

International Relations This Week - BRICS and Other Issues

International relations is a very important segment of the [UPSC syllabus](#). In this series, we present an analysis of the most important international issues and developments that occurred over the past week relevant for the IAS exam. In this article, you can learn more about BRICS, its relevance and other developments.

Video link: https://youtu.be/ozW_6Kuj0jA

BRICS in the 21st Century

BRICS in Detail:

What is BRICS?

- In 2001, Jim O'Neill, a Goldman Sachs economist, invented the phrase BRIC for a paper in the Global Economic Paper series.
- However, the phrase 'BRIC' as an international platform was established in September 2006 with the first meeting of the foreign ministers of Brazil, Russia, India, and China in New York on the fringes of the [UN General Assembly](#).
- South Africa later joined this forum in April 2011 (third BRIC summit), and the acronym 'BRICS' was coined.
- BRICS leaders reaffirmed their commitment to achieving the Millennium Development Goals (MDGs) by 2015.
- The five [BRICS](#) countries are also G-20 members.
- Together, the five nations account for 43 percent of the world's population and 46 percent of the worldwide labour force.
- Besides, 30 percent of the earth's area, and 25 percent of global GDP comprises five BRICS countries.

The BRICS Bank

- The leaders of Brazil, Russia, India, China, and South Africa discussed the potential of establishing a new Development Bank at the fourth BRICS Summit in New Delhi (2012).
- Its goal is to raise funds for infrastructure and sustainable development projects in the BRICS and other emerging economies, as well as poor nations.
- The leaders of the BRICS countries signed the Agreement Establishing the [New Development Bank](#) in Fortaleza, Brazil, during the sixth BRICS Summit in 2014.

- The leaders emphasised in the Fortaleza Declaration that the NDB will boost BRICS cooperation and support the work of global and regional financial institutions.

Significance of BRICS

1. **Global Supply Chains:** The BRICS have significant commercial assets that have the potential to produce a fundamental change in global supply chains. Global companies looking for new supply chains and consumer markets should keep an eye on the BRICS group.
2. **Multilateral system:** BRICS are part of a new governance paradigm that supports different narratives from across the global community. BRICS requires a shared, common definition of multilateralism, with states openly defining it.
3. **Financing Infrastructure Projects:** In the African context, the new bank might play a critical role in funding infrastructure projects through the BRICS' Africa Regional Centre. This is done to encourage structural reform in resource-dependent economies and to accelerate regional integration.
4. **Digital Health Solutions:** [COVID-19](#) has emphasised the importance of multilateral collaboration in facilitating knowledge exchange and translating international learnings to the national context. Data interoperability must be pushed in order to aid in the development of early warning systems for future health emergencies such as the pandemic.
5. **New Global Order:** The BRICS are prepared to play a crucial role in revamping the international monetary system and establishing the new development agenda as a collection of powerful emerging countries. The BRICS intend to establish a forum for policy learning in ways that may lessen the importance of the World Bank's "knowledge partnership."

Potential Challenges with the Structure and Members of BRICS

1. **Domestic Challenges:** Each member country has unique challenges due to political differences, economic instability, territorial concerns, and so on. South Africa's economy is at an all-time low. Terrorism is one of India's domestic issues. Brazil has internal challenges such as poverty reduction and health care.
2. **Difference of Views:** The BRICS members disagree on improvements to the [United Nations Security Council \(UNSC\)](#).
3. **US Dominance:** The world has witnessed widespread anarchy in the international order under the US's guardianship. In this context, the globe must contend with the United States' supremacy over economic institutions.
4. **Chinese Demands:** The rise of China and its influence on global order has sparked concerns about the impact of a growing power on multilateral mechanisms. China strives to deepen cooperation in the market-driven digital economy, green technology, and sustainable infrastructure, whereas other member countries prioritise strengthening regional cooperation, domestic issues, social responsibility, and issues relating to people's well-being.

5. **Change in Global Order:** The fast transition in the global order that has made the Brics members, notably Russia, China, and India, key participants in regional and global affairs is one of the most significant issues that BRICS faces.
6. **Lack of Focused Strategy:** BRICS lacks the "strategic vision" to address "global issues" on its own. It relies on other international organisations for this, such as its support for the [G20](#) when the latter banded together to cope with the 2008 financial crisis.
7. **Different Trade bloc:** Although the BRICS group is significant, it is not a trading bloc in itself. Furthermore, each member state has enormous influence over a large worldwide Free Trade or Preferential Trading bloc.

What is the Significance of BRICS for India?





Impact of COVID on BRICS Countries

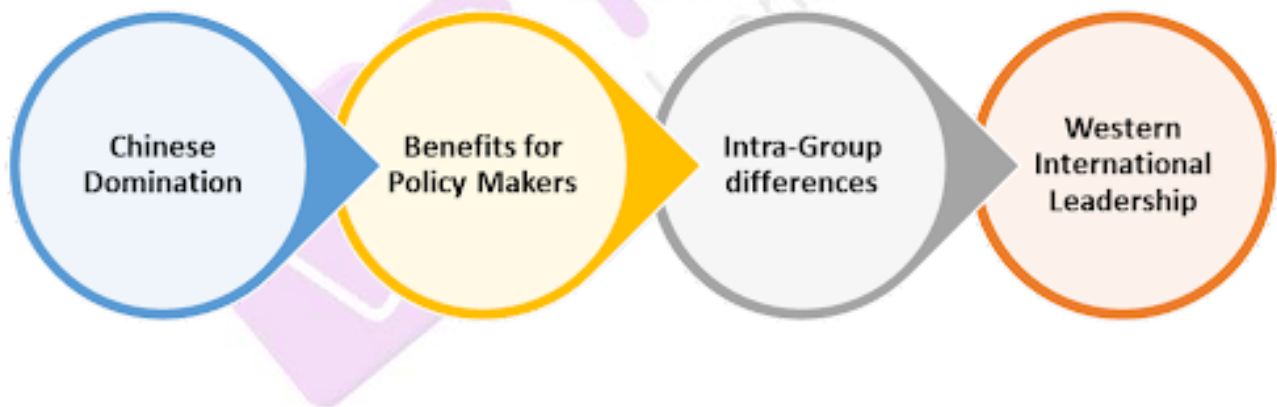
- The pandemic has had a negative impact on the BRICS as a political bloc. It has exposed ancient fault lines and aggravated them.
- Other alliances are forming within the grouping. Russia, for example, appears to be growing closer to China, even as it fights other key countries on the outside.

- Brazil and India, on the other hand, appear to have grown closer — witness India's supply of hydroxychloroquine and paracetamol to Brazil, and Brazil's show of thanks through a reference to Indian customs.
- Given the apparent diversity of interests that the epidemic has shown, it is impossible to imagine the BRICS operating as a bargaining forum for its members.
- Decoupling discussions have mostly centred on the United States and China.
- However, the BRICS divisions revealed by the pandemic present new chances for actors that do not want to be collateral damage in a new cold war.

Way Forward

The governments have committed significant political capital in advancing the BRICS experiment, and its institutionalisation has developed its own momentum. This group's leaders, administrators, and scholars must undertake severe soul-searching in order to find a way out of their current predicament.

When assessing the future of the BRICS coalition, four crucial points should be taken into consideration:



1. For developing countries, the wave of industrialization and urbanisation, as well as the related productivity improvements, is far from over. They will surely have a growth edge over developed economies for some time to come due to their faster-growing populations and productivity.
2. By offering an essential platform in sectors like urban planning, academia, anti-terrorism measures, water management, policy coordination, and higher education, the BRICS grouping is delivering considerable benefits for its members.

3. The intra-group disputes and tensions are genuine, and the BRICS grouping will never be compared to the EU or NATO. On the other hand, it would be naive to believe that they prevent effective cooperation.
 4. Because Western International Leadership is so entrenched and pervasive, observers' ability to objectively analyse the repercussions of its collapse is limited. Non-Western powers will continue to assume more responsibility in the future.
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