

## **THE BRICS ERA: INDONESIA'S PATH TO SUSTAINABLE TRADE LAW AND DEVELOPMENT**

**(Balancing Growth, Sustainability, and Rights in Trade)**

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### **ABSTRACT**

Indonesia's decision to join BRICS signifies a major shift in its economic and geopolitical strategy, offering new trade opportunities, financial access, and diplomatic leverage among emerging economies. This study examines the benefits and challenges of Indonesia's BRICS membership, focusing on trade relations, environmental sustainability, and labor rights. The research problem lies in how Indonesia can maximize BRICS advantages while mitigating economic and regulatory risks. Using a qualitative approach, this paper analyzes policy reports, trade data, and expert opinions to assess BRICS's impact on Indonesia's economy and governance. Results indicate that BRICS provides expanded market access and financing through the New Development Bank, yet challenges arise in balancing regional commitments, sustainable resource management, and labor protection. The study concludes that Indonesia must adopt a strategic approach by maintaining ASEAN and Western ties, fostering economic diversification, and implementing fair trade policies to optimize BRICS' benefits while addressing potential drawbacks.

**Keyword:** BRICS, Trade Law, Sustainability, Human Rights

## A. INTRODUCTION

Indonesia's decision to join BRICS (Brazil, Russia, India, China, and South Africa) marks a significant turning point in its global trade strategy. As the largest economy in Southeast Asia, Indonesia has historically balanced its economic interests between regional and global institutions. Its membership in BRICS signals a shift toward diversifying trade partnerships beyond Western-dominated frameworks such as the World Trade Organization (WTO) and the Organization for Economic Co-operation and Development (OECD).<sup>1</sup> With BRICS economies collectively contributing more than 25% of global output and representing 42% of the world's population, Indonesia's inclusion in the bloc presents new opportunities and challenges.<sup>2</sup> While this integration offers significant economic potential, it also raises concerns, particularly in aligning Indonesia's trade policies with its commitments to environmental sustainability and human rights.

Indonesia's trade policies have traditionally been shaped by its participation in agreements such as the ASEAN Free Trade Area (AFTA). This agreement emphasizes regulatory transparency, labor rights, and sustainable development—principles that are sometimes approached differently within BRICS. Unlike ASEAN, where economic policies are largely harmonized, BRICS operates more as a coalition of major emerging economies with diverse regulatory environments. The BRICS bloc has long sought to reshape the global economic order, advocating for a more balanced system that reduces reliance on Western financial institutions like the International Monetary Fund (IMF) and World Bank.<sup>3</sup> This raises an important question: how will Indonesia adjust its trade laws to fit within BRICS while maintaining its existing commitments to sustainability and human rights?

Environmental sustainability is one of the key areas requiring attention. Indonesia is a leading exporter of palm oil, coal, and minerals—industries that contribute significantly to the national economy but also pose environmental and social risks. In response, the government has introduced initiatives like the IDX Carbon Exchange to regulate carbon emissions.<sup>4</sup> However, BRICS members have varied environmental policies, which could complicate Indonesia's efforts to implement stricter sustainability measures while remaining competitive

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<sup>1</sup> CSIS, "The Latest on Southeast Asia: Indonesia joins BRICS", (<https://www.csis.org/blogs/latest-southeast-asia/latest-southeast-asia-indonesia-joins-brics>), (January 25, 2025).

<sup>2</sup> M. Nach and R. Newadi, "BRICS Economic Integration: Prospects and Challenges", *South African Journal of International Affairs*, Volume 31:2, 2024, page. 151-166.

<sup>3</sup> A. Hurrel, "Beyond the BRICS: Power, Pluralism, and the Future of Global Order", *Ethics and International Affairs*, Volume 32:1, 2018, page. 29-55.

<sup>4</sup> Anih Sri Suryani, "Peluncuran IDX Carbon di Indonesia", *Info Singkat*, Volume XV:19, 2023, page. 16-18.

in the global market. Notably, China's inclusion of its currency in the IMF's Special Drawing Rights (SDR) in 2016 signaled BRICS' growing influence in global financial systems, a shift that could impact Indonesia's ability to implement green finance initiatives.<sup>5</sup>

Another key concern is labor and human rights. The country has made progress in strengthening labor protections, particularly through agreements with the European Union and ASEAN partners.<sup>6</sup> Within BRICS, labor regulations vary significantly, and some member states prioritize economic expansion over stringent labor protections. For instance, tensions between China and India, as well as political and economic instability in Brazil and Russia, demonstrate the challenges Indonesia may face in aligning with BRICS while maintaining its labor standards.<sup>7</sup> As Indonesia deepens its trade ties within BRICS, it will need to navigate potential conflicts between economic incentives and human rights commitments.

This article examines the legal and policy adjustments Indonesia must undertake as it integrates into BRICS. It explores the implications for trade law, environmental sustainability, and human rights protection. Offering insight into how Indonesia can navigate its new role while ensuring long-term economic and social stability.

## **B. RESULTS AND DISCUSSIONS**

### **1. Indonesia's Trade Landscape: Overview of Current Trade Policies, Motivation for Joining BRICS, and Potential Conflicts with Existing Trade Commitments.**

#### **a. Motivations for Joining BRICS**

Indonesia's interest in BRICS primarily stems from its desire to diversify economic partnerships and enhance its geopolitical influence. The BRICS nations, particularly China, are already significant trade partners for Indonesia.<sup>8</sup> In 2022, Indonesia's trade with BRICS nations was substantial, with exports totaling \$93.16 billion and imports reaching \$85.44 billion.<sup>9</sup> Given that strong trade relationship, BRICS membership could further open access to new markets and investment channels. One of the main economic benefits

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<sup>5</sup> M. Nach and R. Newadi, *Id.*, page. 151-166.

<sup>6</sup> Dodik Setiawan Nur Heriyanto, "Klausula Terkait Perlindungan terhadap Buruh Migran dan Urgensinya untuk Diatur Secara Khusus di dalam Perjanjian Perdagangan Bebas antara ASEAN dan Uni Eropa", *Jurnal Hukum IUS QUIA IUSTUM*, Volume 22:3, 2015, page. 330-331.

<sup>7</sup> N. Duggan *et.al*, "Introduction: The BRICS, Global Governance, and Challenges for South-South Cooperation in a Post Western World", *International Political Science Review*, Volume 43:4, 2022, page. 469-480.

<sup>8</sup> Asep Setiawan, Indonesia's Joins BRICS: Balancing Economic Opportunities and Geopolitical Challenges in a Multipolar World", *JLPH: Journal of Law, Politic, and Humanities*, Volume 5:3, 2025, page. 2078.

<sup>9</sup> C. A. Naim and F. Hasanah, "Deconstructing the Empire: BRICS and the Rise of a Multipolar World", *Andalas Journal of International Studies (AJIS)*, Volume 13:1, 2024, page. 80.

of joining BRICS is access to the New Development Bank (NDB), which offers an alternative source of financing for infrastructure and development projects. However, the NDB's financial capacity remains relatively modest compared to larger institutions like the World Bank and the Asian Development Bank, raising questions about the extent of its impact on Indonesia's economic growth.<sup>10</sup>

Beyond economic initiatives, BRICS membership aligns with Indonesia's broader geopolitical strategy. The bloc positions itself as representative of the Global South, advocating for reforms in global governance and challenging Western-dominated financial institutions.<sup>11</sup> By joining BRICS, Indonesia could gain a stronger voice in international economic policy making and reduce its dependence on Western-led institutions.<sup>12</sup> However, this move also carries geopolitical risks, particularly in Indonesia's relation with the United States and the European Union. As BRICS is often seen as an alternative to Western influence, Indonesia's participation could be perceived as shifting its strategic alignment, potentially complicating its diplomatic and trade relations with Western nations.<sup>13</sup>

#### **b. Indonesia's Current Trade Policies**

Indonesia's trade strategy is heavily influenced by its regional and global economic commitments. As a member of ASEAN, Indonesia benefits from the ASEAN Free Trade Area (AFTA), which facilitates tariff reductions and regional supply chain integration.<sup>14</sup> However, Indonesia has also pursued protectionist policies, such as export bans on raw nickel and increased import tariffs, to boost domestic industries. These measures have led to trade disputes within the WTO, which enforces the Most-Favored Nation (MFN) principle and opposes protectionist trade policies that distort competition.<sup>15</sup>

Additionally, Indonesia is an active participant in APEC, which promotes economic cooperation, regulatory harmonization, and digital trade integration. As APEC

<sup>10</sup> Asep Setiawan, *Op.Cit.*, page. 2078.

<sup>11</sup> M.H.A Dzakwan, *Revisiting Indonesia's Surprising BRICS Plan*, The Jakarta Post, (<https://www.thejakartapost.com/opinion/2024/10/31/revisiting-indonesias-surprising-brics-plan.html>), Retrieved on February 20, 2025.

<sup>12</sup> V. A. S. Braviano and G. Heriantomo, "Prospek Mata Uang BRICS dan Korelasinya Terhadap Potensi Keamanan Ekonomi di Indonesia", *AL-MIKRAJ Jurnal Studi Islam dan Humaniora*, Volume 4:02, 2024, page. 304-321.

<sup>13</sup> Asep Setiawan, *Op.Cit.*, page. 2079.

<sup>14</sup> Salsa Rayhanis, Ayu Crisela, & Mohammad Zein Saleh, "Dampak Perdagangan Bebas AFTA terhadap Transformasi Ekonomi Indonesia", *Jurnal Riset Manajemen*, Volume 2:4, 2024, page. 230.

<sup>15</sup> Direktorat Jenderal Perundingan Perdagangan Internasional, *Struktur WTO*, (<https://ditjenppi.kemendag.go.id/organisasi-perdagangan-dunia/tentang-wto/struktur-wto>), Retrieved on February 20, 2025.

advances policies that emphasize free trade and market liberalization, Indonesia faces pressure to align with these international standards while maintaining domestic economic priorities.<sup>16</sup>

### **c. Potential Conflicts with Existing Trade Commitments**

Despite the potential benefits of BRICS membership, Indonesia's integration into the bloc could create tensions with its existing trade obligations. A key challenge lies in Indonesia's commitment to ASEAN's regional economic integration. As Indonesia is the largest economy in ASEAN, its closer ties with BRICS could influence the region's collective economic policies. Other ASEAN countries, including Malaysia, Thailand, and Vietnam, are also exploring closer relations with BRICS, potentially shifting ASEAN's balance of power and affecting its relationships with both BRICS nations and Western economies.<sup>17</sup> If Indonesia prioritizes BRICS-driven agreements over ASEAN commitments, this could challenge the principle of regional economic unity. Established in 1992, AFTA mandates tariff reductions and aims to eliminate non-tariff barriers among ASEAN member states. However, if Indonesia grants preferential trade agreements to BRICS nations, it could lead to trade policy divergence, complicating intra-ASEAN agreements and creating tensions with regional partners. Prioritizing BRICS trade could also disrupt ASEAN supply chains, increasing costs, and logistical challenges for regional businesses.<sup>18</sup>

Another major concern is Indonesia's compliance with WTO regulations. As a WTO member, Indonesia is bound by principles of non-discrimination and free trade, while BRICS nations often favor state-led economic policies, which may conflict with WTO regulations. A notable example is Indonesia's export ban on unprocessed nickel, which led to a WTO dispute with the European Union. The EU argued that this restriction violated WTO rules on fair market access, while Indonesia defended it as a policy to support domestic industrialization. This stance aligns with BRICS' emphasis on economic sovereignty but may draw further scrutiny from WTO members advocating for free trade. If Indonesia deepens its BRICS ties and adopts protectionist measures, it risks additional

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<sup>16</sup> Nabila Zulfa Ramadhani and *et.al*, "Dampak Asia Pacific Economic Cooperation (APEC) terhadap Pertumbuhan Ekonomi di Indonesia", *Jurnal Economina*, Volume 3:1, 2024, page. 104.

<sup>17</sup> Y. Sulaiman, *Indonesia and BRICS: Will it stack together?*, *RSIS*, (<https://rsis.edu.sg/rsis-publication/ids/ip24088-indonesia-and-brics-will-it-stack-together/>), Retrieved on February 20, 2025.

<sup>18</sup> Dimas Danur Cahya and *et.al*, "Indonesia's Role in Realizing the Vision of the ASEAN Economic Community (AEC) and the ASEAN Socio-Cultural Community (ASCC)", *International Journal of Humanities Education and Social Sciences (IJHES)*, Volume 2:6, 2023, page. 2189-2190.

WTO disputes or potential retaliatory trade actions.<sup>19</sup> Moreover, Indonesia's adoption of preferential trade agreements within BRICS could conflict with the WTO's Most-Favored-Nation (MFN) principle, which ensures equal treatment among all members.

Indonesia's participation in APEC introduces another layer of complexity. While APEC promotes economic cooperation, regulatory transparency, and digital trade integration, BRICS countries often emphasize economic sovereignty and state-controlled models. One area of potential friction is digital trade policies. APEC has been actively working toward harmonizing cross-border e-commerce and digital governance, yet Indonesia has recently implemented data localization laws and restrictions on foreign technology companies, citing national security and economic sovereignty concerns. These policies align more closely with BRICS nations like China and Russia, which emphasize state control over digital infrastructure. If Indonesia's BRICS engagement results in stricter digital trade policies, it could clash with APEC's push for freer cross-border data flows, creating tensions within the forum. Balancing Indonesia's economic strategies between APEC's open market approach and BRICS's state-driven policies will require careful negotiation to reconcile these competing commitments.<sup>20</sup>

#### **d. Balancing Economic Pragmatism and Geopolitical Strategy**

Indonesia's foreign policy has traditionally adhered to the principle of "*bebas aktif*" (independent and active), which emphasizes non-alignment and strategic autonomy.<sup>21</sup> Joining BRICS could challenge this stance, as the bloc is frequently perceived as countering Western influence. However, Indonesia could leverage BRICS membership to position itself as a mediator between BRICS and Western-led institutions, using its diplomatic influence to foster constructive engagement. This approach aligns with Indonesia's participation in MIKTA (Mexico, Indonesia, South Korea, Turkey, and Australia), a group that promotes multilateral dialogue and bridge-building between major global economies.<sup>22</sup> Internal policy debates within Indonesia reflect differing views on BRICS membership. While some policymakers advocate for joining BRICS to expand Indonesia's international influence, others warn against overcommitting to a single economic bloc.

<sup>19</sup> World Trade Organization, *DS592: Indonesia – Measures Relating to Raw Materials*, ([https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds592\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds592_e.htm)), Retrieved on February 20, 2025.

<sup>20</sup> Nabila Zulfa Ramadhani and *et.al*, *Op.Cit.*

<sup>21</sup> Asep Setiawan, *Op.Cit.*, page. 2081.

<sup>22</sup> Asep Setiawan, *Op.Cit.*, page. 2079.



## **2. Environmental Impacts: Opportunities and Risks of Aligning of trade Practices with BRICS in Promoting Green Trade and Sustainability in Indonesia**

As a nation rich in biodiversity and natural resources, Indonesia faces the dual challenge of capitalizing on economic opportunities while safeguarding its environmental integrity. The interplay between green trade, sustainability policies, and international cooperation will shape Indonesia's future within BRICS and its commitment to sustainable development.

### **a. Economic Opportunities and Environmental Responsibilities**

The expansion of BRICS presents Indonesia with an unprecedented opportunity to advance its green trade agenda.<sup>23</sup> The green economy is a key response to climate change and is closely linked to global crises such as food shortages and inflation. Indonesia has shown strong commitment to tackling climate issues, balancing economic growth with environmental sustainability, and fulfilling its shared global responsibility. Over the past five decades, Indonesia has adopted various international climate agreements, including the Stockholm Declaration (1972), the Rio de Janeiro Declaration (1992), and more recent initiatives like the Paris Agreement and the United Nations Climate Change Conference.<sup>24</sup>

Indonesia has also integrated six Sustainable Development Goals (SDGs) related to the green economy into its National Medium-Term Plan (2020-2024). The government is committed to reducing greenhouse gas (GHG) emissions, targeting a 31.89% reduction by 2030 through national efforts and up to 43.20% with international support. Trade plays a crucial role in achieving SDGs, as it supports broader economic and environmental goals.<sup>25</sup>

In this BRICS context, the growing demand for sustainable products within BRICS nations, particularly in sectors such as timber, palm oil, and fisheries, offers a pathway for Indonesia to enhance its export value while promoting responsible resource management. Certification schemes and traceability systems can lay a crucial role in ensuring that Indonesian exports meet international standards.<sup>26</sup> Additionally, BRICS nations, especially China and India, possess advanced technologies in renewable energy, smart

<sup>23</sup> EAST ASIA FORUM, *Indonesia's Bold Step into BRICS and Beyond*, (<https://eastasiaforum.org/2025/02/04/indonesias-bold-step-into-brics-and-beyond/>), Retrieved on February 22, 2025.

<sup>24</sup> Ministry of Trade, ERIA, and International Trade Analysis and Policy Studies, *Trade Policy Advisory Group*, ([https://www.eria.org/uploads/media/03.-Policy-Brief-TradePAG-3\\_cleaned.pdf](https://www.eria.org/uploads/media/03.-Policy-Brief-TradePAG-3_cleaned.pdf)), Retrieved on February 22, 2025.

<sup>25</sup> *Id.*

<sup>26</sup> EAST ASIA FORUM, *Op.Cit.*

grids, and electric vehicles, which could facilitate technology transfer and accelerate Indonesia's transition to a low-carbon economy.<sup>27</sup>

Financial support is another crucial component. The New Development Bank (NDB), established by BRICS, can provide funding for sustainable infrastructure projects, addressing Indonesia's needs in renewable energy, waste management, and sustainable transportation. These investments will not only contribute to economic growth but also enhance Indonesia's long-term environmental resilience.<sup>28</sup>

### **b. Risks and Challenge**

While aligning trade practices with BRICS presents economic opportunities, it also carries significant environmental risks. One major concern is the increased demand for Indonesia's natural resources, particularly in sectors like palm oil, timber, and fisheries. This could lead to deforestation, land degradation, and biodiversity loss, impacting ecosystems and water resources. Over extraction of marine resources to meet export demands may also disrupt coastal ecosystems and harm the livelihoods of local fishing communities. Additionally, there is the risk of a "race to the bottom" in environmental standards, where Indonesia could weaken regulations or reduce enforcement to attract foreign investment.<sup>29</sup> This could result in rising pollution levels, unregulated industrial expansion, and land conflicts, particularly affecting indigenous communities and small-scale farmers.

Another key challenge is Indonesia's continued dependence on fossil fuels. While BRICS nations offer opportunities for green technology collaboration, some still rely heavily on coal and oil, which could slow Indonesia's transition to renewable energy and increase its carbon emissions. Furthermore, there is a growing risk of greenwashing, where businesses claim to follow sustainability standards but fail to implement real changes. Without robust traceability and certification systems, Indonesia may face reputation risks in global markets if its exports do not meet strict environmental criteria. Additionally, the economic benefits of BRICS trade may not be evenly distributed. Small farmers and local businesses could struggle to comply with sustainability requirements, leading to widening

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<sup>27</sup> BCG, *An Evolving BRICS and the Shifting World Order*, (<https://www.bcg.com/publications/2024/brics-enlargement-and-shifting-world-order>), Retrieved on February 22, 2025.

<sup>28</sup> New Development Bank, *Development Impact for Our Member Countries*, (<https://www.ndb.int/projects/#:~:text=We%20constantly%20enhance%20our%20capacity,inrastructure%20and%20sustainable%20development%20projects>), Retrieved on February 23, 2025.

<sup>29</sup> EARTH.ORG, *Vanishing Act: Deforestation in Indonesia*, (<https://earth.org/vanishing-act-deforestation-in-indonesia/>), Retrieved on February 23, 2025.



economic inequality. If sustainability policies are not carefully managed, large corporations may dominate the market, displacing smaller players and increasing social tensions. To mitigate these risks, Indonesia must strengthen environmental governance, enforce sustainable trade practices, and ensure that economic gains do not come at the cost of long-term environmental and social stability.

### **c. Policy Recommendations for Sustainable Trade**

To effectively navigate these challenges, Indonesia must adopt a proactive and comprehensive approach. Key policy recommendations include:

- 1) **Strengthening Environmental Governance:** Implementing and enforcing robust environmental regulations, enhancing monitoring and enforcement capacity, and promoting transparency and accountability.
- 2) **Promoting Sustainable Production and Consumption:** Encouraging the adoption of sustainable production practices across key sectors, promoting eco-labeling and certification schemes, and fostering responsible consumption patterns.
- 3) **Investing in Renewable Energy and Clean Technologies:** Accelerating the development and deployment of renewable energy technologies, promoting energy efficiency, and fostering innovation in clean technologies.
- 4) **Enhancing International Cooperation:** Actively engaging in BRICS dialogues to promote green trade principles, advocating for the harmonization of environmental standards, and strengthening cooperation on environmental enforcement.<sup>30</sup>
- 5) **Enhancing Traceability:** implementing more robust tracking and tracing of natural resources.

Indonesia's alignment with BRICS presents a unique opportunity to advance its sustainable development goals. However, realizing this potential requires a balanced approach that prioritizes environmental protection alongside economic growth. By strengthening its environmental governance, promoting sustainable practices, and engaging in constructive international cooperation, Indonesia can harness the benefits of its BRICS partnership while safeguarding its natural heritage.

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<sup>30</sup> MODERN DIPLOMACY, *Navigating Global Power Dynamics: Indonesia's BRICS Entry and the Future Global South*, (<https://moderndiplomacy.eu/2024/10/29/navigating-global-power-dynamics-indonesias-brics-entry-and-the-future-of-global-south/>), Retrieved on February 23, 2025.

### **3. Balancing Economic Growth and Human Rights in BRICS Trade**

Indonesia's decision to join the BRICS alliance presents a complex interplay of potential economic gains and critical human rights considerations. The prospect of increased foreign investment, particularly in manufacturing, raises immediate concerns regarding labor rights. While BRICS membership could stimulate job creation, it necessitates a rigorous enforcement and augmentation of Indonesia's existing labor laws. The imperative lies in safeguarding workers from exploitation, ensuring equitable wages, upholding safe working conditions, including the fundamental right to organize. A critical challenge resides in preventing a "race to the bottom", whereby environmental standards can be hindered by local authorities in an attempt to attract larger inflows of international production capitals.<sup>31</sup> Moreover, Indonesia must address its existing limitations in labor law enforcement, especially within informal sectors and remote regions, which could be exacerbated by the amplified economic activity that BRICS membership may induce.

Beyond labor protections, ensuring fair trade practices is equally critical, particularly in safeguarding local industries and SMEs (Small and Medium Enterprises). Indonesia's involvement in BRICS presents an opportunity to diversify trade relationships and reduce dependence on traditional markets. However, while these agreements can offer economic advantages, they must prioritize fairness to ensure that small-scale producers and marginalized communities share in the benefits. At the same time, heightened competition from other BRICS nations poses challenges for Indonesia's local industries, particularly SMEs. As SMEs serve as a crucial pillar of Indonesia's economy—contributing significantly to GDP, generating employment, and improving societal well-being—it is essential to implement fair and equitable policies that support their sustainability.<sup>32</sup> Furthermore, Indonesia must advocate for sustainable and inclusive trade policies within the BRICS framework, moving beyond a narrow focus on economic growth. Given that the legal framework of BRICS and its impact on international trade are still evolving, Indonesia must proactively engage in shaping policies that balance competitiveness with long-term economic inclusivity.

Indonesia must also prioritize economic diversification to mitigate the risks associated with dependence on advanced economies and to maintain economic resilience amid global

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<sup>31</sup> Andrea Ascani, Lakshmi Balachandran Nair, & Simona Iammarino, "Racing to the Bottom or Seeking Legitimacy? National Environmental Performance and the Location Strategies of Chinese MNEs", *Journal of International Management*, Volume 23, 2023, page. 3.

<sup>32</sup> Muslim and Diah Ayu Permatasari, "Strategi dan Peluang Indonesia dalam Kerja Sama BRICS untuk Memperkuat Keamanan Ekonomi Nasional", *Jurnal Keamanan Nasional*, Volume X:2, 2024, page. 217.

uncertainties. One effective strategy is to strengthen sectors with high growth potential, such as technology, renewable energy, and high-tech manufacturing. BRICS nations, particularly China and India, possess the technological expertise and financial capacity necessary to accelerate Indonesia's digital transformation. For instance, Indonesia can enhance its collaboration with China in developing digital infrastructure and renewable energy while leveraging India's vast market potential for higher value-added manufactured products.<sup>33</sup>

Economic diversification also entails the development of new sectors that are not entirely reliant on traditional commodities such as coal, palm oil, and rubber. Indonesia must focus on innovation and the development of competitive products for the global market. In this regard, collaboration with BRICS countries can pave the way for introducing Indonesian products to a broader international market, particularly within BRICS member states. One key strategy is to expand market access for Indonesian agribusiness and manufactured products that are produced using environmentally friendly technologies, aligning with the global trend toward sustainable consumption.<sup>34</sup>

The strengthening of human resources is another key factor in addressing the challenges posed by global economic uncertainties. Indonesia must enhance the quality of education and workforce skills to keep pace with the technological advancements of BRICS countries. Nations such as China and India possess highly skilled human resources in the technology sector, presenting an opportunity for Indonesia to facilitate knowledge and skill transfer. Collaboration in education and workforce training is crucial to ensuring that Indonesia develops a competent workforce capable of competing in the global economy. Furthermore, by investing in human capital development, Indonesia can enhance its economic competitiveness and ensure that its workforce remains adaptable to evolving industrial demands.<sup>35</sup>

### C. CONCLUSION

Indonesia's integration into BRICS signifies a strategic shift in its trade and geopolitical landscape, offering both economic opportunities and policy challenges. As the country strengthens its position in the global economy, BRICS membership provides access to new markets, alternative financing through the New Development Bank (NDB), and stronger ties with major emerging economies. However, this also raises concerns about Indonesia's ability

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<sup>33</sup> *Id.*, page. 225

<sup>34</sup> *Id.*, page. 226.

<sup>35</sup> *Id.*

to maintain its existing trade commitments, particularly with ASEAN, WTO, and APEC, while adhering to sustainable trade and human rights protections.

Environmental sustainability remains a key priority, given Indonesia's reliance on natural resources and ongoing efforts to implement green finance and carbon trading mechanisms. While BRICS provides opportunities for technological collaboration in renewable energy and smart infrastructure, it also poses risks of environmental degradation due to increased resource extraction and weaker regulatory enforcement among member states. Strengthening environmental governance, enforcing traceability in resources experts, and ensuring compliance with international sustainability standards will be crucial in maintaining Indonesia's long-term ecological and economic resilience.

On labor rights and economic fairness, Indonesia must ensure that increased trade and investment flows within BRICS do not compromise its progress in strengthening worker protections. Given the variation in labor regulations in BRICS countries, Indonesia needs to proactively advocate for fair trade practices, prevent labor exploitation, and support SMEs to remain competitive in global markets. Economic diversification is also essential to reduce reliance on traditional commodity exports and transition toward high-value industries such as digital technology, renewable energy, and advanced manufacturing.

As Indonesia navigates its role within BRICS, it must balance economic pragmatism with strategic diplomacy. While BRICS membership strengthens Indonesia's geopolitical influence and supports its economic aspirations, it must also maintain strong ties with Western partners and ASEAN allies to avoid over-reliance on a single economic bloc. By positioning itself as a bridge between BRICS and Western institutions, Indonesia can leverage its independent foreign policy to foster inclusive and sustainable global trade. Ensuring that economic growth does not come at the expense of environmental protection and human rights will be key to Indonesia's long term success in the BRICS era.

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