



## **Issue Brief**

### **Development Issues on the BRICS' Agenda: Perspectives from Delhi Summit**

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#### **Introduction**

The recently concluded 4<sup>th</sup> BRICS (Brazil, Russia, India, China and South Africa) summit in New Delhi, which pledges to gradually transform the global economic order and establish a development bank, was explicitly focused on the common economic and development issues. Though a number of political and strategic issues of global peace, stability and security ranging from crisis in Syria, Iran's nuclear programme, Afghanistan, Arab-Israel conflict to terrorism did appear in the Delhi Declaration adopted at the summit, it primarily calls for greater cooperation in the areas of trade, economy, energy, climate change, sustainable development, Millennium Development Goals (MDGs), public health and poverty reduction. Recognizing the Western dominance in the institutional structure of the global economic order, the Delhi Declaration amply indicates that there is a need to unite developing countries to reduce the historical dominance of the West and to support their own candidate to head the global financial institutions such as the World Bank and International Monetary Fund for voicing their priorities and needs. Despite the differences in their political system, governance and foreign policy objectives, BRICS countries have successfully reached a consensus for greater development cooperation, increasing trade i.e. doubling intra trade from \$ 230 billion to \$ 500 billion, establishing a development bank for more investment in developing countries, and on a strategy to project a common agenda for playing larger role in the decision making processes of multilateral financial institutions.

Highlighting the common sense of purpose for global development issues, Prime Minister Manmohan Singh observed, “Our responses to these challenges may be different but there is much common interest that binds us all together”. While praising each other for successfully uniting world community to work for a common objective of global development, cooperation and coordination among member-states will help in enhancing their influence in the international arena and facilitate the discourse of development at the national level. In that context, putting development issues higher on the agenda of BRICS highlights India’s vision and values for world peace and prosperity as well as promoting sustainable development and economic growth at the national level in a conducive global environment. As Government of India aims to maintain the environmentally compatible high economic growth rate for effective poverty alleviation and inclusive development, cooperation among BRICS countries is of considerable importance. This issue brief offers an analysis of development issues of mutual importance of BRICS countries, i.e. climate change, sustainable development, energy and knowledge sharing.

### **Climate Change and Sustainable Development**

Climate change has the potential to turn into a ‘crisis for humankind’<sup>i</sup> as its observed multiple impacts can exacerbate the scarcity of natural resources, crop failure, hunger, malnutrition, disease, and can potentially undermine economic growth and development in the long run. The Fourth Assessment Report of Intergovernmental Panel on Climate Change (IPCC) cautions that the impact would be particularly severe in the tropical areas, which mainly consist of developing countries, including India<sup>ii</sup>. Changing climate is not merely an environmental concern, but has emerged as the major developmental challenge for India. Its economic and social impacts, particularly on the marginalized and poor sections of society, make it a key governance issue as well. India is a large developing country with more around 833 million<sup>iii</sup> rural population, among them around one third conspicuously below poverty line, directly depending on climate-sensitive sectors i.e. agriculture, forests, fisheries, natural resources, water, biodiversity, mangroves, coastal zones, grasslands for their subsistence and livelihoods, faces enormous challenges to adapt to the changing climate. International cooperation is a *sine qua non* for coping with climate catastrophes and promoting adaptation and mitigation at the national level. Financing, technology transfer, promoting clean development mechanism, sharing information and knowledge and promoting research on global climate issues to cut emissions for containing global warming warrant greater international cooperation.

BRICS countries have shown their resolve to play their “part in the global fight against climate change and will contribute to the global effort in dealing with climate change issues through sustainable and inclusive growth and not by capping development”<sup>vi</sup>. They further emphasize that “developed country Parties to the United Nations Framework Convention on Climate Change (UNFCCC) shall provide enhanced financial, technology and capacity building support for the preparation and implementation of nationally appropriate mitigation actions of developing countries”<sup>v</sup>.

Climate change is closely related with industrialization, urbanization and way of life. Developed countries are mostly responsible for green house gas emissions that caused global warming. To project a united voice in the international arena and pressurize developed world to share more responsibilities, the BRICS Declaration states, “UN Conference on Sustainable Development (Rio+20) is a unique opportunity for the international community to renew its high-level political commitment to supporting the overarching sustainable development framework encompassing inclusive economic growth and development, social progress and environment protection in accordance with the principles and provisions of the Rio Declaration on Environment and Development, including the principle of common but differentiated responsibilities, Agenda 21 and the Johannesburg Plan of Implementation”<sup>vi</sup>. India is unlikely to agree to any greenhouse gases (GHGs) emission reduction targets without an equitable global regime. BRICS Declaration further consolidated its position that until the formula for equity and common but differentiated responsibilities was not defined; it will not enter into any legally binding reduction target now or after 2020<sup>vii</sup>. India argues that responsibilities should be defined on the principle of equity and common but differentiated responsibilities and irrespective of the legal form of any global regime, the developing countries’ targets cannot be legally binding and set only on the basis of the principle of differentiation based on equity<sup>viii</sup> and accordance of principles of environmental justice.

To mainstream the climate change adaptation and sustainability measures in the development planning and process, the BRICS countries declared, “sustainable development should be the main paradigm in environmental issues, as well as for economic and social strategies”<sup>ix</sup>. Relevance of green economy in the context of sustainable development and poverty eradication as well as Institutional Framework for Sustainable Development has also been acknowledged<sup>x</sup>. Agro-climatic classification of the world’s agricultural resources, based on soil, water and climate, published by the Food and Agriculture Organization and UNESCO points out that BRICS countries are rich in agro-climatic diversity. With help of

modern and advance technologies and management, indigenous practices and natural resources can serve as a viable base for sustainable agriculture in these countries. It is argued that agricultural growth based on agro-climatic resource endowments is sustainable because it conserves water, energy and land. However, it requires a stable macro environment for agricultural trade, early warning systems for threats to the change process and cooperation among countries based on mutual interest in broad-based development<sup>xi</sup>. BRICS countries have agreed for the creation of an agricultural information base system, development of a strategy to ensure access to food for the most vulnerable of society, reduction of the negative impacts of climate change on food security and adaptation of agriculture to climatic changes, and enhancement of agricultural technology cooperation and innovation<sup>xii</sup>.

## **Energy**

Energy is a source of political competition and rivalry in global politics. Energy at an affordable price is quintessential for industrial growth, economic development and modern way of life, therefore, a greater access to energy resources has always been one of the highest priorities of the nations. From development perspectives, clean and modern energy is utmost important for economic growth, social development and sustainable development. It is believed that energy cooperation for sustainable development can promote peace, prosperity, global stability and reduce chances of conflict among nations. Today, world community faces a huge challenge of energy poverty. A special report by International Energy Agency (IEA) released in October 2011 estimates that more than 1.3 billion people lack access to electricity, and at least 2.7 billion people are without clean cooking facilities<sup>xiii</sup>; of this, 289 million people do not have access to electricity, live in India<sup>xiv</sup>. According to NSSO (2004-5), more than 80 percent of household still rely on the traditional sources of energy for cooking in rural India. Therefore, providing access to clean energy is an enormous challenge for India.

Today, greater emphasis has been given to international cooperation for energy access to people in developing countries. Recognizing the significance of modern energy services for sustainable development and achieving MDGs, the United Nations declared 2012 as “International Year of Sustainable Energy for All”. The UN resolution calls for “increase awareness of the importance of addressing energy issues, including access to modern energy for all, access to affordable energy, energy efficiency and the sustainability of energy sources and use” at local, national, regional and international levels<sup>xv</sup>. Global initiative to achieve sustainable energy for all is based on three objectives: universal access to modern energy

services, doubling the global rate of improvement in energy efficiency and doubling the share of renewable energy in the global energy mix. Energy, as described by Secretary General Ban Ki-moon, is 'golden thread that connects economic growth, social equity and environmental sustainability.'<sup>xvi</sup>

BRICS countries are both big producers and consumers of energy. These countries possess 11 per cent of global oil deposits, 29 percent of gas and 43 percent of coal. They account for 28 percent of global oil production, 22 percent of gas production and 65 percent of coal production. Their complementary resources can help to address mineral deficits and derivatives through mutually beneficial trade and economic relations<sup>xvii</sup>.

BRICS' Delhi Declaration also recognizes the significance of renewable energy. It notes that energy based on fossil fuels will continue to dominate the energy mix for the foreseeable future, but BRICS countries call for expanding sources of clean and renewable energy, and use of energy efficient and alternative technologies, to meet the increasing demand of their economies and their people, and respond to climate concerns as well<sup>xviii</sup>. The Declaration has a special relevance for India. The National Solar Mission intends to significantly increase the share of solar energy in the total energy mix while recognizing the need to expand the scope of other renewable. The National Action Plan on Climate Change (NAPCC) points out, "India is a tropical country, where sunshine is available for longer hours per day and in great intensity. Solar energy, therefore, has great potential as future energy source. It also has the advantage of permitting the decentralized distribution of energy, thereby empowering people at the grassroots level"<sup>xix</sup>. The Mission document further states that the country is endowed with vast solar energy potential of about 5000 trillion kWh per year energy incident over India's land area with most parts receiving 4 -7 kWh per sq. m per day. Therefore, the Mission envisions for both technology routes for conversion of solar radiation into heat and electricity, namely solar thermal and solar photovoltaics. The Mission has a target of the deployment of 20,000 MW of solar power by 2022<sup>xx</sup>. It is proposed in the Mission that a decentralized mechanism for power generation (rooftop installations) and distribution system would be developed in the country. Success of solar mission would also facilitate achieve the objectives of other missions, particularly National Mission on Enhanced Energy Efficiency. Cooperation in the field of renewable energy in terms of technology transfer and investment would brighten the prospects for more energy generation from renewable sources in the country. Though renewable energy is still costly, it is environmentally compatible and has numerous health benefits. Apart from giving incentives

to national solar panel companies, there should be no restriction on import of solar panels. The price of panels will definitely fall. This will help to increase the generation of solar energy and achieve the objectives of solar mission.

As an important source of energy for human beings, bio-energy is environment-friendly and renewable in nature. At the last meeting of agriculture ministers of BRICS countries in China in October 2011, it was agreed to develop bio-energy in the Food and Agriculture Organization's analytical framework of bio-energy and food Security while ensuring food security by giving consideration to the factors of energy demand, environmental protection and sustainable development<sup>xxi</sup>. In addition, cooperation in the field of nuclear energy will be crucial to meet the India's energy needs as well as diversify its energy basket.

### **Knowledge and Information Sharing**

Highlighting the need of greater interaction for promoting business, development, capacity building and investment flows, Prime Minister Manmohan Singh noted that many constraints could be partially addressed by learning from each other<sup>xxii</sup>. Sharing the lessons and evidences among each other will not only facilitate the process of development, but also enhance engagement between civil society organizations and business groups. That will serve as catalyst for strengthening the BRICS as an organization at the global level. Various lessons of development process, for instance, Brazilian experiences of poverty reduction, mainly direct cash transfer is of particular relevance for India. Government of India constituted Nadan Nilekani committee on subsidies and exploring the possibilities for direct cash transfer to poor. In such a context, Brazilian experiences of 'Bolsa Familia', which is considered as the biggest and best known of all the cash transfer schemes in the developing world, will be useful. Several experiences, i.e. participatory governance, irrigation, water usages efficiency from Brazil and China offer practical insights for development discourse of India at the local level. Today, China has made remarkable progress in pharmacology, toxicology, bio and nano technologies. South Africa and Brazil have some success stories in waste management, water pollution and renewable energy. India has also been exchanging its development experiences in the areas of technology, development assistance, agriculture, etc with developing world. Recently, it was reported that Chinese environmentalists expressed their interests in India's success story in protecting mangrove forests as they face an uphill struggle to save their country's wetlands from increasing development pressures<sup>xxiii</sup>. Such interaction would

definitely enhance knowledge and information sharing about the best development practices in BRICS countries as well as developing countries in the broader framework of South-South Cooperation.

## **Conclusion**

To sum up, international cooperation is essential for coping with climate change, elimination of poverty and promoting sustainable development in an interconnected world. This is an overwhelming responsibility of entire world community to overcome challenges of global development. Effective national strategy that contributes to an integrated global action is required to deal with global development challenges. BRICS countries have an immense potential to cooperate with each other to facilitate welfare of people. The group represents not only the emerging economies that together account for half of the global economic growth, but also has a huge number of poor and hungry people and mal-nutritioned children. Despite high economic growth rate, remarkable achievement in information and communication technologies and so on, India still ranks a low 134 among 187 countries in terms of Human Development Index in 2011. So, it is a prudent approach to reorient internal and external policies and resources for cooperation for larger benefits of poor people. BRICS forum will also provide an opportunity for India to increase its share in world trade. There are divergences of interest among BRICS countries at the bilateral level, particularly India and China, but cooperation in the areas of socio-economic development, energy, agriculture, health, and science and technology would provide ample opportunity for convergence of their interest. Such development cooperation and knowledge and information sharing will promote economic and social development, diversify culture contacts, increase people movement and shape positive people perception to optimize the level of mutual trust. It will also open new avenues for business and trade among BRICS countries. Real challenge lies in translating idea into practice and further institutionalizing their cooperation. This will determine the future course of action and purpose of BRICS in the international affairs.

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## **Endnotes**

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- <sup>iii</sup> *Census of India*, 2011.
- <sup>iv</sup> BRICS Information Centre. (2012, April). *Fourth BRICS Summit: Delhi Declaration*, University of Toronto, Canada.
- <sup>v</sup> Ibid
- <sup>vi</sup> Ibid
- <sup>vii</sup> India: Equity Formula Must for Green Targets, *The Economics Times*, New Delhi. 3 April, 2012
- <sup>viii</sup> Ibid
- <sup>ix</sup> BRICS Information Centre. (2012, April). *Fourth BRICS Summit: Delhi Declaration*, University of Toronto, Canada.
- <sup>x</sup> Ibid
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<sup>xviii</sup> BRICS Information Centre. (2012, April). *Fourth BRICS Summit: Delhi Declaration*, University of Toronto, Canada.

<sup>xix</sup> Ministry of New and Renewable Energy. Jawaharlal Nehru National Solar Mission: Towards Building Solar India, 10 November 2011 from <http://india.gov.in/allimpfrms/alldocs/15657.pdf>, p. 1

<sup>xx</sup> Ibid, p.3

<sup>xxi</sup> Agriculture Ministers Declaration October 2011, Joint Declaration of the Second Meeting of BRICS Ministers of Agriculture and Agrarian Development. 3 April, 2012, from <http://www.bricsindia.in/agriculture2011.html>

<sup>xxii</sup> Dikshit, Sandeep (2012), Supply-side Factors May Hurt BRICS. *The Hindu*, New Delhi, March 30.

<sup>xxiii</sup> Krishnan, Ananth (2012), China Looks to Indian Success Story in Fight to Save Its Mangroves. *The Hindu*, New Delhi, April 14.