In 2001 Jim O’Neill, a British economist and chairman of Goldman Sachs Asset Management in London, coined the acronym BRIC in a Goldman Sachs research paper on global economics entitled ‘Building Better Global Economic BRICs’. In his paper he stressed the following facts: that in 2001 and 2002, real GDP growth in large emerging market economies would exceed that of the G7; and that at the end of 2000, GDP in US dollars on a PPP (purchasing power parity) basis in Brazil, Russia, India and China (BRIC) was about 23.3 per cent of world GDP. Furthermore, on a current GDP basis, the BRICS countries’ share of world GDP was 8.0 per cent. Using current GDP as a standard measure, China’s GDP was larger than that of Italy. Within the next ten years (2001–2011), the combined weight of the BRICs and especially China in terms of world GDP would grow exponentially, raising important issues about the combined BRICs’ global economic impact in terms of fiscal and monetary policies. Moreover, given these, the world policymaking forums should be reorganized in such a way that the BRICs nations had representation in the G7.¹

With that said, in 2010 South Africa was invited to join the high-profile BRIC countries and the acronym was extended to BRICS. Currently, there are reports that Indonesia may become part of the BRICS economic alliance, stretching the acronym even further to BRICSI. According to P.K. Basu, regional head of Maybank in Singapore, in a conversation with the BBC, ‘You can add it as a sixth BRICS, perhaps making it BRICSI’.² ‘McKinsey & Co. predicts that Indonesia will be the seventh-largest economy in the world and will add ninety million people to its middle class by 2030. There are forty-five million middle-class Indonesians today and the country ranks as the sixteenth largest economy in the world.’³
This whole BRICS economic alliance is not without outside sceptics. A great many analysts question repeatedly what these five countries actually have in common. And then there is the consensus by many that China is the major driving force behind this economic alliance. There seem to be three different opinions about this concept: the first is sceptical about China as by far the most dominant player and its exact global economic aspirations; the second sees the BRICS as a future economic alliance powerhouse; and the third identifies the BRICS' united strength and its intent to challenge the status quo of the world financial order designed by the World Bank and the International Monetary Fund.

At the BRICS’ last summit meeting in Durban in 2013, the alliance identified and agreed on a number of key factors: the BRICS infrastructure investment over the next five years will be approximately $4.5 trillion; a Contingent Reserve Arrangement would be initiated which is technically a BRICS financial reserve. The group settled on an initial amount of $100 billion. Also on their agenda was the establishment of the BRICS Business Council. The Council is charged with providing business-to-business links within the group. In Durban, they also created a BRICS think-tank council for idea formulation and a BRICS academic forum to focus on very specialized subjects of concern for all BRICS member countries.

The China sceptics make the case that everything that’s agreed to at these summits is technically a fulfillment of China’s ambitious agenda. Historically, China has repeatedly gone on record making the argument that the world financial order is too American- and too European-focused and that the emerging markets economies have a weaker voice in the global economy. And in support of their thesis, the sceptics point to an endless amount of proof, but one piece of evidence in particular is an article in the Apple Daily, a Hong Kong and Taiwan Chinese language newspaper that reported that the aforementioned Contingent Reserve Arrangement would be 41 per cent financed by China to the amount of $41 billion.4

Moreover, the article further quotes a Peking University professor named Xia Yeliang who makes the argument that China is basically bankrolling the proposed Reserve Arrangement to win influence among the BRICS members as well as other emerging market economies:

‘China is doing it to increase its say; it’s playing the part of investor in many international organizations in the hope of being able to formulate things even rewrite the rules of the game.’5 Also at the