



17th BRICS Summit

For Prelims: [BRICS](#), [IMF](#), [World Bank](#), [Emerging Markets and Developing Countries' \(EMDCs\)](#), [WTO](#), [Carbon Market](#), [Two-state Solution](#), [New Development Bank](#), [UN Security Council](#), [G7](#), [G20](#), [NAM](#), [G77](#), [Credit Rating Agency](#), [SWIFT Systems](#), [Free Trade Agreement \(FTA\)](#). —

For Mains: Role and relevance of BRICS in current global order, Associated challenges and way forward.

[Source: TH](#)

Why in News?

India's Prime Minister took part in the 17th [BRICS Summit](#) held in **Rio de Janeiro, Brazil**, under the theme "**Strengthening Global South Cooperation for More Inclusive and Sustainable Governance**," and signed the **Rio de Janeiro Declaration**.

- **Indonesia** officially joined **BRICS**, while **Belarus, Bolivia, Kazakhstan, Cuba, Nigeria, Malaysia, Thailand, Vietnam, Uganda, and Uzbekistan** were welcomed as **BRICS partner countries**.
- India will assume the **BRICS Chairship** and host the **18th BRICS Summit** in **2026**.

What are the Key Outcomes of the 17th BRICS Summit?

- **Global Governance Reform:** BRICS backed expansion of the **UN Security Council** to include more **permanent members** from **Asia, Africa, and Latin America** for greater [Global South representation](#), urged [IMF](#) and [World Bank](#) reforms to reflect [Emerging Markets and Developing Countries' \(EMDCs\)](#) role, and supported a **rules-based WTO**.
- **Sustainable Development:** BRICS adopted the **Leaders' Framework Declaration on [Climate Finance](#)** to mobilize resources for **developing countries** and endorsed an **MoU on the BRICS [Carbon Markets](#) Partnership** to enhance cooperation in **carbon pricing** and **emissions trading**.
- **Peace and Security:** BRICS reaffirmed "**African Solutions to African Problems**", called for a **Gaza ceasefire** and [two-state solution](#). BRICS leaders condemned the [Pahalgam attack](#), and **India** stressed that terrorism must be **rejected on principle**, not treated as a matter of **convenience**.
- **Financial Cooperation:** BRICS advanced talks on a [Cross-Border Payments Initiative](#) to reduce **US dollar reliance**, supported the [New Development Bank's](#) expansion, and the **BRICS Multilateral Guarantees (BMG)** pilot to de-risk investments.
- **Technology and Digital Economy:** BRICS adopted the **Leaders' Statement on [Global AI Governance](#)**, concluded the **Data Economy Governance Understanding** and agreed to form a **BRICS Space Council** for **collaborative space exploration**.
- **Health and Social Development:** BRICS launched the **Partnership for the Elimination of Socially Determined Diseases ([Tuberculosis](#))** to tackle **health disparities**.
- **Condemnation of CBAM:** BRICS nations have '**condemned and rejected**' the [Carbon Border](#)

Adjustment Mechanisms (CBAM) of the **European Union (EU)** and similar restrictive trade measures, saying they **undermine their transition** to a cleaner economy.

- CBAM is an EU's **tax on imported goods with more carbon emissions**, meant to **stop carbon leakage** but making items like **Indian steel and cement less competitive in the European market**.

What is BRICS?

- **About:** The acronym '**BRIC**' was coined by British economist **Jim O'Neill** in **2001** to represent the emerging economies of **Brazil, Russia, India, and China**.
 - **BRIC** began functioning as a formal group during the **G-8 Outreach Summit** in **2006**, held its **first summit** in **Russia** in **2009**, and became **BRICS** with the inclusion of **South Africa** in **2010**.
- **Members:** The initial **five BRICS members** were **Brazil, Russia, India, China, and South Africa**. In **2024**, **Iran**, the **United Arab Emirates (UAE)**, **Egypt**, and **Ethiopia** joined the group while **Indonesia** joined in 2025.
 - **Saudi Arabia** has not yet **formalised** its BRICS membership, while **Argentina**, initially expected to join in 2024, later **opted out**.
- **Significance:** **BRICS** accounts for **45%** of the **world's population** and **37.3%** of **global GDP**, surpassing the **EU's 14.5%** and the **G7's 29.3%**.
- **Key Initiatives of BRICS:** **New Development Bank (2014)**, **Contingent Reserve Arrangement (CRA)**, **BRICS Grain Exchange**, **BRICS Rapid Information Security Channel**, **STI Framework Programme (2015)** etc.

How is BRICS Redefining Power Dynamics in Global Governance?

- **Energy Security:** With **Iran**, **Saudi Arabia**, and the **UAE** joining, **BRICS now accounts for around 44% of global crude oil production** positioning it as a **key player in ensuring energy security** and **influencing oil prices and supply chains**.
- **Neutral Space for Strategic Dialogue:** In times of **bilateral tensions**, such as the **India-China Doklam standoff**, **BRICS** offers a **neutral, non-Western diplomatic platform** for dialogue encouraging **constructive engagement**.
- **Instrument for Multilateral Reform:** **BRICS** provides **India** and others a **collective forum** to push for **reforms in global institutions** like the **UN Security Council**, **WTO**, **IMF**, and **World Bank** to reflect **current global realities**.
- **Inclusivity and Global Engagement:** The inclusion of new countries, many of which are **WTO members** (except **Ethiopia** and **Iran**), shows the group's effort to **expand its global footprint** and engage a broader coalition of **non-Western nations**.
- **Emerging Political and Economic Bloc:** **BRICS** is increasingly seen as a **counterbalance to the G7** and a **rising force in the G20**, addressing **economic and political issues** like **inequality and underrepresentation** amid **declining Western influence**.

What are the Key Challenges Hindering BRICS Functioning in the Current Global Order?

- **Lack of Permanent Seat and Secretariat:** **BRICS** does not have a **permanent seat or a dedicated secretariat**, which weakens its institutional framework. The absence of a permanent structure makes decision-making processes slower and less streamlined.
- **Geopolitical Contradictions:** **BRICS** operates on a **consensus basis**, but its **expansion complicates decision-making** due to contradictions like **UAE and Egypt's US alliances** and **Iran's adversarial stance**, risking potential **ineffectiveness** akin to the **NAM** and **G77**.
- **Weakening BRICS Economies & Untapped Potential:** **China's economic slowdown** (growth dropped from 5.2% in 2023 to 4.6% in 2024, with projections falling to 3.4% by 2028), coupled with **Russia's decline amid war and sanctions**, undermines **BRICS' capacity to drive global economic transformation**.

- Additionally, despite accounting for **more than 18% of global trade**, intra-BRICS trade **remains low at just 2.2% (2022)**. The proposed **BRICS Credit Rating Agency (CrRA)** failed to materialize due to lack of consensus, highlighting institutional inertia within the bloc.
- **Limited Influence on Global Institutions: BRICS+ countries hold only 19% voting power** in the [IBRD](#), compared to **40% by the G7**, limiting BRICS+ influence on global financial policy.
 - The **New Development Bank (NDB)** lacks sufficient funds to match the **World Bank**, **IMF**, or [AIIB](#).
- **Slow Dedollarization:** While **Iran, Russia, and China** trade in their own currencies, [de dollarisation](#) efforts remain **inconsistent**, and a **common BRICS+ currency** appears **unlikely** after recent expansion.

How Can BRICS Enhance Its Institutional Capacity and Leadership Role?

- **Institutional Reforms:** Establish a **permanent BRICS secretariat**, expand **decision-making** with **weighted voting** on economic matters while keeping **consensus for political issues**, and **formalize new member integration** with clear criteria like **GDP**, and **economic stability** to maintain **strategic focus**, and **global credibility**.
- **Financial Integration:** Promote **alternative SWIFT systems**, launch a **BRICS+ Development Bank 2.0** to expand **NDB lending**, and establish a **BRICS+ Free Trade Agreement (FTA)** to reduce trade barriers among members.
- **Geopolitical Cooperation:** Adopt a **unified stance on global governance** e.g., **UNSC reforms**, **WTO restructuring**, strengthen **BRICS+ security dialogue** on **counter-terrorism**, and promote **conflict resolution** through a **neutral platform**.
- **Innovation Partnerships:** Form a **BRICS+ Digital Alliance** for joint **R&D in AI, semiconductors**, and **green tech** to reduce **Western dependency**, and enhance **collaboration in space and nuclear energy** by pooling resources.
- **Soft Power & Cultural Exchange:** Establish a **BRICS+ University Network** for **student exchanges**, and promote **tourism** through **visa-free blocs** to strengthen **people-to-people ties**.

Conclusion

BRICS, with **institutional reforms**, **financial integration**, and **strategic unity**, can emerge as a **powerful bloc** for **Global South representation**. By addressing **internal contradictions** and boosting **intra-group cooperation**, it can challenge **Western-dominated systems** while fostering **inclusive growth**. **India's 2026 chairmanship** presents a **crucial opportunity** to shape this vision.

Drishti Mains Question:

Critically examine the role of BRICS in promoting Global South cooperation and reforming global governance structures.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. Consider the following statements: (2016)

1. New Development Bank has been set up by APEC.
2. The headquarters of the New Development Bank is in Shanghai.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (b)

Q. The 'Fortaleza Declaration', recently in the news, is related to the affairs of (2015)

- (a) ASEAN
- (b) BRICS
- (c) OECD
- (d) WTO

Ans: (b)

PDF Reference URL: <https://www.drishtiias.com/printpdf/17th-brics-summit>

