

The Role of BRICS in India's Foreign Policy

Written by Paola Andrea Baroni

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PAOLA ANDREA BARONI, DEC 12 2024

The 21st century is witnessing a decentralisation of global power, with a transition of its axis towards Asia. This allows for a multipolar and multilateral system that leads to the development of emerging powers. At the same time, the concept of the Global South is gaining strength by promoting a South-South dialogue. Countries such as India, in the process of economic growth and development, have priorities and challenges such as food and energy security, climate change, digital transformation, inflation, and financial viability, among others, which make India the voice of the Global South. For India, it is important to reform the international system to make it more equitable and representative of new realities. In this sense, India is a country that converges with the West in terms of strategic goals and values and, at the same time, has deep roots in the Global South.

One of the changes observed in India is a greater predisposition to different alignment options than in the past, as it is understood not in purely ideological terms but in its more pragmatic role as a regional power. Ian Hall argues that multi-alignment is India's chosen strategy to protect its interests and ideals in the current international system, and that this strategy involves addressing national security challenges; promoting its values; stimulating economic development, and projecting its influence. It also emphasises engagement with multilateral fora and organisations – regional and international – and the use of bilateral strategic partnerships. While this concept may appear opportunistic to some, in reality India seeks strategic convergence. This conception is compatible with India's traditional policy of strategic autonomy. This can be defined as a nation's ability and desire to make independent foreign policy decisions to pursue its core national interests, unconstrained by other states. This dates back to Cold War times, and is synthesised as a combination of realism and non-alignment. In this way, India seeks not to favour any particular power.

The main objective of a strategic approach in today's world of interdependence must be to provide India with as many options as possible in its relations with the rest of the world. This implies increasing India's strategic space and its capacity for independent agency, which will provide it with the greatest number of options for its internal development. This is closely linked to India's national interest, which is expressed in *Atmanirbhar Bharat*, i.e. achieving self-reliance or autonomy. This concept, unveiled by Prime Minister Modi in 2020, aims to make the country and its citizens self-reliant in every sense, and is based on five pillars (economy, infrastructure, system, vibrant demography, and demand). India's relevance to different blocs and countries has enabled it to participate in various multilateral initiatives such as the G-20 and the Global South.

The arrival of the Modi government has modified India's international positioning, as it has sought to delineate an identity based on the supremacy of Hinduism. In this way, India seeks to highlight its uniqueness vis-à-vis the West, especially for geopolitical reasons that place it increasingly linked to its continent. In this context, India has strengthened ties with the United States, especially in the context of its projection in the Indo-Pacific, and in turn collaborates with states such as Russia, Iran and even China. In this context, it works with alternative formats of dialogue, i.e. without the United States and its main partners, such as the BRICS or the Shanghai Cooperation Organisation.

In 2003 a Goldman Sachs economist created the acronym BRIC (Brazil, Russia, India and China) to refer to emerging countries with significant investment opportunities. For India, this was seen as an international recognition of its growing weight and economic growth, although it did not attach much importance to the fact that it was created

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by a Western group. The BRIC emerged as a mini-lateral forum in 2009, with a loose institutionalisation, based on summits and consensus expressed through a document at the end of each meeting. It has no statutes, executive or legislative bodies or a permanent secretariat, although working groups and forums have been created. In 2011, South Africa joined – adding the S.

BRICS has been functional to the political interests of its members in the search for greater international visibility, and it is based on proactive and assertive foreign policies. Its creation was a clear statement by these countries that they are no longer willing to allow anyone to dictate to them how to act or with whom to cooperate internationally. However, it is necessary to point out that the members do not have a similar role or international weight: two are permanent members of the UN Security Council; three are nuclear powers; not all have the same status within the WTO; they have strategic-military differences; dissimilar political systems and also dissimilar historical evolution, among other factors. Even among these differences, the financial issue is common, as they all seek to promote reform in the current global financial system, and this was the impetus for its creation.

In the case of India, it is important to consider the creation of the IBSA (India, Brazil and South Africa) coalition in 2003, under Brazil's leadership, as an antecedent to the BRICS. India was considered the coalition's natural ally in Asia and, at the same time, allowed it to counterbalance China's growing presence in Latin America and Africa. For this reason, India initially opposed leaving IBSA when BRICS was created. China lobbied against duplication of efforts, and the addition of South Africa to the BRICs in 2011 led to the end of IBSA meetings. However, IBSA continues and meetings are held in parallel to the BRICS summit. Because of this situation, India was initially reticent about the BRIC idea, as it considered IBSA to have a personality of its own, and BRIC was a concept designed by third parties not participating in the forum, which they were seeking to shape. However, India ended up participating in the creation of the forum because it was able to visualise the benefits; for example, deepening ties with Russia, working alongside China on global governance issues, and bringing together different actors to negotiate and coordinate better representation in international financial institutions. At the same time, it noted the economic potential of its member states and therefore proposed the creation of a bank in the context of the BRICS, which was established, not without tensions and conflicts with China, in 2015.

The New Development Bank is a major achievement for an informal organisation such as the BRICS. Not only does it provide loans, but it has established an Emergency Program Loan. The capital base was \$50 billion and each member contributes one-fifth, but in the case of the emergency fund, China contributes 41% of the total. This multilateral financial institution has enabled India to access loans on a secure basis for itself, without having to turn to China or other financial institutions such as the World Bank. In this sense, there are 24 projects financed by the NDB in India, worth approximately 8.8 billion dollars. These projects are geared towards meeting the country's core needs, such as infrastructure development and green initiatives, and during the Covid-19 pandemic it also accessed emergency loans. However, the agency has been criticised for a lack of transparency, too many dollar loans and the dominance of founding members in supervisory bodies, among other issues.

The main effect of BRICS has been the strengthening of internal relations among members at the level of investment and mutual trade, although it should be noted that most of the growth in trade has been centred on China, while the contribution of the rest of the members has remained fairly stable. At the same time, exchanges and communication between member state governments and other governmental organisations intensified. Under the Manmohan Singh government (2004-2014), India's role in the BRICS was marked by a deepening of political pragmatism due to the changes in foreign policy brought about by multialignment. In this sense, its participation is based on the conception that India can be part of a number of multilateral initiatives, but these are limited. With the arrival of Modi to power (2014-present), the multi-alignment takes on greater force and the government proposes a scheme of relations known as divided loyalties, both with the US and with Russia and China.

BRICS is thus a useful tool in India's foreign policy as it helps diversify the dialogue and counterbalances the West's weight in Asia, thus maintaining its strategic autonomy. At the same time, India is working to find a place that suits it vis-à-vis China's overwhelming economic and political weight within the group. In many ways, India is better positioned to build consensus and promote common interests and shared values within the group, and this is its great asset.

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BRICS members represent more than 45% of the world's population and account for almost 36% of global GDP, making the forum a major player in the global economy. China and Russia were the leading members in proposing the expansion of the BRICS. Among the main reasons, it is stated that it would make the forum a more representative platform for the developing world and give it a stronger voice on the international stage regarding its interests and concerns. One area where a common position is observed is in the area of international financial architecture, as the BRICS forum seeks to generate alternative schemes by promoting the use of national currencies in trade among members and a payment system of its own. It also supports open, transparent and rules-based international trade. The addition of new members, therefore, supports this objective.

However, both India and Brazil resist this enlargement initiative. India was trying to incorporate restrictive conditions for the admission of new members – which did not exist – above all linked to the obligation not to be subject to international sanctions, which would lead to the exclusion of Iran. This was intended, on the one hand, to ensure that the admission of new members was not merely a question of the influence of the founding members and, on the other, to avoid the inclusion of states with a strong anti-American stance, which would give greater weight to the Chinese project.

The members that have been admitted since January 2024 – United Arab Emirates (UAE), Iran, Ethiopia, and Egypt – are heterogeneous. It should be made clear that, although Saudi Arabia has been invited, it has not yet agreed to participate. This heterogeneity is based on the fact that there are creditor countries, such as the UAE, while others are debtors and have a vulnerable financial position, such as Egypt. On the other hand, Iran and the UAE are net oil exporters and the latter has a robust economy, while Egypt, Ethiopia and Iran face significant economic challenges. Finally, the inclusion of Ethiopia and Egypt is linked to the growing role of the African continent in both China's and India's foreign policy. The inclusion of these new members makes BRICS an influential player in the global economy due to the investment opportunities it offers and the role of its energy resources. It thus incorporates possibilities to enter fast-growing consumer markets with a strategic geographic location and diverse cultural and business contexts. The presence of major oil exporters alongside major importers, such as China and India, underlines the group's potential as an alternative trading mechanism that avoids the use of the dollar and the G7's financial clout.

At the first BRICS+ summit in Kazan, Russia, in October 2024, the focus was on modernising security and economic cooperation. Topics focused on counter-terrorism, cyber-security, regional stability, and even carbon trading. This summit provided an opportunity for India to promote its strategic interests and reiterate its commitment to a more equitable multipolar world and the need for reform of the current international system. With Russia, India's Prime Minister Modi discussed the conflict in Ukraine and emphasised a diplomatic solution to it. Modi also met with Iran's new president, and discussed regional stability and boosting trade through the port of Chabahar, built and managed by India. With Xi Jinping, he met for the first time after the border incidents, and they agreed to resume talks and border patrols. Nonetheless, the forum faces growing geopolitical tensions and internal pressures, such as disagreements and divergent priorities among its members. For example, India and China disagree on how the organisation should proceed: India envisions BRICS as a multipolar global governance system, while China seeks a mechanism to counterbalance the US and its allies and partners. While enlargement could enhance the status of the BRICS, it could also risk diluting the forum, rendering it ineffective and inefficient if it continues to function on the basis of consensus.

In sum, the BRICS forum, which began as a primarily economic initiative signaling the transfer of economic power to the emerging world, has become a major geopolitical initiative. In this sense, India has demonstrated a pragmatic stance towards the BRICS, initially resisting and subsequently taking advantage of a space that allows it to play a leading role at the international level. Based on multi-alignment, its strategy is not to seek permanent friends or enemies, but has prioritised a scheme of fragmented loyalties that has allowed it to navigate between different types of powers. Thus, India engages in any initiative that it deems good for its national interests, and BRICS has given it significant advantages. However, the heterogeneity of the BRICS+, not only economically but also politically, may be an obstacle to its deepening.

Clearly, the questions that arise are what an increasingly heterogeneous group will be able to achieve and whether it will be able to sustain and achieve the proposed objectives. The impact and influence of BRICS+ will therefore

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depend on a number of factors, including the forum's ability to overcome internal challenges, China's dominant role in the forum, the position of the three remaining democracies (Brazil, India and South Africa) in the face of the new more limited and more aggressive approach, and the West's response to this new challenge. In this context, coming back to India, BRICS+ is one more such space in which to project its power and continue to emerge as a leading nation of the Global South.

About the author:

Paola Andrea Baroni holds a PhD in International Relations from the National University of Rosario. She specializes in International Politics, India, China and Southeast Asia and their links with Argentina and South America. She was Director of the International Relations, Political Science and Sociology programs at Universidad Siglo 21 (2008–2014), where she is currently a researcher and director of the project "India and the Global South: analysis of the foreign policy of an emerging power (2014-present)". She also teaches International Relations at Blas Pascal University and is an adherent member of the Argentine Council for International Relations (CARI), participating in the Work Group of India.