

The BRICS room: Should India be inside it or leave?

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International politics is an arena where there are no permanent friends or foes, there are only permanent interests. Because of the nature of international politics, shifting alliances have been a constant be it in the pre-World War II era, during the Cold War era or in the current multilateral system. The Bretton Woods institutions in the form of the International Monetary Fund (IMF) and the World Bank were created in 1945 to serve as important pillars for international capital financing and trade activities. However, given the inequalities in decisions around financing by the institutions and the emergence of the Global South as a potent political and economic force in international relations, the need for the creation of alternative mechanisms of cooperation around trade and investment was felt, as a result of which emerged groupings like that of Brazil, Russia, India, China and South Africa (BRICS).



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While the BRICS is not a formal organisation, the leaders of the five groups meet annually to deepen, broaden and intensify cooperation for sustainable, equitable and mutually beneficial development. However, there have been systematic changes since the time the term 'BRIC' was coined by Goldman Sachs in 2001 and now in 2023; to the extent that questions have even emerged on whether the group should exist anymore or not. In 2001, the countries were seen as potential drivers of the global economy; in 2023 Russia is engaged in a protracted war with Ukraine, China is suffering after effects of a stringent zero-Covid policy among other issues, the Brazilian economy contracted in 2022, the South African Gross (GDP) declined by 1.35 between October to December last year and growth in India is set to decline to 6.1% in 2023 before picking up to 6.8% in 2024.

In 2023, South Africa is set to host the 15th BRICS Summit in Durban in late August. The summit will be held in the in-person format for the first time in three years. The challenges for the grouping remain myriad, as Russia's war in Ukraine continues, India and China remain locked in a military duel at the borders, while Brazil and South Africa remain preoccupied with severe internal challenges. In the grouping, India and China remain the two countries with relatively high growth rates, but trade between the two is marred by several challenges ranging from lack of equal market access in China to non-tariff barriers against Indian products. To add to the quagmire, possibilities of an uptick in bilateral relations remain less, as seen in last year's Samarkand meeting of the Shanghai Cooperation Organization (SCO), where Prime Minister (PM) Modi and Xi Jinping ignored each other as they posed for a group photograph. The mutual and intentional display of ignoring each other at a forum specifically meant to promote cooperation in myriad fields had implications for where the bilateral relationship stood and could possibly be headed. The same could be witnessed in Durban since relations between India and China have only become worse since Samarkand.

Another problem for India that has been largely constant since 2017 when the U.S.-China trade war began is in China's and Russia's anti-West stances. India has amicable relations with the West as compared to China and Russia and does not stand to benefit by taking a stance against the West. Even in last year's virtual summit, PM Modi delicately and safely steered clear of Chinese and Russian rancor against the West, keeping his focus on the necessity for dialogue and the humanitarian crisis emerging from the situation in Ukraine. The problem of maintaining this delicate balance may only increase for India as China plans to extend BRICS memberships to other countries. While expansion of the BRICS may surely bring in greater scope for cooperation with other emerging economies, it also has immense possibilities that China includes countries with an anti-West stance and the voice against the West from within the BRICS only emerges louder making it more difficult for India. Also, there is a huge body of Chinese language research that states that BRICS and the Belt and Road Initiative (BRI) can be aligned. If China does manage to expand the BRICS membership and get in countries that are more amenable to Chinese political interests, and BRI figures in prominently in BRICS declarations, yet another challenge for India emerges since the BRI is violative of Indian sovereignty in the form of the China-Pakistan economic corridor (CPEC) and India is not a signatory to the BRI. Another challenge which impedes the development of the BRICS as a potent force lies in the institutions it has itself created- such as that of the New Development Bank. The NDB as opposed to the World Bank, or the African Development Bank is opaque, and it is impossible to access information on its operational policies. It is also unclear on questions of accountability.

Beyond the creation of the NDB, the BRICS have had very little policy coordination to foster their own collective economic growth efforts. While China often calls out the West's retreat from globalization, the fact is the Chinese market itself does not operate on fair economic principles. Given the huge social, political and governance differences, the group has not been able to live up to the expectations from it. The question here is should

India then leave the grouping? While the BRICS may seem full of challenges for India, it always makes more sense to be in a room rather than to be outside it to understand discussions taking place within.