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BRICS

SYLLABUS:

GS > International relations > International groupings > BRICS

REFERENCE NEWS:

- The **2025 BRICS Summit**, held in **Rio de Janeiro**, concluded with the adoption of the **Rio de Janeiro Declaration**, under the theme: **“Strengthening Global South Cooperation for a More Inclusive and Sustainable Governance.”**
- The summit saw the participation of **11 full member states** and welcomed **Indonesia as the newest member**, expanding BRICS’s footprint across Asia, Africa, and the Middle East. The declaration also formalized **Vietnam’s entry as a BRICS partner country**, bringing the total number of partners to ten.

KEY HIGHLIGHTS FROM THE RIO SUMMIT:

- **Call for Reform of Global Institutions:** BRICS reiterated strong support for reforms in the **UN Security Council**, **IMF**, **World Bank**, and **WTO** to reflect the rising role of emerging economies.
- **Climate Finance Push:** BRICS leaders demanded that developed countries fulfil their climate finance commitments, calling for **equitable transitions** and **technology transfer** to the Global South. They opposed unilateral carbon border measures like the EU’s CBAM.
- **Geopolitical Coordination:**
 - Expressed **concern over Middle East tensions**, including the **Gaza crisis** and **strikes on Iran**.
 - Called for peaceful diplomacy and humanitarian access.
 - Condemned **terrorist attacks in Jammu & Kashmir**.
 - Supported a **two-state solution** for Israel-Palestine.
- **Economic & Financial Cooperation:**

- Emphasis on **local currency financing** and further development of the **New Development Bank (NDB)**.
- Push for creating **interoperable payment systems** and reforming the **BRICS Contingent Reserve Arrangement**.
- **Technology and AI Governance:**
 - Released a **Leaders' Statement on Global AI Governance**, calling for ethical use of AI aligned with UN norms.
 - Approved the creation of a **BRICS Space Council** and research cooperation on emerging tech.
- **US Response:** US President Donald Trump reacted sharply, **labelling BRICS as “anti-American”** and announcing a proposed **10% tariff on all BRICS imports**.

WHAT IS BRICS?

- BRICS is a **political and diplomatic coordination forum** of **11** emerging economies:
Brazil, Russia, India, China, South Africa, Saudi Arabia, Egypt, UAE, Ethiopia, Indonesia, and Iran.
- Functions as a platform for **Global South cooperation** across diverse sectors such as politics, economy, and development.
- Its activities traditionally revolve around **three pillars**:



ORIGIN AND EVOLUTION:

2001	Term " BRIC " coined by Goldman Sachs in a report highlighting Brazil, Russia, India, China as future economic powerhouses.
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2006	First BRIC Foreign Ministers' meeting at UNGA sidelines in New York; political cooperation initiated.
2009	First BRIC Summit of Heads of State held in Yekaterinburg, Russia .
2010	Decision to include South Africa made at BRIC FM meeting in New York.
2011	South Africa joins , and BRIC becomes BRICS ; attended 3rd Summit in Sanya, China.
2014	Establishment of New Development Bank (NDB) and Contingent Reserve Arrangement at Fortaleza Summit.
2017	China introduces the " BRICS Plus " format to include broader developing country participation.
2023	At the Johannesburg Summit, decision taken to expand BRICS beyond the original five.
Jan 2024	6 new members join: Egypt, Ethiopia, Iran, Saudi Arabia, UAE (as full members).
Jan 2025	Indonesia joins as the 11th full member.

KEY INITIATIVES OF BRICS:

- **New Development Bank (NDB)** – Provides infrastructure and development financing as an alternative to the World Bank.
- **Contingent Reserve Arrangement (CRA)** – Offers financial safety net to members during currency or liquidity crises.
- **BRICS Pay** – A proposed cross-border payment system promoting local currency trade and de-dollarisation.
- **Anti-Terrorism Strategy** – Enhances cooperation on intelligence sharing, counter-terrorism, and financing prevention.
- **Denial of Safe Haven to Corruption** – Aims to improve anti-corruption enforcement and capacity building.
- **Elimination of Socially Determined Diseases** – Targets health inequities affecting vulnerable populations.
- **Opposition to Unilateral Sanctions** – Condemns sanctions not backed by the UN as harmful to development and sovereignty.

SIGNIFICANCE OF BRICS:

- **Expanding Economic and Strategic Weight:**
 - BRICS represents approximately **49.5 percent of the world population, 40 percent of global GDP, and 26 percent of global trade**, giving it substantial leverage in shaping global economic trends, and is **projected to contribute 58 percent of global GDP** growth between 2024 and 2029, **surpassing the G7**.
 - With new members like **Iran, UAE, and Saudi Arabia**, BRICS now controls nearly **44% of global crude oil production**, enhancing its influence on **global energy security** and supply chains.
- **Reforming Global Governance:**
 - BRICS provides a strong platform to push for reforms in institutions such as the **UN Security Council, IMF, World Bank, and WTO** to reflect contemporary global realities.
 - For example, the **Rio Declaration 2025** reaffirmed calls for a more representative and equitable international order, countering the concentration of power in **Western-led groupings like the G7**.
- **Platform for Global South & South-South Cooperation:**
 - By expanding its membership to include countries across **Africa (Ethiopia, Egypt), the Middle East (Iran, UAE), and Asia (Indonesia, Vietnam as partner)**, BRICS strengthens **South-South solidarity**.
 - It amplifies the voice of underrepresented nations on global issues like trade imbalances, climate finance, and developmental inequality.
 - The **Rio Summit's theme** — *“Strengthening Global South Cooperation for a More Inclusive and Sustainable Governance”* — reflects this deepening commitment.

As of 2025, **BRICS has 10 partner countries**—Belarus, Bolivia, Cuba, Kazakhstan, Malaysia, Nigeria, Thailand, Uganda, Uzbekistan, and Vietnam—who participate selectively in BRICS activities without full membership rights.
- **Alternative Financial Architecture:**
 - The **New Development Bank (NDB)** offers **infrastructure and development financing** without the conditionalities imposed by the World Bank.
 - For example, the NDB has funded **urban and energy projects in India and Brazil**.
 - The **Contingent Reserve Arrangement (CRA)** provides a **currency crisis safety net**, functioning as a South-led alternative to the IMF.

- These mechanisms support **monetary sovereignty, financial stability**, and reduce reliance on Western-dominated institutions.
- **Push for De-dollarisation and Payment Innovation:**
 - BRICS is developing **BRICS Pay**, a cross-border payment platform to enable **local currency transactions**, support **CBDC (Central Bank Digital Currency)** integration, and reduce dependence on the US dollar and SWIFT.
 - For instance, this strengthens bilateral trade (e.g. India-Russia) and shields members from Western financial sanctions.
- **Coordinated Response to Global Security Challenges:**
 - BRICS acts as a **forum for geopolitical coordination**, particularly in areas of **counter-terrorism, cybersecurity**, and regional stability.
 - For example, the **2025 Rio Summit condemned the Pahalgam terrorist attack in J&K and US airstrikes on Iran's nuclear sites**.
 - The **BRICS Anti-Terrorism Strategy** enhances intelligence sharing and capacity building, especially relevant amid evolving global threats.
- **Commitment to Social Development and Health Equity:**
 - The **BRICS Partnership for the Elimination of Socially Determined Diseases** targets health disparities across the Global South.
 - For example, it addresses tuberculosis and HIV in nations like **India, Ethiopia, and South Africa**.
 - Other people-centric efforts include youth summits, women entrepreneurship platforms, and support for TVET (technical vocational education and training).
- **Standing Against Unilateralism and Sanctions:**
 - BRICS uniformly **condemns unilateral sanctions** imposed outside UN mandates, highlighting their harmful impact on **development, sovereignty, and global stability**.
 - This provides diplomatic cover for sanctioned states like **Russia and Iran**, and strengthens collective resistance to coercive economic measures.

CHALLENGES ASSOCIATED WITH BRICS:

- **Deep Geopolitical and Strategic Contradictions:**
 - The grouping brings together countries with **divergent security interests** and **bilateral tensions**.

- For example, **India–China border disputes** remain unresolved, with military standoffs and competition across South Asia and the Indo-Pacific.
- **China and Russia** are in strategic alignment, while **India tilts toward Western partnerships** like the Quad and IPEF. Within the West Asian members, **Iran and Saudi Arabia** represent **regional rivals**, complicating internal coordination.
- **Lack of Institutional Cohesion:**
 - BRICS functions **without a permanent secretariat** or binding charter, relying on rotating presidencies and consensus-based decisions. This slows implementation and reduces accountability.
 - For instance, while the **New Development Bank** is operational, many of its projects are limited in scope compared to Bretton Woods institutions.
- **Asymmetry in Economic Power and Influence:**
 - **China alone accounts for over 70 percent of BRICS GDP**, making it the dominant player economically. This creates asymmetries in agenda-setting and causes unease among other members like India and Brazil.
 - The **NDB and CRA remain financially dependent on Chinese capital**, raising concerns over undue influence.
- **Limited Success in De-dollarisation and Trade Integration:**
 - Despite proposals like **BRICS Pay** and promotion of **local currency trade**, intra-BRICS trade is still largely **dollar-denominated**.
 - For example, India continues to face settlement issues with Russia due to sanctions and currency mismatches.
 - The **CBDC-linked payment infrastructure** remains in its early conceptual phase and lacks cross-border interoperability.
- **Diverse Political Systems and Governance Models:**
 - BRICS comprises **liberal democracies** (India, Brazil, South Africa), **authoritarian regimes** (China, Russia, Iran), and **monarchies** (Saudi Arabia, UAE).
 - This ideological diversity hinders consensus on values-based global governance, including **human rights, media freedom, and civil society engagement**.
- **Expansion-Related Challenges:**
 - With **eleven full members** and **ten partner countries** (e.g., Vietnam, Kazakhstan, Cuba), BRICS risks becoming **unwieldy and diffuse**, especially without clear admission criteria.
 - Expansion may dilute BRICS's **core coherence** and complicate decision-making under its current consensus-based model.

- **Limited Global Influence on Urgent Crises:**
 - BRICS often releases **symbolic statements** rather than actionable roadmaps.
 - For example, the **2025 Rio Declaration** condemned the **Pahalgam terror attack** and **US strikes on Iran**, but lacked any diplomatic or strategic follow-through. It has **limited mediation capacity** in ongoing conflicts like Gaza, Ukraine, or Myanmar.
- **External Pressures and Pushback:**
 - Western powers, particularly the **United States**, view BRICS as a **geopolitical rival**. For instance, **Donald Trump's threat of a 10 percent tariff on BRICS imports** in response to their criticism of unilateralism signals growing economic pushback.
 - Members like India face pressure to **balance Western alliances** while participating in BRICS, causing foreign policy friction.

WAY FORWARD:

- **Institutional Strengthening:** BRICS must establish a **permanent secretariat**, adopt a **charter**, and streamline internal coordination mechanisms to move beyond consensus-only diplomacy.
- **Managing Internal Divergences:** Proactive dialogue and conflict-resolution frameworks are essential to navigate **India-China tensions**, **Iran-Saudi rivalry**, and differing political systems.
- **Operationalising Key Initiatives:** Accelerate the rollout of **BRICS Pay**, ensure broader uptake of **NDB lending**, and deepen **CRA's scope** for macroeconomic stability.
- **Clear Criteria for Expansion:** Future enlargement must be based on **transparent norms** to prevent dilution of purpose and ensure coherence.
- **Global Agenda Leadership:** BRICS should take the lead in shaping **AI governance**, **climate finance mechanisms**, and **inclusive digital infrastructure**, especially for the Global South.
- **Bridging with Other Forums:** Constructive engagement with **G20**, **SCO**, **ASEAN**, and **African Union** can enhance BRICS's influence and foster cooperative multipolarity.

CONCLUSION:

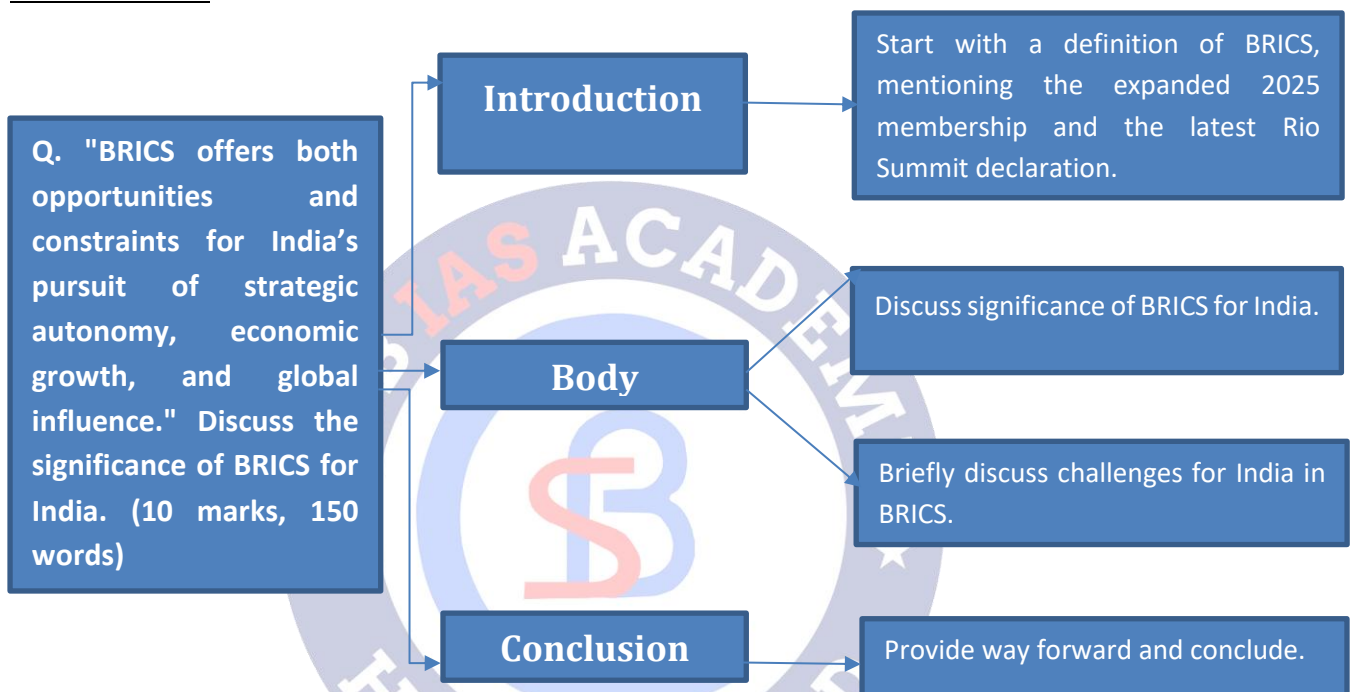
- BRICS stands at a strategic crossroads—its expanding footprint and alternative frameworks reflect its growing relevance, yet internal contradictions and limited delivery mechanisms constrain its potential.

If it addresses these challenges pragmatically, BRICS can truly emerge as the institutional voice of the Global South in shaping a more equitable global order.

PRACTICE QUESTION:

Q. "BRICS offers both opportunities and constraints for India's pursuit of strategic autonomy, economic growth, and global influence." Discuss the significance of BRICS for India. (10 marks, 150 words)

APPROACH:



MODEL ANSWER:

BRICS is an intergovernmental **platform of 11 emerging economies**—Brazil, Russia, India, China, South Africa, Saudi Arabia, Egypt, UAE, Ethiopia, Indonesia, and Iran—as of 2025. It promotes cooperation among **Global South nations** in areas such as trade, development, security, and governance. With the recent **2025 Rio de Janeiro Summit** adopting the declaration “*Strengthening Global South Cooperation for a More Inclusive and Sustainable Governance*”, BRICS has sought to **position itself as an alternative voice in global affairs**. For India, **BRICS offers both significant strategic advantages and notable challenges** in balancing its global aspirations.

Significance of BRICS for India:

1. Platform for Strategic Autonomy and Multipolarity: India's participation in BRICS complements its goal of a multipolar world order. It

allows India to engage with both allies and rivals (e.g., Russia and China) outside Western-dominated forums like G7 or NATO. This helps India maintain its non-aligned strategic posture.

2. Voice for Global South and Reformed Multilateralism: India champions reform of global institutions like the UNSC, IMF, and World Bank. BRICS, through joint declarations such as Rio 2025, amplifies India's voice in seeking equity and democratization in global governance.

3. Economic Cooperation and Development Financing: India benefits from the **New Development Bank (NDB)**, which offers infrastructure financing without conditionalities. For instance, India has secured NDB loans for metro and renewable energy projects.

4. Energy Security and Trade Diversification: With new members like Iran, UAE, and Saudi Arabia, BRICS now controls 44 percent of global crude oil production. This enhances India's energy partnerships and offers avenues for currency-based trade bypassing Western sanctions.

5. Alternative Financial Architecture: Initiatives like **BRICS Pay** and the **Contingent Reserve Arrangement (CRA)** help reduce India's dependence on the US dollar, support rupee-based trade (especially with Russia), and provide monetary crisis buffers.

6. Counter-Terrorism and Regional Stability: India gains from BRICS's **Anti-Terrorism Strategy**, which supports intelligence sharing and condemns acts such as the 2025 Pahalgam terrorist attack. This aligns with India's regional security priorities.

7. Technology, Health, and Climate Cooperation: India participates in BRICS-led initiatives on **AI governance**, **Space Council**, and the **Partnership on Socially Determined Diseases**—supporting its ambitions in digital innovation, public health, and green transitions.

Challenges for India in BRICS:

1. China's Dominance: China contributes over 70 percent of BRICS GDP and dominates the NDB, raising concerns of unequal influence.

2. Geopolitical Contradictions: India-China border disputes and divergent interests with Russia complicate internal consensus.

3. Lack of Institutional Depth: Absence of a permanent secretariat and over-reliance on consensus slows implementation.

4. Diverse Political Models: The ideological gap between democracies (India, Brazil) and authoritarian regimes (China, Russia) limits cooperation on values-based issues.

5. Limited Progress on De-dollarisation: India still faces challenges in local currency trade, such as rupee-ruble settlements with Russia.

Way Forward

- **Strengthen Institutional Capacity:** Advocate for a BRICS Charter and permanent secretariat to improve coherence.
- **Safeguard Sovereignty:** Ensure equal say in agenda-setting and funding mechanisms to prevent domination by any single member.
- **Expand Strategic Convergence:** Use BRICS to deepen engagement on AI, climate finance, health equity, and cyber security.
- **Balance Partnerships:** Continue balancing BRICS participation with engagements in Quad, G20, and IPEF for strategic flexibility.

For India, BRICS serves as both a geopolitical lever and a developmental platform. While **internal contradictions persist**, India's proactive engagement in BRICS can enhance its strategic autonomy, economic reach, and leadership role within the Global South. A calibrated and reform-oriented approach will allow India to harness the full potential of BRICS while safeguarding its national interests