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Research Article

# Ethiopia and BRICS: Prospects and Challenges

**Wondimu Mekonnen***

Domestic Economic Analysis Directorate, National Bank of Ethiopia, Addis Ababa, Ethiopia

## Abstract

This study examines Ethiopia's relationship with the BRICS group (Brazil, Russia, India, China, and South Africa), exploring both the opportunities and challenges this affiliation presents. As emerging economies gain global influence, Ethiopia's inclusion in BRICS represents a significant chance to leverage economic, political, and technological strengths. The research highlights the potential benefits for Ethiopia, including enhanced trade, investment, and technology transfer, which could drive the country's economic growth and development. However, Ethiopia also faces substantial challenges, such as infrastructure deficiencies, skill gaps, and regulatory barriers that may hinder its ability to fully align with BRICS frameworks. The study underscores Ethiopia's strategic motivations for engaging with BRICS, including accessing new markets and fostering innovation. It also addresses the risks of economic dependency and the need for a balanced diplomatic strategy with traditional Western partners. Through a mixed-method approach, the research combines quantitative and qualitative analyses to provide a comprehensive understanding of Ethiopia's position within BRICS. The study emphasizes the geopolitical significance of BRICS in reshaping global power dynamics and Ethiopia's potential role in this transformation. The study offers strategic recommendations to enhance Ethiopia's engagement with BRICS, aimed at a mutually beneficial partnership aligned with Ethiopia's development goals and regional influence. This contribution is crucial for policymakers and researchers interested in South-South cooperation and its impact on Africa's fastest-growing economies.

## Keywords

BRICS, Ethiopia, Prospects, Challenges, International Relations

## 1. Introduction

### 1.1. Background of the Study

The 21st century has witnessed an intense battle for global dominance among major world powers, shaping the geopolitical landscape and influencing international relations. This battle is characterized by economic competition, military posturing, technological advancements, and ideological clashes as countries vie for supremacy on the global stage. Major economies such as the United States, China, the European Union, and Russia compete for market share, resources, and strategic alliances to bolster their economic strength and global reach. Trade wars, tariff disputes, and currency manipulations are common tactics employed in this economic struggle for dominance. Simultaneously, military power plays a crucial role in asserting global influence. Nations invest heavily in defense capabilities, modernizing their armed forces, and expanding their military presence to project strength and deter potential adversaries. The race for military superiority extends to space, cyberspace, and emerg-

*Corresponding author: wondimumekonnen2018@gmail.com (Wondimu Mekonnen)

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ing technologies, adding new dimensions to traditional notions of security and warfare. Technological innovation is a critical factor in the race for global supremacy, with AI, quantum computing, biotechnology, and cyber security driving major shifts in industries and national security. Leading countries in innovation gain a competitive advantage, shaping international standards and controlling key technologies. Ideological differences further intensify the competition, as democracies, autocracies, and hybrid regimes vie to promote their governance models globally. Geopolitical tensions, economic uncertainties, and technological disruptions create a volatile environment with implications for peace and prosperity. Effective diplomacy, strategic planning, and multilateral cooperation are crucial in managing conflicts and instability. Non-state actors like corporations and criminal networks also play significant roles in shaping the global landscape.

Two powerful alliances, BRICS and G7, are locked in a high-stakes battle for global dominance, with trillions of dollars, strategic resources, and political influence at stake. On one side of the ring, there is BRICS alliance, a formidable coalition of five major emerging national economies. Their collective strength is undeniable, and their influence is growing. On the other side, there is the G7, a group of seven of the world's largest and most advanced economies, Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. These juggernauts have long-held sway over the global economic and political landscape. Economically, BRICS and G7 are giants in their own right. The BRICS nations, Brazil, Russia, India, China, and South Africa collectively hold a staggering GDP by purchasing power parity, PPP. This means when you adjust their GDP's for cost of living differences, their economic output is immense. On the other hand, the G7, Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States have a robust nominal GDP. So the G7 nations, despite having fewer countries, still wield substantial economic power, but GDP is only one part of the story. The BRICS nations with their emerging economies have been experiencing rapid growth in recent years. This high growth rate, if sustained, could propel them to higher economic heights in the future. The G7, however, with their more mature economies, tend to grow at a slower pace. They are still economic power houses, with strong stable economies that continue to grow, albeit at a more measured pace.

Moving on to trade and resources, BRICS countries are rich in natural resources and strategic minerals. They have vast reserves, of oil, gas, coal, and precious metals, which can be leveraged for economic growth. Their strategic location also gives them access to key trade routes. On the flip side, the G7 nations' strength lies in their trade and investment influence. They are some of the world's largest importers and exporters, with highly developed industries and services sectors. Their economic policies and trade agreements can have far-reaching effects on global trade. The BRICS with their vast resources and high growth rates have enormous potential. Meanwhile, the G7, with their strong stable economies and significant trade and investment cloud, continue to be formidable players on the world stage.

Evolution of BRICS

BRICS was an informal group of states comprising the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa. It was the Russian side that initiated the creation of BRICS. On 20 September 2006, the first BRICS Ministerial Meeting was held at the proposal of Russian President Vladimir Putin on the margins of a UN General Assembly Session in New York. The Foreign ministers of Russia, Brazil and China and the Indian defence minister took part in the meeting. They expressed their interest in expanding multilateral cooperation. On 16 May 2008, Yekaterinburg hosted the meeting of BRICS Foreign Ministers on the initiative of Russia. After the meeting, a Joint Communiqué was issued, reflecting common stances on topical global development issues. Another important step was taken on 9 July 2008, when Russian President Dmitry Medvedev met with Brazilian President Luiz Inacio Lula da Silva, Indian Prime Minister Manmohan Singh and Chinese President Hu Jintao on the margins of the G8 Summit in Tokyo, Japan, on the Russian initiative. On the Russian initiative, on 16 June 2009, Yekaterinburg hosted the first BRIC Summit.

In 2013, BRICS accounted for about 27 percent of the global GDP (in terms of the purchasing power parity of their national currencies). The total BRICS population was 2.88 billion (42 percent of the entire global population), and the five countries cover 26 percent of the planet's land. BRICS countries are influential members of leading international organizations and agencies, including the UN, the G20, the Non-Aligned Movement and the Group of 77. They are also members of various regional associations. The Russian Federation is a member of the Commonwealth of Independent States, the Collective Security Treaty organization and the Eurasian Economic Union. Russia and China are members of the Shanghai Cooperation organization and the Asia Pacific Economic Cooperation. Brazil is a member of the Union of South American Nations, MERCOSUR and the Community of Latin American and Caribbean States. The Republic of South Africa is a member of the African Union and the Southern African Development Community. India is a member of the South Asian Association for Regional Cooperation.

In 2009-2016 BRICS countries focused on the following joint priorities. They worked out a common stance on certain regional problems, including the Libyan, Syrian and Afghan problems and the Iranian nuclear programme. They also reached common agreement on financial and economic issues, including World Bank and IMF reforms, measures to ensure that sufficient resources can be mobilized to the IMF to strengthen its anti-crisis potential, the creation of BRICS interbank cooperation mechanism which provides for extending credit facility in local currency and the establishment of the BRICS exchanges alliance.

BRICS is successfully expanding its external relations that were established at the Durban meeting between the five BRICS leaders, the leaders of the African Union and the leaders of eight leading African integration associations. On 16 July 2014, Brasilia hosted the second meeting in this format involving South American heads of state and government. This practice makes it possible to find important points of contact between BRICS and new leading centers of power that are emerging worldwide. The 6th BRICS Summit [15] produced a highly important result. The sides signed the Agreement on the New Development Bank and the Treaty for the Establishment of a BRICS Contingent Reserve Arrangement. These institutions will possess a total of $200 billion. The Leaders also adopted a key decision on launching comprehensive talks regarding the BRICS Strategy for Economic Partnership and a draft BRICS Roadmap for BRICS Trade, Economic and Investment Cooperation. The sides also coordinated subsequent joint steps in topical areas of cooperation such as the resolution of conflicts, IMF reform, the fight against illicit drug trafficking, the use and development of information and communications technologies on the basis of international cooperation and generally recognized principles and norms of international law and the creation of favorable conditions for barrier-free trade.

During the VII Summit [14] BRICS leaders signed Ufa Declaration, Ufa Plan of Actions and Strategy for BRICS Economic Partnership that confirmed the strategic character of BRICS countries partnership and determined the directions of five countries long-term cooperation. Within the framework of the summit a Memorandum of Understanding to establish BRICS joint website board and the Agreement between the BRICS Governments of cultural cooperation were signed. BRICS leaders reached an agreement to open a number of new spheres of cooperation, initiated by the Russian Presidency in the field of youth, migration, industry, energy, peacekeeping, environment, fight against infectious diseases etc. The Russian side also presented a Roadmap for trade, economic and investment cooperation between the BRICS countries up to 2020 year, which includes more than 60 proposals of cooperation from Russian companies.

In 2016, India became the head of the Association. The culmination of its presidency was the eighth summit of BRICS, which was held in the Indian state of Goa on 15-16 October. Its motto was "The Formation of popular, inclusive and collective decisions". The leaders of five countries signed the Declaration of Goa, which expressed a coherent position on issues related to the development of the Association and critical issues. At the summit in Goa were discussed the issues of energy, trade, banking cooperation, agriculture, space utilization and other common spaces, health, education, development of humanitarian contacts and tourism, the fight against poverty and social inequality. In addition to the Declaration was signed a number of sectorial agreements. The BRICS presidency in 2017 were transferred to China, in 2018 - to South Africa, in 2019 - to Brazil and in 2020 - to Russia.

BRICS expansion

BRICS is a group of emerging countries which was formed in 2006, by Brazil, Russia, India, and China, with South Africa joining in 2010. They've been carving their own path in the global landscape, often seen as a counterbalance to the West. During its 15th summit, held in Johannesburg, South Africa, the BRICS leaders announced a major expansion, inviting six new members, who consisted of Iran, Saudi Arabia, Egypt, Ethiopia, and the United Arab Emirates, including Argentina, to join the BRICS alliance. This was a big deal, marking BRICS's growing influence on the global geopolitics, as well as on international economic affairs. And as indicated, from the 1st of January 2024, Iran, Saudi Arabia, Egypt, Ethiopia, and the United Arab Emirates officially joined the BRICS alliance, While Argentina opted not to join. With a combined economy, worth over $28.5 trillion, this was about 28% of the global economy. According to some reports, the inclusion of these new countries signifies a notable shift in the global landscape, which might challenge the established Western-led economic order. And increase the BRICS members' influence in regions traditionally dominated by Western countries. It could also lead to a more diverse set of perspectives within BRICS, which will help address a wider range of global issues. For the new members joining BRICS signifies a commitment to fostering economic cooperation, political dialogue, and mutual support. It also reflects a shift in alliances and a desire to play a more influential role in shaping global policies. The formal inclusion of Iran, Saudi Arabia, Egypt, Ethiopia, and the UAE into BRICS, marks a significant geopolitical shift. It might also come with its own set of challenges. The cultural, political, and economic diversity within BRICS could lead to differences in priorities and approaches.

Ethiopia's engagement with BRICS is driven by the desire to leverage opportunities for trade, investment, technology transfer, and knowledge exchange. Ethiopia seeks to leverage the potential for sustained economic growth while addressing its development obstacles, including skill shortages, regulatory impediments, and inadequate infrastructure. To do this, Ethiopia plans to align with these major rising economies. As BRICS countries continue to assert their influence on the global stage, Ethiopia seeks to position itself strategically within this alliance to access new markets, attract investments, and foster innovation in key sectors of its economy. Furthermore, the study is motivated by the need to understand the specific implications of Ethiopia's affiliation with BRICS for regional integration, global competitiveness, and international cooperation. By examining the prospects and challenges associated with Ethiopia's engagement with BRICS, the study aims to provide valuable insights for policymakers, stakeholders, and researchers interested in the dynamics of South-South cooperation and its impact on developing countries like Ethiopia.

## 1.2. Statement of the Problem

In the current global landscape, superpowers are vying for dominance, and developing countries like Ethiopia face significant challenges in their pursuit of economic growth and regional influence. Ethiopia's formal inclusion in the BRICS group (Brazil, Russia, India, China, and South Africa) represents a pivotal opportunity for the nation to leverage the economic, political, and technological strengths of these emerging economies.

Despite the potential for enhanced trade relations, investment opportunities, and technology transfer, Ethiopia grapples with several obstacles, including inadequate infrastructure, skill shortages, regulatory barriers, and trade imbalances. These challenges impede the country's capacity to align its national policies with the frameworks of BRICS, thereby limiting the mutual gains that could be achieved through this partnership.

Furthermore, there is a notable gap in the comprehensive understanding of how Ethiopia's engagement with BRICS impacts its economic growth, technological advancement, and international relations. This lack of clarity hinders policymakers and stakeholders from effectively assessing the full range of benefits and challenges associated with this collaboration. Therefore, it is crucial to investigate the implications of Ethiopia's affiliation with BRICS, focusing on the specific benefits and challenges it faces, and to propose strategic policy recommendations that can enhance its position within this alliance. By addressing these issues, the study aims to provide valuable insights into the dynamics of South-South cooperation and its impact on Ethiopia's development trajectory.

## 1.3. Objectives of the Study

General objective: Is to analyze the implications of Ethiopia's engagement with the BRICS group (Brazil, Russia, India, China, and South Africa) on the country's economic growth, technological advancement, and international relations.

Specific objectives:

1. To assess the potential benefits of Ethiopia's collaboration with BRICS in terms of trade relations, investment opportunities, and technology transfer.
2. To identify the major challenges and obstacles that Ethiopia faces in maximizing the advantages of its partnership with BRICS.
3. To propose policy recommendations aimed at addressing the challenges and capitalizing on the opportunities presented by Ethiopia's engagement with BRICS for a mutually beneficial partnership.

## 1.4. The Research Questions

The research problem seeks to address the following key questions:

1. What are the potential benefits of Ethiopia's collaboration with BRICS in terms of trade relations, investment opportunities, and technology transfer?
2. What are the major challenges and obstacles that Ethiopia faces in maximizing the advantages of its engagement with BRICS?
3. How can Ethiopia align its national policies with BRICS frameworks to optimize mutual gains and foster sustainable economic growth?

By addressing these research questions, the study aims to provide a comprehensive analysis of the prospects and challenges associated with Ethiopia's engagement with BRICS, offering insights into how the country can navigate the complexities of the alliance to enhance its development trajectory and strengthen its position in the global arena.

## 1.5. Significance of the Study

The author tried to investigate the prospects and challenges of Ethiopia by joining BRICS. It clearly puts review of what Ethiopia will loss and gain being a member of BRICS; it also helps to understand what Ethiopian relation with westerns and developed countries. Thus it contributes to the existing literature on the BRICS alliance and its impact on developing countries, particularly in Africa, by providing a case study analysis of Ethiopia's engagement with the group. This contribution is vital for advancing knowledge in the field, informing future research, and guiding policy decisions related to Ethiopia's participation in BRICS.

## 1.6. Scope of the Research

The main objective of the study is analysing the prospects and challenges of Ethiopia joining BRICS. The study uses different articles, reports, websites, journals, and international media as a data source to get real information. The expletory research approach is used to investigate the issue. It focuses on BRICS expansion, strategic relation with Africa, and prospects & challenges that may pace Ethiopia for being BRICS member.

## 1.7. Organization of the Study

Chapter One introduces the study with the background, problem statement, objectives, research questions, significance, scope, and organization of the study. Chapter Two delves into the economic overview of BRICS member countries, while Chapter Three focuses on the literature review. Chapter Four discusses the methodology and data description, covering research design and data collection methods. Chapter Five presents discussions on various topics such as BRICS initiatives, Three Pillars of BRICS cooperation, impact on the US dollar, comparison with G7, sustainable development goals, Africa and BRICS, trade relations of Ethiopia with BRICS, and the benefits and challenges for Ethiopia. Finally, Chapter Six concludes with recommendations based on the findings. This structured approach ensures a comprehensive analysis of Ethiopia's engagement with the BRICS group across economic, technological, and international relations aspects.

## 2. Economic Overview of BRICS Member Countries

The table 1 below provides key economic indicators for the 10 countries that make up the BRICS bloc according to data from the World Bank for the year 2023. The original BRICS members, consisting of Brazil, Russian Federation, India, China and South Africa, demonstrate both similarities and differences in their economic performance during this period. Brazil reported GDP growth of 2.9%, with imports at 15.7% of GDP and inflation and unemployment rates of 4.6% and 9.5%, respectively. Russian Federation saw GDP growth of 3.6% but higher inflation of 6.0%, with over 143 million citizens living in its vast 17 million square kilometer land area.

Of the original BRICS nations, India reflected the strongest growth outlook at 7.6% GDP expansion according to the World Bank data. Inflation was estimated at a relatively moderate 5.6% while the unemployment rate was 4.2%, reflecting India's growing economy and workforce. With a population surpassing 1.4 billion people inhabiting its 3.3 million square kilometers, India continues to demonstrate significant economic dynamism. China reported GDP growth of 5.2% for 2023, with very low inflation of just 0.2% highlighting its economic stability. Unemployment was estimated at 3.8% for the world's most populous nation, which is home to over 1.4 billion citizens living in its nearly 10 million square kilometer territory. In contrast, South Africa saw more tempered GDP growth of only 0.6% alongside higher inflation of 6.1% and unemployment of 3.1% for its 60 million strong populations.

The document also profiles the five countries recently inducted into the BRICS bloc. Egypt had GDP growth of 3.8% according to the World Bank forecast, with inflation soaring to 33.9% reflecting economic challenges in the region. Unemployment was estimated at 7.3% for its over 110 million citizens residing in the country's 1 million square kilometer area. Ethiopia showed stronger GDP expansion of 7.2% though faced inflation of 32.5% and unemployment was markedly high at 19.1% according to the data. Iran grew by 5% but experienced runaway inflation of 44.6% and 10.7% unemployment across its population of nearly 90 million people living in the 1.6 million square kilometer Middle Eastern nation. Saudi Arabia was the only newly inducted member to see negative GDP growth of -0.8% as well as lower inflation of 2.3% and unemployment of 4.9% for its approximately 37 million citizens. The United Arab Emirates demonstrated growth of 3.4% and very low inflation of 1.9% to go along with just 2.6% unemployment for its population of over 9.5 million within the country's 84,000 square kilometer territory.

***Table 1.*** *Economic over view of the BRICS member countries.*

| **Variables**<br><br>**Countries** | **GDP growth (annual %)** | **Imports of goods and services (% of GDP)** | **Inflation, consumer prices (annual %)** | **Land area (sq. km)** | **Unemployment, total (% of total labour force) (national estimate)** | **Population, total** |
|---|---|---|---|---|---|---|
| Original BRICS members | | | | | | |
| Brazil | 2.9 | 15.7 | 4.6 | 8515767.0 | 9.5 | 216422446.0 |
| Russian Federation | 3.6 | 21.5 | 6.0 | 17098242.0 | 3.1 | 143826130.0 |
| India | 7.6 | 24.0 | 5.6 | 3287263.0 | 4.2 | 1428627663.0 |
| China | 5.2 | 17.6 | 0.2 | 9596961.0 | 3.8 | 1410710000.0 |
| South Africa | 0.6 | 32.7 | 6.1 | 1214470 | 3.1 | 60414495.0 |
| Newly joined BRICS members | | | | | | |
| Egypt, Arab Rep. | 3.8 | 21.3 | 33.9 | 1001450.0 | 7.3 | 112716598.0 |
| Ethiopia | 7.2 | 14.0 | 32.5 | 1104300.0 | 19.1 | 126527060.0 |
| Iran, Islamic Rep. | 5.0 | 26.9 | 44.6 | 1648195.0 | 10.7 | 89172767.0 |
| Saudi Arabia | -0.8 | 27.4 | 2.3 | 2149690.0 | 4.9 | 36947025.0 |

| Variables / Countries | GDP growth (annual %) | Imports of goods and services (% of GDP) | Inflation, consumer prices (annual %) | Land area (sq. km) | Unemployment, total (% of total labour force) (national estimate) | Population, total |
|---|---|---|---|---|---|---|
| United Arab Emirates | 3.4 | 18.7 | 1.9 | 836000.0 | 2.6 | 9516871.0 |

Source: World Bank Group, IMF, NBE

## 3. Literature Review

The relationship between Ethiopia and the BRICS (Brazil, Russia, India, China, and South Africa) countries has been a subject of growing interest in recent years. As one of the fastest-growing economies in Africa, Ethiopia has sought to leverage its strategic location and expanding economic influence to deepen its engagement with the BRICS bloc. This literature review examines the existing scholarly work on the prospects and challenges of this evolving partnership.

Several studies highlight the immense potential for increased economic cooperation between Ethiopia and the BRICS nations. Researchers have noted Ethiopia's growing attractiveness as an investment destination, owing to its large domestic market, young and increasingly skilled workforce, and policy initiatives aimed at industrialization and infrastructure development [7, 10]. The BRICS countries, with their vast financial resources and technological expertise, are seen as crucial partners in Ethiopia's economic transformation.

The literature points to the burgeoning trade and investment ties between Ethiopia and the BRICS countries. Scholars have analyzed the growing volume of trade, with China and India being Ethiopia's largest trading partners among the BRICS [1, 12]. Additionally, the BRICS have become major sources of foreign direct investment (FDI) in Ethiopia, particularly in sectors such as manufacturing, agriculture, and infrastructure [13].

Researchers have also examined the geopolitical significance of the Ethiopia-BRICS relationship. Ethiopia's strategic location in the Horn of Africa, its role as a regional power, and its influence within the African Union have made it an attractive partner for the BRICS countries, who seek to expand their footprint in Africa and counter Western dominance in the region [2, 5].

A recurring theme in the literature is the concern over the asymmetric power dynamics between Ethiopia and the BRICS countries, particularly China and India. Scholars have highlighted the risk of Ethiopia becoming overly dependent on the BRICS, which could lead to the exploitation of its resources and the erosion of its policy autonomy [3, 4].

The growing economic ties between Ethiopia and the BRICS countries present possible environmental and social challenges that are also covered in the literature. Concerns have been voiced by researchers over how large-scale infrastructure projects, resource extraction, and agricultural investments by BRICS countries may affect nearby populations and the environment in Ethiopia [6, 9].

Another challenge identified in the literature is Ethiopia's need to balance its relationships with the BRICS and traditional Western partners, such as the United States and European Union. Scholars have noted the delicate diplomatic maneuvering required maintaining productive relationships with these diverse sets of stakeholders [2, 12].

The literature highlights the significant economic potential of the Ethiopia-BRICS relationship, particularly in the areas of infrastructure development, industrialization, and technology transfer. Researchers have noted that the BRICS countries, with their substantial financial resources and experience in large-scale projects, are well-positioned to support Ethiopia's ambitious development goals [7, 10].

For instance, China has emerged as a leading investor in Ethiopia's manufacturing and infrastructure sectors, with major projects such as the Ethiopia-Djibouti railway and various industrial parks [13]. Similarly, India has made significant investments in Ethiopia's agricultural and information technology (IT) industries, capitalizing on the country's growing workforce and market potential [1].

According to [5], there is evidence in the literature that implies Ethiopia and the BRICS might cooperate economically in areas other than trade and investment, such as technology transfer, skill development, and collaborative research and development projects. Ethiopia's efforts to increase its productive capacity and advance up the value chain in important areas may benefit from this.

Scholars have emphasized the geopolitical significance of the Ethiopia-BRICS relationship, particularly in the context of the evolving global power dynamics and the competition for influence in Africa [2]. Ethiopia's strategic location, its leadership role within the African Union, and its growing economic and political clout has made it an attractive partner for the BRICS countries.

Studies indicate that the BRICS aim to increase their presence in Africa and challenge the established Western hegemony in the area [8]. Strengthening their relationship with Ethiopia is part of the BRICS's strategy to establish a larger presence in the Horn of Africa, which is strategically significant because of its closeness to the Middle East, access to the Red Sea, and role in maintaining regional peace and stability [12].

Moreover, the literature highlights the potential for the Ethiopia-BRICS partnership to reshape the geopolitical landscape in Africa, as it could provide an alternative to the Western-led development models and challenge the existing power structures [4]. This could have far-reaching implications for the continent's political and economic trajectories.

One of the central challenges identified in the literature is the concern over the asymmetric power dynamics between Ethiopia and the BRICS countries, particularly China and India [3, 4]. Scholars have noted that these power imbalances could lead to Ethiopia becoming overly dependent on the BRICS, potentially undermining its policy autonomy and exposing it to the exploitation of its resources and markets.

Many infrastructure projects funded by the BRICS could leave Ethiopia with unmanageable debt, jeopardizing its fiscal sovereignty. This is a concern associated with debt traps, as the literature highlights [3]. Concerns exist over the BRICS corporations' potential to stifle local enterprises and hinder Ethiopia's progress in building its own industrial and technological capacities due to their dominance in specific areas [4].

To mitigate these challenges, the literature suggests that Ethiopia needs to approach its engagement with the BRICS with a clear strategic vision, robust regulatory frameworks, and the ability to negotiate favorable terms in various agreements and contracts [2]. This would require strengthening the countries institutional and negotiating capacities, as well as diversifying its partnerships to maintain a balance of influence.

The literature also highlights the potential environmental and social challenges posed by the increasing economic engagement between Ethiopia and the BRICS [6, 9]. Researchers have raised concerns about the impact of large-scale infrastructure projects, resource extraction, and agricultural investments on local communities, indigenous rights, and the natural environment.

For instance, the literature points to the potential displacement of local populations, the disruption of traditional livelihoods, and the degradation of ecosystems due to the BRICS-backed projects in Ethiopia [6]. There are also concerns about the lack of transparency and community consultation in the planning and implementation of these initiatives, which could exacerbate social tensions and erode public trust.

To address these challenges, the literature suggests that Ethiopia should prioritize sustainable development principles, strengthen environmental and social safeguards, and ensure meaningful participation of local communities in the decision-making processes [9]. Collaboration with civil society organizations and independent monitoring mechanisms could also help mitigate the negative social and environmental impacts of the Ethiopia-BRICS partnership.

# 4. Methodology and Data Description

The research methodology for the study titled "Ethiopia and BRICS: Prospects and Challenges" involves an exploratory approach to gather, analyse, and interpret data to address the research objectives effectively. The methodology encompasses various elements to ensure the robustness and reliability of the findings.

## 4.1. Research Design

The study adopts a mixed-method research design, combining qualitative and quantitative approaches to provide a holistic understanding of Ethiopia's engagement with BRICS. Qualitative methods are utilized to analyse policy documents, academic literature, and stakeholder perspectives, offering in-depth insights into the subject matter. Quantitative methods are employed to assess economic indicators, trade data, and investment trends, providing numerical evidence to support the qualitative findings.

## 4.2. Data Description and Collection

Both Qualitative Data and Quantitative Data where used to provide a holistic understanding of Ethiopia's engagement with BRICS. The following methods of collecting both qualitative and quantitative data were used: - primary data and secondary data were gathered from respective data sources, and the secondary data were gathered from desk-based review by examining important and key documents including: research reports, various strategic documents, national and international journals, plus public and private publications, newspapers, audio-visual and electronic sources, other pertinent databases such as National Bank of Ethiopia (NBE), world bank data base (WB), international monetary fund (IMF) United Nations Conference on Trade and Development (UNCTAD), dissertation abstracts and several journals Were also reviewed.

Qualitative Analysis: Thematic analysis is employed to identify patterns, themes, and key issues emerging from the qualitative data sources, helping to uncover insights and trends. Quantitative Analysis: Statistical analysis of economic indicators, trade data, and investment trends is conducted to quantify the impact of Ethiopia's partnership with BRICS on its development prospects. By following a rigorous research methodology encompassing qualitative and quantitative approaches, the study aims to provide valuable insights into Ethiopia's prospects and challenges in its collaboration with BRICS.

# 5. Discussions

## 5.1. Strategy for BRICS Economic Partnership

The BRICS grouping, which comprises five major emerging economies, has been instrumental in promoting a multipolar world and enhancing the voice of developing countries in global governance. The Strategy for Economic Partnership 2025, which was adopted during the Russian presidency in 2020, is a response to the evolving global landscape characterized by economic volatility, geopolitical tensions, and the need for sustainable development. This document serves as a guiding framework for BRICS nations to work together towards shared goals, ensuring that their collective efforts yield tangible benefits for their populations.

Key Principles of the BRICS Strategy

1. Economic Sovereignty: Each member state's economic sovereignty is respected, ensuring that national interests and priorities are upheld in all cooperative efforts.
2. Commitment to International Law: The strategy emphasizes adherence to international law and recognizes the United Nations' leading role in promoting development and security.
3. Openness and Consensus: The BRICS nations commit to openness in communication and decision-making, fostering a culture of consensus that respects diverse perspectives.
4. Multilateral Trading System: The strategy underscores the importance of a rules-based multilateral trading system, as embodied in the WTO, and advocates against unilateralism and protectionist measures.
5. Sustainable Development: A commitment to sustainable development is central to the strategy, aiming for balanced economic, social, and environmental progress. These principles reflect the BRICS nations' collective vision for a cooperative and inclusive economic future.

Priority Areas of Cooperation

The BRICS Strategy identifies several priority areas for collaboration, each critical to enhancing the economic resilience and competitiveness of member states:

1. Trade, Investment, and Finance:

(1) Enhancing Trade: The strategy aims to enhance trade and economic cooperation by reducing barriers to mutual trade in goods and services. This includes the implementation of the BRICS Action Agenda on Economic and Trade Cooperation.

(2) Investment Facilitation: The BRICS nations seek to facilitate investment flows among member states, particularly focusing on micro, small, and medium-sized enterprises (MSMEs). This involves creating an enabling environment for businesses to thrive and engage in cross-border trade.

(3) Financial Stability: Strengthening financial stability is a key objective, with an emphasis on enhancing cooperation in financial technologies, information security, and the development of domestic capital markets.

2. Digital Economy:

(1) Digital Transformation: The strategy recognizes the importance of digital transformation in enhancing economic competitiveness. BRICS nations aim to leverage digital technologies to improve the quality of life and address the digital divide.

(2) Innovation and Technology: Cooperation in innovation and technology is prioritized, with initiatives to promote research and development, technology exchange, and the establishment of a Digital BRICS Task Force (DBTF) to facilitate collaboration in the digital realm.

3. Sustainable Development:

(1) Climate Change and Energy: Addressing climate change and promoting sustainable energy solutions are critical components of the strategy. BRICS nations commit to collaborative efforts in mitigating climate impacts and transitioning to renewable energy sources.

(2) Infrastructural Development: The strategy emphasizes the need for infrastructural development to support economic growth and connectivity among member states. This includes investment in transportation, logistics, and digital infrastructure.

(3) Human Resources Development: Fostering human capital through education and skills development is essential for achieving sustainable growth. The strategy highlights the importance of inclusive development that engages women, youth, and marginalized communities.

## 5.2. Three Pillars of BRICS Cooperation

1. Political and Security Cooperation

BRICS members are leading members of the United Nations (UN), the G20, the World Trade Organization, the Non-Aligned Movement and the Group of 77, as well as continental and regional organizations, including the African Union (AU), Southern African Development Community (SADC), Southern Common Market (MERCOSUR), Shanghai Cooperation organization (SCO), Asia Pacific Economic Cooperation (APEC), Bay of Bengal Initiative for Multi-Sectorial Technical and Economic Cooperation (BIMSTEC), Commonwealth of Independent States (CIS), Collective Security Treaty organization, Eurasian Economic Union (EEU) and the Indian Ocean Rim Association (IORA), to name but a few.

The Political and Security Cooperation Pillar is the backbone of cooperation with BRICS Leaders usually meeting twice a year – once for the BRICS Summit and once on the margins of the G20 Summit. BRICS Ministers of Foreign Affairs and International Relations also usually meet twice a year – once for a standalone meeting and again on the margins of the UN General Assembly. BRICS national security advisers meet to coordinate a BRICS approach to peace and security matters. BRICS cooperation is built on the principles of mutual respect, sovereign equality, inclusiveness, consensus and strengthened collaboration.

BRICS is a partnership of influential countries who champion inclusive multilateralism. A reformed UN lies at the center of a shared BRICS vision of a restructured global political, economic and financial architecture that reflects the contemporary world and is more equitable, balanced and representative. BRICS has stated its inclusive and representative vision for reform in the Joint Statement on Strengthening and Reforming the Multilateral System, adopted in 2021. Other BRICS security mechanisms provide for dialogue and sharing of best practice in the areas of counterterrorism, cyber-security, transnational organized crime, anti-drug and anti-corruption cooperation.

2. Financial and economic cooperation

BRICS countries have been the main engines of global economic growth in recent years. The combined economic strength of BRICS can be a catalyst for sustainable global economic recovery and respond to the disruptions to supply chains and challenges of food and energy insecurity.

The Financial and Economic Cooperation pillar is substantial with meetings of Ministers of Trade, Industry, Agriculture and Energy, to name but a few. The Contact Group for Economic and Trade Issues works in support of the ministers by proposing institutional frameworks and measures to expand cooperation on economic and trade issues among the BRICS countries.

The revised Strategy for BRICS Economic Partnership provides the basis for enhancing intra-BRICS economic interaction and cooperation, including opportunities for market access and to facilitate market inter-linkages, promote mutual trade and investment, create a business-friendly environment and diversify trade and investment cooperation that supports value addition. BRICS has agreed to strengthen collaboration in catalytic sectors such as energy; information and communications technology; science, technology and innovation; agriculture; and the green economy.

The BRICS Business Council and the BRICS Women's Business Alliance bring together important commercial corporate and women's entrepreneurial networks vital to broader socio-economic growth and recovery.

The New Development Bank (NDB) was established in 2015 with a AAA and AA+ credit rating to play a catalytic role in providing financial support to emerging markets and developing countries for infrastructure gap, sustainable development and equity in power-sharing. The location of the NDB Africa Regional Centre in Johannesburg is aimed at enhancing infrastructure development on the continent. In 2021, the NDB welcomed Bangladesh, Egypt, the United Arab Emirates and Uruguay as new members, firmly positioning the Bank as a preferred global financing mechanism for emerging markets and developing countries.

3. Cultural and people-to-people cooperation

BRICS cooperation provides tangible benefits for South Africa through research and innovation, energy, health and education cooperation. More than 100 multilateral BRICS research projects have been funded under the BRICS Framework Programme. The BRICS partnership involves a strong commitment to joint ownership and shared responsibility, the real and open sharing of experience, expertise and resources; and a determination to contribute BRICS respective, comparative scientific and technological strengths for the advancement of the global good.

In 2021, BRICS space agencies signed the Agreement on the Cooperation on BRICS Remote Sensing Satellite Constellation. This agreement enables cooperation among BRICS space agencies to build a virtual constellation of remote sensing satellites, as a data-sharing mechanism, made up of existing satellites contributed by BRICS space agencies. The establishment of a virtual BRICS Vaccine Research and Development Centre in 2022 will strengthen global capacities to prepare for, and respond to, pandemics.

BRICS cooperation further aims to accelerate industrialization under the Fourth Industrial Revolution BRICS platforms have been established to share best practice, knowledge and expertise, including the use of open-source technology platforms. BRICS countries seek to move towards a low-carbon development path that is inclusive and sustainable while acknowledging the principles of common but differentiated responsibilities. The BRICS Energy Research Cooperation Platform will be valuable as BRICS moves to diversify its energy sources.

BRICS education cooperation has enabled the sharing of information and a better understanding among member states of their education systems. BRICS education cooperation has resulted in the establishment of the Network of BRICS Universities in 2018. The BRICS Academic Forum and BRICS Think Tank Council have developed academic and institutional ties that provide BRICS Leaders with a knowledge base and the chapters of the BRICS Civil Forum provide a feedback loop on the impact of BRICS policies on the ground in communities.

People-to-people cooperation manifests through art, film and cultural exchanges; the BRICS Film Festival; BRICS cultural events; BRICS Games; increased access to capital for infrastructure and sustainable development; enhanced research and innovation; recovery of the tourism sector; investment and trade; more opportunities for businesspeople, researchers and students; the empowerment of women, girls and the youth; and increased living standards of our people.

## 5.3. Does BRICS's New Currency Replace the US Dollar

To understand the potential impact, we need to look back at how the US dollar rose to dominance. After the dust of World War II had settled, the Bretton Woods Agreement was signed in 1944. This pivotal agreement established the US dollar as the backbone of global finance. The dollar was now the benchmark for all international trade, with other currencies pegged to its value. But the dollar's influence didn't stop there. It was also the currency of choice for oil transactions worldwide, further cementing its place at the heart of the global economy. This phenomenon, often referred to as petrodollar, added yet another layer of demand for the US dollar on the international stage. The world trusted the US economy and by extension its currency. This trust stemmed from the United States economic stability, robust financial institutions, and the sheer size of its economy.

As the largest economy in the world, the US provided a sense of security that was hard to match. But it wasn't just about size or stability. The US also had a reputation for respecting the rule of law, especially when it came to protecting investors' rights. This respect for law and order attracted foreign investors who saw the US as a safe haven for their investments. And so the US dollar became the world's default currency. It was used not just for trade and oil transactions, but also as a reserve currency by central banks around the world. This meant that even countries that had little to no direct trade with the US still needed to hold vast amounts of dollars to facilitate their international trade. However, the US dollar's position is not unchallenged.

One of the key proposals being discussed is the creation of a new BRICS currency, which could be backed by a basket of the member countries' currencies or even pegged to gold. The rationale behind this idea is that a BRICS currency could provide a viable alternative to the US dollar, particularly for trade and investment within the BRICS bloc and with other developing economies. However, the feasibility and potential impact of a BRICS currency remain highly debated. Experts have raised several challenges that would need to be overcome for such a currency to truly challenge the dollar's status. Firstly, the BRICS countries have significant economic and political differences, which could hinder the development of a unified monetary system. For example, China's economic might and influence would likely dominate any BRICS currency, raising concerns among smaller members about ceding too much control to Beijing. Additionally, the varying levels of financial development, currency convertibility, and monetary policies within the BRICS group could complicate the creation and management of a shared currency. Secondly, the US dollar's position as the world's reserve currency is deeply entrenched, with the currency being used in the majority of global trade and financial transactions. Displacing the dollar would require a massive shift in the international financial system, which would not happen overnight. The widespread use of the dollar in global trade, the dominance of US financial institutions, and the lack of a clear alternative have all contributed to the dollar's resilience.

In the long run, the emergence of a BRICS currency or a broader shift away from the US dollar's dominance could have significant geopolitical and economic implications. It could potentially reduce the influence of the United States, weaken the effectiveness of US sanctions, and create a more multipolar global financial system. However, the path to such a transformation remains uncertain and fraught with challenges. Ultimately, while the idea of a BRICS currency has gained traction, the reality of it replacing the US dollar as the global reserve currency in the near future appears highly unlikely. The dollar's entrenched position, the BRICS countries' internal differences, and the formidable obstacles to creating a viable alternative currency all suggest that the US dollar will likely retain its dominant status for the foreseeable future. Nevertheless, the on-going discussions and efforts by the BRICS nations to reduce their reliance on the dollar could gradually chip away at its hegemony over time.

## 5.4. Africa and the BRICS

BRICS countries can enhance the way African countries are financing their infrastructure. In fact, financing is usually available for projects in single countries rather than for those shared by a number of countries, such as intra-regional infrastructure. This model of investment does not help regional integration of African countries. During their last summit in Durban, the BRICS highlighted the need to establish a new funding model that promotes multi-country projects which, in turn, would accelerate the pace of regional integration. In order to enhance their global role in funding investments and to foster South-South partnerships, BRICS countries announced their intention to launch their own development bank, the ‘New Development Bank’. According to the BRICS leaders, this bank would play an important role in boosting the group’s investments in Africa.

The BRICS group, comprising Brazil, Russia, India, China, and South Africa, has emerged as a significant economic force on the global stage over the past two decades. With their combined GDP now accounting for over 31% of the world's total, the BRICS nations have sought to increase their economic and political influence, particularly in the developing world, including the African continent. The BRICS acronym was coined in 2001 by Goldman Sachs economist Jim O'Neill, who predicted that the economies of Brazil, Russia, India, and China would come to dominate the global economy by 2050 [11]. South Africa was later added to the group in 2010, forming the BRICS bloc. The BRICS countries have experienced rapid economic growth in recent decades, driven by factors such as industrialization, urbanization, and the expansion of their middle classes [18]. This rise has coincided with a renewed focus on Africa, as the BRICS nations seek to secure access to the continent's natural resources, expand trade and investment opportunities, and increase their geopolitical influence.

Motivations for BRICS Engagement with Africa

The BRICS countries have several key motivations for deepening their economic ties with Africa:

1. Access to natural resources: Many African countries are rich in natural resources, such as minerals, energy, and agricultural commodities, which are in high demand from the industrializing BRICS economies [2].
2. Diversification of economic partnerships: The BRICS seek to reduce their dependence on traditional Western markets and institutions, and to increase their influence in shaping the rules of the global economy [17].
3. Expansion of trade and investment opportunities: Afri-

ca's growing population and emerging middle class represent attractive consumer and investment markets for BRICS firms [4].

4. Geopolitical influence: Deepening economic ties with Africa can help the BRICS countries increase their global political influence and challenge the dominance of Western powers [16].

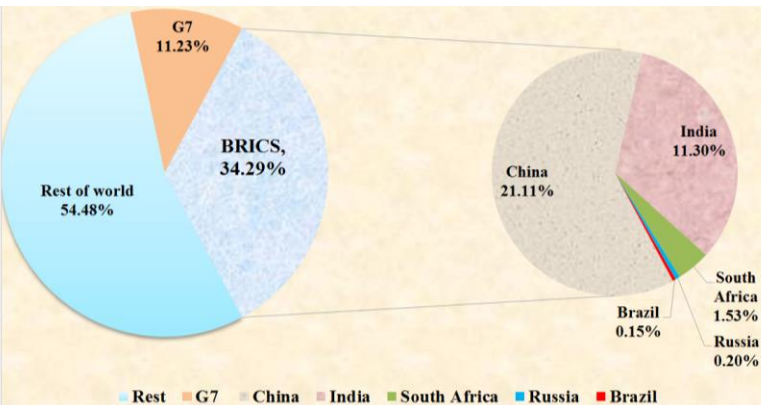
Trade and investment between BRICS countries and Africa have surged in recent years. The proportion of BRICS exports to African imports increased from 8.17% in 2001 to 18.58% in 2010, while the ratio of BRICS imports to African exports rose from 7.7% to 20.7% during the same period. China has been the most active, becoming Africa's largest trading partner with bilateral trade exceeding $200 billion in 2021. Concerns have been raised about debt sustainability, resource exploitation, and environmental impacts of Chinese investments in Africa. India has also strengthened economic ties with Africa, focusing on agriculture, pharmaceuticals, and technology. Brazilian engagement with Africa has grown in agricultural products, minerals, and manufacturing. Russia's economic involvement has been sporadic, primarily in energy, mining, and arms sales. As African countries navigate their partnerships with the BRICS, it is crucial for them to protect their interests, ensure fair and sustainable deals, and utilize BRICS resources for development. Effective management and oversight are essential to ensure equitable benefits and mitigate risks in this evolving economic relationship.

## 5.5. Trade Relationship of Ethiopia with BRICS Member Countries

Ethiopia has been actively engaging in trade and diplomatic relations with the BRICS member countries, namely Brazil, Russia, India, China, and South Africa. These relationships have been beneficial for Ethiopia's economic development, regional integration, and international cooperation (ENA). The trade relationship between Ethiopia and BRICS nations has been growing steadily, driven by various factors such as Ethiopia's economic growth, its strategic location, and the increasing importance of BRICS in the global economy.

China is Ethiopia's largest trading partner among the BRICS nations. The trade relationship is characterized by a significant trade imbalance, with Ethiopia primarily exporting primary commodities such as coffee, oil seeds, and leather products, while importing machinery, electronics, and manufactured goods from China. India is one of Ethiopia's major trading partners among the BRICS nations. The trade relationship is diverse, covering sectors such as textiles, pharmaceuticals, machinery, and agricultural products. Ethiopia exports goods like coffee, oil seeds, and pulses to India, while importing various manufactured goods. Trade between Ethiopia and South Africa has been growing steadily. Ethiopia exports commodities like coffee, oil seeds, and spices to South Africa, while importing machinery, vehicles, and chemicals. There is potential for further trade expansion, particularly in sectors such as mining, tourism, and manufacturing. Trade between Ethiopia and Russia has been growing, with a focus on sectors such as energy, mining, and agriculture. Ethiopia exports commodities like coffee, oil seeds, and spices to Russia, while importing machinery, vehicles, and chemicals. Ethiopia's trade with Brazil has been relatively limited, with a focus on agricultural products such as coffee, sesame seeds, and oil seeds. There is potential for further trade expansion, particularly in sectors such as agriculture, livestock, and agro-processing. In addition to trade, Ethiopia has also attracted investment from BRICS member countries. Chinese investment, in particular, has been significant, with Chinese companies involved in various sectors such as infrastructure development, manufacturing, and agriculture. Other BRICS nations have also shown interest in investing in Ethiopia, particularly in sectors such as energy, mining, and manufacturing.

### 5.5.1. Import Trade




Source: author compilation based on NBE data

***Figure 1.*** *Ethiopian import trade percentage share with BRICS, G7, and rest of world at 2022/23.*

Ethiopia has been developing trade relations with BRICS member countries, particularly China and India. These countries have become increasingly important trading partners for Ethiopia, especially as sources of imports. China has emerged as a significant trading partner for Ethiopia. The trade between the two countries has seen a drastic increase, with China being one of the major sources of imports for Ethiopia. Ethiopia imported over 3.6 billion US dollars' worth of goods and services from China as in 2022/2023, accounting for around 21.11 percentage of its total yearly imports. India is another important trading partner for Ethiopia (As shown in the above figure). Ethiopia imported over 2 billion US dollars' worth of goods and services from India as in 2022/2023, accounting for around 11.3 percentage of its total yearly imports. The two countries have strong economic and political relations, and India has been actively involved in various sectors in Ethiopia, including education and investment. Indian companies have also been acquiring land in Ethiopia, further strengthening the trade ties.

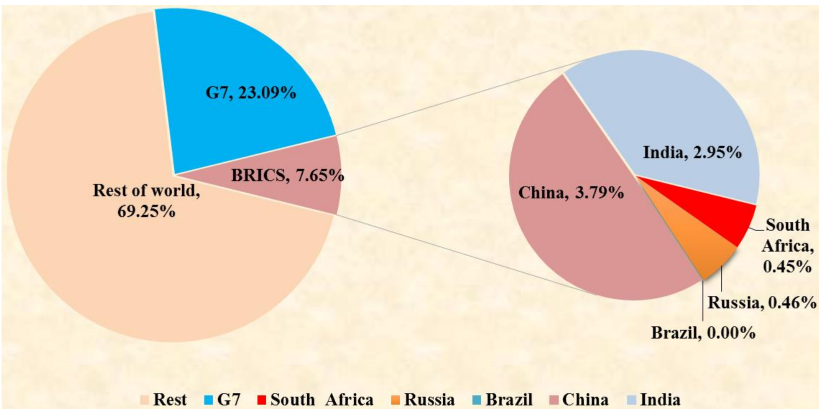
### 5.5.2. Export Trade

Ethiopia mainly exports crude materials and food and live animals, there are signs of a gradual diversification towards manufactured goods, especially leather goods. Despite this progress, Ethiopia's current trade relations with BRICS countries still reflect a typical North-South pattern, that is trade relations refers to the economic dynamics between developed countries (North) and developing countries (South). In this pattern, developed countries typically export manufactured goods and technology-intensive products, while developing countries primarily export raw materials and commodities. However, there is a window of opportunity for Ethiopia to transform its economy and diversify its exports by strengthening its trade relations with BRICS member countries.

Strengthening trade relations with BRICS countries provides Ethiopia with access to larger markets for its exports, allowing for increased trade volumes and potential economic growth. By expanding trade with BRICS countries, Ethiopia can diversify its export base beyond primary products, such as crude materials, and move towards exporting more manufactured goods, including leather goods. Increased trade with BRICS member countries can contribute to Ethiopia's economic growth by attracting foreign direct investment, promoting technological transfer, and creating employment opportunities. Consolidation trade relations with BRICS countries can facilitate knowledge and skills transfer, allowing Ethiopia to benefit from the expertise and experiences of these countries in various sectors.

Ethiopia primarily exports agricultural products, including coffee, oil seeds, spices, textiles, garments, leather products, including footwear and bags and others. These products contribute significantly to Ethiopia's export earnings and trade relationship with its trade partners.

China stands as a prominent export destination for Ethiopian products within the BRICS countries. In the fiscal year 2022/2023, Ethiopia successfully exported goods and services valued at more than 137 million US dollars to China, constituting approximately 3.1% of its total annual exports. Additionally, India holds significant importance as a trading partner for Ethiopia, as depicted in the provided figure. Ethiopia's exports to India reached a value of over 106 million US dollars in the same fiscal year, accounting for approximately 3% of its overall yearly exports.




Source: author compilation based on NBE data

***Figure 2.*** *Ethiopian export trade percentage share with BRICS, G7, and rest of world at 2022/23.*

## 5.6. Can Ethiopia Benefit from BRICS

Ethiopia, a rapidly developing African nation, has caught the attention of global economic powers due to its promising growth potential and strategic location. Amidst this context, the possibility of Ethiopia joining the BRICS group – comprising Brazil, Russia, India, China, and South Africa raises important questions about the potential benefits and risks for the country's domestic development and its relationship with Western powers. This brief article will delve into the key advantages, risks, and potential implications of such a move for Ethiopia.

A, potential benefits for Ethiopia

1. Enhanced Economic Cooperation: Joining BRICS would allow Ethiopia to deepen its economic cooperation with emerging markets. By tapping into the immense potential of BRICS countries, Ethiopia can benefit from increased trade opportunities, foreign direct investment, and access to technology. This partnership would amplify Ethiopia's economic growth, diversify its export markets, and provide broader opportunities for its emerging industries, particularly in agriculture, manufacturing, and the service sector.
2. Infrastructure Development: Being a member of BRICS could provide Ethiopia with access to funding and expertise for much-needed infrastructure development projects. BRICS nations have a history of investing heavily in infrastructure, and Ethiopia could benefit from such knowledge transfer and financial support. Improved infrastructure, including transportation and energy networks, would attract more investments and stimulate industrial growth, facilitating Ethiopia's progression towards becoming a middle-income country.
3. Strengthened Political and Regional Influence: For Ethiopia, BRICS membership would bolster its political influence on the international stage. By aligning itself with emerging powers who advocate for multi polarity in global affairs, Ethiopia can enhance its role in shaping regional policies and fuel the collective representation of emerging economies. This increased influence within BRICS forums would provide Ethiopia with a platform to raise its concerns, advocate for Africa's interests, and accelerate the realization of the African Union's development goals.

B, Potential implications for relations with western powers

Ethiopia's membership in BRICS could potentially strain its relationship with Western powers, particularly those that provide substantial aid and investment. However, it is crucial to emphasize that Ethiopia's engagement with BRICS does not have to be a zero-sum game at the expense of Western partnerships. Through skill full diplomacy and transparent communication, Ethiopia can assure Western powers that its BRICS membership serves to complement existing relationships, not undercut them. This would help maintain cordial ties, trade links, and continued cooperation on development projects and socio-political reforms initiated by Western partners.

Ethiopia's potential entry into the BRICS group presents an opportunity for the nation to shape its future in various spheres, including economic growth, infrastructure development, and political influence. Despite potential risks and challenges, Ethiopia's assertive membership in BRICS can positively impact its domestic development, provided it maintains a balanced approach, avoids over-dependency on specific BRICS nations, and continues to uphold democratic values and human rights. While navigating its relationship with Western powers, Ethiopia should convey its commitment to mutually beneficial cooperation and ensure that it's BRICS membership complements, rather than undermines, existing partnerships.

C, Production and transfer of knowledge within the BRICS

It is traditionally assumed that pure and applied sciences can generate technologies which, depending on the capacity of absorption by the market and of the scale of the consumer public, may be characterized as innovations. This linear chain has long developed away from the free and uncommitted production of knowledge on the opposing end, linked to the demands of the consumer market.

Recent reality makes it plain that the form of producing and transmitting knowledge has changed radically and profoundly. Historically, science has been based on the individual freedom of teaching and on lines of research that characterized the classic researcher, whose primary function, alone or together with his/her students and rare partners, has been to widen frontiers beyond the state of the art. In general, the main motivations are the challenges inherent to the sub-area, and eventual future applications are defined in other contexts and in times of different scales, depending on the specific line of research.

The countries of the BRICS group, including Brazil, taking into account their respective singularities have demonstrated in general, along the last few decades, an extraordinary ability to increase the capacity to produce knowledge with an increasing scientific production at levels well above the world average in almost all areas. On the other hand, they have shown up to now a remarkable fragility in the transmission of knowledge to the productive sector, with China being a separate case; in Brazil, the exception are the areas of agrobusiness and very few well identified industrial sectors.

To worsen the picture, scientific production indicators have changed in such a way that a new dynamics forces the demands of society to become defining elements, albeit not the only ones, of the main research programs. In other words, what until recently had a complementary weight assumes hitherto unprecedented preponderance. From almost individual research we have quickly jumped to the indispensable research networks; we are migrating from almost isolated lines of research to multidisciplinary programs motivated by generally complex demands, untreatable in the light of isolated research lines or individuals, requiring multiple arrangements and approaches by integrated teams coming from several areas.

In other words, such movements can be described through the gradual substitution of the linear chain, which imposed a distance between science and innovation that were placed in opposing ends of a complete circle comprising science, technology and innovation. In this chain, innovation demands influence and in a certain way defines the course of science, depending on the specific area of knowledge.

From this re-structuring new stimuli result for the researcher, in addition to his/her classic action in universities or research centers, to explore almost virgin areas: in the case of Brazil, in technological institutions or research and development sectors within enterprises. Such areas influence, in their turn, through interaction with the demands, the research programs and the themes selected for the guidance of students.

These changes bring up the need for these countries to profoundly rethink the way in which they have been producing knowledge. Moreover, the forms of knowledge transmission require urgent analysis starting from the question of how to form able professionals, prepared to act in a scenario where innovation will play a central role, until now unknown. The usual methodologies are characterized by the practice of professors who, in imparting knowledge, presuppose apprentices who do not know anything about the subject being taught. These are pedagogies based on study only after classes and assessing later whether the student has learned or not.

Such practices are essentially contrary to the world of permanent education and are incongruous with the current educational revolution, characterized by a reality in which knowledge is increasingly accessible, instantly made available and distributed free of charge. In this new scenario, to stimulate self- instructing processes in their upper limits and to explore study before the classes methods that acquire a new dynamics of a different quality and nature are indispensable ingredients for the formative processes of citizens compatible with the world of innovation.

Finally, Ethiopia can greatly benefit from its engagement with BRICS by leveraging increased trade, attracting foreign direct investment (FDI), and accessing technology transfers, which are essential for addressing infrastructure deficits and promoting economic growth. In 2022, Ethiopia's trade with China, its largest trading partner, reached approximately 6 billion, while India′sinvestmentsinsectorsliketelecommunicationsandpharmaceuticalssurged, withover1 billion in FDI committed. This highlights the potential for economic diversification and infrastructure development through Ethiopia's strategic partnership with BRICS.

### 5.7. Risks and Challenges for Ethiopia

1. Dependency and Partnership Imbalance: Ethiopia must be vigilant to avoid becoming overly dependent on certain BRICS countries, particularly China, in economic and political spheres. To mitigate this potential risk, Ethiopia should aim for balanced partnerships that diversify its relationships with BRICS members and engage in responsible debt management strategies.
2. Western Powers' Reaction: Ethiopia's entry into BRICS could create friction with Western powers that might perceive this move as a diminishing influence on the African continent. Consequently, Ethiopia must take proactive steps to assure Western nations that its BRICS membership is not intended to replace existing partnerships but to complement them, ultimately fostering mutually beneficial cooperation in a multipolar global system.
3. Possible Clash of Values: Ethiopia's alignment with BRICS could potentially challenge its domestic and Western-backed democratic and human rights standards. Confronting this concern, Ethiopia must ensure that its entry into the BRICS group does not compromise its commitment to democratic governance and adherence to universally recognized human rights norms.

## 6. Conclusion and Recommendation

The study aimed to analyse the prospects and challenges of Ethiopia's engagement with the BRICS group, specifically in terms of trade relations, investment opportunities, technology transfer, policy alignment, and implications for development. Based on the analysis presented in the previous chapters, the key conclusions are summarized below.

The findings indicate that Ethiopia stands to gain significant benefits from its partnership with BRICS nations. There are opportunities to expand bilateral trade relations and access new export markets, particularly with large economies like China, India, and Brazil. Increased trade flows can boost Ethiopia's foreign exchange earnings and support industrialization. Ethiopia can also leverage the substantial investment capital available from BRICS countries to address infrastructure gaps and develop priority sectors. Technology transfers from advanced BRICS members such as China and India can help Ethiopia acquire new skills and technologies critical for productivity growth. Overall, if properly harnessed, Ethiopia's collaboration with BRICS presents mutually beneficial opportunities for sustainable economic development.

However, the study also identified several challenges that Ethiopia must overcome to maximize the advantages of its BRICS engagement. Key among these is deficiencies in physical infrastructure like transport and energy networks that hamper connectivity. There are also skill shortages and regulatory bottlenecks inhibiting investment and technology adoption. Ethiopia needs to address these constraints to become a more attractive partner for BRICS. Additionally, differences in priorities and approaches among the diverse BRICS members could potentially strain cooperation. Ethiopia will have to skillfully navigate these internal dynamics within the alliance.

The findings emphasize that aligning Ethiopia's national policies with BRICS frameworks is essential to optimize mutual gains. Ethiopia should formulate strategies focusing on trade facilitation, investment promotion, skills development, and regulatory reforms. It is also important that Ethiopia coordinates closely with other African nations under the African Union to present a united continental front. This will strengthen Ethiopia's bargaining position within BRICS and help leverage the partnership to advance African interests.

If challenges are addressed, Ethiopia's engagement with BRICS could significantly boost the country's global competitiveness. Access to larger markets, capital, and technology transfers facilitated by BRICS can support Ethiopia's structural transformation and economic diversification. This will make the economy more resilient while generating jobs and shared prosperity. Regionally, collaboration under BRICS presents opportunities for Ethiopia to play a leading role in East African integration. Ethiopia's partnership with BRICS also opens avenues for new forms of South-South cooperation and strengthens its voice on global issues.

Based on the conclusions, the following recommendations are proposed:

Ethiopia should formulate a comprehensive strategy and action plan to optimize trade and investment linkages with BRICS nations. The strategy should prioritize improving trade facilitation, addressing non-tariff barriers, and promoting exports of value-added goods and services.

Concerted efforts are needed to attract larger FDI inflows from BRICS, especially in priority sectors like manufacturing, agriculture, and infrastructure. This involves providing targeted fiscal incentives, strengthening contract enforcement, and establishing special economic zones.

A skills development roadmap should be developed to align training programs with the technology and skills requirements of BRICS investors. Technical and vocational education should be revamped while university curricula are reformed to produce industry-ready graduates.

Regulatory reforms are required to establish a more conducive business environment for BRICS firms. This involves streamlining business registration and licensing, strengthening contract enforcement, and implementing investor protection and trade facilitation measures.

Ethiopia must leverage its membership within multilateral institutions like the African Union to foster cooperation among African states. A united African front will strengthen Ethiopia's voice and influence within BRICS to promote continental interests.

Continuous engagement and high-level diplomatic outreach with BRICS members is needed to build trust and understanding. Joint working groups should be established to coordinate cooperation frameworks, address challenges, and maximize mutual benefits.

## Abbreviations

| | |
|---|---|
| BRICS | Brazil, Russia, India, China, South Africa |
| EEA | Ethiopian Economics Association |
| AU | African Union |
| GAI | Goal Achievement Index |
| GDP | Gross Domestic Product |
| G7 | Canada, France, Germany, Italy, Japan, United Kingdom, and United States |
| EEU | Eurasian Economic Union |
| IFIs | International Financial Institutions |
| IMF | International Monetary Fund |
| CIS | Commonwealth of Independent States |
| NBE | National Bank of Ethiopia |
| NDB | New Development Bank |
| ENA | Ethiopian News Agency |
| UNCTAD | United Nations Conference on Trade and Development |
| IORA | Indian Ocean Rim Association |
| WDI | World Development Indicators |
| US | United State |
| UAE | United Arab Emirates |
| SADC | Southern African Development |
| SCO | Shanghai Cooperation Organization |
| APEC | Asia Pacific Economic Cooperation |

## Author Contributions

Wondimu Mekonnen is the sole author. The author read and approved the final manuscript.

## Conflicts of Interest

The author declares no conflicts of Interest.

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