

# BRICS: Challenges and Achievements

## Abstract

BRICS was coined by Jim O'Neill in 2001 as an acronym of four countries that were all deemed to be at same stage of new advanced economic development. The objectives of the BRICS are to get the regional development and to perform as bridge between capitalist and underdeveloped countries. It became political organization in 2010 after South Africa joined. The paper also focused on challenges and achievements of the BRICS.

**Keywords:** BRICS, Challenges, Achievements.

### Introduction

The abbreviation, BRIC, was invented by Jim O'Neill of Goldman Sachs way back in 2001. He predicted that by year 2050, Brazil, Russia, India and China would become better than the six most industrialized nations in conditions of dollar and would entirely modify the power dynamics of the last 300 years. The first Summit of BRIC was held in Yekaterinburg, Russia in 2009, in the middle of the deep worldwide crisis. The Summit was designed to be a space to officially declare the formation of this loose block at a time when the G8, consisting of the advanced industrialized countries, was more and more becoming bereft of legitimacy, with the establishment of their power trembling. Despite a variety of differences between the four countries, BRIC has overtaken most expectations in recent years, in forming a promising political grouping. On the establishment of other meetings between newly-emerging powers, most importantly the trilateral Russia-India-China (RIC) arrangement, the BRIC foreign ministers met in 2006. Co-operation among BRIC countries was preceded by two finance ministers' summits, leaders' meetings, and a stand-alone BRIC leaders' summit in June 2009, which was marked by a joint announcement. Russia and Brazil have together been the driving force that has changed BRIC from conceptual financial idea into a real political grouping.

BRICS nations accounts for 26.46% of the world land and 42.58% of the world population. Based upon 10 years' development, BRICS, as an important stage for rising markets and developing countries, has evolved into an important driving force to global economic growth and trade collaboration, as well as to global economic governance reform. BRICS countries play a very important role in the world economy in terms of total production, receiving investment capital, and increasing potential consumer markets. Over the past decade, BRICS' donation to the world economic growth has surpassed 50%, and its economic aggregate flow from 12% of the global total to 23%, its share in international trade increased from 11% to 16%. BRICS countries have been widely regarded as the engines of the global economic recovery.

### Research Methodology

In the present paper historical and analytical method of data collection is used. The study is mainly based upon collection of secondary source of publication such as Newspapers, Magazines, Books, Journals, Articles.

### Objectives

1. To highlight the challenges faced by the BRICS.
2. To find out the achievements of BRICS.

### Review of Literature

Ana Garcia, Patrick (2017), "BRICS: An anticapitalist critique" in this book the author highlights that the emergence of BRICS on world stage has trouble the supremacy of the united states as the world's only superpower. The author further says that the BRICS provides a critical analysis of their economies, societies and geopolitical strategies within the structure of a global entrepreneurship that is increasingly greedy, unequal and economically self destructive.

S. Ravi Rajan, Lise Sedrez (2018), "The great convergence: An environmental history" in this book the author suggests that collective

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efforts in which environmental historians from BRICS came together to offer new viewpoint on the new and somehow interesting. The author further says that the historical perspective is vital for understanding the environmental and social challenges which might be faced by the BRICS nation in the years to come.

#### **Challenges**

1. The BRICS economies share some domestic and socio-economic challenges that must be addressed independently of their group involvement in order to achieve their major goals as a group, viz. inequality (economic, social and political), corruption, improvements in health care and education, and human rights,
2. The other major challenge for BRICS is to get rid of uncertainty about what should be changed about the world. Are the BRICS countries trying to make stronger the role of the United Nations and contribute to improving globally negotiated rules or is BRICS going to be a multilateral façade for China, India and Russia to continue emitting tones of greenhouse gases. The BRICS have been not too far on the polluters' path - a path set on past emissions of the 'first world'. Hence, there is still incredible potential for these countries to hold a greener development path and encourage a 'green' architecture of development for the rest of the world to follow. It is in such areas that they should offer an 'alternate' model of development.
3. The fast-growing middle class in the BRICS countries has encouraged the growth of trade among the BRICS countries, facilitating the radical alteration of global trade where significant trade volumes are bypassing the Western markets. Trade among developing countries generally is increasing at a fast pace. Among the BRICS in particular it has grown significantly, with China as the driver of this trade. Nevertheless, beyond the bilateral relationships with China, trade and investment linkages among the BRICS countries are fragile and disjointed.
4. India and South Africa have younger populations and a large portion living below the poverty line. Despite its extraordinary growth experience that lifted many millions from poverty, China still has 28% of its population classified as poor. Russia and China have much older populations and one of their challenges is to deal with the effects of a declining labor force in the near future.

#### **Achievements**

##### **Global Authority**

BRICS nations have continuously driven the improvement and innovation of the global political and economic governance systems, and helped guide them in a fairer, more balanced and more competent development direction. By means of mechanisms like meetings on security issues, counter-terrorism, and Internet security, the BRICS nations frequently exchange views, coordinate positions and make joint statements on major international and regional issues of common concern. BRICS definitely adheres to multilateralism, and has improved communication and coordination under major international bodies and

cooperation frameworks, as well as contributing to building an open world economy and perfecting global economic governance.

##### **Practical Cooperation**

Practical economic and trade cooperation has laid a foundation for BRICS cooperation. With rich experience in economy and trade, finance, science and technology, transportation, energy and mining, BRICS countries created a set of important guidelines – the Strategy for BRICS Economic Partnership. After 10 years of development, BRICS's economic combined has increased its portion from 12 percent to 23 percent of the world economy, and their collective trade amount has increased from 11 percent to 16 percent of the world total. Its voting share in the World Bank rose to 13.24 percent, its International Monetary Fund (IMF) share climbed to 14.91 percent, and its contribution rate to world economic growth has now exceeded 50 percent.

##### **People To People Exchange**

People-to-people exchanges and education cooperation have consolidated friendships among peoples, which is the foundation of BRICS cooperation. An agreement on cultural cooperation was signed in 2015; create a host of colorful cooperative cultural activities in art, sports, media, think tanks, and traditional medicine. Some athletic meetings, film festivals, and cultural festivals have been held in BRICS nations. For instance, five directors from each of the five BRICS nations produced five separate short films based on the theme "Where Has the Time Gone?" The five independent shorts were then arranged into a feature film, which is launch at the second BRICS Film Festival in Chengdu, China. Believing that the future belongs to the younger generation, BRICS countries pay attention to youth exchange and education cooperation, and focus on cultivating new talent with international viewpoint. A number of colorful activities such as youth football tournaments and youth forums have been held.

##### **Mechanism Building**

Pragmatic economic and trade cooperation has laid a foundation for BRICS cooperation. With rich experience in economy and trade, finance, science and technology, transportation, energy and mining, BRICS countries created a set of important guidelines – the Strategy for BRICS Economic Partnership. After 10 years of development, BRICS's economic aggregate has increased its portion from 12 percent to 23 percent of the world economy, and their total trade volume has increased from 11 percent to 16 percent of the world total. Its voting share in the World Bank rose to 13.24 percent, its International Monetary Fund (IMF) share climbed to 14.91 percent, and its contribution rate to world economic growth has now exceeded 50 percent.

##### **Increasing Trade**

BRICs share of the world exports rose significantly from the years of 1996 to 2008, from 9% to 17%.

**Setting up the Contingent Reserve Arrangement (CRA)**

To provide joint financial support, and as a contribution to the global financial safety net. The establishment of the CRA has further strengthened the partnership of its members in the economic-financial area.

**Establishment of New Development Bank**

In the sixth BRICS summit in Brazil, the member countries, signed an agreement to make a development bank on the lines of Asian Development Bank and the World Bank. It marks a exit from the practices and procedures of the west-dominated IMF and World Bank.

**BRICS as New Stakeholder In 21st Century Global Agenda**

The economic potential and demographic development are putting the BRICS countries, increasingly in a leading position in setting the global agenda and having a greater say in the global governance.

These are quite significant achievements in a relatively short period of time.

**Conclusion**

To conclude we can say that BRICS will continue to play a significant role in promoting social development. BRICS and other emerging countries have played an important role in contributing the world peace, security and stability, boosting global economic growth and promoting greater democracy in international relations.

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