

Emergence of New Development Bank: Analyzing the Impact on BRICS Nations and the World Order

Authors : Urvi Shah, Anmol Jain

Abstract : The talks of a New Global Order have been doing rounds since the advent of 21st century. Similar change in global scenario was witnessed when the Bretton Woods System came up post the World War II. The changing world order has been analyzed by using the Purchasing Power Parity (PPP) and Nominal Gross Domestic Product (GDP) estimates. The PPP and Nominal GDP methods show the purchasing power and financial background of the countries respectively, which helps in knowing both real and nominal financial strength of the country. Today, the rising powers of BRICS are posing new challenges to the world order shaped by the West. BRICS, i.e. Brazil, Russia, India, China and South Africa, countries have at various instances represented the interests of developing countries at world forums. The pooled population of these nations accounts for 41.6% of the total world population which gives a very resilient idea of the workforce or human resources which is mobilized by them. They have a combined GDP (PPP) of around 30.57% of the total world GDP (PPP). The paper tries to analyze the prospects and impact of the New Development Bank (NDB) formerly known as the BRICS Bank, on world economy, which has the potential to act as a rival to West dominated IMF and World Bank. The paper studies the paradigm shift in the global order, impact of the NDB on third world nations and the developed nations. The study concluded that the relative positions of BRICS countries in the world economy are changing, irrespective of the measurement methodology being US\$ or the PPP model.

Keywords : BRICS, New Development Bank, Nominal GDP, purchasing power parity

Conference Title : ICIPEP 2017 : International Conference on International Political Economy and Development

Conference Location : London, United Kingdom

Conference Dates : January 19-20, 2017