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# **BRICS: Changing the paradigm of international relations**

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India, a motive force behind the founding of BRICS - Brazil, Russia, India, China and South Africa - has shown the world the importance of the development of democracy. By focusing on cooperation rather than competition, these five emerging world powers have shown that they are capable of changing the paradigm of international relations and promoting the democracy of development.

The advent of the 21st century ushered in significant changes in the global dispensation. The inexorable rise of China, the resurgence of an energy-rich Russia, and impressive dynamism shown by a rapidly-growing Indian economy turned the world's gaze east.

In 2001, a study by Jim O'Neill, of the influential US based financial enterprise Goldman Sachs, predicted that Brazil, Russia, India and China would emerge as major economies within the next decade. This prophecy has been realised in the BRICS - an institution that brings together O'Neill's four economies, along with the principal actor in Africa.

It is curious that Jim O'Neill, who coined the term BRIC, held the view that South Africa's inclusion had weakened the Group and that it would be "a drag on the dynamics of the BRIC". He argued that South Korea, Indonesia, Mexico, Turkey or even Nigeria, would be more suitable within the Forum. His conception was probably based on the size of a country's economy, rather than the influence the country could exert on the international stage.

Today BRICS comprises 43 percent of the world's population, 26.5 percent of world's gross domestic product (up from 16.4 percent in 2000) and has been responsible for 55 percent of global growth since the end of 2009. In contrast, 23 developed countries accounted for only 20 percent of global growth in this period.

According to the World Bank, BRICS also account for 27 percent of global purchasing power and 45 percent of the world's work force. Intra-BRICS trade flows have also ballooned from \$27 billion in 2002 to \$282 billion in 2012. This five-nation group accounts for 11 percent of global crude oil reserves, 29 percent of natural gas, and 43 percent of coal deposits. They are also responsible for 28 percent of global oil production, 22 percent of natural gas production and 65 percent of coal production.

In March 2013, there was a comprehensive statement of the confident grouping at the 5TH Summit in Durban, which will have significant impact not only within their regions, but also in

the international arena. The text of the declaration also makes it evident that the demand for greater democracy in global economic development is a priority.

Among other global issues, BRICS nations put their money where their mouths are and pledged \$75 billion to boost the International Monetary Fund's (IMF's) crisis reserves, primarily to support the Eurozone. The ambition of BRICS is eventually to ensure an open and merit based selection method for the Bretton Wood's institutions - the World Bank and the IMF - to ensure a more inclusive decision making process, an imperative for the democratisation of the global economy.

BRICS also makes common cause on the need for reform of the United Nations Security Council: "China and Russia reiterate the importance they attach to the status of Brazil, India and South Africa in international affairs and support their aspiration to play a greater role in the UN."

The BRICS grouping has also strengthened the coalition formed in 2009 - of Brazil, South Africa, India and China, called BASIC - in the climate change negotiations. In Copenhagen in 2009, each of these countries announced mid-term targets for unilateral cuts in carbon dioxide emissions by 2020, ranging from 20-25 percent by India to 40-45 percent by China. The voluntary offers provoked the US to be more proactive. The developed world was forced to commit more resources towards helping least developed countries, forestry and investments through international institutions.

An important initiative of BRICS at Durban Summit has been the contingent reserve arrangement of \$100 billion as a safety net during a crisis. A more ambitious project is the new development bank, proposed with a corpus postulated at \$100 billion, discussions for which are on-going. The leaders at the Durban Summit said it was "feasible and viable" and that initial contribution should be substantial and sufficient to be effective in financing infrastructure.

This is also a sign of how BRICS wants to take on a responsible role. Investments by BRICS in less developed countries were initially in the natural resources sector. But they now flow into agriculture, manufacturing and service, most notably in telecom and into small and medium size enterprises. Key technologies are also being transferred.

National interests of the BRICS members may lead them to assign different levels of priority to issues such as terrorism, poverty, public health, narcotics abuse, education, science and technology, foreign investment and trade. But even the lowest common multiple of consensus will make a significant difference to each of them - and to the world at large.

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