



India and BRICS

Vivek Kumar

Ph.D Research Scholar, School of Liberal Education, Department of Political Science, Galgotias University, Greater Noida, Uttar Pradesh, India

Abstract

The term BRIC (Brazil, Russia, India, and China) was first coined by the Chief Economist of Goldman Sachs, in 2001 in the context of an exercise to forecast global economy trends over the next half century. BRIC as a forum was formalized with the meeting of Foreign Ministers of the four countries on the margins of the UN General Assembly in New York in September, 2006. The First BRIC Summit was held in Yekaterinburg, Russia in 2009. BRICS, has evolved from an abstract forum into an influential forum in the international arena and it has become not just a manifestation of globalization, but increasingly a key control lever of global processes. During the years of existence and development, BRICS is in a constant process of transformation. BRICS has a critical role in global processes of building a new world order through the consolidation of international efforts.

Keywords: BRIC, forecast global economy, general assembly, consolidation of international efforts

Introduction

In 2001, the British Economist Jim O'Neill coined the term BRIC to describe the four emerging economies of Brazil, Russia, India and China. The grouping was formalised during the first meeting of BRIC Foreign Ministers on the margins of the UNGA in New York in 2006. The first BRIC Summit was held in Yekaterinburg, Russia, in June, 2009. The expansion of grouping took place at Foreign Ministers' meeting in New York in 2010 with the inclusion of South Africa. The Goldman Sachs thesis didn't claim that BRICS would become a political alliance or even a formal trading association. However, the report said that BRICS has the potential to form a powerful economic bloc. BRICS is an important grouping bringing together the major emerging economies from the world, comprising 41% of the world population, having 24% of the world GDP and over 16% share in the world trade*. BRICS countries have been the main engines of global economic growth over the years. Over a period of time, BRICS countries have come together to deliberate on important issues under the three pillars of political and security, economic and financial and cultural and people to people exchanges.

India and BRICS (Roles and Importance)

- India has been an active participant in this organisation from its inception. Maintaining economic growth that benefits India's citizens in terms of job creation, GDP growth, and poverty alleviation are in the country's national interest
- This forum serves as an alternative global mechanism for promoting economic and social growth, particularly at a time when global institutions and order are under significant stress (US actions on the economic front, climate change, geopolitical uncertainties around the world)
- India hopes to use this platform to strengthen ties with Africa and South America, continents that have been overlooked due to the "tyranny of distance" until recently. India's Role as a Growth Maker for Other

BRICS Countries: India spent almost \$4 billion in South Africa, and the Global Executive Development Program was established to equip the workforce.

- India's Role in South Asian Trade: India has taken a number of encouraging steps to promote trade, including plans for a digital, open-access BRICS platform. It has established an independent BRICS credit rating agency to allow members to correlate their ranks with other developing countries rather than other members.
- India's Role as a Big Brother: India is considered as a strong voice in the BRICS and the UN, speaking out against policies or actions that may harm the interests of any member. For example, India turned down China's request to join the BRICS for Pakistan, Sri Lanka, and Mexico. India believed that focusing on developing existing members rather than accepting new members would suffocate the BRICS as a coalition and that it may follow the European Union's path.
- India's Peacekeeping Role: For trade to thrive, the BRICS must be peaceful, which is why peacekeeping in trade regions such as the Mediterranean, North Africa, and the Indian Ocean is critical. India has been assisting Tibetans in their fight for independence as well as the Rohingyas. India has dispatched over 1,000 troops to Nigeria, Somalia, Sudan, Ethiopia, and Afghanistan as part of UN missions to suppress internal unrest.

Relevance of BRICS

- BRICS countries together accounts for 42% of the world's population, a third of the global GDP and around 17% share of world trade.
- BRICS countries' sizable contribution to global growth, trade and investment makes it an important pillar of global order.
- The growing contribution of the BRICS to the world economy and the rising importance of the economic relations between the BRICS and other Emerging Market and Developing Countries (EMDCs) create an

opportunity for new initiatives that would better help to support sustainable and inclusive growth and development.

- Financial: Structural imbalances caused by the global financial crisis of 2008 and new threats to the global economy posed by trade war and unilateral economic sanctions are yet to be resolved
- Security: The US unilateral withdrawal from Intermediate-Range Nuclear Forces (INF) Treaty and Iran deal has posed a great security threat to global peace.
- BRICS, being a pillar of fairer polycentric world order, can play a significant role in assuring world peace by playing an active role in dispute resolution based on principle of fairness.
- Poverty Reduction: The BRICS contribution to world poverty reduction has been sizeable. Continued BRICS growth remains important for poverty reduction as well as for reducing international inequalities.

Intermediate-range nuclear force (INF) treaty

- The treaty was signed in December 1987 by US President Ronald Reagan and Soviet General Secretary Mikhail Gorbachev.
- It prohibited the United States and the Soviet Union from possessing, testing and deploying ground-launched cruise and ballistic missiles of ranges between 500 and 5,500 kilo-meters.
- It also covered all land-based missiles, including those carrying nuclear warheads but did not cover sea-launched missiles.
- Geo-Politics: Global geopolitics today represents the case of a tug of war and India finds itself in the middle of it. This has made difficult for India to carve a middle path for balancing its strategic interests between the U.S and the Russia-China axis. Therefore, BRICS platform provides an opportunity for India to balance Russia-China axis.
- To this end, BRICS community plays an important role in the G20, in shaping global economic policies and promoting financial stability.
- Global Economic Order: BRICS countries shared a common objective of reforming the international financial and monetary system, with a strong desire to build a more just and balance international border.
- Voice of Developing Nations: As the western countries are raising challenges on issues ranging from World Trade Organisation to climate change, the developing countries are crippling under the onslaught of these policies.
- In recent period, BRICS has emerged as the voice of developing countries, or the global south and playing a significant role in protecting the rights of developing countries.
- Terrorism: BRICS also provides a platform for India to galvanize its efforts against terrorism and has worked within the grouping to take a strong stand against terrorism and bring about focused consultations on specific aspects relating to terrorism.
- Global Grouping: India is actively pursuing its membership for United Nation Security Council (UNSC) and Nuclear Supplier Group (NSG).

- China forms the major roadblock in pursuing such goals. Therefore, BRICS provides an opportunity to actively engage with China and resolve the mutual disputes. It also helps in garnering support of other partner countries.
- South Africa became a member of the grouping in December 2010 and attended the third BRIC summit in Sanya (China) in 2011, after which the group was dubbed 'BRICS' (Brazil, Russia, India, China and South Africa)
- The BRICS have stated their support for a multi-polar world, an alternative global financial system (as opposed to the IMF and the World Bank), and revamping the global trading system as a whole (WTO reforms)
- On major regional and global concerns, the countries have established a conversation platform. The following are some of the areas where cooperation and conversation are possible
- Finance and the Central Bank, Trade, Business Forums and Councils, Financial Forums, Academic and Think Tanks Councils, Health, Science and Technology, Terrorism, agriculture, and other security concerns, Youth and sports, disaster management, and statistics are just a few of the topics covered.
- Together, the BRICS countries account for 42% of the global population, 33% of global GDP, and 17% of global commerce. As a vital pillar of world order, BRICS countries provide a significant contribution to global economic growth, trade, and capital investment
- The escalating trade war between the United States and China, as well as the increased level of protection afforded wealthy countries like the United States, reflect the shifting global order
- International cooperation on sustainable development and climate change mitigation is made possible by this forum, which brings together the world's largest developing countries. So, yes, BRICS can be called as the voice of developing nations

Institutions of the BRICS

- New Development Bank: During the sixth BRICS Summit in Fortaleza, Brazil (2014), the leaders signed the Agreement for establishing the New Development Bank (NDB).
- Fortaleza Declaration stressed that the NDB will strengthen cooperation among BRICS and will supplement the efforts of multilateral and regional financial institutions for global development thus contributing to sustainable and balanced growth.
- NDB has successfully worked as one of the most promising multilateral development institutions. Since its inception in 2015, it has approved 42 investment projects worth over \$11 billion.
- Contingency Reserve Arrangement: BRICS nations signed BRICS Contingent Reserve Arrangement (CRA) in 2014 as part of Fortaleza Declaration at Sixth BRICS summit. Contingency Reserve Arrangement, aimed at ensuring liquidity for member-states when they are confronted by short term balance of payment crises. The capital of \$100 billion committed under CRA, can act as the guarantor of BRICS financial stability in case of crisis.

Table: 1 BRICS Summits

| S.N. | Host Country | Year | Host Leader | Agenda and Outcomes |
|------|--------------|--------------------------|-----------------|--|
| 1 | Russia | 2009 (16 June) | Dmitry Medvedev | The summit was to discuss the global recession taking place at the time, future cooperation among states, and trade. Some of the specific topics discussed were food, trade, climate trade, and security for the nations. |
| 2 | Brazil | 2010 (15 April) | Lula Da Silva | The second summit continued on the conversation of the global recession and how to recover. They had a conversation on the IMF, climate change, and more ways to form cooperation among states |
| 3 | China | 2011 (14 April) | Hu Jintao | First summit to include South Africa alongside the original BRIC countries. The third summit had nations debating on the global and internal economies of countries |
| 4 | India | 2012 (29 March) | Manmohan Singh | The BRICS Cable announced an optical fibre submarine communications cable system that carries telecommunications between the BRICS countries. The fourth summit discussed how the organization could prosper from the global recession and how they could take advantage of that to help their economies. BRICS had the intention of improving their global power and providing adequate development for their state |
| 5 | South Africa | 2013 (26-27 March) | Jacob Zuma | The fifth summit discusses the New Development Bank proposition and Contingent Reserve Agreement. BRICS also announced the Business Council and its Think Tank Council |
| 6 | Brazil | 2014 (14-17 July) | Dilma Rousseff | BRICS New Development Bank and BRICS Contingent Reserve Arrangement agreements signed. The members of BRICS conversed with each other about political coordination, development, and economic growth. They established the Fortaleza Declaration and Action Plan. |
| 7 | Russia | 2015 (8-9 July) | Vladimir Putin | Joint summit with SCO-EAEU. The seventh summit discussed global, economic problems, and better ways to foster cooperation among member states |
| 8 | India | 2016 (15-16 Oct.) | Narendra Modi | Joint summit with BIMSTEC. The eighth BRICS summit debated on topics like counter-terrorism, economies, and climate change. BRICS also issued the Goa Declaration and Action Plan, hoping to harden their relationship |
| 9 | China | 2017 (3-5 September) | Xi Jinping | Joint summit with EMDCD. The ninth summit was an event that talked about a bright future for BRICS and what their goals intend to be. They still covered and debated international and regional issues with one another; hopeful to keep moving forward |
| 10 | South Africa | 2018 (25-27 July) | Cyril Ramaphosa | The tenth summit had the members discuss their rising industries. Hoping they can cut a bigger slice of the industry market |
| 11 | Brazil | 2019 (13-14 November) | Jair Bolsonaro | The eleventh summit discussed advancements in the BRICS's science and innovation fields. Primarily trying to advance technology and digital currency. They made mutual agreements to help stop drug trafficking and organized crime; both internationally and internally |
| 12 | Russia | 2020 (17 November) V.C. | Vladimir Putin | Joint summit with SCO. Discussing a mutual agreement on helping BRICS member countries to help foster better living standards and quality of life for each country's people. Plans on focusing on peace, economies, and cultural societal issues. |
| 13 | India | 2021 (9 September) V.C. | Narendra Modi | BRICS Games 2021 Theme for XIII BRICS Summit – “BRICS@15: Intra-BRICS Cooperation |
| 14 | China | 2022 (23 June 2022) V.C. | Xi Jinping | In addition to other countries that have expressed interest in joining the BRICS, and countries like Argentina and Iran that have applied for membership previously, Saudi Arabia, Turkey and Egypt expressed interest in joining during the summit |
| 15 | South Africa | 2023 (August) Tentative | | |

Challenges

- Domestic and socioeconomic issues that must be addressed independently of party advocacy in order for the BRICS economies to achieve their main objectives as a group, such as inequalities (economic, social, and political), corruption, developments in health care and education, and human rights, to name a few, are shared by the BRICS economies.
- The global supply chain is being impacted by the slowdown in China's economy.
- There is a recession in Russia, South Africa, and Brazil, as well as a downturn in the Indian economy.
- While the recovery of the US economy is good for the global economy, it poses a challenge for the BRICS countries. As the US economy improves, investors may withdraw their funds from the BRICS countries and reinvest them in the US, where they can expect higher returns.
- China's hegemony is undeniable.
- Heterogeneity: It is claimed by critics that heterogeneity (variable/diverse nature of countries) of the BRICS nations with its diverse interests possess a threat to the viability of the grouping.
- China Centric: All the countries in BRICS grouping trade with China more than each other, therefore it is blamed that as a platform to promote China's interest. Balancing trade deficit with China is huge challenge for other partner nations.
- Global Model for Governance: Amidst, global slowdown, trade war and protectionism, the critical challenge for the BRICS consists in the development of a new global model of governance which should not be unipolar but inclusive and constructive.
- The goal should be to avoid a negative scenario of unfolding globalization and to start a complicated merging of the global growing economies without distorting or breaking the single financial and economic continuum of the world.

Way Forward

- BRICS should promote comprehensive development of all states — both big and small — and enhanced mutually beneficial cooperation among them on the basis of shared interests.
- Democratization of international issues i.e agreements on global agendas should be reached with the widest and equal participation of all stakeholders and be based on universally recognised legal norms.
- The principle of respect for cultural and civilizational diversity of the world should be a top priority. India is not a free-rider in a system of global governance dominated by the West, and continues to provide a vision of global governance.
- For BRICS to remain relevant over the next decade, each of its members must make a realistic assessment of the initiative's opportunities and inherent limitations.
- BRICS should promote comprehensive development of all states-both big and small-and enhanced mutually beneficial cooperation among them on the basis of shared interests.
- Democratization of international issues i.e agreements on global agendas should be reached with the widest and equal participation of all stakeholders and be based on universally recognized legal norms.

- The principle of respect for cultural and civilization diversity of the world should be a top priority.
- BRICS nations should strive for peaceful and politico-diplomatic settlement of crisis and conflict in various regions of the world
- BRICS nations should strive for peaceful and politico-diplomatic settlement of crisis and conflict in various regions of the world.

Conclusion

BRICS member countries, home to 43 per cent of the worlds' population, account for around 30 per cent of global GDP and 17 per cent share in the world trade. In other words, the BRICS countries are collectively the largest market in the world, and their cumulative GDP has more than tripled in the last ten years. However, despite these impressive figures and the institutional mechanism already in place, the volume of trade within the alliance, which in 2013 was estimated at \$300 billion, accounts for a mere 6.5 per cent of their total turnover of goods with the outside world. If BRICS countries work together and implemented their policies then its change the world's politics and a boost for low income countries dependable on develop nations.

References

1. <https://byjus.com/>
2. <https://www.insightsonindia.com/>
3. <https://loksabhadocs.nic.in/>
4. <https://brics2021.gov.in/>
5. <https://icwa.in/>
6. Li Xiaoyun, Richard Carey." The BRICS and the International Development System: Challenge and Convergence", Institute of Development Studies, 2014.
7. Mihaela Papa, Raj Verma. "Scenarios for BRICS Evolution in Light of the India–China Conflict", Global Policy, 2021, 12.
8. Harsh V Pant. "The BRICS Fallacy", The Washington Quarterly, 2013.
9. Ramesh Thakur, "How representative are BRICS", Third World Quarterly, 2014.
10. Mark Beeson & Jinghan Zeng, "The BRICS and global governance: China's contradictory role", Third World Quarterly, 2018.