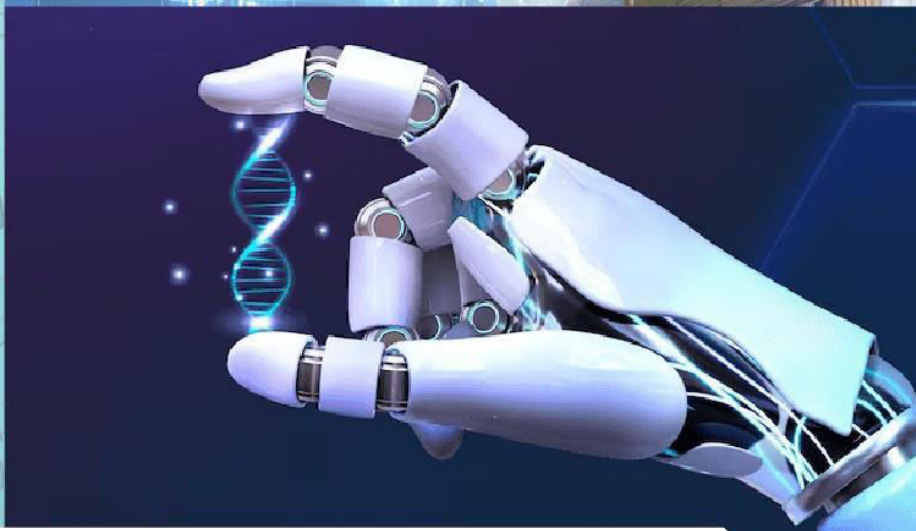
IJARETY



International Journal of Advanced Research in Education and TechnologY (IJARETY)

Volume 12, Issue 1, January-February 2025

Impact Factor: 7.394

INTERNATIONAL STANDARD SERIAL NUMBER INDIA

INNO SPACE SJIF Scientific Journal Impact Factor

doi crossref

निस्केयर NISCAIR

www.ijarety.in editor.ijarety@gmail.com

International Journal of Advanced Research in Education and TechnologY(IJARETY)

| ISSN: 2394-2975 | www.ijarety.in| | Impact Factor: 7.394| A Bi-Monthly, Double-Blind Peer Reviewed & Refereed Journal |

|| Volume 12, Issue 1, January-February 2025 ||

DOI:10.15680/IJARETY.2025.1201026

BRICS and the Austrian School of Economics: Opportunities and Limitations of Javier Mileis Ideas in Global Emerging Markets

Saelen Veybrandt

PhD Student, Graduate School, IIC University of Technology, Cambodia

ABSTRACT: The research examines whether Javier Milei's Austrian School economic principles align with alignment possibilities across Brazil Russia India China and South African economic strategies. The regulatory approach of the Austrian School provides promising economic solutions against performance problems and management hurdles alongside technological stagnation that affects new states emerging into the global economy. This study performs a qualitative comparative analysis based on sources from Moch (2024, 2025) to evaluate the potential benefits and barriers of Milei's approaches when applied across BRICS world economies with multiple political backgrounds. The study confirms that Milei's fundamental approaches demonstrate the potential to improve market structures and promote invention while cutting down operational waste in technology energy and agricultural industries. Vital obstacles are preventing the straightforward implementation of these principles because BRICS nations face uncertain political scenarios along with deeply rooted social inequalities and distinct domestic economic structures. For successful implementation, the study indicates that performers should adapt strategies according to unique settings while incorporating social and political policies. Future research should focus on developing specific recommendations for market sector reforms and free-market model designs that combine both market freedom principles and equity-based policies.

KEYWORDS: Austrian School of Economics, BRICS Nations, Javier Milei, Free Markets, Economic Policy Strategies

I. INTRODUCTION

The BRICS countries of Brazil, Russia, India, China, and South Africa have achieved status as major global economic forces with substantial numbers of people and financial inputs and trading connections (Moch, 2024, p. 87). These nations work to reshape global politics so their economic strategies demand increasing attention from scholars. From a perspective promoting free markets together with individual liberty and minimal government oversight, Austrian economics presents valuable solutions to economic challenges facing Growing Markets. Through his advocacy for pro-Austrian economic principles, Javier Milei illustrates their applicability in Latin America while recommending them to governments battling governance problems alongside inequality (Moch, 2024, p. 329). This research explores the question: Which aspects of the Austrian School of Economics especially according to Javier Milei, could be relevant to the economic policy strategies of the BRICS countries, and what are the limits of their applicability? The hypothesis is that while Austrian principles like free trade, currency stability, and deregulation could enhance economic efficiency and innovation in BRICS countries, structural differences and political realities often hinder their full implementation (Moch, 2024, p. 86). This research uses a qualitative methodology and comparative evaluation to determine how Milei's thoughts translate across the BRICS countries. Moch's scholarly research including the Economic and Geopolitical Significance of the BRICS Nations and The Implementation of the Austrian School of Economics in Argentina serves as the foundation together with nine other authoritative scholarly publications. The methodology builds an extensive system to analyze economic theory in relationship to real policy challenges of emerging markets (Faudzi, 2018, p. 248).

International Journal of Advanced Research in Education and TechnologY(IJARETY)

| ISSN: 2394-2975 | www.ijarety.in| | Impact Factor: 7.394| A Bi-Monthly, Double-Blind Peer Reviewed & Refereed Journal |

|| Volume 12, Issue 1, January-February 2025 ||

DOI:10.15680/IJARETY.2025.1201026

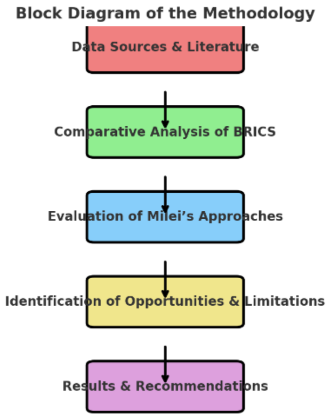


Figure 1: Block Diagram of Methodology

A visual representation of the methodological framework used in this study, outlining the steps of literature review, comparative analysis, assessment of Milei's economic principles, identification of challenges, and formulation of recommendations

II. THEORETICAL FRAMEWORK

The Austrian School of Economics promotes economic efficiency and innovation through individual choice mechanisms and free markets. It is grounded in four key principles: Austrian Economic theory consists of four key principles that combine free markets with limited government interference while emphasizing individual choice and entrepreneurial spirit. Austrian economic thinkers stress that markets perform optimally when public administration remains minimal so both prices and efficient resource allocation rely on supply and demand dynamics. The educational institution demonstrates that entrepreneurial activity serves as the key driver for innovation while stimulating economic development through free self-interested choices (Mises, 1949, p. 123). Austrian economics directly rejects central planning since knowledge exists across many areas which no single government authority can efficiently manage such complex economies. The Austrian School advocate Javier Milei expands these principles to solve Argentina's economic problems. The key argument presented by He emphasizes free trade as vital because reducing trade obstacles stimulates both competition between actors and operational efficiency along with innovations. Milei states that free trade helps unlock human creativity which drives both economic growth and an enhanced standard of living for citizens "Free trade unleashes the creative potential of individuals" (Moch, 2024, p. 332). From his perspective sound monetary policies require the elimination of inflationary practices which degrade purchasing power and stunt economic development. Milei relies on deregulation as one of his fundamental interpretations. According to Moch (2024, p.335), excessive government regulations damage entrepreneurial activity and introduce inefficiencies while the state should protect individual freedoms alongside property rights. The deregulatory approach would free businesses from regulation while eliminating official bureaucratic hurdles according to his model. According to Milei's perspective, the state's minimal role attains relevancy through his observation that inefficient government operations create and intensify economic disparities. Milei's concentrated analysis of Latin America demonstrates how Austrian economic principles would work in practice although his viewpoints remain closely related to traditional Austrian economic ideas. Through his advocacy, Milei demonstrates the need for market-based solutions to economic problems by discussing Argentina's experience with failed socialist policies and government deviations (Moch, 2024, p. 339). As an ideological counterbalance to government intervention over decades he proposes that these principles maintain relevance for both emerging markets and BRICS nations. The Austrian School foundational principles establish an analytical framework that explains how individual liberty interacts with markets along with their positive economic effects. Milei develops Austrian School concepts to address current economic concerns about rising prices as well as stagnation and unequal distribution of resources. His reading demonstrates how market deregulation combined with limited government along with free trade can create economic growth opportunities, especially within regions that reject current interventionist frameworks. Milei's recommendations may bring useful perspectives for BRICS nations struggling with administrative inefficiencies and economic inequity but detailed expert evaluation must determine their fitness for individual countries' distinct political-economic situations (Faudzi, 2018, p. 250).

International Journal of Advanced Research in Education and TechnologY(IJARETY)

| ISSN: 2394-2975 | www.ijarety.in| | Impact Factor: 7.394| A Bi-Monthly, Double-Blind Peer Reviewed & Refereed Journal |

|| Volume 12, Issue 1, January-February 2025 ||

DOI:10.15680/IJARETY.2025.1201026

III. ECONOMIC CHALLENGES OF THE BRICS COUNTRIES

The BRICS countries—Brazil, Russia, India, China, and South Africa—represent a diverse group of emerging economies with significant global influence. The total population of BRICS countries reaches 40% of the world's inhabitants while these nations generate a quarter of global GDP according to Moch (2024, p. 87). The participants within this group contribute different strengths together with various challenges affecting their collective effort.

- **Brazil** exists as a country endowed with abundant agricultural assets and mineral reserves. Brazil experiences economic risks because its export-oriented economic system relies heavily on raw material production (Acemoglu & Robinson, 2013, p. 54).
- **The Russian** economy depends centrally on oil and natural gas exports as main energy exports leading to constant market volatility threats.
- **India** now stands as a leading global technology and service centre that continues to expand its complex of middle-class consumers. The country maintains significant economic promise although it deals with ongoing infrastructural obstacles which slow its development.
- **China** maintains its position as the world's second-biggest economy thanks to its focus on manufacturing alongside export operations. The economy struggles with two main issues including a declining growth pace and aging demographics (Acemoglu & Robinson, 2013, p. 54).
- **South Africa** has abundant natural resources including minerals yet continues to face problems related to high unemployment and persisting social inequality.

These nations work toward parallel objectives which include promoting economic growth as well as decreasing dependency on Western financial systems and supporting global governance systems beyond the dominance of Western institutions (Moch, 2024, p. 88).

Key Challenges

- **Economic Growth Volatility:** The economic growth patterns within BRICS member states frequently exhibit unpredictable variations. Prolonged economic downturns plague Brazil together with South Africa including ongoing Russian economic fragility because of sanctions and geopolitical tensions. Both India and China maintain relatively stable economic growth but remain at risk because of changes in global trade patterns and domestic policies (Moch, 2024, p. 90).
- **Income Inequality:** All BRICS states experience comprehensive inequalities throughout their territories. Brazil and South Africa maintain some of the world's highest inequality rates because wealth exists mostly within an exclusive elite group. High rates of urbanization and industrialization in India and China have increased the financial differences between residents in both rural and urban settings. Economic development stands inhibited yet social unrest and political instability increase because of these injustices (Moch, 2024, p. 92).
- **Governance Issues:** Governance challenges that range from corruption to bureaucratic inefficiencies and political instability affect nearly every BRICS nation. Corruption issues and political centralization represent large challenges for Russia while Brazil and South Africa suffer from government official corruption scandals. The democratic institutions of India fall short from time to time because of bureaucratic sluggishness and the version of China's authoritarian system makes people wonder about its accountability and openness (Moch, 2024, p. 94). Genuine governance problems create doubts among investors while setting barriers to extensive economic planning.

A variety of challenges and potential benefits emerge from the differing characteristics across BRICS member states (Williamson, 2018, p. 21). Despite their different economic situations and political systems these countries face similar challenges in delivering sustainable development while addressing income inequality and government accountability troubles (Packard et al., 2021, p. 65). To resolve these challenges policymakers need customized policy approaches for each independent nation while assessment of Austrian School economic theories represents a necessary evaluation process.

| ISSN: 2394-2975 | www.ijarety.in| | Impact Factor: 7.394| A Bi-Monthly, Double-Blind Peer Reviewed & Refereed Journal |
|| Volume 12, Issue 1, January-February 2025 ||
DOI:10.15680/IJARETY.2025.1201026

IV. ANALYSIS: MILEY'S APPROACHES IN THE CONTEXT OF THE BRICS STATES

The economic principles that Javier Milei promotes about trade liberalization and government restraint converge with core Austrian School guidelines which hold potential solutions for various ongoing economic issues BRICS nations face (Reiff, 2023, p. 195). The model demonstrates how free trade systems drive competitive markets which create innovative conditions and maximize efficiency. The ability for free trade to help countries exploit their comparative advantages remains vital for BRICS nations due to their widespread economic diversity and resource abundance says Moch (2025, p. 51). Brazil's farming sector together with Russia's oil sector alongside India's service businesses could prosper under lowered trade restrictions. In Milei's view, minimal government intervention works best since heavy state management typically lowers economic efficiency through corruption and misused resources. In BRICS territorial frameworks government interference has regularly blocked private company growth. For instance, state-owned enterprises in China and Russia, while central to their economies, face criticism for inefficiency and lack of innovation. According to Milei the reduction of state control in various sectors can unleash new prospects for private enterprise development while making systems more productive. Although these principles show theoretical promise for implementation their practical use within BRICS nations needs detailed assessment. The realistic structural elements and political conditions in these countries present major obstacles to translating Milei-inspired policies into practice (Reiff, 2023, p. 198).

Opportunities

BRICS nations can benefit from Milei's principles which provide multiple opportunities to fix economic inefficiencies while facilitating innovation and developing market systems.

- **Improving Market Structures:** Companies operating within BRICS territories would enjoy streamlined markets as a result of following the regulatory reductions advocated by Milei. Moch (2025) demonstrates through research that Argentina's deregulated housing market has proven successful by allocating resources better while lowering operational flaws (p. 53). India together with South Africa stand to benefit from implementing deregulation changes within their agriculture and energy sectors which would enable stronger market forces to execute with reduced costs while enhancing market competition (Faudzi, 2018, p. 248).
- **Promoting Innovation:** Innovative development stands as the essential driver for enduring economic improvement especially within emerging market economies. When a market operates without restrictions entrepreneurs can flourish and develop technology at a higher rate (Liu et al., 2018, p. 14). By eliminating bureaucratic impediments from India's fast-growing technology industry the nation could attract expanded international participation along with creative breakthroughs. Chinese technology companies would experience increased competition and creativity and better global performance when the state decreases its control mechanisms (Packard et al., 2021, p. 69).
- **Reducing Inefficiencies:** The BRICS nations suffer from two major issues: government monopolies combined with inefficient public budgetary practices. Milei demonstrates through his proposals that privatizing nationalized enterprises combined with subsidy reduction ventures can restore market efficiency. Moch (2025) shows through Argentina's free-market experience that when the state controls decrease efficient resource usage and allocation improves (p. 54). The BRICS sector could adopt parallel reforms to tackle performance issues within the energy and transportation areas and infrastructure segment.

V. LIMITS AND CHALLENGES

Despite their potential, implementing Milei's principles in BRICS nations faces significant obstacles, primarily due to political instability, social inequality, and economic diversity.

- **Political Instability:** The political complications faced by BRICS countries produce inconsistency in their policy frameworks. Brazil together with South Africa remain exposed to ongoing political scandals and regulatory instability as Russia and China encounter transparency problems with their heavily centralized rule. The ongoing political turmoil creates barriers to sustained free-market reforms because unsteady government terms create problematic cycles of law changes and divergent administrative execution (Burgos, 2024, p. 31).
- **Social Inequality:** The market efficiency focus of Milei's principles does not fully resolve the severe social inequalities that exist throughout BRICS nations. Among all countries Brazil and South Africa rank among those with the worst income inequality rates on a global scale. Free-market policy enactment without social welfare protection systems might amplify existing inequality distributions which could trigger societal disturbances. According to Moch (2025), reform strategies must match distinctive socio-economic systems to prevent new forms of exclusion that threaten vulnerable groups (p. 56).

International Journal of Advanced Research in Education and TechnologY(IJARETY)

| ISSN: 2394-2975 | www.ijarety.in| | Impact Factor: 7.394| A Bi-Monthly, Double-Blind Peer Reviewed & Refereed Journal |

|| Volume 12, Issue 1, January-February 2025 ||

DOI:10.15680/IJARETY.2025.1201026

- **Economic Diversity:** Universal implementation of Milei's ideas encounters obstacles because of structural variations among BRICS countries. Specifically, India's technology market could gain from deregulation yet the government-embedded influence in Russia's energy market demonstrates little change. The state-centred economic model implemented by China has achieved rapid industrial expansion together with worldwide success despite its inefficient characteristics. A standard solution cannot work for BRICS countries because these nations vary widely in their economic systems and growth patterns (Reiff, 2023, p. 201).
- **Cultural and Political Realities:** Milei's libertarian approach to government fights with the traditional political approaches of BRICS nations. The collectivist governance structure in China places state governance above personal liberties resulting in serious difficulties when implementing Austrian institutional principles. Within Russia's government structure political centralization hinders the introduction of reforms which would minimize state interference (Williamson, 2018, p. 19).

VI. CONCLUSION OF ANALYSIS

Milei's principles offer a compelling theoretical framework for addressing many of the economic challenges faced by BRICS nations. Free trade, deregulation, and reduced government intervention could unlock significant opportunities for improving market efficiency and fostering innovation (Packard et al., 2021, p.64). However, the structural, social, and political realities of these nations present significant limitations to the universal applicability of his ideas. Policies inspired by the Austrian School must be adapted to the specific contexts of each country, balancing the need for economic freedom with the realities of governance and inequality.

VII. CONCLUSION AND IMPLICATIONS

The application of Javier Milei's interpretation of Austrian School Economics theory demonstrates potential solutions to economic difficulties happening within BRICS nations. Free trade activities complemented by minimum state involvement with sector deregulation can help regulatory functions operate more effectively while encouraging innovative approaches to address state-run industries that operate inefficiently. The practical implementation of these concepts faces limitations due to the governance limits economic system diversity and social inequalities found within BRICS regional economies. The strategic deregulation done in India's technological industry proved successful yet Russian public energy operations remain dominated by state governance therefore resisting deregulation efforts. The social inequality conditions in Brazil and South Africa need secondary policies that will protect existing disparities as new market reforms are established.

VIII. ASSESSMENT OF TRANSFERABILITY

The adoption potential for Milei's ideas shows diverse results between nations in BRICS because of their distinct political circumstances economic structures and cultural backgrounds. The emphasis on minimal state control and individual freedoms in Milei's ideas finds no matching approach in China's state-controlled economic model based on governmental regulatory control. Unlike China where state capitalism dominates politics India alongside South Africa as democracies tend to welcome market-based reforms yet face considerable political and social obstacles in their implementation. The wide-ranging structural differences between BRICS economies demonstrate why nations need special reform solutions unique to their circumstances instead of general universal methods.

Brazil along with South Africa face substantial obstacles in executing sustained reform efforts because of their unstable political environments. Milei-inspired policies require both robust governance subsystems and institutional operational capacity to succeed because these capacities normally fall short in many nations. Austrian economics generates important knowledge yet practitioners must modify its principles to handle the complicated environments of emerging markets.

IX. RECOMMENDATIONS

To enhance the relevance and applicability of Miles's ideas in BRICS nations, further research is needed in several areas:

- **Contextual Adaptation:** Research shows how principles from the Austrian school can be adapted to resolve matters involving social inequality and political instability in emerging market economies.

| ISSN: 2394-2975 | www.ijarety.in| | Impact Factor: 7.394| A Bi-Monthly, Double-Blind Peer Reviewed & Refereed Journal |

|| Volume 12, Issue 1, January-February 2025 ||

DOI:10.15680/IJARETY.2025.1201026

- **Sector-Specific Reforms:** Examine Milei's theories for adaptation within key sectors such as Brazil's agricultural sector or India's technological development sector since that area demonstrates the highest potential for change (Liu et al., 2018, p. 13).
- **Integrated Policy Approaches:** A framework connecting free-market systems to targeted social programs should be developed because it addresses inequality and achieves inclusive economic development (Faudzi, 2018, p. 248).

The implementation of Milei's principles for economic challenge management requires specialized contextual adaptation to succeed in BRICS nations. The complete realization of Austrian economic principles in diversified and performing economies hinges on specific transformative measures and expanded scholarly inquiry.

REFERENCES

[[1] Acemoglu, D., & Robinson, J. A. (2013). Why nations fail: The origins of power, prosperity, and poverty. Crown Currency.

[2] Burgos, O. L. R. (2024). The Road to Serfdom Turns 80.

[3] Faudzi, M. H. M. (2018). Globalization and its Discontents Revisited: Anti-Globalization in the Era of Trump. International Journal of Economics, Management and Accounting, 26(1), 247-251.

[4] Liu, Y., Li, J., & Yang, Y. (2018). Strategic adjustment of land use policy under the economic transformation. Land use policy, 74, 5-14.

[5] Moch, E. (2024). The Economic and Geopolitical Significance of the BRICS Nations: A Comparative Analysis of Their Global Influence in the 21st Century. East African Journal of Business and Economics, 7(2), 86-100.

[6] Moch, E. (2024). The Implementation of the Austrian School of Economics in Argentina: Javier Milei's Concept of Freedom and the Role of the State. East African Journal of Business and Economics, 7(2), 328-342.

[7] Moch, E. (2025). Failure of Socialism and the Benefits of the Free Market in the Argentine Housing Market.

[8] Packard, M. D., Bylund, P. L., & Klein, P. G. (2021). Human action and human design: An Austrian approach to design science. Journal of Business Venturing Design, 1(1-2), 100003.

[9] Reiff, M. R. (2023). Left Libertarianism for the Twenty-First Century. Journal of Social and Political Philosophy, 2(2), 191-211.

[10] Williamson, J. (2018). What Washington means by policy reform. In Modern political economy and Latin America (pp. 18-23). Routledge.

IJARETY

INNO SPACE
SJIF Scientific Journal Impact Factor

International Journal of Advanced Research in Education and Technology

ISSN: 2394-2975 Impact Factor: 7.394

www.ijarety.in editor.ijarety@gmail.com