental union, which does not include provisions for giving up the sovereign rights of its participants (see Table 2). In this sense, it represents a political platform of mainly economic dialogue with much more limited collaboration among its member states (Kirton and Larionova, 2022). This means that the bloc has a far lower level of political integration, which is also evident from a brief overview of the organisation's structure and characteristics. The organisation consists of countries with different structures of their economies, different political cultures and a lack of geographical proximity. According to international assessments, the bloc's member countries seem to be plagued by high levels of corruption (a situation much better in the EU, see Table 3), which hampers their international image in various ways. In the BRICS organisation also seem to exist various tensions among its different members due to the significant predominance of China (García Herrero, 2024). Despite the creation of a New Development Bank (NDB), the organisation did not create strong common institutions and a straightforward system of common decision-making. Russia's invasion of Ukraine also had important implications for the political integration in the BRICS bloc and partially impeded the deepening of the cooperation among its members, as most of them officially maintained neutrality (Rached and de Sá, 2024). The bloc also continued to suffer from problems related to the different interests and global aspirations of the nations composing it. Moreover, it always had more pragmatic attitudes directed toward the protection of their common economic and monetary interests on the international stage, which is in stark contrast with the value-laden EU legal provisions and political positions.

However, at least in the last ten years the BRICS reinforced its political cooperation, coordinated more closely their economies and thus increased their international assertiveness and presence. This led to an increase of their joint activities, declarations and actions as regards various international issues, such as different international conflicts. It also allowed for a stronger monetary collaboration and for a strengthened place of emerging economies in the international realm. Taken together, this process led to the acquiring of a more prominent place by BRICS in the global geoeconomic and political discussions in different fora, such as the UN. Thus, despite the important drawbacks for the bloc, such their weak rule of law and corruption records, as demonstrated by

analyses of the **World Justice Project** and **Transparency International** (see Tables 1 and 3) in which the BRICS+ nations occupy lamentable positions, the organisation managed to achieve a rather important standing on the international arena.

Table 2. Comparison of the EU and BRICS as regards their level of political integration

	The EU-27	The BRICS bloc
Degree of political unity	High, advanced level of supranational integration	Loose intergovernmental cooperation, a non-interference principle
Reliance on common values	A legal framework (Art. 2 TEU) relying strongly on a set of values	Common interests of emerging economies
Common institutions	Supranational institutions with exclusive competences in certain policies	Intergovernmental bodies based on a non-interference principle
Decision-making process	Existence of qualified majority voting	Strictly intergovernmental mode of decision-making

Source: The authors.

Table 3. Comparison of the EU and BRICS as regards levels of corruption perceptions

Corruption Perceptions Index			
Rank (2023)	Country	CPI score 2022	CPI score 2023
1	Denmark	90	90
2	Finland	87	87
6	Sweden	83	82
8	Netherlands	80	79
9	Germany	79	78
9	Luxembourg	77	78
11	Ireland	77	77
12	Estonia	74	76
16	Belgium	73	73
20	France	72	71
20	Austria	71	71
26	United Arab Emirates	67	68
34	Lithuania	62	61
34	Portugal	62	61
36	Spain	60	60
36	Latvia	59	60
41	Czechia	56	57

Corruption Perceptions Index			
Rank (2023)	Country	CPI score 2022	CPI score 2023
42	Italy	56	56
42	Slovenia	56	56
47	Poland	55	54
47	Slovakia	53	54
49	Cyprus	52	53
53	Saudi Arabia	51	52
55	Malta	51	51
57	Croatia	50	50
59	Greece	52	49
63	Romania	46	46
67	Bulgaria	43	45
76	China	45	42
76	Hungary	42	42
83	South Africa	43	41
93	India	40	39
98	Ethiopia	38	37
104	Brazil	38	36
108	Egypt	30	35
141	Russia	28	26
149	Iran	25	24

Source: Transparency International (the total countries that are ranked are 180).

Overall, this means that the comparison of the two blocs is indicative of differing levels of political integration between the EU and BRICS. While both blocs had their comparative (dis)advantages in the international realm, our analysis demonstrates that the EU continues to manifest a more integrated and robust political integration than BRICS, expressed in its strong political institutions, unique supranational character, and its democratic character, which are all less prominent in the case of BRICS. Despite that, careful exploration points to a tendency of a growing and ever closer collaboration among the members of the BRICS, along with the persisting of challenges faced by the EU. As for the interaction between the blocs, the analysis shows a rather limited level of political dialogue, which is indicative of patterns of competition between them. This means that in a situation of an ever more „weaponised interdependence“, the geo-economic relations are shifting with both the EU and (members of) BRICS capable of

benefiting from the complexity of the new global modes of cooperation and rivalry (Darie, Miron, and Ciurea, 2024).

4. Level of economic integration in the EU and BRICS

Analysing the level of economic integration and some closely related factors among the member countries provides for some interesting conclusions for the two blocs. The majority of the economic and related factors are in favour of the EU-27. However, there are some factors that might be creating a favourable momentum in international context for the influence of the BRICS. Below we analyse first the importance of the economic factors that are in favour to the EU and its 27 Member States.

Table 4. Factors that provide advantages to the European Union

Factor	EU-27	BRICS
Single market	A developed single market.	Lack of real single market integration.
Single currency	Enlargement of the Euro area. The euro is the second strongest currency in the world.	There are some statements about establishing a common BRICS currency, but plans are on an infant stage.
Common policies	The EU has many common policies in which it has exclusive or shared competences with its member states.	BRICS try to have common initiatives, but it does not have common supranational policies.
Common budget (financial solidarity)	Although the EU budget is not more than 1% of EU GDP, it comprises a substantial solidarity mechanism.	The budgetary capabilities of the organisation are quite modest.
Convergence and cohesion among member countries	Except in time of crises, there is a strong cohesion among member countries.	Important divergences between member countries that may increase with future BRICS enlargements.
Geographical proximity	Geographical proximity in one region.	Member countries are geographically dispersed throughout the world.
Global standard setter	The EU sets global standards.	BRICS countries are usually not standard setters.

Source: The authors.

The EU has an integrated *single market* that comprises a common area where free movement of goods, services, people and capital is ensured. The fifth freedom is considered to be the areas such as research, innovation and digital transformation. This market comprises thirty member states of the European Economic Area – the twenty-seven EU member states plus Norway, Iceland and Lichtenstein.

The *single currency* is also well established in the EU after 1999. Currently, twenty out of the EU-27 member states participate in the Euro Area. The last enlargement of

the Area took place on 1 January 2023 when Croatia joined the monetary union. Other countries and territories in Europe use also the euro as a legal tender – these are Montenegro, Kosovo, Andorra, Monaco, San Marino and the Vatican. The Council of the EU lists the statistics that in addition to the 350 million people using the euro in the twenty Euro Area member states, globally there are around sixty countries and territories in the world with additional 175 million people that have fixed their currency to the euro (Council of the EU, 2024). The euro is the second most important and the second most used currency in the world in the trade, economic, foreign exchange and financial transactions (European Central Bank, 2024).

The EU has developed many *common policies* in which it has exclusive or shared competences with its member states. Such policies are common trade policy, common competition policy, common transport policy, common energy policy, common environmental policy, common consumer protection policy etc. The BRICS bloc did not develop such common policies for the moment and only has promoted some common initiatives. In parallel with this, the two blocs competed in important ways in relation to global trade and each of the two attempted to manifest a significant global dominance.

The BRICS do not provide for solidarity in terms of *budget* spending. In contrast, the EU has an important budget that reallocates each year financial resources for cohesion and other policies. For the year 2024 the EU budget comprises 189.4 billion euro in commitments and 142.6 billion euro in payments (European Council, 2024).

The EU member countries are much more *convergent* and they experience a greater cohesion between themselves, compared to the BRICS countries. Furthermore, the EU spends a significant part of its budget in order to streamline the EU convergence efforts, which also have implications to the two blocs' global standings.

The *geographical proximity* of the EU member states facilitates further not only cohesion but also close economic and trade relations. In contrast, BRICS countries are dispersed all over the globe. A future BRICS enlargement will make the geographical and economic divergence in this organisation even greater.

The EU is a *global standard setter*. Only some examples, out of many others, are the standards that are developed in the EU in the area of environmental policy and green transition, the introduction of rules in relation to the Artificial Intelligence, data protection and other rules. The BRICS countries are usually not considered such standard setter.

When analysing the facts that are in favour of BRICS one shall admit that in recent years BRICS attracted substantial attention in global scene. The organisation is already seen by some politicians and analysts not only as a rival to the EU but even as an alternative, which suggests the existence of patterns of competition between the blocs. Some of the factors that currently are in favour of the new global player are listed in Table 4.

One of the advantages of the BRICS bloc is that currently the majority of their members experience higher economic growth than the members of the EU. The economic potential for these countries is quite large. They rely also on huge investment and

infrastructure projects. Furthermore, the EU is losing influence and share in the global GDP compared to BRICS countries that gain further influence in recent years.

Table 5. Factors that brings potential for BRICS

Factor	EU-27	BRICS
Economic growth	The economic growth in the EU is usually slower than in BRICS countries	Fastest growing major economies with further economic potential
Growing global influence	Decreasing global economic influence compared to the world GDP	Increasing global economic influence compared to the world GDP
Population	Ageing of the population	Some of the most populated countries in the world are members in BRICS
Payment system	Based on SWIFT	Plans to establish an alternative payment system
Enlargement	The EU enlargement is currently less dynamic	BRICS enlargement is currently expanding. Future enlargements are planned
Contraction	Brexit in 2020	No withdrawals from BRICS are planned

Source: The authors.

In contrast to BRICS that are among the most populated countries in the world, the population in the EU is aging, i.e. it experiences substantial demographic problems. Furthermore, the EU-27 with its 447 million citizens in 2021 represents only 5.7% of the world population. In contrast, China with its 1.43 billion citizens represents 18.0 % of the world population and India with its 1.41 billion citizens – 17.8 % of the world population (European Commission, 2023). These dynamics are influential in the interaction of the EU and BRICS and also show that a rivalry is the dominant mode in the organisations' relationship.

The current global payment system is largely dominated by the SWIFT standard. After the beginning of the Russian aggression towards Ukraine, many sanctions were introduced against Russia, including a limitation of the use of the SWIFT payment system. Therefore, Russia and some other countries started to develop and integrate new payment systems that will make them much more independent in their future economic and trade relations.

The *enlargement process* is one of the developments that currently look more prosperous for BRICS rather than for the EU. The enlargement has strong economic implications because it will create new market and economic opportunities among member countries. Few decades ago, during the EU enlargement towards Central and Eastern Europe, the enlargement policy of the EU was considered as the most successful EU policy. This is already not the case. The enlargement fatigue among current EU

Member States, the stagnation in the EU accession negotiations with the Western Balkan countries¹ and Turkey makes the current EU enlargement process rather difficult. The postponement of the EU accession of Western Balkans countries increases the influence of other global players in that region (Tcherneva, 2023). The recent declaration that Turkey may join BRICS and the reaction of the EU institutions that this may stop EU accession process is also remarkable (Euractiv, 2024).

The only factor that induce more dynamism in the EU enlargement process is the start of accession negotiations with Ukraine and Moldova. However, these developments currently bring more challenges and questions than opportunities taking also into account that the EU never had so far accession negotiations with a country actively engaged in a war. On the opposite direction, BRICS is attracting more and more attention from countries around the globe. The last accession with new members happened in the beginning of 2024 when Iran, Egypt, Ethiopia and United Arab Emirates joined the bloc.² Further accessions of BRICS are discussed and planned in the coming years.

In addition to the enlargement fatigue, the *contraction* process in the EU is also contrary to the BRICS expansion, and this process further fuels the competitive dynamics between the blocs. The EU, and its predecessors the European Communities, experienced for six decades an enlargement from the six founding Member States to the EU-28. However, in the beginning of 2020 the United Kingdom's withdrawal from the EU is the first contraction of the EU. This has strong negative implications not only for the United Kingdom, but also for EU-27. The United Kingdom was the second largest economy in the EU, a global player and a substantial trading partner. The London city is one of the most developed financial markets not only in Europe but also globally. Furthermore, there are always rumours that other EU Member States may follow and might withdraw from the EU. Currently, there are no such short-term prospects, but the challenges for further EU contraction are still present.

5. Some global indicators, EU and BRICS countries

In order to compare the two blocs, we will present also a short analysis of the ranking of their member countries in some of the global indicators and indexes. Currently, there are many global indexes that compare between 130-190 countries in the world. They have different characteristics and describe various developments in the countries

¹ Western Balkan countries are Serbia, Montenegro, Albania, Republic of North Macedonia, Bosnia and Herzegovina and Kosovo. The EU accession negotiations with some of these countries are under way for quite a long time as Serbia and Montenegro negotiate more than 10 years without substantial advancement. The real start of the accession negotiations with Albania and the Republic of North Macedonia was postponed on several occasions. After 2023 there is also some potential for a start of accession negotiations with Bosnia and Herzegovina. Taking into account that Kosovo is not recognised as an independent state by 5 EU Member States (Spain, Slovakia, Hungary, Greece and Cyprus), EU accession negotiations with Kosovo are not in the near horizon.

² The last EU accession happened on 1 July 2013 when Croatia joined the EU.

worldwide. It is interesting to see how the EU member states and the member countries of BRICS perform according to such indicators, which demonstrates the extent international struggle for dominance between the blocs.

The first index that we will analyse is **the Index of Economic Freedom**. This index is developed by the Heritage Foundation and checks to what degree the economic freedoms are protected in 184 countries in the world. The logic is that the more economic freedoms are protected, more prosperous will be the society. The index analyses 12 quantitative and qualitative factors in the following four categories: rule of law; government size, regulatory efficiency and open markets. The score of the index is between 0 and 100. The classification in 2024 is the 30th edition of the index. It is presented in Table 6.

The United Arab States is the only country from BRICS that performs relatively well in terms of the Index of Economic Freedom. South Africa with a result of 55.3 is ahead only of one EU-27 country – Greece with a result of 55.1. All the other BRICS countries – Brazil, India, Russia, Egypt, China, Ethiopia and Iran have a quite poorer performance in terms of economic freedom among the 184 countries in the world and especially compared to the EU-27 (Index of Economic Freedom, 2024). This fact might further increase the EU-BRICS rivalry, although this is by no means an automatic process.

Taking into account another global index, the **Social Progress Index**, the results for the BRICS countries are even worse. This index comprises the performance of 170 countries worldwide in 2023. It provides information on both social and environmental data. In fact, the Index makes an evaluation of 57 indicators in three separate fields – basic human needs; foundations of wellbeing and opportunities.

The Social Progress Index illustrates the information about the social wellbeing of the analysed countries. Considering the data provided in Table 7, one may easily identify that all BRICS members perform less successfully than any of the EU-27 Member States. In addition, the 27 EU Member States are among the 44 leading countries in the world in terms of social progress development (Social Progress Index, 2023). Respectively, this leads to increased ambitions of emerging countries and further international competition.

The next index that we include in our analysis is the **Global Innovation Index**. This is an index that is developed by the World Intellectual Property Organisation. The 2023 edition comprises 132 countries worldwide. This index measures the level of innovation in each of these countries.

Among the BRICS countries only China, the United Arab Emirates and India are relatively comparable to the EU-27 Member States. All the other countries – Brazil, Russia, South Africa, Iran, Egypt and Ethiopia, perform worst in terms of innovation than any of the 27 Member States of the European Union (World Intellectual Property Organisation, 2024).

Table 6. Index of Economic Freedom (IEF) 2024

Rank	Country	IEF
3	Ireland	82.6
5	Luxembourg	79.2
7	Denmark	77.8
8	Estonia	77.8
9	Sweden	77.5
11	Netherlands	77.3
12	Finland	76.3
15	Lithuania	72.9
17	Cyprus	72.2
18	Germany	72.1
20	Latvia	71.5
22	UAE	71.1
24	Czech Republic	70.2
29	Portugal	68.7
31	Bulgaria	68.5
33	Austria	68.4
35	Slovakia	68.1
39	Croatia	67.2
42	Poland	66.0
44	Slovenia	65.9
46	Belgium	65.6
50	Malta	64.5
51	Romania	64.4
55	Span	63.3
62	France	62.5
72	Hungary	61.2
81	Italy	60.1
111	South Africa	55.3
113	Greece	55.1
124	Brazil	53.2
126	India	52.9
131	Russia	52.0
146	Egypt	49.7
151	China	48.5
156	Ethiopia	47.9
169	Iran	41.2

Table 7. Social Progress Index (SPI) 2023

Rank	Country	SPI
1	Denmark	90.38
3	Finland	89.96
5	Sweden	89.09
7	Luxembourg	87.86
9	Netherlands	87.73
10	Germany	87.64
11	Austria	86.73
12	Ireland	86.57
13	Belgium	86.13
18	Estonia	85.17
19	Czech Republic	84.82
20	Slovenia	84.60
23	Portugal	84.10
24	France	83.88
25	Spain	83.87
26.	Italy	83.61
27	Malta	82.68
28	Cyprus	81.88
31	Lithuania	81.51
32	Latvia	81.12
33	Croatia	80.25
34	Greece	80.09
35	Slovakia	79.54
36	Poland	79.53
40	Hungary	77.47
43	Bulgaria	76.25
44	Romania	75.24
51	UAE	72.92
67	Brazil	68.90
76	Russia	67.68
77	China	67.61
82	South Africa	66.69
105	Iran	60.30
108	Egypt	58.77
111	India	58.06
158	Ethiopia	43.33

Table 8. Global Innovation Index (GII) 2023

Rank	Country	GII
2	Sweden	64.2
6	Finland	61.2
7	Netherlands	60.4
8	Germany	58.8
9	Denmark	58.7
11	France	56.0
12	China	55.3
16	Estonia	53.4
18	Austria	53.2
21	Luxembourg	50.6
22	Ireland	50.4
23	Belgium	49.9
25	Malta	49.1
26	Italy	46.6
28	Cyprus	46.3
29	Spain	45.9
30	Portugal	44.9
31	Czech Republic	44.8
32	UAE	43.2
33	Slovenia	42.2
34	Lithuania	42.0
35	Hungary	41.3
37	Latvia	39.7
38	Bulgaria	39.0
40	India	38.1
41	Poland	37.7
42	Greece	37.5
44	Croatia	37.1
45	Slovakia	36.2
47	Romania	34.7
49	Brazil	33.6
51	Russia	33.3
59	South Africa	30.4
62	Iran	30.1
86	Egypt	24.2
125	Ethiopia	14.3

Legend:

 EU Member State;  BRICS Member State; UAE – United Arab Emirates

The first column of Table 6 shows the ranking of each country among the 184 countries in the 2024 edition of the IEF.

The first column of Table 7 shows the ranking of each country among the 170 countries in the 2023 edition of the SPI.

The first column of Table 8 shows the ranking of each country among the 132 countries in the 2023 edition of the GI.

Concluding this section, we shall confirm that the EU-27 Member States perform much better than the BRICS member countries. This is relevant for almost all global indexes and classifications. The EU Member States are better than the BRICS countries in performances such as the economic freedom, the social agenda and innovations. This conclusion is relevant also for other areas and policies.

6. Conclusion

The challenging context of global politics in the last several decades demonstrates that the future of international relations will be increasingly one of tensions between ever larger trade blocs. The EU and BRICS are at the forefront of this global competition, as each bloc compete for a bigger share of international trade, monetary dominance, larger investment flows and thus for a more important geoeconomic role on the world stage. While each camp had its own distinctive characteristics that helped it on its path toward increased global assertion, their numerous differences in terms of its decision-making process, institutional structures, and economic development predetermined the respective positions of the two blocs. This paper traced this situation in several ways, and by conducting a comparative analysis of a number of key indicators.

Concerning the EU, it explores its institutions, unique supranational polity, and economic performance and it makes several interconnected claims pertaining to its geoeconomic actorness and potential. The paper analyses the Union's geoeconomic potential, its strong global competitiveness and coherent decision-making which make it not only a powerful trade bloc, but also a powerful geoeconomic actor. This is demonstrated by the EU's ability to conduct a unique trade policy on the supranational level, to wield the economic power of a single currency and thus to assert a financial dominance on the world stage. It is argued that the coherent geographical structure, the political unity and structural economic homogeneity contributes to a stronger and more assertive position in global affairs.

As for the BRICS, this paper shows some of the strengths of the organisation, although its conclusions regarding the bloc have been somewhat more ambiguous. The analysis underlines some of the components of the organisation which make it an important actor in the global trade and economics, but also explored the deficiencies which undercut its power and capacity to play a more meaningful global role. In this respect, the analysis explores the various political problems which the bloc faces due to its diverse members and lack of a more centralised decision-making process, the important differences in its members' economies and the lack of geographic proximity.

In mixing these two perspectives, and in answering the central research question this text seeks to address, the paper demonstrates that while the EU and BRICS continue to interact in various ways and to collaborate on trade issues, their relations globally are still ridden with contradictions and are constantly on the verge of confrontation, which makes for a complex global geoeconomic arena. This is demonstrated by indicating the numerous points of rivalry such as the two blocs' competition in global trade, their

confrontation on currency issues, as well as on geopolitical and social problems. Therefore, in the future, the shifting and evolving structure of the international economy and of monetary relations is likely to result in an ever more contradictory relationship between the two political blocs, one swinging and swerving between rivalry and cooperation, conflict and partnership.

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