

BRICS off the wall

At Copenhagen in 2009, Prime Minister Manmohan Singh, then Chinese Premier Wen Jiabao and other leaders of the newly formed BASIC group (with Brazil and South Africa) were sitting in a conference room, negotiating a statement on the failure of the climate change summit. The group of emerging economies had been bolstered by the formation of the BRIC group (Brazil, Russia, India and China, South Africa joined in 2010) with a declared objective of battling “Western hegemony”. The BASIC group had decided they would walk away from Copenhagen without a deal, unless the demands of emerging economies, which couldn’t afford the same emission cuts, were reflected. The scene, as described by Shyam Saran (then India’s chief climate negotiator) in a new book on Indian foreign policy, turned dramatic: with a knock on the conference room door, the U.S. team, led by then President Barack Obama and then Secretary of State Hillary Clinton, barged into the meeting. After much back and forth, Mr. Wen and Dr. Singh accepted an American compromise on the wording of the drafts, and the Copenhagen accord went ahead.

The event didn’t just change the course of international negotiations on global warming at the time, it heralded the arrival of emerging economies as a political force, and particularly the [potential of the combined political clout of India and China](#). BRICS (BASIC was later disbanded) went from a modest 16-paragraph joint statement at Yekaterinburg in June 2009 to the more substantive 110 paragraphs that the five countries agreed upon in the Goa Declaration of October 2016, developing common positions not just on climate change but also on terrorism, energy, and world politics.

Over time, it no longer met with sneers and references, like being called the “Bloody Ridiculous Investment Concept” by one investment banker, or the group of “paper tigers”, a reference to the fact that the term BRIC was coined in a paper by Goldman Sachs chief economist Jim O’Neill in 2001. The valuation of the BRICS grouping, that represents 40% of the world’s population and a quarter of its growth at \$17 trillion, also did well, with more and more investment being driven into the five economies, mainly led by India and China. Not only did the BRICS countries better their positions in the World Bank and International Monetary Fund, they also struck a small blow against Bretton Woods institutions, and the BRICS New Development Bank set up in 2015 has already given out about \$6 billion in loans for 23 projects across BRICS countries. This is no mean feat given the vast differences in size and political systems, and internal turmoil in BRICS countries.

Despite all of these gains, the truth is that [BRICS now faces its most challenging summit](#), not because of the West or the developed world, but because of growing differences between its two biggest members, India and China. And as Prime Minister Narendra Modi prepares to travel to Xiamen for the September 3-5 summit, it is important to see how the bilateral relationship and several other changes in geopolitics are now going to change the course of the BRICS engagement as well.

The Xiamen summit follows a gruelling two and a half months during which the rhetoric between India and China — especially the latter’s — has been quite sharp. While diplomats smoothed out a victory over more hawkish elements by disengaging the troops at Doklam and obtaining a Chinese assurance that it would not continue its road construction at the tri-junction area, more heavy lifting will have to be done to restore the situation to pre-June terms. The bilateral tensions will no doubt spill over to the multilateral negotiations at Xiamen, especially given the negative atmosphere built up by state-run Chinese media these past few weeks.

Off the road: India cannot sit out B&RI

Beyond the bilateral issues over the boundary, Nuclear Suppliers Group membership for India, terrorism, the Dalai Lama and others, the rift over China's Belt and Road Initiative (BRI) is also likely to dominate discussions at BRICS, as it now underpins all of China's other policies. India's refusal to be a part of the BRI over sovereignty issues, coupled with its broader objections to the transparency and agenda of the project, was a cause for tensions before the Doklam stand-off, with some commentators even arguing that it precipitated the crisis. There is little doubt that China will aim to bring the BRI on the table for negotiations at BRICS, to win a statement of endorsement as it did at the Shanghai Cooperation Organisation last year. India will have to use considerable leverage with other members to ensure that its concerns prevail. However, it must be remembered that Russia and South Africa are important parts of BRI, and while Brazil is not, it is no less a recipient of Chinese investment, with a \$20 billion Brazil-China infrastructure fund inaugurated this May.

Another challenge for India is likely to arise from China's plan for a "BRICS-Plus" or "Friends of BRICS" grouping, with Foreign Minister Wang Yi's plan to include Pakistan, Sri Lanka and Mexico to an expanded version of BRICS. The suggestion of including Pakistan is something India has balked at and won't pass quite yet, but it wouldn't want to be seen to be opposing China's rationale of promoting "south-south cooperation" further.

Meanwhile Russia, which was the prime mover for the grouping, has moved closer to China and away from India; this could affect the language of the joint statement, especially on issues like Afghanistan, on which BRICS members had previously been on the same page. Russia's estrangement from the U.S. and Europe post-2014 and the Ukraine crisis in particular have increased its dependence on its east and south, mainly in the direction of the \$300 billion Russia-China oil pipeline that China is funding. Russia's shift on dealing with the Taliban is a strong signal of which way it is headed.

Mission indefinite: Donald Trump's Afghanistan policy

The U.S.'s new Afghanistan-Pakistan-India policy, that builds India's economic assistance into its own strategy for Afghanistan, will crystallise battle lines in the latest round of this age-old battle, with Russia, China, Iran and Pakistan ranged on one side, and India, the U.S. and NATO allies now on the other. In keeping with this, Russian Foreign Minister Sergey Lavrov has called the U.S.'s Afghanistan policy a "futile course", while President Vladimir Putin's Afghanistan envoy Zamir Kabulov has warned against "putting too much pressure" on Pakistan. At both the BRICS conference in Goa last October, as well as the Heart of Asia summit in December, Russian officials cavilled at backing India's strong language on terrorism emanating from Pakistan.

Nevertheless, it is an indicator of the importance of BRICS that both Mr. Modi and Chinese President Xi Jinping appeared to have exerted enough pressure on officials to bring about the disengagement in Doklam a week before the summit at Xiamen. The Modi government must be credited for ensuring that it won peace at Doklam without building the outcome up as a defeat of China, which would have made their rivalry at BRICS that much more intense. In this, BRICS has fared better than two other groupings, SAARC and the Non-Aligned Movement, whose last summits India skipped, and appears to have abandoned. It remains to be seen how the two leaders use next week's bilateral encounter to chart a road map to repair ties. This could provide a realistic understanding of where the road ahead leads for BRICS as well, and whether post-Xiamen it can still bear out the potential that was promised a decade ago in Yekaterinburg and Copenhagen.

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