

BRICS ON THE BALL?

Relevant for: International Relations | Topic: BRICS, IBSA and India

Prime Minister Narendra Modi poses with Presidents of Brasil, Jair Bolsonaro; Russia, Vladimir Putin; China, Xi Jinping; South Africa, Cyril Ramaphosa, at the 11th BRICS Summit in Brasilia, Brazil. | Photo Credit: [Reuters](#)

The 11th summit of the BRICS grouping comprising Brazil, Russia, India, China and South Africa was held in Brasilia last week. Pitted as a counterweight to G7, the combine of developed economies, BRICS represents the world's top emerging economies and claims to serve as a bridge between the developed and developing world. What are its current concerns and priorities? Questions are also being raised about its efficacy and impact.

With Brazil's President Jair Bolsonaro as the chair, BRICS was supposed to go into a slow mode. Instead, it hosted 116 meetings of leaders, ministers and others. During Brazil's chairship, the grouping reported 30 new outcomes, initiatives and documents. The latest summit needed a 73 para-long Brasilia Declaration to spell out the leaders' shared worldview and spectrum of their work.

Five-in-one: On BRICS summit

However, it is difficult to identify new elements in the BRICS's endeavour to strengthen and reform the multilateral system. The "urgent need" to reform the UN, the World Trade Organization, the International Monetary Fund and other international organisations was stressed once again, even as little progress has occurred on this score. Interest in open and free trade was reiterated, despite growing protectionist tendencies. On expansion of the UN Security Council, BRICS exposed its disunity yet again by sticking to the formulation that refuses to go beyond China and Russia supporting the "aspiration" of Brazil, India and South Africa "to play a greater role in the UN".

Much to India's satisfaction, the commitment of BRICS to counterterrorism seems to be getting strengthened. Its working group on countering terrorism has expanded its activities through five thematic subgroups that deal with terrorist financing, use of Internet for terrorist purposes, countering radicalisation, issue of foreign terrorist fighters, and capacity building. If these exertions make India more secure, they will be most welcome.

Where the BRICS shows signs of advancing is in the economic domain. Here, five facets need to be highlighted. First, the New Development Bank (NDB), the grouping's flagship achievement, has 44 projects with its lending touching \$12.4 billion, in just five years. This is not a small gain, but the bank needs to grow as "a global development finance institution". A move is now afoot to open its membership selectively. The summit leaders are understood to have agreed on the criteria and probably on a list of nations as possible new members, although a formal decision has been left to the bank's board of governors. NDB has opened its regional centres in South Africa and Brazil, and will do so in Russia and India in 2020.

Second, with a successful Contingent Reserve Arrangement in the bag, BRICS governments are set to establish a local currency Bond Fund. But the earlier proposal to launch a credit rating agency remains shelved due to internal differences.

Third, business promotion among member-states has been accorded a new salience. The BRICS Business Council held a substantive dialogue to foster cooperation in areas ranging from

infrastructure and energy to financial services, regional aviation and digital economy. Its cooperation with the NDB is being encouraged. The national trade promotion agencies signed an MoU on cooperation among themselves. A BRICS Women Business Alliance was created, both as a women empowerment measure and as a tool to bring “a distinctive perspective on issues of interest for the business community.”

Pragmatism prevails as BRICS rejects protectionism and trade wars

Fourth, following up on the decisions taken at the previous summit, operationalisation of the Partnership on New Industrial Revolution is underway. It is focused on cooperation in digitalisation, industrialisation, innovation, inclusiveness and investment. This partnership will be concretised by establishing industrial and science parks, innovation centres and business incubators.

Fifth, the stress on developing people-to-people interaction remains unchanged, with each chair-country drawing up a calendar of activities to strengthen links of culture, arts, sports, media and academic exchange.

The contribution of BRICS to project the perspectives of developing economies is laudable. However, by hosting outreach meetings with countries in its neighbouring (or broader) region, each chair (with Brazil’s exception) gave the impression that BRICS would do more for them. But the NDB has been lagging behind on this score. It needs to start extending loans for projects in non-BRICS countries to create a solid constituency of supporters. Also, is such a plethora of meetings really essential? Do the results justify the expenditure? India’s representatives should ask, do they help the poor and vulnerable sections of the BRICS community? Finally, BRICS should ponder if in the short term it needs to focus on fulfilling existing commitments instead of taking on new ones.

Rajiv Bhatia, a former High Commissioner to South Africa, is Distinguished Fellow, Gateway House

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