

India's Position and Key Strategies during the 15th BRICS Summit

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India has been a member of the BRICS group since 2009. It has been a staunch advocate for the synergistic power. Their summits have focused on a wide range of topics, all of which share the common goal of reorganizing the global economic and political order. The BRICS nations have together accomplished several significant milestones which include the establishment of the New Development Bank, the BRICS Payment System, collaborative anti-terror programs, climate mitigation, green energy, and other such initiatives. South Africa played home to the 15th BRICS Summit, which took place in the August of 2023 and was centered around the theme of "BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development, and Inclusive Multilateralism." This essay considers issues from an Indian perspective that may pop up in the future BRICS summit.

Keywords

India, BRICS, Collaboration, Currencies, De-dollarization

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1. Introduction

Since 2009, India has been an ardent supporter of the collective strength of BRICS. Till now, 15 BRICS Summits has been held with the chair rotating among Brazil, India, Russia, South Africa and China on myriad agendas with a common ground of reforming the global economic and political order. It is not surprising to state that collectively, several milestones have been achieved by the BRICS such as New Development Bank, BRICS Payment System, Collaborative Anti-Terror Programs, Climate Mitigation, Green Energy, etc. In August 2023, the 15th BRICS Summit was hosted by South Africa on the theme “BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development and Inclusive Multilateralism.”¹ After Covid-19, it was the first time that South Africa hosted an in-person summit. With spirits high amid a conflict driven world in the wake of Russia-Ukraine war, the summit was intriguing with Trade, Investment, Sustainable Development and Multilateralism. The world is yet to accept BRICS New World Order as an alternative to the Western hegemony.² The essay explores India’s position on various issues as an active BRICS member in the aftermath of 15th BRICS Summit.

2. India and the 15th BRICS Summit

The 15th BRICS was held in Johannesburg under the leadership of South African President Cyril Ramaphosa, marking the first in-person gathering since the onset of the Covid-19 pandemic.³ The Summit was attended by the chiefs of state from the BRICS member nations.⁴ Given the critical juncture at which the global economy stands, the summit is termed as a consequential summit, increasing momentum for both pending issues from the earlier summit and the new challenges faced by the members collectively. The 14th BRICS Summit focused on various topics such

¹ ANI, *South Africa to Host 15th BRICS Summit at Durban in Late August 2023*, BUS. STANDARD (Jan. 28, 2023), https://www.business-standard.com/article/international/south-africa-to-host-15th-brics-summit-at-durban-in-late-august-2023-123012800047_1.html.

² Astrid Oliveira, *A New World order? BRICS Nations Offer Alternative to West*, DEUTSCHE WELLE (Apr. 10, 2023), <https://www.dw.com/en/a-new-world-order-brics-nations-offer-alternative-to-west/a-65124269>.

³ BRICS, *About the Summit* (2023), <https://www.brics2023.gov.za/about-summit>.

⁴ Jerry Chifamba, *Host South Africa Confirms BRICS Leaders Will Attend in Person*, ALLAFRICA (July 13, 2023), <https://allafrica.com/view/group/main/main/id/00086369.html>.

as Counter-Terrorism, Trade, Health, Traditional Medicine, Environment, Science, Technology & Innovation, Agriculture, Technical and Vocational Education & Training, and global issues like the reform of the multilateral system, COVID-19 pandemic, and global economic recovery.⁵ The 15th summit addressed topics such as multilateralism, climate change, and terrorism. It also explored the possibility of expanding BRICS membership and reducing the global economy's reliance on the US dollar by introducing a BRICS currency.⁶

India's Prime Minister Modi is giving a second push to foreign relations with high recent visits to Japan (May 2023), Papua New Guinea (May 2023), Australia (May 2023), US (June 2023) and Egypt (June 2023).⁷ There is one common thread in all these visits, that India is targeting economic and defence cooperation as well as collaboration for sustainability issues.

A. What had been India's Main Considerations during 15th BRICS Summit?

India's main considerations on attending the 15th BRICS Summit have been to actively engage with member countries to promote its national interests; strengthen multilateral cooperation; and contribute to the overall development and stability of the BRICS region. India, as a founding member of BRICS, seeks to utilize the platform to tackle significant global issues, boost economic growth, improve regional connections, and advance sustainable development.⁸

1. Economic Cooperation and Development

India have prioritized discussions on enhancing economic cooperation and development within the BRICS framework. This includes exploring avenues for trade facilitation, investment promotion, and addressing barriers to intra-BRICS trade.⁹ India might emphasize the need for increased market access, harmonization

⁵ Indian Press Information Bureau, PM Participates in the 14th BRICS Summit (2022), <https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=1836853>.

⁶ Ashok Sajjanhar, *15th BRICS Summit: Multiple Challenges and Opportunities Await Members*, DECCAN HERALD (July 2, 2023), <https://www.deccanherald.com/world/15th-brics-summit-multiple-challenges-and-opportunities-await-members-1233038.html>.

⁷ Prime Minister of India, Prime Minister's Visits: International Visits, https://www.pmindia.gov.in/en/pm-visits/?visitype=international_visit.

⁸ Abhishek Sharma & Moksh Suri, *As the Quad Blossoms, Why Does BRICS Matter for India?*, DIPLOMAT (July 6, 2023), <https://thediplomat.com/2023/07/as-the-quad-blossoms-why-does-brics-matter-for-india>.

⁹ *India is at Forefront of Global Trade Facilitation Efforts: UNESCAP Survey*, ANI (July 7, 2023), <https://www.aninews.in/news/world/asia/india-is-at-forefront-of-global-trade-facilitation-efforts-unescap-survey20230707210655>.

of standards, and reduction of non-tariff barriers to facilitate smoother trade flows¹⁰.

2. Innovation and Technology

India has been keen on promoting innovation and technology-driven growth. At the summit, India admitted establishing platforms for sharing best practices, experiences, and expertise in areas such as digital economy, artificial intelligence, fintech, and cybersecurity¹¹.

3. Climate Change and Sustainable Development

India's dedication to sustainable development would emphasize the pressing need to tackle climate change and the need of shifting towards a low-carbon economy. India has advocated for collective action on climate mitigation and adaptation, as well as support for developing countries' efforts to achieve their climate goals.

B. What Issues/Topics were under Discussion?

India anticipated discussing its economic cooperation priorities through commercial framework agreements among the BRICS members. Already India has demonstrated its interest in Free Trade Agreements with such countries as Australia, UAE and recently held talks with European Union. India wants to continue its economic growth and the government is working on a policy of increased exports. This can be achieved only when India enters into more and more commercial framework agreements and BRICS will provide this opportunity. To achieve it, such issues as trade facilitation, investment promotion, and reduction of barriers to intra-BRICS trade will need to be taken into consideration. Though, BRICS have been working on these directions, yet a comprehensive agenda is yet to be ratified. As the summit was hosted by South Africa, the Africa Agenda 2030 will be a good example for India to cite and use. India is looking to blend the Africa Agenda 2030 with BRICS contribution. South Africa will be keen in the same as it will make the country a leader in African continent.

¹⁰ Michail Kosov, *Harmonization of Tax and Financial Systems within BRICS*, 1(3) BRICKS J. ECON. 69-70 (2020).

¹¹ Jai Vipra & Dhruv Somayajula, *Access to the Digital Economy in BRICS Countries*, Vidhi Centre for Legal Policy (Feb. 14, 2022), <https://vidhilegalpolicy.in/blog/access-to-the-digital-economy-in-brics-countries>.

3. India's Main Considerations on BRICS Expansion

Expanding BRICS is a challenging issue with a complicated procedure. During the 14th BRICS Summit in June 2022, under China's presidency, there was a renewed push to include new members and increasing the BRICS membership. Moving ahead, there is a rush among countries to gain membership in BRICS, attributed to the strength of the BRICS group, global visibility of the group and the opportunity attached with joining the group.¹² Saudi Arabia, United Arab Emirates, Egypt, Algeria, Argentina, Mexico, Nigeria, Bangladesh, Iran, Venezuela, Syria, Indonesia, Ethiopia, Bahrain, and several more countries are included.

India is poised to have a significant influence on molding the future of BRICS, whose decisions on expansion will be pivotal. Initially, China's move for talks to expand the BRICS membership did not invite immediate reaction from India. In the Beijing Declaration after the 14th BRICS Summit, however, India clarified its stance on BRICS expansion process. The declaration read: "We support promoting discussions among BRICS members on BRICS expansion process. We stress the need to clarify the guiding principles, standards, criteria, and procedures for this expansion process through Sherpas' channel on the basis of full consultation and consensus."¹³

Overall, India's considerations on BRICS enlargement are likely to be complex and multifaceted. Though India is not in strict obeisance to immediate BRICS expansion, it accepts that the idea is a "work in progress." Before reaching an outcome, the Indian government will need to weigh a variety of factors, including economic, political, and strategic considerations, as it assesses the prospects for BRICS expansion. India would prioritize ensuring that any growth does not occur on China's terms and the newly included countries are open to India.¹⁴ Considering India's focus on clarification regarding standards, rules, procedures for expanding BRICS membership in the Beijing Declaration, and expectations of a consultative and consensual discussion is met, India will need to consider the timing and steps for the expansion blueprint/roadmap. In this pursuit, India may consider factors like the existing political and economic climate, position of other BRICS member countries, and the identification

¹² Armaan Mathur, *Why India Must Shape the New BRICS Moment*, DIPLOMAT (June 2, 2023), <https://thediplomat.com/2023/06/why-india-must-shape-the-new-brics-moment>.

¹³ Indian Ministry of External Affairs, XIV BRICS Summit Beijing Declaration (2022), <https://www.mea.gov.in/bilateral-documents.htm?dtl/35435/XIV+BRICS+Summit+Beijing+Declaration>.

¹⁴ Gurjit Singh, *China Wants a Larger BRICS to Challenge the Existing International Order*, INDIAN EXPRESS (June 15, 2022), <https://indianexpress.com/article/opinion/columns/brics-summit-expansion-china-russia-g20-international-order-7969914>.

of next member countries in BRICS. India will need to assess the current political and economic climate to determine whether or not it is an opportune time for BRICS expansion.

For example, India presided the G20 forum in September 2023 as well as actively involved in forums like QUAD. Balancing G20 and QUAD along with bold moves such as BRICS expansion might prove over ambitious for India. Whether or not India's timeline approves of a bold move like BRICS expansion in the time of hosting the G20 is important to shape an effective blueprint to move ahead with BRICS expansion agenda. Again, consultation with the other BRICS members is important to determine their position on BRICS expansion. While China is of the view of including countries like Saudi Arabia and Iran, Brazil is still treading cautiously and sees the move skewing the BRICS grouping towards Asia.¹⁵

4. Russia-Ukraine Conflict

The Russia-Ukraine conflict has entered a new phase. It is likely to be among the forefront of discussions in the next BRICS Summit. India has not taken sides in this regard. Rather, India must take significant measures to protect itself from economic disruptions due to the extensive economic consequences of the Russia-Ukraine conflict. India has consistently supported non-alignment, which is seen in its position on the Russia-Ukraine war. This means that India does not want to be seen as taking sides in the conflict between Russia and Ukraine. To refrain from alienating either side, India may need to tread cautiously in its discussions on the conflict. Side by side guided by the principle of consensus and rules based multilateral order, India is working to resolve conflicts. India expressed support for resolving the Russia-Ukraine situation through dialogue and diplomacy following a meeting of BRICS foreign ministers.¹⁶

On the economic as well as strategic front, India is close to Russia. This is apparent in the defence trade and reliance of India on Russian oil and gas imports. Simultaneously, India is not against Ukraine either due to India's closeness and

¹⁵ Antony Sguazzin, *BRICS Debates Expansion as Iran, Saudi Arabia Seek Entry*, BLOOMBERG (Feb. 15, 2023), <https://www.bloomberg.com/news/articles/2023-02-15/brics-debates-expansion-as-iran-saudi-arabia-seek-entry>.

¹⁶ Press Trust of India, *India at BRICS Summit: New Delhi Supports Efforts to End Ukraine Conflict Through Diplomacy*, REPUBLIC WORLD (June 2, 2023), <https://www.republicworld.com/world-news/india-at-brics-new-delhi-supports-efforts-to-end-ukraine-conflict-through-diplomacy-articleshow/?amp=1>.

elevated defence partnership with the US. Considering the importance of both Russia and Ukraine for India's economy, India will need to balance its economic interests with its desire and pressure from western allies to condemn Russia's actions in Ukraine. Moreover, India's position on Russia-Ukraine conflict may draw from its shared interest with Russia on containing China's growing global clout. India has been cautious about China's large-scale infrastructure projects within the Belt and Road Initiative (BRI) and the Regional Comprehensive Economic Partnership (RCEP). Russia has consistently demonstrated a lack of involvement with China and agreements under the Belt and Road Initiative (BRI). China's recent BRI investments in Russia have dropped to zero for the first time.¹⁷ Furthermore, China's recent ambition to foray into central Asian countries, which remained Russia's backyard¹⁸ has also raised scepticism among Russians. Sharing similar aims on China's growing influence with Russia, India is likely to take a nuanced approach to the discussions on the Ukraine-Russia conflict at the next BRICS Summit.

5. De-dollarization

The BRICS heads of state gathering was a tremendous momentum as the call for de-dollarisation and use of national currencies and introducing a BRICS currency intensifies. While countries are wary of China's continued expansionist agenda, they also want to de-couple from the dollar dominance. The BRICS member nations have been escalating the utilization of their respective national currencies for settling international transactions with their bilateral counterparts. For example, many neighbouring countries of India have shown interest in rupee settlement of transactions, totalling to around 35 countries, including Sri Lanka, Bangladesh, Nepal, Myanmar, Tajikistan, Cuba, etc.¹⁹ Around 18 countries have opened Special Vostro Accounts (SVRA) to settle trade in rupee.²⁰ Experts note that more countries

¹⁷ David Stanway, *China Belt & Road Spending Dips in H1, With No Investment in Russia – Research*, REUTERS (July 25, 2022), <https://www.reuters.com/world/china/china-belt-road-spending-dips-h1-with-no-investment-russia-research-2022-07-25>.

¹⁸ Temur Umarov & Alexander Gabuev, *Is Russia Losing its Grip on Central Asia?*, FOREIGN AFF. (June 30, 2023), <https://www.foreignaffairs.com/china/russia-losing-its-grip-central-asia>.

¹⁹ Umang Sharma, *Indian Rupee Going Global? After Russia, 35 Countries Show Interest in INR Trade Settlement Mechanism*, FIRSTPOST (Jan. 3, 2023), <https://www.firstpost.com/business/indian-rupee-going-global-after-russia-35-countries-show-interest-in-inr-trade-settlement-mechanism-11921652.html>.

²⁰ Vibha Sharma, *Trade in Indian Rupee with Russia Show Hiccups in De-Dollarization Concept*, TRIBUNE (July 8, 2023), <https://www.tribuneindia.com/news/nation/trade-in-indian-rupee-with-russia-shows-hiccups-in-de-dollarisation->

are opting to conduct commerce in their own currencies rather than the US dollar, mostly in response to sanctions. Not only India but China is also strongly promoting the use of RMB in international trade and investment transactions.²¹

De-dollarization is the process of decreasing a country's dependence on the US dollar for global trade and financial transactions. It has been speeding up since the Russian invasion of Ukraine.²² During the 14th BRICS Summit, Russia's president Vladimir Putin announced: "We are exploring the possibility of creating an international reserve currency based on the BRICS basket of currencies."²³ The BRICS member countries are gradually working to encourage the use of their national currencies and reduce dependence on the US dollar to minimize vulnerabilities. Some initiatives like the BRICS Interbank Cooperation Mechanism were introduced in 2010 to facilitate international transactions between the BRICS member countries in their respective currencies. Recent events show that a BRICS currency is not very feasible now or in the short term. In a latest move, Russia suspended talks with India on settling trade and investment in rupee.

Subsequently, on BRICS currency, India has cleared its position, reflected in external affairs minister S Jaishankar statement, "there is no idea of a BRICS currency, currencies will remain a national issue for a long time to come."²⁴ India is most likely to not pursue BRICS currency, even when other BRICS member countries like China and Russia may very well do so. According to experts, a BRICS currency would indicate more power to China, which is clearly in opposition to India's policy. It would further intensify China's role in BRICS, which might also risk India's western allies such as the US. Thus, while India may very well want to increase trade in rupee, it is still not prepared to support a BRICS common currency.

6. India's Communication to BRICS Countries

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²¹ *Id.*

²² Mihaela Papa, *How Long will the Dollar Last as the World's Default Currency? The BRICS Nations are Gathering in South Africa This August with it on the Agenda*, *FORTUNE* (June 25, 2023), <https://fortune.com/europe/2023/06/25/dollar-reserve-currency-brics-brazil-russia-india-china-south-africa>.

²³ Eurispes, *Online the Dossier of the Seminar Dedicated to the BRICS 2023 Presidency of South Africa (2023)*, <https://eurispes.eu/en/news/online-the-dossier-of-the-seminar-dedicated-to-the-brics-2023-presidency-of-south-africa>.

²⁴ Binitha Jacob, *De-dollarization: India Shuts Down Talk of BRICS Currency*, *INT'L BUS. TIMES* (July 7, 2023), <https://www.ibtimes.com/de-dollarization-india-shuts-down-talk-brics-currency-3703913>.

While both BRICS membership expansion and de-dollarization are reported to be among the key discussion points on the 15th BRICS Summit agenda, not all BRICS members are on the same page in both issues. India is clearly not following the calls for a common BRICS currency. However, India is leaving no stone unturned to promote its national currency for the settlement of international transactions with bilateral partners. Still, the idea of rolling a common BRICS currency on the lines of Euro system is not on India's agenda right now. On the issue of the BRICS membership expansion, India may support potential countries with which it has a shared chemistry on economic, political, and strategic front. It will give in under pressure from China on admitting member countries without proper consultation and consensus building.

7. Conclusion

The gong for the 15th BRICS Summit has been sounded and Johannesburg city of South Africa has hosted a number of issues. Among the key points on the agenda were the admission of new member countries to the bloc and the introduction of a BRICS currency. On both these issues, India's position will be determined by clarity regarding guiding principles, criterion, consensus building and extensive consultations.

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