

# BRICS

BRICS is an acronym for 5 emerging economies of the world viz. - Brazil, Russia, India, China, South Africa. The term BRIC was coined by Jim o' Neil, the then chairman of Goldman Sachs in 2001.

The first BRIC summit took place in the year 2009 in Yekaterinburg (Russia). In 2010, South Africa joined formally into the association making it BRICS.

This article is important for students preparing for [IAS Exam](#) since this is a significant topic in the Indian Polity and International Relations of *General Studies Paper 2* and Economics in *General Studies Paper 3* of the [UPSC Syllabus](#).

## What is BRICS?

BRICS is an association with more than 40% of the global population and with 25% of the global GDP (nominal GDP of US\$16.039 trillion) and an estimated US\$4 trillion in combined forex. Bilateral relations are conducted mainly on the basis of equality and mutual benefit.

Click the link to read about the [GDP of India](#).

## BRICS Summits

Sr No	Year	Host Country	Points in Focus
1	2009	Russia	<ul style="list-style-type: none"> <li>Financial and economic issues emerging from the 2008 Financial Crisis.</li> <li>Reformations of International Financial Institutions</li> </ul>
2	2010	Brazil	<ul style="list-style-type: none"> <li>Launch of multiple Intra- BRICS Cooperative Institutions. The summit also had a meeting of National Security Advisors and Think Tank Seminar.</li> <li>Agricultural development of respected countries related discussion between Ministers of Agriculture.</li> <li>The signing of Memorandum of Cooperations between development banks of each country.</li> </ul>
3	2011	China	<ul style="list-style-type: none"> <li><b>South Africa joins the association.</b></li> <li>Pitching for UNSC Reforms.</li> <li>New Ventures in Africa</li> </ul>
4	2012	India	<ul style="list-style-type: none"> <li>Establishing the BRICS Bank to finance infrastructure requirements and sustainable development projects of BRICS in the third world as well as developing countries.</li> <li>Additional foreign policies</li> <li>India mooted the idea for a <b>New Development Bank</b>.</li> </ul>
5	2013	South Africa	<ul style="list-style-type: none"> <li>The BRICS Contingent Reserve Arrangement (CRA) with a total capital of \$100 billion was introduced.</li> <li>BRICS Business Council was set up.</li> <li>BRICS Think Tank was set up. This was known as the eThekweni Declaration.</li> </ul>
6	2014	Brazil	<ul style="list-style-type: none"> <li>The theme was Inclusive Growth, Sustainable Solutions.</li> </ul>

			<ul style="list-style-type: none"> <li>Constitutive agreements to fund infrastructure and sustainable development projects in emerging markets were signed.</li> </ul>
7	2015	Russia	<ul style="list-style-type: none"> <li>Accepting constituting agreements of the CRA and the New Development Bank</li> <li>Shanghai Cooperation Organization (SCO) and the Eurasian Economic Union (EAEU) joint summit.</li> </ul>
8	2016	India	<ul style="list-style-type: none"> <li>The joint summit of <a href="#">BIMSTEC</a> - Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Corporation.</li> </ul>
9	2017	China	<ul style="list-style-type: none"> <li>Discussion on EMDCD- Emerging Markets and Developing Countries Dialogue.</li> <li>Discussion of 2030 Sustainable Development agenda</li> </ul>
10	2018	South Africa	<ul style="list-style-type: none"> <li>Discussion on the 4th Industrial Revolution</li> <li>Other discussions on Sustainable development and climate change</li> </ul>
11	2019	Brazil	<ul style="list-style-type: none"> <li>The theme was "Economic Growth for an Innovative Future."</li> <li>The Brasilia Declaration was adopted by BRICS.</li> </ul>
12	2020	Russia	

## Objectives of BRICS

- One of the major objectives of the grouping is broadening, deepening and intensifying cooperation among the member countries for mutually beneficial, sustainable and equitable development.
- Every member's growth and development are considered to ensure that relations are built on the economic strengths of individual countries and eliminate competition wherever possible.
- Such diverse objectives allow BRICS to emerge as an innovative and encouraging Political-Diplomatic entity which was earlier formed just to resolve the global financial issues and reform institutions.

## Features of BRICS

Accounts for 30% of GDP which is around \$20 trillion.	Represents more than 40% of the world population.
Any countries from the EU or USA are not a part of it.	Goldman Sachs came up with the idea of BRICS after the 2008 Global Recession.

## Impact of BRICS on Reformations of Global Financial Institutions

- The financial crisis of 2008 was one of the major reasons behind the formation of BRICS. The **dollar-dominated monetary market** collapsed after the subprime mortgage crisis and raised questions about its reliability and sustainability.
- '*The reform of Multilateral Institutions*' was established by BRICS in order to make changes in the structure of the World Economy, thus increasing the part emerging economies play in the world economy.
- These reformations of institutions resulted in the formation of the International Monetary Fund (IMF) quota reform, after BRICS managed to push for it in 2010, further reducing the financial crisis due to western laws. BRICS ended being the 'agenda settlers' in multilateral institutions after this.

## New Development Bank

- The New Development Bank (NDB), one of the multilateral development institutions created by the BRICS has been working successfully and is headquartered in Shanghai, China.
- It was discussed in the 2012 Summit and established in 2015.
- Fortaleza Declaration of the 2014 BRICS Summit 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.
- Since the start of its operations after the 2015 Summit, 42 investment projects worth over \$11 billion have been approved and are under implementation bringing in the much-needed investment in the developing countries.
- The major idea behind NDB was to mobilize funds and resources which the sustainable development and infrastructure projects demanded. NDB not only proved helpful for BRICS countries but also helped other emerging economies and developing countries.
- Key Areas of operation of the NDB are:
  - Clean Energy
  - Sustainable Urban Development
  - Economic development among BRICS member countries
  - Agriculture development and irrigation
  - Transport infrastructure
- All the BRICS Member countries hold an equal stake in the bank and the NDB works on their consultative mechanism.

Also Read | [India relations with France and its significance for UPSC Exam](#)

## 11th BRICS Summit

The latest BRICS Summit was held in Brazil in 2019.

Sr No	Year	Host Country	Points in Focus
11th	2019	Brazil	<ul style="list-style-type: none"><li>• The theme was "Economic Growth for an Innovative Future."</li><li>• The Brasilia Declaration was adopted by BRICS.</li></ul>

## What is the Brasilia Declaration?

The Brasilia Declaration was signed by the BRICS members in the 11th BRICS Summit in Brasilia. This declaration reaffirms the members' commitment to upholding the UN Charter's purposes and principles, advocating multilateralism, and finding a political settlement to serious issues.

- The Brasilia Declaration will be advocating and supporting
  - Multilateralism
  - The major role of the UN in international affairs
  - Mutual respect for international Law
- Reforming Multilateral Systems
  - The three major international organizations (UN, WTO and IMF) need to be strengthened and reformed in order to address the issues faced by the developing nations of the world.
- Supporting multilateralism
  - The US-China trade war has a significant impact on the global economy.
  - Multilateralism will allow emerging economies and developing countries to protect their own interests.

## UPSC Questions Related to BRICS

What is the BRICS and its purpose?

BRICS is an acronym for 5 emerging economies of the world viz. - Brazil, Russia, India, China, South Africa.

When did South Africa join Brics?

- Until 2010, the association only had 4 member countries - Brazil, Russia, India and China. And it was known as BRIC.
- South Africa joined in 2010 which led to the multilateral association of BRICS.

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