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BRICS

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BRICS is the acronym for an association of five major emerging national economies: **Brazil, Russia, India, China** and **South Africa**. Originally the first four were grouped as "BRIC" (or "the BRICs"), before the controversial addition of South Africa in 2010. The BRICS members are all leading developing or newly industrialized country countries, but they are distinguished by their large, sometimes fast-growing economies and significant influence on regional affairs; all five are G-20 members.¹ However, BRICS countries have significantly slowed down with South Africa only growing 1% in 2015 similar to the 1.6% a year from 1994 to 2009, Brazil in its worst recession since the 1930s by some measures,² Russia in a recession as oil prices tailspin and sanctions weigh, and China's slowdown is set to be a drag on global growth and is reported to be the slowest in the last 25 years. Since 2009, the BRICS nations have met annually at formal summits. Russia hosted the group's seventh summit in July 2015. India is going to host the BRICS conference in Goa in 2016. The term does not include countries such as South Korea, Mexico and Turkey for which other acronyms and group associations were later created.

As of 2015, the five BRICS countries represent over 3 billion people, or 42% of the world population; all five members are in the top 25 of the world by population, and four are in the top 10. The five nations have a combined nominal GDP of US\$16.039 trillion, equivalent to approximately 20% of the gross world product, and an estimated US\$4 trillion in combined foreign reserves. The BRICS have received both praise and criticism from numerous commentators.^{[14][15][16]} Bilateral relations among BRICS nations have mainly been conducted on the basis of non-interference, equality, and mutual benefit.

History

The term "BRIC" was coined in 2001 by then-chairman of Goldman Sachs Asset Management, Jim O'Neill, in his publication *Building Better Global Economic BRICs*. The foreign ministers of the initial four BRIC states (Brazil, Russia, India, and China) met in New York City in September 2006 at the margins of the General

Debate of the UN General Assembly, beginning a series of high-level meetings. A full-scale diplomatic meeting was held in Yekaterinburg, Russia, on 16 June 2009.

First BRIC summit

The BRIC grouping's first formal summit, also held in Yekaterinburg, commenced on 16 June 2009 with Luiz Inácio Lula da Silva, Dmitry Medvedev, Manmohan Singh, and Hu Jintao, the respective leaders of Brazil, Russia, India and China, all attending. The summit's focus was on means of improving the global economic situation and reforming financial institutions, and discussed how the four countries could better co-operate in the future. There was further discussion of ways that developing countries, such as the BRIC members, could become more involved in global affairs. In the aftermath of the Yekaterinburg summit, the BRIC nations announced the need for a new global reserve currency, which would have to be "diversified, stable and predictable". Although the statement that was released did not directly criticise the perceived "dominance" of the US dollar – something that Russia had criticised in the past – it did spark a fall in the value of the dollar against other major currencies.

Entry of South Africa

In 2010, South Africa began efforts to join the BRIC grouping, and the process for its formal admission began in August of that year. South Africa officially became a member nation on 24 December 2010, after being formally invited by the BRIC countries to join the group.^[25] The group was renamed BRICS – with the "S" standing for South Africa – to reflect the group's expanded membership. In April 2011, the President of South Africa, Jacob Zuma, attended the 2011 BRICS summit in Sanya, China, as a full member.

Developments

The BRICS Forum, an independent international organisation encouraging commercial, political and cultural cooperation between the BRICS nations, was formed in 2011.^[30] In June 2012, the BRICS nations pledged \$75 billion to boost the lending power of the International Monetary Fund (IMF). However, this loan was conditional on IMF voting reforms.^[31] In late March 2013, during the fifth BRICS summit in Durban, South Africa, the member countries agreed to create a global financial institution which they intended to rival the western-dominated IMF and World Bank.^[32] After the summit, the BRICS stated that they planned to finalise the arrangements for this New Development Bank by 2014.^[33] However, disputes relating to burden sharing and location slowed down the agreements.

At the BRICS leaders meeting in St Petersburg in September 2013, China committed \$41 billion towards the pool; Brazil, India and Russia \$18 billion each; and South Africa \$5 billion. China, holder of the world's largest foreign exchange reserves and who is to contribute the bulk of the currency pool, wants a greater managing role, said one BRICS official. China also wants to be the location of the reserve. "Brazil and India want the initial capital to be shared equally. We know that China wants more," said a Brazilian official.

"However, we are still negotiating, there are no tensions arising yet."^[34] On 11 October 2013, Russia's Finance Minister Anton Siluanov said that a decision on creating a \$100 billion fund designated to steady currency markets would be taken in early 2014. The Brazilian finance minister, Guido Mantega stated that the fund would be created by March 2014.^[35] However, by April 2014, the currency reserve pool and development bank had yet to be set up, and the date was rescheduled to 2015.^[36] One driver for the BRICS development bank is that the existing institutions primarily benefit extra-BRICS corporations, and the political significance is notable because it allows BRICS member states "to promote their interests abroad... and can highlight the strengthening positions of countries whose opinion is frequently ignored by their developed American and European colleagues."

In March 2014, at a meeting on the margins of the Nuclear Security Summit in The Hague, the BRICS Foreign Ministers issued a communique that "noted with concern, the recent media statement on the forthcoming G20 Summit to be held in Brisbane in November 2014. The custodianship of the G20 belongs to all Member States equally and no one Member State can unilaterally determine its nature and character." In light of the tensions surrounding the 2014 Crimean crisis, the Ministers remarked that "The escalation of hostile language, sanctions and counter-sanctions, and force does not contribute to a sustainable and peaceful solution, according to international law, including the principles and purposes of the United Nations Charter." This was in response to the statement of Australian Foreign Minister Julie Bishop, who had said earlier that Russian President Vladimir Putin might be barred from attending the G20 Summit in Brisbane. In July 2014, the Governor of the Russian Central Bank, Elvira Nabiullina, claimed that the "BRICS partners the establishment of a system of multilateral swaps that will allow to transfer resources to one or another country, if needed" in an article which concluded that "If the current trend continues, soon the dollar will be abandoned by most of the significant global economies and it will be kicked out of the global trade finance."

Over the weekend of 13 July 2014 when the final game of the World Cup was held, and in advance of the BRICS Fortaleza summit, Putin met his homologue Dilma Rouseff to discuss the BRICS development bank, and sign some other bilateral accords on air defence, gas and education. Rouseff said that the BRICS countries "are among the largest in the world and cannot content themselves in the middle of the 21st century with any kind of dependency."^[40] The Fortaleza summit was followed by a BRICS meeting with the Union of South American Nations president's in Brasilia, where the development bank and the monetary fund were introduced.^[41] The development bank will have capital of US\$50 billion with each country contributing US\$10 billion, while the monetary fund will have US\$100 billion at its disposal.^[41]

On 15 July, the first day of the BRICS 6th summit in Fortaleza, Brazil, the group of emerging economies signed the long-anticipated document to create the US\$100 billion New Development Bank (formerly known as the "BRICS Development Bank") and a reserve currency pool worth over another US\$100 billion.

Documents on cooperation between BRICS export credit agencies and an agreement of cooperation on innovation were also inked.^[42]

At the end of October 2014, Brazil trimmed down its US government holdings to US\$261.7 billion; India, US\$77.5 billion; China, US\$1.25 trillion; South Africa, US\$10.3 billion.

In March 2015, Morgan Stanley stated that India and Indonesia had escaped from the 'fragile five' (the five major emerging markets with the most fragile currencies) by instituting economic reforms. Previously, in August 2013, Morgan Stanley rated India and Indonesia, together with Brazil, Turkey and South Africa, as the 'fragile five' due to their vulnerable currencies. But since then, India and Indonesia have reformed their economies, completing 85% and 65% of the necessary adjustments respectively, while Brazil had only achieved 15%, Turkey only 10%, and South Africa even less.

After the 2015 summit, the respective communications ministers, under a Russian proposal, had a first summit for their ministries in Moscow in October where the host minister, Nikolai Nikiforov, proposed an initiative to further tighten their information technology sectors and challenge the monopoly of the United States in the sector.

Since 2012, the BRICS group of countries have been planning an optical fibre submarine communications cable system to carry telecommunications between the BRICS countries, known as the BRICS Cable. Part of the motivation for the project was the spying of the National Security Agency on all telecommunications that flowed across the US.

Summits

The grouping has held annual summits since 2009, with member countries taking turns to host. Prior to South Africa's admission, two BRIC summits were held, in 2009 and 2010. The first five-member BRICS summit was held in 2011. The most recent BRICS summit took place in Ufa, Russia, from 8 to 9 July 2015.^[49]

	Date(s)	Host country	Host leader	Location	Notes
1st	16 June 2009	 Russia	Dmitry Medvedev	Yekaterinburg (Sevastianov's House)	
2nd	15 April	 Brazil	Luiz Inácio	Brasília	Guests: Jacob Zuma(President of South Africa) and Riyad al-Maliki (Foreign

	2010		Lula da Silva		Minister of the Palestinian National Authority)
3rd	14 April 2011	 China	Hu Jintao	Sanya (Sheraton Sanya Resort)	First summit to include South Africa alongside the original BRIC countries.
4th	29 March 2012	 India	Manmohan Singh	New Delhi (Taj Mahal Hotel)	The BRICS Cable announced an optical fibresubmarine communications cable system that carries telecommunications between the BRICS countries.
5th	26–27 March 2013	 South Africa	Jacob Zuma	Durban (Durban ICC)	
6th	14–16 July 2014	 Brazil	Dilma Rousseff	Fortaleza (Centro de Eventos do Ceará) ^[50] Brasília	BRICS New Development Bank and BRICS Contingent Reserve Arrangement agreements signed. Guest: Leaders of Union of South American Nations (UNASUR) ^{[51][52]}
7th	8–9 July 2015	 Russia	Vladimir Putin	Ufa ^[53]	Joint summit with SCO-EEU
8th	31-1Sept	 India	Narendra Modi	Goa	