

## Occasional Paper

**BRICS SUMMIT**

The ongoing economic crisis in US and precarious situation of Euro zone countries has sparked a new thinking in several regional powers of becoming global voice albeit if not individually then as a group. Among such groups is BRIC consisting of Brazil, Russia India and China that was identified more as economic indicator acronym rather than an international association, coined by Jim O'Neill of Goldman Sachs in his 2001 paper entitled "Building Better Global Economic BRICs". The conglomeration has now included South Africa to become BRICS—a self declared group of emerging economic power house; though the sole powerhouse US refuses to take any cognisance of it.

The sole *raison d'etre* for coming together of these countries is their increasing realisation that the current international arena has been monopolised by the West and even after being termed as the "emerging economic power house" the BRICS countries lack the bargaining power at international fora. All the five members are aware that their attempts to increase their international weight and influence exclusively within the existing structures are doomed, unless they come on one platform.

To be noted also, is that currently BRICS neither has a permanent secretariat nor does it enjoy stature of international organisation. Even the countries have entered into no formal treaty. So as of now this union seems more of coffee table diplomacy.

On April 14, 2011, leaders of five BRICS countries met in the Chinese resort city of Sanya and released a lengthy joint communiqué termed as 'Sanya Declaration'. This long declaration among others stated that

*(the BRICS states have)... "played an important role in contributing to world peace, security and stability, boosting global economic growth, enhancing multilateralism and promoting greater democracy in international relations"*

*" It is the overarching objective and strong shared desire for peace, security, development and cooperation that brought together BRICS countries with a total population of nearly 3 billion from different continents. BRICS aims at contributing significantly to the development of humanity and establishing a more equitable and fair world."*

Truly a grandiose plan; considering, the dependence of these countries on Europe and US for trade and diplomacy. The declaration came out openly in opposition of NATO bombing of Libya. It said

... We share the principle that the use of force should be avoided. We maintain that the independence, sovereignty, unity and territorial integrity of each nation should be respected...

We wish to continue our cooperation in the UN Security Council on Libya. We are of the view that all the parties should resolve their differences through peaceful means and dialogue in which the UN and regional organizations should as appropriate play their role. We also express support for the African Union High-Level Panel Initiative on Libya.

Though during the debate on bombing of Libya in United Nations, Russia, China and even Brazil, the former having permanent status and latter as non-permanent member of the council had not opposed the military operation in Libya, poetically named 'Operation Dawn Odyssey' by the USA. In fact while the original BRIC abstained from voting the new partner South Africa voted in favour of no-fly zone. Their posture of 'defiance by word' led the US and NATO allies to impose No-fly Zone and devastrate Libya.

The forum would only oppose US hegemony by paying lip service and limiting themselves to efforts of the African Union High Level Panel Initiative on Libya. Their opposition then as now was limited to lip service of fine humanitarian phrases and concern for 'democracy' and safety of the people.

The other points of the declaration mainly centered on reforms of the international currency system, commodity fluctuations, climate change and sustainable development. which are nothing new for international conferences and finds mentions in numerous conferences/deliberations on daily basis without any tangible result.

Similar is the stance on nuclear issue, the deliberation says

*Nuclear energy will continue to be an important element in future energy mix of BRICS countries. International cooperation in the development of safe nuclear energy for peaceful purposes should proceed under conditions of strict observance of relevant safety standards and requirements concerning design, construction and operation of nuclear power plants.*

The countries are committed to international cooperation in the development of safe nuclear energy for peaceful purposes under conditions of strict observance of relevant safety standards and requirements concerning design, construction and operation of nuclear power plants. Strangely enough, not a word has been mentioned about 'Fukushima'. There is nothing new nor different from numerous other declarations on it.

The member countries have different level of development and ambition at international politics. It is China and not Russia who seems to be driving the initiative.

China wants to use this platform as a counterweight to US and European hegemony. Ambition of becoming a potent voice in international arena is driving China to put together a global coalition behind it. But considering the not so cosy Sino-India relation how would these two Asian neighbours reconcile their conflict with each other needs to be seen. Though considering their present level of mutual hostility and contradiction does not indicate to an early resolution and cohabitation. While China is enjoying the moment as it officially became the world's second largest economy, displacing Japan last year, the international community in all fairness didn't fail to notice it as a sign of China's rise to 'superpower' status whatever it means in the real world of strategic power equation.

For Russia, problems are different from the other "emerging leader". It is still trying to recover and is considered to be the old man in this grouping. The only developed country with shrinking international prestige means that Moscow requires a platform that would bolster its sagging global prestige. Today a largely commodity oriented economy marred with large scale corruption and kleptocratic system that does not seems to be auguring good for the country as a whole. In this backdrop for Russia no other alliance seems better that would encourage a non-Western orientation in foreign policy, align with its

global ambitions, and stress the country's similarity to states that are world leaders in terms of economic growth.

India the second largest emerging economy is today trying to integrate itself with the United States and European Union. Today it needs US and EU more than any China, Russia or Brazil. India and EU are engaged in a free trade agreement talk to increase trade and economic cooperation between them. With US, it is in dialogue for even closer relations and has been seen taking US stand on all major international events. During president Obama's visit to New Delhi he had reiterated the US wish of seeking greater Indian involvement in Africa a move clearly aimed at playing India card against the Chinese ambition in the continent. How would India and China resolve their difference in Africa while pursuing their own economic agenda, is something that BRICS certainly would not be able to resolve. The continued Chinese aid and friendship to Pakistan is also something that New Delhi would not be able to digest easily. So with these two entities at diagonally opposite end even at loggerhead on several international issue, it is impossible to see BRICS as an entity that has potential to change the world.

Observing the current state of the BRICS countries and their inherent disagreements, the talks and analysis of the official think tanks and strategists of BRICS seriously challenging the US monopoly for a "multipolar" world, a euphemism for a world in which the US is no longer the sole superpower. Rather it reminds one of Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) which when formed in the mid 1990s similarly had caught attention of media and strategy analyst's as an organisation having potential to challenge the uni-polar world.

Brazil had been involved in similar exercise with other South American countries in Mercosur, without any success, rather the countries of the association that was seen during its initial days to become Latin EU collapsed when the member countries entered into negotiation with US and other states on individual basis rather than as a common group.

With all these differences it cannot be expected that BRICS would be able to become a homogenous entity, which can challenge Uncle Sam's hegemony in near future. The five BRICS countries account for almost 30 percent of the world's land area, 42 percent of the global population, 18 percent of world GDP and 15 percent of the global total trade volume. But with the internal disagreement and diverse geo-political interest that bedevils the member countries it is unlikely that they are going to acquire superpower status anytime soon.

July 8th, 2011

## Full Text of Sanya Declaration

1. We, the Heads of State and Government of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, met in Sanya, Hainan, China for the BRICS Leaders Meeting on 14 April 2011.
2. The Heads of State and Government of Brazil, Russia, India and China welcome South Africa joining the BRICS and look forward to strengthening dialogue and cooperation with South Africa within the forum.  
It is the overarching objective and strong shared desire for peace, security, development and cooperation that brought together BRICS countries with a total population of nearly 3 billion from different continents. BRICS aims at contributing significantly to the development of humanity and establishing a more equitable and fair world.
3. The 21st century should be marked by peace, harmony, cooperation and scientific development. Under the theme "Broad Vision, Shared Prosperity", we conducted candid and in-depth discussions and reached broad consensus on strengthening BRICS cooperation as well as on promoting coordination on international and regional issues of common interest.
4. We affirm that the BRICS and other emerging countries have played an important role in contributing to world peace, security and stability, boosting global economic growth, enhancing multilateralism and promoting greater democracy in international relations.
5. In the economic, financial and development fields, BRICS serves as a major platform for dialogue and cooperation. We are determined to continue strengthening the BRICS partnership for common development and advance BRICS cooperation in a gradual and pragmatic manner, reflecting the principles of openness, solidarity and mutual assistance.
6. We reiterate that such cooperation is inclusive and non-confrontational. We are open to increasing engagement and cooperation with non-BRICS countries, in particular emerging and developing countries, and relevant international and regional organizations.
7. We share the view that the world is undergoing far-reaching, complex and profound changes, marked by the strengthening of multipolarity, economic globalization and increasing interdependence. While facing the evolving global environment and a multitude of global threats and challenges, the international community should join hands to strengthen cooperation for common development.

Based on universally recognized norms of international law and in a spirit of mutual respect and collective decision making, global economic governance should be strengthened, democracy in international relations should be promoted, and the voice of emerging and developing countries in international affairs should be enhanced.

8. We express our strong commitment to multilateral diplomacy with the United Nations playing the central role in dealing with global challenges and threats. In this respect, we reaffirm the need for a comprehensive reform of the UN, including its Security Council, with a view to making it more effective, efficient and representative, so that it can deal with today's global challenges more successfully.

China and Russia reiterate the importance they attach to the status of India, Brazil and South Africa in international affairs, and understand and support their aspiration to play a greater role in the UN.

We underscore that the concurrent presence of all five BRICS countries in the Security Council during the year of 2011 is a valuable opportunity to work closely together on issues of peace and security, to strengthen multilateral approaches and to facilitate future coordination on issues under UN Security Council consideration.

9. We are deeply concerned with the turbulence in the Middle East , the North African and West African regions and sincerely wish that the countries affected achieve peace, stability, prosperity and progress and enjoy their due standing and dignity in the world according to legitimate aspirations of their peoples.

We share the principle that the use of force should be avoided. We maintain that the independence, sovereignty, unity and territorial integrity of each nation should be respected.

10. We wish to continue our cooperation in the UN Security Council on Libya. We are of the view that all the parties should resolve their differences through peaceful means and dialogue in which the UN and regional organizations should as appropriate play their role. We also express support for the African Union High-Level Panel Initiative on Libya.

11. We reiterate our strong condemnation of terrorism in all its forms and manifestations and stress that there can be no justification, whatsoever, for any acts of terrorism. We believe that the United Nations has a central role in coordinating the international action against terrorism within the framework of the UN Charter and in accordance with principles and norms of the international law.

In this context, we urge early conclusion of negotiations in the UN General Assembly of the Comprehensive Convention on International Terrorism and its adoption by all Member States. We are determined to strengthen our cooperation in countering this global threat. We express our commitment to cooperate for strengthening international information security. We will pay special attention to combat cybercrime.

12. We note that the world economy is gradually recovering from the financial crisis, but still faces uncertainties. Major economies should continue to enhance coordination of macro-economic policies and work together to achieve strong, sustainable and balanced growth.

13. We are committed to assure that the BRICS countries will continue to enjoy strong and sustained economic growth supported by our increased cooperation in economic, finance and trade matters, which will contribute to the long-term steady, sound and balanced growth of the world economy.

We support the Group of Twenty (G20) in playing a bigger role in global economic governance as the premier forum for international economic cooperation. We expect new positive outcomes in the fields of economy, finance, trade and development from the G20 Cannes Summit in 2011. We support the ongoing efforts of G20 members to stabilize international financial markets, achieve strong, sustainable and balanced growth and support the growth and development of the global economy. Russia offers to host the G20 Summit in 2013. Brazil, India, China and South Africa welcome and appreciate Russia's offer.

14. We call for a quick achievement of the targets for the reform of the International Monetary Fund agreed to at previous G20 Summits and reiterate that the governing structure of the international financial institutions should reflect the changes in the world economy, increasing the voice and representation of emerging economies and developing countries.

15. Recognizing that the international financial crisis has exposed the inadequacies and deficiencies of the existing international monetary and financial system, we support the reform and improvement of the international monetary system, with a broad-based international reserve currency system providing stability and certainty.
16. We welcome the current discussion about the role of the SDR in the existing international monetary system including the composition of SDR's basket of currencies. We call for more attention to the risks of massive cross-border capital flows now faced by the emerging economies.  
We call for further international financial regulatory oversight and reform, strengthening policy coordination and financial regulation and supervision cooperation, and promoting the sound development of global financial markets and banking systems.
17. Excessive volatility in commodity prices, particularly those for food and energy, poses new risks for the ongoing recovery of the world economy. We support the international community in strengthening cooperation to ensure stability and strong development of physical market by reducing distortion and further regulate financial market.
18. The international community should work together to increase production capacity, strengthen producer-consumer dialogue to balance supply and demand, and increase support to the developing countries in terms of funding and technologies.
19. The regulation of the derivatives market for commodities should be accordingly strengthened to prevent activities capable of destabilizing markets. We also should address the problem of shortage of reliable and timely information on demand and supply at international, regional and national levels. The BRICS will carry out closer cooperation on food security.
20. We support the development and use of renewable energy resources. We recognize the important role of renewable energy as a means to address climate change. We are convinced of the importance of cooperation and information exchange in the field of development of renewable energy resources.

Nuclear energy will continue to be an important element in future energy mix of BRICS countries. International cooperation in the development of safe nuclear energy for peaceful purposes should proceed under conditions of strict observance of relevant safety standards and requirements concerning design, construction and operation of nuclear power plants.

21. Accelerating sustainable growth of developing countries is one of the major challenges for the world. We believe that growth and development are central to addressing poverty and to achieving the MDG goals. Eradication of extreme poverty and hunger is a moral, social, political and economic imperative of humankind and one of the greatest global challenges facing the world today, particularly in Least Developed Countries in Africa and elsewhere.
22. We call on the international community to actively implement the outcome document adopted by the High-level Plenary Meeting of the Nations General Assembly on the Millennium Development Goals held in September 2010 and achieve the objectives of the MDGs by 2015 as scheduled.

Climate change is one of the global threats challenging the livelihood of communities and countries. China, Brazil, Russia and India appreciate and support South Africa's hosting of UNFCCC COP17/CMP7. We support the Cancun Agreements and are ready to make concerted efforts with the rest of the international community to bring a successful conclusion to the

negotiations at the Durban Conference applying the mandate of the Bali Roadmap and in line with the principle of equity and common but differentiated responsibilities.

23. We commit ourselves to work towards a comprehensive, balanced and binding outcome to strengthen the implementation of the United Nations Framework Convention on Climate Change and its Kyoto Protocol. The BRICS will intensify cooperation on the Durban conference. We will enhance our practical cooperation in adapting our economy and society to climate change.
24. Sustainable development, as illustrated by the Rio Declaration on Environment and Development, Agenda 21, the Johannesburg Plan of Implementation and multilateral environmental treaties, should be an important vehicle to advance economic growth. China, Russia, India and South Africa appreciate Brazil as the host of the 2012 UN Conference on Sustainable Development and look forward to working with Brazil to reach new political commitment and achieve positive and practical results in areas of economic growth, social development and environmental protection under the framework of sustainable development.
25. Brazil, Russia, China and South Africa appreciate and support India's hosting of the eleventh meeting of the Conference of the Parties to the Convention on Biological Diversity. Brazil, China and South Africa also appreciate and support the sixth meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety to be held in October 2012.

We underscore our firm commitment to strengthen dialogue and cooperation in the fields of social protection, decent work, gender equality, youth, and public health, including the fight against HIV /AIDS.

We support infrastructure development in Africa and its industrialization within framework of the New Partnership for Africa's Development (NEPAD).

26. We have agreed to continue further expanding and deepening economic, trade and investment cooperation among our countries. We encourage all countries to refrain from resorting to protectionist measures. We welcome the outcomes of the meeting of BRICS Trade Ministers held in Sanya on 13 April 2011.
27. Brazil, China, India and South Africa remain committed and call upon other members to support a strong, open, rule-based multilateral trading system embodied in the World Trade Organization and a successful, comprehensive and balanced conclusion of the Doha Development Round, built on the progress already made and consistent with its development mandate. Brazil, India, China and South Africa extend full support to an early accession of Russia to the World Trade Organization.

We reviewed the progress of the BRICS cooperation in various fields and share the view that such cooperation has been enriching and mutually beneficial and that there is a great scope for closer cooperation among the BRICS. We are focused on the consolidation of BRICS cooperation and the further development of its own agenda. We are determined to translate our political vision into concrete actions and endorse the attached Action Plan, which will serve as the foundation for future cooperation. We will review the implementation of the Action Plan during our next Leaders Meeting.

We intend to explore cooperation in the sphere of science, technology and innovation,

including the peaceful use of space. We congratulate the Russian people and government upon the 50th anniversary of the flight of Yuri Gagarin into the space, which ushered in a new era in development of science and technology.

We express our confidence in the success of the 2011 Universiade in Shenzhen, the 2013 Universiade in Kazan, the 2014 Youth Olympic Games in Nanjing, the 2014 Winter Olympic and Paralympics Games in Sochi, the FIFA 2014 World Cup in Brazil, the 2016 Olympic and Paralympics Games in Rio de Janeiro and the FIFA 2018 World Cup in Russia.

28. We extend our deepest condolences to the people of Japan with the great loss of life following the disasters that struck the country. We will continue our practical support to Japan in overcoming consequences of these catastrophes.

29. The leaders of Brazil, Russia, India and South Africa extend our warm appreciation to China for hosting the BRICS Leaders Meeting and the Hainan Provincial Government and Sanya Municipal Government and their people for their support to the Meeting.

Brazil, Russia, China and South Africa thank India for hosting the BRICS Leaders Meeting in 2012 and offer their full support.

### **Action Plan**

We formulated the Action Plan, laying the foundation for the BRICS cooperation, with the purpose to strengthen BRICS cooperation and benefit our peoples.

### **I. Enhance existing cooperation programs**

- 1.** Hold the third Meeting of High Representatives for Security Issues in the latter half of 2011 in China.
- 2.** Hold the meeting of Ministers of Foreign Affairs during the 66th Session of the United Nations General Assembly.
- 3.** Hold sherpas/sous-sherpas meeting in due time.
- 4.** Representatives to international organizations based in New York and Geneva meet periodically in an informal manner.
- 5.** Ministers of Finance and Governors of Central Banks meet under the G20 framework and during the annual meetings of the World Bank and International Monetary Fund.
- 6.** Hold the Meeting of Agriculture Expert Working Group and the second Meeting of Ministers of Agriculture in 2011 in China, and cooperate in issues including establishment of BRICS System of Agricultural Information and holding a seminar on food security.
- 7.** Hold the Meeting of the heads of the National Statistical Institutions in September 2011 in China.
- 8.** Hold the second BRICS International Competition Conference in September 2011 in China, and explore the possibility of signing an Agreement on Cooperation between Antimonopoly Agencies.
- 9.** Continue to hold the BRICS Think-tank Symposiums, and consider establishing a network of research centers of all BRICS countries.
- 10.** Hold another Business Forum prior to the next BRICS Leaders Meeting.
- 11.** Strengthen financial cooperation among the BRICS Development Banks.
- 12.** Implement the Protocol of Intent among the BRIC [ Images ] Countries' Supreme Courts.
- 13.** Release the Joint Statistical Publication by BRICS Countries.
- 14.** Continue to hold the Meeting of Cooperatives.



## **II. New areas of cooperation**

- 1.** Host the first BRICS Friendship Cities and Local Governments Cooperation Forum in 2011 in China.
- 2.** Host the Meeting of Ministers of Health in 2011 in China.
- 3.** Engage in joint research on economic and trade issues.
- 4.** Update, as appropriate, the Bibliography on the BRICS countries.

## **III. New proposals to explore**

- 1.** Cooperate in the cultural field according to the agreement of the BRICS leaders.
- 2.** Encourage cooperation in sports.
- 3.** Explore the feasibility to cooperate in the field of green economy.
- 4.** Hold a meeting of Senior Officials for discussing ways of promoting scientific, technological and innovation cooperation in BRICS format including by establishment a working group on cooperation in pharmaceutical industry.
- 5.** Establish, at UNESCO, a "BRICS-UNESCO Group", aiming at developing common strategies within the mandate of the Organization.