? BRICS at 20: India Hosts the 18th Summit Amid Global Fragmentation and the Search for a More Inclusive World Order

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__Recent Developments:__

- India is hosting the **18th BRICS Summit in New Delhi on 12–13 September 2026** at Bharat Mandapam, with the grouping completing **20 years since its establishment in 2006**. India assumed the 2026 BRICS Chairship on 1 January under the theme **"Building for Resilience, Innovation, Cooperation and Sustainability"**, reflecting the people-centric principle of **"Humanity First"**.
- India's year-long Chairship has involved more than **350 meetings and high-level engagements across over 25 Indian cities**, organised around political-security, economic-financial, and cultural-people-to-people cooperation.
- The **New Delhi Declaration has been adopted at the 18th Summit**, with members addressing conflict resolution, terrorism, tariffs, sustainable development and global economic governance while attempting to accommodate divergent geopolitical positions within the expanded grouping.
- The Summit has also highlighted **energy security, critical minerals, resilient supply chains and an orderly energy transition**, recognising the continued importance of fossil fuels for developing economies while supporting lower-emission development.

__Understanding BRICS:__

Evolution and Membership:

- **BRICS** originated as **BRIC**, comprising Brazil, Russia, India and China, and was formally established as an intergovernmental grouping in 2006, while the first leaders' summit was held at **Yekaterinburg in 2009**.
- **South Africa joined in 2010**, converting BRIC into BRICS and strengthening the grouping's representation of Africa.
- The 2023 Johannesburg Summit initiated major expansion, and **Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates** joined the expanded grouping in 2024.
- **Indonesia became a full member in January 2025**, taking the number of full members to 11.
- BRICS has therefore evolved from an economic coordination platform into a broader forum dealing with **global governance, development finance, trade, energy, technology and geopolitical issues**.

Core Institutional Character:

- BRICS is **not a military alliance or treaty-based security organisation**, and its cooperation remains largely based on consultation, consensus and flexible coordination.
- Its institutional architecture includes the **New Development Bank (NDB)** and the **Contingent Reserve Arrangement (CRA)**, alongside ministerial mechanisms and sectoral working groups.
- The grouping's central political demand is greater **representation of emerging and developing economies in global institutions**, particularly the United Nations Security Council, International Monetary Fund and

World Bank.

BRICS and G7: Changing Global Economic Weight:

Economic and Demographic Significance:

- BRICS' growing importance reflects the broader shift in global economic weight towards **emerging and developing economies**.
- IMF data show that emerging and developing economies collectively accounted for about **59.8% of global GDP in PPP terms in 2024**, compared with about 40.2% for advanced economies, although these aggregates are broader than BRICS itself.
- The expanded BRICS grouping is estimated to account for around **36.8% of global GDP on a PPP basis**, compared with less than 29% for the G7, demonstrating the growing aggregate economic weight of BRICS members.
- BRICS also possesses major advantages in **population, energy resources, agricultural production, minerals and strategic raw materials**, giving it considerable influence over global supply chains.
- However, **nominal GDP and per-capita income** present a different picture, because the G7 continues to possess much higher average income levels, technological capabilities and financial-market depth.
- Therefore, BRICS' strength lies primarily in its **aggregate scale and resource base**, rather than comparable levels of individual prosperity.

Strategic Resources and Supply Chains:

- BRICS members collectively possess substantial shares of global **oil, natural gas, coal, agricultural commodities and critical mineral resources**, making the grouping relevant to global energy and food security.
- Cooperation over **critical minerals, resilient supply chains and technology** can reduce vulnerability to concentrated production and geopolitical disruptions.
- India can use this platform to promote diversification rather than replacing one form of dependency with another.

India's Strategic Engagement with BRICS:

Strategic Autonomy and Multi-Alignment:

- India views BRICS primarily through the framework of **strategic autonomy and multi-alignment**, rather than as an anti-Western alliance.
- New Delhi simultaneously engages with **BRICS, G20, Quad and SCO**, demonstrating that participation in one grouping does not require abandoning partnerships in another.
- For India, BRICS provides diplomatic space to engage **China and Russia**, strengthen relations with the Global South and advocate reform of international institutions.
- India's approach therefore seeks to transform BRICS into a platform for **developmental cooperation and institutional reform**, rather than an instrument for confrontation with Western powers.

India's Institutional Contribution:

- India played an important role in creating the **New Development Bank**, after proposing a BRICS development bank at the 2012 New Delhi Summit.
- The NDB provides development finance for infrastructure and sustainable-development projects and represents an attempt by emerging economies to strengthen their own multilateral financial capacity.
- BRICS cooperation on **local-currency settlements, payment systems and financial connectivity** also reflects India's interest in reducing transaction costs without necessarily supporting the creation of a common

currency.
- India's experience with **UPI and Digital Public Infrastructure** gives it an opportunity to promote interoperable digital-payment systems among developing economies.

Major Areas of BRICS Cooperation:

Development Finance and Global Financial Reform:

- BRICS seeks greater representation of developing economies in the **IMF, World Bank and other Multilateral Development Banks**.
- The NDB can become a stronger source of financing for **infrastructure, climate adaptation, renewable energy and sustainable urbanisation**.
- Existing BRICS declarations have also supported stronger local-currency financing and development of local bond markets.
- For India, strengthening the NDB is more practical than pursuing an immediate common BRICS currency.

Trade and Local-Currency Settlements:

- BRICS members have increasingly explored **bilateral trade settlement in national currencies** to reduce dependence on dollar-based correspondent banking.
- India has promoted local-currency arrangements with partners such as **Russia, the UAE and Indonesia**, while retaining flexibility in its external payments architecture.
- Local-currency settlement can reduce conversion costs and exchange-rate exposure, but large-scale adoption requires **deep financial markets, convertibility, liquidity and macroeconomic stability**.
- A single BRICS currency remains impractical because member economies differ substantially in **inflation, monetary policy, exchange-rate regimes and capital-account structures**.

Digital Public Infrastructure and Technology:

- India can promote cooperation in **digital identity, instant payments, open networks, artificial intelligence, cybersecurity and digital governance**.
- Interoperability among national payment systems could provide a practical alternative to dependence on conventional correspondent-banking networks.
- Technology cooperation should remain focused on **developmental outcomes, affordability, cybersecurity and data protection**, rather than merely geopolitical competition.

Energy, Climate and Critical Minerals:

- BRICS can coordinate on **energy security, renewable-energy investment, critical minerals and resilient energy infrastructure**.
- The 2026 Summit has emphasised an **orderly, equitable and inclusive energy transition**, while recognising that fossil fuels continue to play a significant role in developing economies.
- India can advocate **technology-neutral and development-sensitive climate policies**, consistent with the principle of **Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC)**.
- Cooperation in critical minerals can support clean-energy technologies while reducing supply-chain concentration.

Internal Divergences and Challenges:

China-Russia Approach versus Indian-Brazilian Approach:

- **China and Russia** generally view BRICS as a mechanism for creating greater strategic autonomy from Western-led institutions and reducing dependence on the US dollar.

- **India and Brazil** generally emphasise economic cooperation, development and reform of global governance without turning BRICS into an explicitly anti-Western bloc.
- This divergence creates a fundamental debate over whether BRICS should become a **geopolitical counterweight or a development-oriented multilateral platform**.

Expansion and Consensus:

- Expansion has increased BRICS' geographical reach but has also made consensus more difficult because members have **different strategic interests and conflicting regional positions**.
- The presence of countries with competing interests in West Asia illustrates the difficulty of producing common positions on sensitive geopolitical conflicts.
- The 2026 Summit demonstrated that consensus remains possible, but reaching it requires substantial diplomatic balancing.
- Expansion therefore increases representational legitimacy while simultaneously creating a **coordination and coherence problem**.

India-China Strategic Competition:

- India's engagement with BRICS exists alongside unresolved **border, trade, technology and strategic concerns with China**.
- BRICS cannot eliminate bilateral disputes among its members, making issue-based cooperation more realistic than expectations of strategic unity.
- India must therefore combine **institutional engagement with strategic caution**.

The BRICS Currency Debate:

Why a Common Currency Remains Difficult:

- A common BRICS currency would require substantial economic convergence, institutional coordination, financial integration and credible monetary governance.
- Member economies differ significantly in **inflation, exchange-rate regimes, capital controls, fiscal conditions and financial-market depth**.
- Consequently, the more realistic near-term approach is **local-currency settlement and interoperable payment infrastructure** rather than a supranational currency.

India's Preferred Approach:

- India can support greater use of national currencies where economically viable while retaining the **US dollar as an important component of international trade and reserves**.
- India's preference for interoperable payment systems is consistent with its experience in building **UPI-based digital payment infrastructure**.
- The objective should therefore be **diversification of payment channels**, not an abrupt attempt to replace the dollar.

Significance of BRICS for India:

Economic Significance:

- BRICS provides India access to major markets, investment opportunities and cooperation on **energy, agriculture, infrastructure, technology and critical minerals**.
- Greater intra-BRICS trade can support export diversification and strengthen India's position in emerging-market supply chains.
- Cooperation through the NDB can supplement domestic development finance for sustainable infrastructure.

Diplomatic Significance:

- BRICS strengthens India's position as a **voice of the Global South** and provides a platform for advocating reform of global institutions.
- It enables India to maintain dialogue with countries that have limited engagement through Western-led institutions.
- India can use its role to promote **issue-based consensus**, rather than ideological blocs.

Strategic Significance:

- BRICS provides India with an additional platform for managing relations with **China and Russia** while maintaining strong partnerships with the United States, Europe, Japan and other Indo-Pacific partners.
- Such engagement reinforces India's broader strategy of **multi-alignment and strategic autonomy**.

Way Forward for India:

Building a Development-Oriented BRICS:

- India should prioritise **development finance, digital public infrastructure, health cooperation, food security, climate finance and resilient supply chains**.
- The NDB should be strengthened through faster project implementation, broader financing instruments and greater mobilisation of private capital.
- BRICS cooperation should focus on measurable outcomes rather than broad political declarations.

Strengthening Global Governance Reform:

- India should continue advocating greater representation of developing countries in the **UN Security Council, IMF, World Bank and other multilateral institutions**.
- Reform should focus on making global institutions more **representative, accountable and responsive to contemporary economic realities**.

Promoting Practical Economic Integration:

- India can promote interoperable digital-payment systems, local-currency settlements, trade facilitation and resilient supply chains.
- Cooperation in **critical minerals, semiconductors, pharmaceuticals, food systems and clean-energy technologies** can generate tangible economic benefits.

Maintaining Strategic Balance:

- India should prevent BRICS from becoming an explicitly **anti-Western bloc**, because such positioning would restrict India's strategic autonomy.
- New Delhi should instead present BRICS as a **constructive platform for multipolarity, development and institutional reform**.

Conclusion:

- After two decades, BRICS has acquired significant **economic scale, demographic weight and geopolitical relevance**, but its internal diversity prevents it from functioning as a unified strategic bloc.
- Its long-term relevance will depend less on declarations against Western dominance and more on its ability to deliver **development finance, trade facilitation, digital connectivity, energy security, climate cooperation and institutional reform**.

- For India, the most effective strategy is to make BRICS **development-oriented, inclusive and issue-based**, while preserving strategic autonomy and constructive engagement with both Western and non-Western partners.
- The 2026 New Delhi Summit provides India an opportunity to demonstrate that **multipolarity can mean greater cooperation and representation rather than permanent geopolitical confrontation**.

Value Addition for UPSC:

Key Concepts:

- **BRICS:** Platform of major emerging economies seeking greater cooperation and reform of global governance.
- **Strategic Autonomy:** Ability of a state to pursue national interests without binding itself to a fixed alliance bloc.
- **Multi-Alignment:** Simultaneous engagement with multiple power centres according to issue-specific national interests.
- **Global South:** Broad political and economic grouping of developing and emerging economies seeking greater representation in global governance.
- **NDB:** BRICS-led multilateral development bank focused on infrastructure and sustainable development.
- **CRA:** Financial safety-net mechanism designed to provide liquidity support to BRICS members facing balance-of-payments pressures.

One-Line Mains Insight:

- **India should seek to transform BRICS from a forum of geopolitical grievances into a platform delivering development, institutional reform and practical cooperation for the Global South.**