

Brazil, Russia, India, China, South Africa (BRICS) - A Brief Overview

BRICS Latest Update – On 19th February, the Ministry of External Affairs has launched the website on BRICS 2021. India is set to launch the 2021 BRICS Summit which will be the 13th summit of the grouping. BRICS 2021 will mark the 15th anniversary of the international grouping. India has earlier hosted BRICS Summit 2012 and 2016.

What is 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.

BRICS 2021 – India Hosting 13th BRICS Summit

The chair of BRICS 2021 is India. The theme of the 13th BRICS Summit is, 'BRICS @ 15: Intra-BRICS Cooperation for Continuity, Consolidation and Consensus.'

The discussion in the BRICS Summit 2021 is around three pillars:

1. Political and Security – The focus is on the discussion over global and regional security. The priority sectors are:
 - Reform of the Multilateral System
 - Counter-Terrorism Cooperation
2. Economic and Financial – The focus is on intra-BRICS cooperation in sectors such as trade, agriculture, infrastructure, small and medium enterprises, energy and finance & banking. The priority under this pillar are:
 - BRICS Economic Partnership Strategy 2020-25 – Implementation of this strategy will be discussed.
 - BRICS Agriculture Research Platform – The platform's operations will be discussed.
 - Cooperation on Disaster Resilience
 - Innovation Cooperation
 - Digital Health and Traditional Medicine
3. Cultural and People to People – The cultural and personal exchanges always enhance intra-group bonding and the BRICS 13th Summit is set to discuss the same.

On 24th February, the 1st Meeting of BRICS Finance and Central Bank Deputies was held virtually. One should know the issues discussed in the meetings as questions from similar topics can be asked in the UPSC Mains. The issues that India and other BRICS nations discussed in the first meeting on the BRICS Financial Cooperation under India Chairship in 2021 are:

1. Global Economic Outlook
2. BRICS Nations' Response to COVID-19
3. Social Infrastructure Financing and Use of Digital Technologies
4. New Development Bank (NDB) Activities
5. Fintech for SME and Financial Inclusion
6. BRICS Contingent Reserve Arrangement (CRA)

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.

The 11th summit of the BRICS grouping comprising Brazil, Russia, India, China, and South Africa was held in Brasilia on 13th & 14th November 2019. The 12th summit (Russia) of BRICS was held on 17th Nov, 2020 via videoconference.

BRICS Summits – 13 Summit

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

6th BRICS Summit	2014	Brazil	<ul style="list-style-type: none"> The theme was Inclusive Growth, Sustainable Solutions. Constitutive agreements to fund infrastructure and sustainable development projects in emerging markets were signed.
7th BRICS Summit	2015	Russia	<ul style="list-style-type: none"> Accepting constituting agreements of the CRA and the New Development Bank Shanghai Cooperation Organization (SCO) and the Eurasian Economic Union (EAEU) joint summit.
8th BRICS Summit	2016	India	<ul style="list-style-type: none"> The joint summit of BIMSTEC – Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Corporation.
9th BRICS Summit	2017	China	<ul style="list-style-type: none"> Discussion on EMDCD- Emerging Markets and Developing Countries Dialogue. Discussion of 2030 Sustainable Development agenda
10th BRICS Summit	2018	South Africa	<ul style="list-style-type: none"> Discussion on the 4th Industrial Revolution Other discussions on Sustainable development and climate change
11th BRICS Summit	2019	Brazil	<ul style="list-style-type: none"> The theme was “Economic Growth for an Innovative Future.” The Brasilia Declaration was adopted by BRICS.
12th BRICS Summit	2020	Russia	<ul style="list-style-type: none"> Held on 17th November, 2020 via Videoconference Theme for XII BRICS Summit – “BRICS Partnership for Global Stability, Shared Security and Innovative Growth”
13th BRICS Summit	2021	India	<ul style="list-style-type: none"> Yet to take place Theme for XIII BRICS Summit – “BRICS@15: Intra-BRICS Cooperation”

BRICS – Objectives

- 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 that was earlier formed just to resolve the global financial issues and reform institutions.

Features of BRICS

Accounts for over 24% of World GDP	Represents more than 40% of the world population.
Any countries from the EU or the USA are not a part of it.	Goldman Sachs came up with the idea of BRICS after the 2008 Global Recession.

BRICS – Impact on Global Financial Institutions

1. 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.
2. ‘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.
3. 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 (NDB)

1. 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.
2. It was discussed in the 2012 Summit (4th BRICS Summit – New Delhi) and established in 2015.
3. Fortaleza Declaration of the 2014 BRICS Summit (6th) 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.
4. 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.
5. 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.
6. 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
7. All the BRICS Member countries hold an equal stake in the bank and the NDB works on their consultative mechanism.
8. List of NDB Projects: <https://www.ndb.int/projects/list-of-all-projects/>

What is the Brasilia Declaration?

The Brasilia Declaration was signed by the BRICS members at 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.

Frequently Asked Questions related to BRICS

What is BRICS and its purpose??

BRIC is an acronym for the developing nations of Brazil, Russia, India, and China – countries believed to be the future dominant suppliers of manufactured goods, services, and raw materials by 2050.

Why was BRICS formed?

In 2001, Jim O'Neill, then Chief Economist of Goldman Sachs, coined the acronym for Brazil, Russia, India and China as the largest emerging markets economies. He expected them to grow faster than the developed countries and to play an increasingly important role in the world. Most multilateral institutions were designed in the era when the West dominated the world. The US and Europe are over-represented in the IMF and the World Bank. This is why BRICS summits are so important. These meetings provide a unique forum where non-OECD leaders can discuss global challenges and coordinate their actions within and outside global institutions.

Where is the headquarters of BRICS?

BRICS Tower headquarters (former Oriental Financial Centre) is in Shanghai.

Why is BRICS important to India?

India using the platform can help balance the Russia-China axis. Also, the role of BRICS in G20 becomes important and hence, India remains a part of the design of global economic policies and promoting financial stability. India's anti-terrorism measures can be discussed and catered to using the platform. Through BRICS, India gets to engage with China which seems to be a roadblock for the country's entry into the United Nations Security Council (UNSC) as a permanent member and NSG.

What BRICS has accomplished?

Over the past decade, the combined BRICS GDP has grown by 179 percent, and the total trade of the member nations has expanded by 94 percent. With rapid development, the bloc has also been a powerful driver for the global economy.

Which country is hosting the 13th BRICS summit?

India is the host of the BRICS 2021 Summit.

