



## BRICS SUMMIT 2018: A REVIEW

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With the 10<sup>th</sup> BRICS Summit held on July 25-27, 2018 in Johannesburg, South Africa, the BRICS grouping celebrated its ten years of existence. Over these years, BRICS cooperation has expanded not only in its scope but also in terms of frequency of its meetings and increased participation of stakeholders. Building upon successive BRICS Summits, the Johannesburg Declaration, adopted at the end of the summit, endeavoured to address the longstanding issues such as strengthening multilateralism, reforming global governance and addressing global threats such as terrorism and climate change. However, progress on these issues remained inadequate, and the Johannesburg Declaration is largely a reiteration of earlier positions.

The participation of countries representing different global and regional organisations from Africa as well as other regions, including Argentina, Indonesia, Jamaica, and Turkey, and the United Nations, can be seen as a continuation of its efforts to extend its reach to countries across regions. Keeping with its tradition to engage with the countries of Africa, the 10<sup>th</sup> Summit was themed as “*BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4<sup>th</sup> Industrial Revolution*”. Although the 10<sup>th</sup> Summit marked a decade of its existence, the BRICS is far from achieving its initial commitments.

### **Defending Multilateralism**

The intent of the leaders to work together to defend multilateralism is indicative of the references to ‘uphold multilateralism’, to ‘foster a more representative, democratic, equitable, fair and just international and economic order’, ‘to strengthen multilateralism and the rule of law in international relations, and to promote a fair, just, equitable, democratic and representative international order’ and to ‘support multilateralism and the central role of the United Nation’.<sup>1</sup> In this context, the BRICS leaders reiterated their positions of reforming the security, trade and economic related institutions, including the United Nations Security Council (UNSC), World Trade Organisation (WTO) and International Monetary Fund (IMF) so as to reflect the changes in the world economy, particularly providing greater voice and representation to the developing countries in these institutions.

However, in reforming the global governance architecture, progress remains overdue. For instance, on one hand, BRICS has been instrumental in increasing IMF quotas with a total 6% share transferred to the emerging and developing countries. The votes of China, Russia, Brazil, and India were increased and reached a total of 14.18%.<sup>2</sup> Nonetheless, the quotas still fall short of representing the contribution of the developing countries to the world economy. Unfortunately, on the other hand, the Declaration, akin to earlier declarations, does not directly mention extending support to the expansion of the permanent membership of the UNSC. It is reflective of the persisting intransigent positions of Russia and China on reforming the UNSC.

The leaders also addressed emerging concerns in the UN and the WTO. For instance, given the abysmal financial situation of the UN, caused primarily by the delayed contributions of member states to the regular budget, the leaders underscored the importance of ‘collaboration amongst the BRICS countries on better resourced UN, on its administration and budget’ to preserve the state-driven character of the UN and strengthening the organisation.<sup>3</sup> Similarly, in view of the impasse in the selection process for new Appellate Body members, the leaders urged all members to engage constructively on a priority basis to restore the Dispute Settlement System of the organisation.<sup>4</sup>

### **Managing the Global Commons**

The BRICS leaders have, over the last ten years of its inception, stressed on the improved management of global commons, including climate change and sustainable development. However, the Summit reflected a reiteration of the positions. Given the geopolitical changes, BRICS needs to do more in these areas.

Building on the principles of common but differentiated responsibilities (CBDR) and respective capabilities, the leaders urged ‘all countries to fully implement the Paris Agreement adopted under the principles of the UNFCCC’ and to ensure ‘financial, technological and capacity-building support to developing countries to enhance their capability in mitigation and adaptation’ by the developed countries. However, with the UN undergoing financial crunch and the US withdrawing from the Paris Agreement and Green Climate Fund (GCF), financial assistance required to support mitigation and adaptation process might be a challenging task.

Similarly, the BRICS economies are at different stages of progress in terms of implementing the SDG goals. For instance, the BRICS countries are well below the 50<sup>th</sup> rank in the SDG Index and Dashboards Report 2017. While India and South Africa ranked 116 and 108 respectively among 157 countries, Russia, China and Brazil ranked 62, 71 and 56 respectively.<sup>5</sup> As such, BRICS has not seen substantive progress in this area.

### **Addressing Global Threats and Security Concerns**

Keeping with its longstanding positions, the BRICS leaders have been vocal in addressing global threats and security concerns, including terrorism, cyber security and US sanctions on Iran. On terrorism, the leaders condemned it in all its forms and manifestations and called for the expeditious finalisation and adoption of the Comprehensive Convention on International Terrorism (CCIT) by the United Nations General Assembly (UNGA).<sup>6</sup> Like earlier declarations, the statement on terrorism remains strong. However, the only omission in the declaration was the direct references to terrorist groupings including Jaish-e-Mohammad and Laskar-e-Taiba which was incorporated for the first time in the Xiamen Declaration last year. On Iran sanctions the leaders stressed on full compliance and effective implementation of the Joint Comprehensive Plan

of Action (JCPOA) to promote international and regional peace and security in contrast to US withdrawal from the agreement.

### **The Fourth Industrial Revolution and PartNIR**

The leaders agreed to the establishment of the BRICS Partnership on New Industrial Revolution (PartNIR). The partnership is aimed to deepen BRICS cooperation in 'digitalisation, industrialisation, innovation, inclusiveness and investment, to maximise the opportunities and address the challenges arising from the 4<sup>th</sup> Industrial Revolution'. There is also divergence in technological capabilities among the BRICS countries. Needless to say, technological cooperation would require establishing and compliance to certain set of laws consistent with their domestic ones. However, given that the BRICS countries are diverse politically and economically, agreeing to a common set of laws might be a tenuous process.

### **BRICS Outreach and BRICS Plus: Growing Footprints**

Keeping with its tradition of increasing engagement and cooperation with non-BRICS countries, BRICS Outreach between BRICS and African leaders and BRICS Plus were also held on the margins of the Summit. Apart from building cooperation and partnerships, these initiatives of BRICS can be seen as an encouraging sign to forge regional integration and spur the global economy. The institutionalising of such forums can also be seen as an effort to increase BRICS footprints in countries across continents. It is worth mentioning here that BRICS New Development Bank (NDB) is considering expanding its membership to extend its assistance beyond BRICS members.<sup>7</sup>

Noteworthy, a resource-rich Africa has become increasingly important in foreign and economic policy of each of the BRICS countries. The fact that the leaders of two of the BRICS member countries, including India and China, visited African countries – Rwanda, Uganda and Senegal – prior to the summit is reflective of such growing significance of the region in the foreign policy of these two countries. During his visit Indian Prime Minister Narendra Modi extended over \$400 million lines of credit (LOC) for Rwanda and Uganda for development of industrial parks, special economic zones, energy, infrastructure, agriculture and dairy sectors.<sup>8</sup> Similarly, Chinese President Xi Jinping granted Rwanda a loan of \$126 million and \$14.7 billion to South Africa. Senegal committed to China's Belt and Road Initiative during the visit, thus becoming the first West African country to be part of the Chinese initiative.<sup>9</sup>

### **Strengthening Institutional Building**

During the last one decade of its existence the most tangible achievement of BRICS has been the establishment of institutional mechanisms, including the New Development Bank (NDB), the Africa Regional Centre (ARC) and the Contingent Reserve Arrangement (CRA). The tenth Summit added further impetus to strengthen institution building by welcoming the establishment of the Americas Regional Office in São Paulo, Brazil, which, alongside the Africa Regional Centre, is intended to consolidate the position and presence of BRICS across the two continents.<sup>10</sup>

### **Conclusion**

BRICS, comprising of the five emerging economies of Brazil, Russia, India, China and South Africa from different regions of the world, is being increasingly seen as the centre of global power transition. As such, and on account of the reclusive policies of the US towards multilateralism and global institutions, the group is being seen to play a critical role in providing a platform for effective alignment of policies to promote multilateralism in different forums such as the G20. However, the tenth Summit, though marked a decade of its existence, did not succeed in pushing

forward the earlier commitments. In hindsight, the Johannesburg Declaration was largely a reiteration of earlier positions on reforming global governance, climate change, terrorism and other issues. Therefore, it is high time that while strengthening the group through institutionalisation, BRICS must focus on expediting the implementation of the earlier commitments in order to maintain its relevance and clout.

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*Disclaimer: The views expressed are that of the Researcher and not of the Council.*

## **Endnotes**

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<sup>1</sup> “Johannesburg Declaration”,

<http://www.brics2018.org.za/sites/default/files/Documents/JOHANNESBURG%20DECLARATION%20-%2026%20JULY%202018%20as%20at%2007h11.pdf> (accessed on July 29, 2018)

<sup>2</sup> “Progress Report on the Implementation of the Strategy for BRICS Economic Partnership”, August, 2017, [https://www.ranepa.ru/images/media/brics/2017/BRICS%20Strategy%20Progress%20Report\\_25.08.2017.pdf](https://www.ranepa.ru/images/media/brics/2017/BRICS%20Strategy%20Progress%20Report_25.08.2017.pdf) (accessed on May 15, 2018)

<sup>3</sup> “Johannesburg Declaration”,

<http://www.brics2018.org.za/sites/default/files/Documents/JOHANNESBURG%20DECLARATION%20-%2026%20JULY%202018%20as%20at%2007h11.pdf> (accessed on July 29, 2018)

<sup>4</sup> “Johannesburg Declaration”,

<http://www.brics2018.org.za/sites/default/files/Documents/JOHANNESBURG%20DECLARATION%20-%2026%20JULY%202018%20as%20at%2007h11.pdf> (accessed on July 29, 2018)

<sup>5</sup> “SDG Index and Dashboards Report 2017,

<http://www.sdgindex.org/assets/files/2017/2017-SDG-Index-and-Dashboards-Report--full.pdf> (accessed on July 20, 2017)

<sup>6</sup> “Johannesburg Declaration”,

<http://www.brics2018.org.za/sites/default/files/Documents/JOHANNESBURG%20DECLARATION%20-%2026%20JULY%202018%20as%20at%2007h11.pdf> (accessed on July 29, 2018)

<sup>7</sup> “BRICS bank will look to expand membership: Kamath”, The Times of India, July 10, 2015, [https://www.business-standard.com/article/news-ians/brics-bank-will-look-to-expand-membership-kamath-115071001166\\_1.html](https://www.business-standard.com/article/news-ians/brics-bank-will-look-to-expand-membership-kamath-115071001166_1.html) (accessed on August 2, 2018)

<sup>8</sup> “India pledges \$400 million aid to Rwanda, Uganda”, The Times of India, July 25, 2018, <https://timesofindia.indiatimes.com/india/india-pledges-400-million-aid-to-rwanda-uganda/articleshow/65126143.cms> (accessed on July 29, 2018); “In Rwanda, PM Modi announces new diplomatic mission and \$200mn credit line”, Hindustan Times, July 24, 2018, <https://www.hindustantimes.com/india-news/india-extends-200-million-credit-lines-to-rwanda-announces-new-diplomatic-mission/story-Dkuo8eXSJECzKZLBEaMDjI.html> (accessed on August 2, 2018); See also, Ministry of External Affairs, Government of India, “India-Rwanda Joint Statement during State Visit of Prime Minister to Rwanda”, July 24, 2018, <https://www.mea.gov.in/bilateral-documents.htm?dtl/30148/IndiaRwanda+Joint+Statement+during+State+Visit+of+Prime+Minister+to+Rwanda> (accessed on July 29, 2018) and Press Information Bureau Government of India, “India-Uganda Joint Statement during State Visit of Prime Minister to Uganda”, July 25, 2018, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=181051> (accessed on July 28, 2018)

<sup>9</sup> Justina Crabtree, “China and India launch investment spree in Africa ahead of key summit”, CNBC News, July 25, 2018, <https://www.cnbc.com/2018/07/25/china-xi-and-india-modi-lend-to-africa-ahead-of-brics-summit.html> (accessed on August 2, 2018); Justina Crabtree, “Xi and Modi just visited Rwanda and supplied millions of dollars, here’s why”, CNBC News, July 24, 2018, <https://www.cnbc.com/2018/07/24/china-xi-india-modi-visit-rwanda-kagame.html> (accessed on July 29, 2018); Justina Crabtree, “China’s latest trade partner in Africa could help it export to the US”, CNBC News, July, 2018, <https://www.cnbc.com/2018/07/23/china-president-xi-visits-senegal-belt-and-road-reaches-west-africa.html>

<sup>10</sup> “Johannesburg Declaration”, <http://www.brics2018.org.za/sites/default/files/Documents/JOHANNESBURG%20DECLARATION%20-%2026%20JULY%202018%20as%20at%2007h11.pdf> (accessed on July 29, 2018)