

Original Research Article

The Role of India towards Economic-Growth and Development of BRICS Member Countries

Abstract

BRICS is one of the Membership Based Organisations which encompasses Brazil, Russia, India China and South Africa accordingly. Thus, the Acronym BRICS entails the initial of the aforementioned countries who come together thereby contributing economic quota by each member in order to accomplished certain goals and objectives. This paper explored the roles of India as a member country towards enhancing the economic growth and development of member states. In an attempt to do so, the paper employed Theory of International Economic Cooperation in its Theoretical Framework of Analysis. Notwithstanding, the paper adopted Content analysis otherwise known as documentary analysis in its methods of data collection. However, statistical data were collected, presented and analysed for empirical purposes. The paper concluded that, the role played by the Department of Economic Affairs, Ministry of Finance, Government of India which coordinated a Joint BRICS Study on the "State of World Economy and the Role of the BRICS countries has yielded a great impact on economic growth and development of the member countries.

Keywords: BRICS, Economic Growth, Development, International-Cooperation, Role

1-INTRODUCTION

The idea of BRICS was coined in 2001 by Goldman Sachs to form the economic model which started with only Brazil, Russia, India and China known as BRIC. Thus, the leaders of the BRIC met in St. Petersburg, Russia in July 2006 and met again in September 2006 where the BRIC was established.

The major aims of the BRICS according to Sharma (2018) are to poster Corporation, policy coordination and political dialogue regarding international economic issues and relevant financial matters affecting the member countries. However, BRICS expanded its activities and scope particularly in conducting regular meetings to handle issues related to multi-sectoral cooperation among BRICS member states

Subsequently, the Foreign Ministers of BRIC member countries met in New York, USA in September 2010 unanimously agreed and accepted South Africa as a full member. Hence, BRIC was renamed to BRICS as South Africa's initial was added to the acronym. This marked the wider scope of the Economic Cooperation to cover more continents namely: Asia, Latin America Europe and Africa.

According to the India Council on Global Relations (2022), the BRICS counties account for 45% of the world population, 25% of the world Gross Domestic Product (GDP) and 50% of the recent global growth which has the potential to create model for other countries. This will ultimately reflect the world trade strength of the BRICS as an independent body of countries parties to it.

Economic Bloc are characterised by nature to be regionally or territorially located in a given geographical area. Contrarily, BRICS member countries are derived from four different continent of the world. Brazil is located in Latin America; Russia in Asia and Europe, India and China in Asia while South Africa is located in the African Continent. It is only Russia among the BRICS Member countries belongs to two continents. For, 77% of Russia's area is in Asia while 23% of the Russian territory is in Europe. Due to the nature of land mass occupied by Russia, its smaller part of Europe constituted 40 % of the total area of the European Territory.

BRICS as an organisation in International Relations as pointed out by Kakoren (2014) brings Brazil, Russia, India, China and South Africa with their own national interest together. Much more importantly, the BRICS member countries realised that, their national interest can be advanced through the BRICS as an International organisation.

According to De – Vries et'al (2012), the BRICS economy has now appears to be growing since the member countries cooperate together for mutual benefits. However, the BRICS member countries need to distinguish between formal and informal activities which will further enhance the economic growth and development of member nations.

Notwithstanding, the Paper is structured in to Six (6) sections: Section One is the Introduction, Section Two contained Objectives of Article while section Three encompassed Conception and Evolution of BRICS with membership from four continents. The Fourth Section entailed Theoretical Discourse. Section Five connoted Contributions of India: Perspectives on Economic Growth and Development while Section six is the Conclusion of the Paper.

OBJECTIVES OF THE ARTICLE

The Objective of this Paper are broadly categorised into Economics, Social, Technological and Political. However, the specific objectives of the Article include the following:

- a. To examine the evolution of BRICS as a group of Member countries from different continents of the world.
- b. To explore and explain the role of India as one of the BRICS member countries.
- c. To analyse the pattern and trends employed by India towards contribution for economic growth and development of BRICS.
- d. To examine the economic growth and development of India with regards to Gross Domestic Product (GDP) over other BRICS member countries.

CONCEPTION AND EVOLUTION OF BRICS WITH MEMBERSHIP FROM FOUR CONTINENTS

The idea for establishment of BRICS started in 2001 by Goldman Sachs who was the brain behind the Group formation in order to form the economic replica which started with four countries viz: Brazil, Russia, India and China (BRIC).

However, during the meeting of BRIC Foreign Ministers held at New York, the United States of America on 21st September, 2010, Brazil, Russia, India and China unanimously agreed that South Africa should be a member and thus joined. Hence, the name BRIC was changed upon admitted the South Africa as a member which led to the renamed of BRIC to BRICS.

Moreover, BRICS started as an economic alliance. According to Shahrokhi et'al (2016: 1), it started with \$100 billion US Dollars as an Initial Capitalisation that, can be accessed by BRICS members in need of funds and a New Development Bank (NDB) with a total of \$100 billion US Dollars is open to all members of the United Nations.

The rise of BRICS as argued by Duggan (2015) has made it a new actor in the International System which accelerates the evolution of a new agenda within the context of global governance. This is due to the fact that, BRICS focuses on coordination of global affairs as BRICS Ministers' meetings usually pay attention and concern to issues pertaining to Education, Health, Finance, Agriculture, Energy, Science and Technology as well as Security which constituted the global phenomena in the international relations.

Moreover, the BRICS economic partnership encompasses all areas of Cooperation such as: Trade and Investment, Manufacturing and Mineral processing, Energy, Agricultural cooperation, Science, Technology and Innovation. The cooperation equally connotes other areas such as financial cooperation, Information and Communication Technology (ICT) and so on (Progress Report, 2017).

However, it is pertinent to note that, the New Development Bank has approved the six projects in five BRICS member countries with aggregate loan of \$1.6 billion US Dollars. These projects are presented in the Table below:

Table 1: Shows New Development Bank's Project in Five BRICS Member Countries

S/N	Country	NDB Project	US Dollars (in million)
1	Brazil	Petro-bras Environmental Protection Project	\$200
2	Russia	Development of Water Supply and Sanitation Project	\$320
		Small Historic Cities Development Project	\$220
3	India	Bihar Rural Road Project	\$350
4	China	Chongqing Small Cities Sustainable Development Project	\$300
5	South Africa	Durban Container Terminal Berth Reconstruction Project	\$300
Total			\$1,690 million US Dollars

Source: Extracted from New Development Bank Press Release (2018) and compiled by Author 2022

To this end, BRICS evolved as a formal global independent organisation. It has five member countries as stipulated above. The said member countries are equally among the G-20 and are also among the top 25 countries of the world's population.

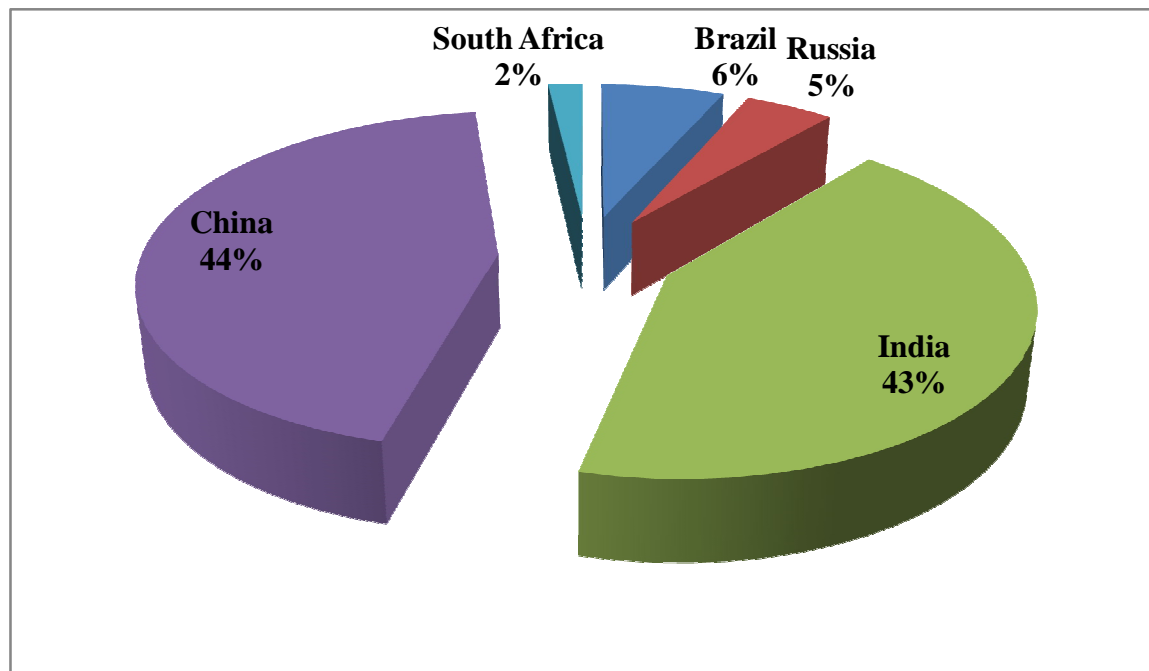
Table 2: Showing BRICS Member Countries with their respective Population and GDP

S/N	Country	Population	GDP (USD \$)
1	Brazil	204,451,000	\$ 1,534.7 billion
2	Russia	146,300,000	\$ 1,132.7 billion
3	India	1,327,670,000	\$ 2,288.7 billion
4	China	1,381,454,000	\$ 11,383.0 billion
5	South Africa	55,831,000	\$ 266.2 billion

Source: www.economictimes.indiatimes.com

UNDER PEER REVIEW

Figure1: Population (Human Resources) Capacity of Member Countries



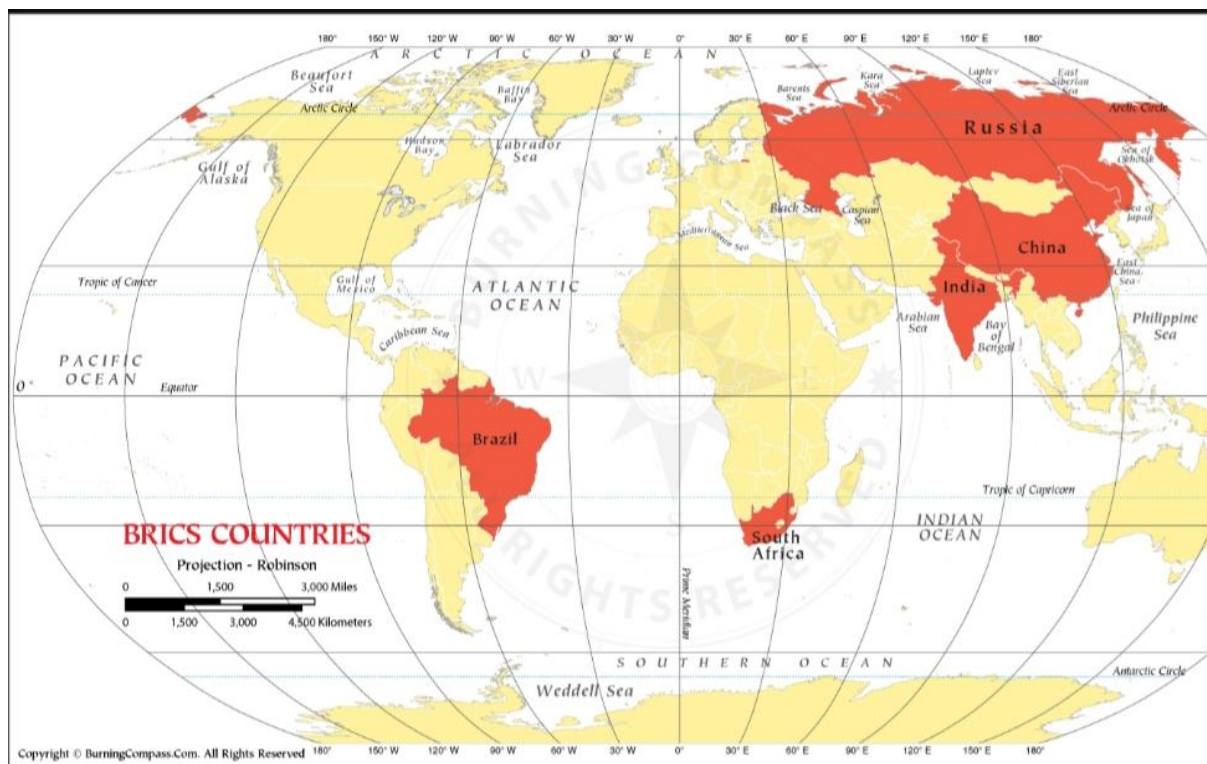
Source: Extracted from www.economicstimes.indiatimes.com and compiled by Author, 2022

Table 3: Geographical Location of BRICS Member Countries

S/N	BRICS Member Country	Geographical Location (Continent)
1	Brazil	Latin America
2	Russia	Europe and Asia
3	India	Asia
4	China	Asia
5	South Africa	Africa

Source: Author, 2022

Figure 2: Showing Geographical location of BRICS Member countries on World Map



Source: www.burningcompass.com Map of BRICS Countries

THEORETICAL DISCOURSE

The Paper in its Theoretical Discourse and Framework for analysis employed “**Theory of International Economic Cooperation**” as proffered by Martin Feldstein in 1988 as a means for Economic Cooperation. The Theory tallies with the notion or contention of the BRICS as Economic Cooperation has been a part of International Political Relations.

The Theory as argued by Feldstein (1988:1) enhances the coordination of economic policies between countries parties to the cooperation like BRICS which encompasses Brazil, Russia, India, China and South Africa. Thus, members can pool resources for economic growth and development to the extent they can compete with world major economic power countries.

The Central Assumption of the Theory of International Economic Cooperation as buttressed by Feldstein (1988:3) that, International Cooperation otherwise herein referred to as Coordination, permits countries to pursue more policies that are expansionary in nature than would be. Thus, a coordinated expansion by group of countries or partners like BRICS member nations come together and eliminate certain constraints which will adversely affect their economy or political permanence.

Moreover, as International Economic Cooperation increases the interest of member states, it equally changes their economic status fundamentally. This is because member countries pool their economy together. Thus, it is through International Economic Cooperation that, the world economy has become more interdependence. Not only that, it relatively increased the level of International Trade, Production increased and International Capital Markets become larger and more active accordingly.

As argued by Richard, David and Jeffery in Feldstein (1988:3), it is important to distinguish between the theoretical possibilities of idealised coordination and the realistic political gains of practical coordination. In practice, international coordination may produce results that are not a satisfactory as those results from each country's uncoordinated or un-cooperated.

The Cooperation (International Economic Cooperation) like that of BRICS which brings Brazil, Russia, India, China and South Africa together has certain policies to accomplish as buttressed by O'Farril (1999) aimed to support national development through the resources, knowledge and opportunities for training abroad that are done through International Cooperation. It is also part of the aims of the policy to contribute to the Foreign Policy goals of the members' party to the cooperation and to position the International Cooperation that allows countries to address their common problems and challenges by means of collective efforts. Thus,

Cooperation always generates mutual benefits. The term "mutual benefits" does not necessarily involve obtaining economic benefits since it may also involve certain political objectives. Some problems in the international area extend beyond state borders or due to their nature involve the validity of certain universal value, legal standard or public assets which humanity is interested in preserving (O'Farril et'al, 1999: 8).

In addition to the above, Chaulia (2021) stressed that BRICS member countries derive numerous economic benefit from international cooperation especially on New Development Bank and Asian Infrastructural Investment Bank which are of great benefit to members. For, ranges of benefit such as credit facilities and support were put in place for BRICS members to derive.

In order to ensure effective and efficient cooperation, Memorandum of Cooperation (MoC) among BRICS members was signed in July 2014. It entails cooperation on Export, Insurance, Credit and Loan Guarantee. It was signed by respective agency of each country viz: Brazillian Guarantee Agency, Russian Agency for Export Credit and Investment Insurance, China Export and Credit Insurance Corporation, Export Credit Guarantee Corporation of India Limited and Export Credit Insurance Corporation of South Africa Limited. Much more importantly, these agencies have unanimously agreed to cooperate on developmental projects, consultations and sharing of information (BRICS MoC, 2014)

To this end, economic cooperation among countries is an important process of International political cooperation. The triumphant cooperation of policies in the economic arena can

strengthen political and national security ties among countries parties to the cooperation. It is based on the aforementioned discourse, that the paper adopted Theory of International Economic Cooperation in its theoretical framework for analysis.

Criticism of Theory of International Economic Cooperation

It was noted that there is a danger in the process of International Cooperation in macro-economic and exchange rate management. It can be harmful politically as well economically. Thus, the economic negotiation/cooperation can under the right circumstance make a positive contribution to worldwide economic well being.

On the other hand, Christensen and Bernal-Meza (2014) postulated that, BRICS which is seen adopted the theory of International Economic Cooperation in its dealings and economic coordination ends up reproducing the Core-Periphery Structure in which cannot influence the global agenda or interest of the most advanced countries.

CONTRIBUTIONS OF INDIA: PERSPECTIVES ON ECONOMIC GROWTH AND DEVELOPMENT

Xing (2019: 14) pointed out that, the study shows that, in BRICS, India has formed a kind of bridge between the Eurasian Continental power of Russia and China on one the hand and the Traditional members of the Coalition of development like Brazil and South Africa on the other hand.

The role of India in the BRICS as pointed out by (Srinivas, 2020) is enormous as India made BRICS organisation to be part of the world politics. Not only that, India with its fast-growing economy causes BRICS to acquire regional and global power. That, due to its intercontinental representation and good relationship with both developed and developing countries has accorded BRICS the significant position in the global politics.

As buttressed by Agarwal (2015), India's role in BRICS is a significant particularly in terms of Institution Building and proposal on establishment of BRICS Bank. Not only that, India played significant impetus towards such establishment. The notion for recycling surplus into investment in developing countries for infrastructural and sustainable development projects were the idea proposed by India.

According to Wilson and Purushothaman (2003: 4), India has the potential to show the fastest growth of the economy for the next decades. As a member of BRICS Economic bloc, India growth is 5% higher than Brazil, China and Russia as presented in the table and bar chart below.

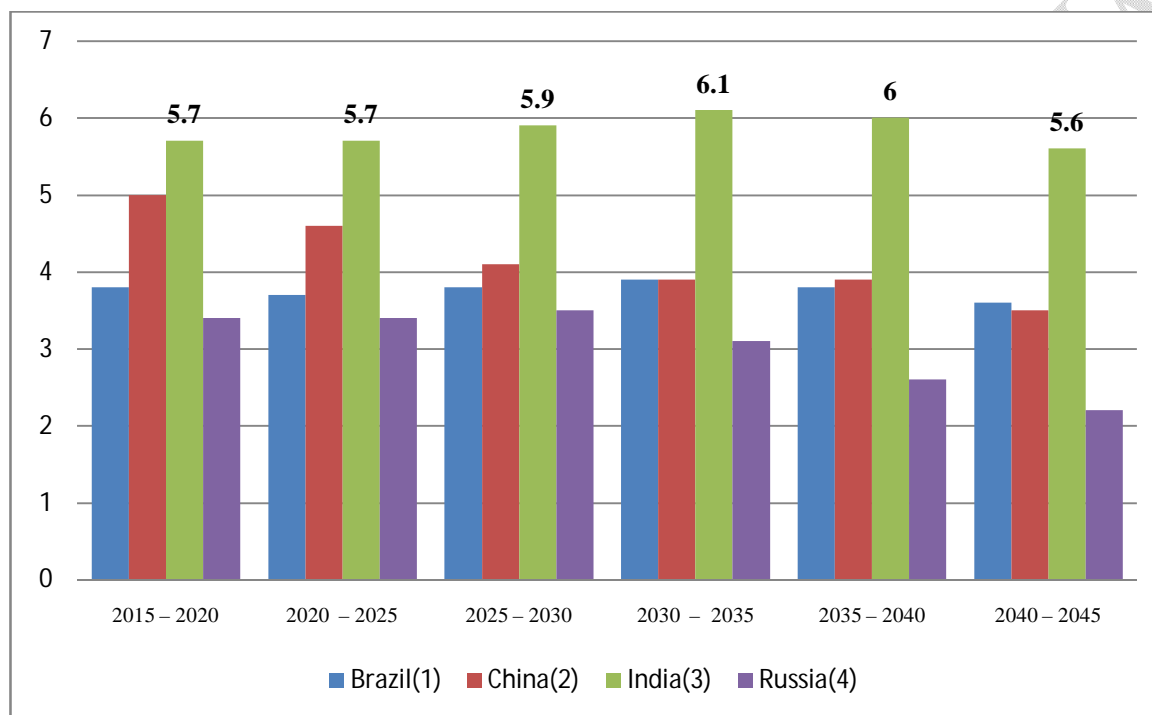
Table 4: BRICS Real GDP Growth based on 5% for Five Years Period Average

S/N	Year	Brazil	China	India	Russia
1	2015 – 2020	3.8	5.0	5.7	3.4

2	2020 – 2025	3.7	4.6	5.7	3.4
3	2025 – 2030	3.8	4.1	5.9	3.5
4	2030 – 2035	3.9	3.9	6.1	3.1
5	2035 – 2040	3.8	3.9	6.0	2.6
6	2040 – 2045	3.6	3.5	5.6	2.2

Source: Wilson and Purushothaman (2003: 8) extracted and adopted by Author 2022

Figure 3: Showing Real GDP of India with highest Growth indicated on top of the bar



Source: Wilson and Purushothaman (2003:8) extracted, compiled & graphed by Author 2022

Economically, India has given its initial contribution of \$10 billion US Dollars which made the basis of contribution by other member state namely: Brazil, China, Russia and South Africa (www.india-briefing.com). Moreover, India's contributions to BRICS are as follows:

- i. India provided the First President of BRICS's New Development Bank for partners benefits.
- ii. India shares close economic and cultural ties with BRICS members or partners. This contributes towards building a peaceful and prosperous world.
- iii. India trades with BRICS partners, is estimated to about \$95 billion US Dollars. As reported by Ministry of Commerce & Industry, Government of India (2014) India provides labour, services, pharmaceuticals and Information Technology. This strengthens Intra BRICS linkages.

iv. As pointed out by Purushothaman (2004), India's services to the members led to growth strategy of BRICS. There are two (2) distinguishing factors for India which makes it very significant among the BRICS members. These factors are: Demographic and Resource potential. In terms of demographic resources, India became the global suppliers of labour and services not only to the BRICS members but to various parts of the world while in terms of mineral resources India has vast deposit of Iron-ore, Copper as well as Bauxite and so on.

v. As stated by the Ministry of External Affairs Government of India (2016) during the chairmanship of BRICS in 2016, India adopted Five-pronged Approaches. The said approaches employed by India to BRICS are as follows:

a. Institution Building: It deepens and sustains BRICS Cooperation

b. Implementation: This entails implementation of the previous BRICS summits' decisions

c. Integration: Tapping synergies among the existing cooperation mechanism.

d. Innovation: Tap the full potential of BRICS Cooperation

e. Continuity: India believed that, continuation of mutually agreed existing BRICS Cooperation Mechanism is of paramount important (www.mea.gov.in).

vi. India proposed the creation of the BRICS Agriculture Research Centre for the benefit of all BRICS member countries (Ministry of External Affairs, Government of India).

CONCLUSION

Based on the aforementioned discourse on the Contributions of India with focus on Economic Growth and Development to BRICS members, the paper in its findings discovered and concluded that, India has many initiatives which increase mutual economic collaboration amongst the member countries. Xing (2019) added that, India has political value and long term economic potential in the BRICS group. The economic potentialities of India benefits member countries which come under the umbrella of the BRICS.

Moreover, the Five-pronged Approaches employed and adopted by India during its Chairmanship of BRICS in 2016 has reshaped the focus and repositioned the BRICS to greater height. For, Institution Building, Implementations of BRICS previous decisions, Integration, Innovation and Continuity on mutually agreed cooperation mechanism adopted as five pronged approaches remain commendable.

Notwithstanding, the paper in its conclusion equally noticed that, India among BRICS member countries serves as a Bridge between the Eurasian Continental powers viz a viz: Russia and China. In the sense that, Russia is continental power in both Europe and Asia while China is

another Continental power in Asia whereas India emerged as a bridge between the said Eurasian powers.

It is equally pertinent to point out that, the paper in its findings discovered in the analysis made by (Larionova, 2018) that, the BRICS launched a dialogue on new policy areas such as Industrial Cooperation, Migration, Employment, Environment and Energy. However, BRICS with the support of India is committed to continue collaboration especially in relevant International Forum on issues directly related to G20/OECD Action Plan. Therefore, as an actor in the International System (Global Governance) the BRICS has the autonomous capacity to pursue its interests, values and agenda for the economic growth and development of its members including India.

Conclusively, the paper discovered that, the participation of BRICS in global exports is persistently increasing. For instance from 2001 to 2011, it increased from 8% to 16% which revealed that, the total export of BRICS members have grown significantly. Moreover, from 2002 to 2012, the intra BRICS trade has increased from \$27 billion US Dollars to \$276 billion US Dollars. Meanwhile from 2010 to 2012, BRICS International Trade rose from \$4.7 trillion US Dollars to \$6.1 trillion Dollars. The statistics keep increasing at every decade and this portrays the significance of BRICS at the International level (Government of Brazil, 2017).

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www.burningcompass.com Map of BRICS Countries

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