



Reforms needed in G20 and BRICS Structure



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Perspective

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PREFACE



Following the global pandemic and fight to exist in the changing ecosystem, the world has been facing new kinds of threats to its security and peace. Geopolitical conflicts around the world, economic instabilities and much more has led to global threats towards a state of uncertainty. Furthermore, the problem of climate change, increasing unemployment, poverty, digital disconnect, etc., are affecting the entire world. In this new and changing environment, globally recognised platforms such as G20 and BRICS, are expected to play an even more important role than before. In order for these forums to be able to fulfil these expectations and their due responsibilities effectively, they must

undertake institutional as well as financial reforms.

In the post-COVID world, the international community has been placing ever higher bets on the G20 and BRICS, which have the primary responsibility of maintaining economic stability and ensuring peace and cooperation, respectively. However, in view of the rapidly changing ecosystem, illustrated, for example, by the Russia-Ukraine conflict, the devastating effects of environment and climate change, etc., the credibility of these platforms cannot be ensured unless they are composed in such a way that they reflect a combined agenda of the member nations. Therefore, it is important that the member nations push their deliberations in order to make the required progress in bringing the necessary reforms in both these international groupings.

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In Solidarity,

Harsh Jaitli
CEO, VANI



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GROUP OF TWENTY



ARGENTINA



AUSTRALIA



BRAZIL



CANADA



CHINA



FRANCE



GERMANY



INDIA



INDONESIA



ITALY



JAPAN



MEXICO



RUSSIA



SAUDI ARABIA



SOUTH AFRICA



SOUTH KOREA



TURKEY



UNITED KINGDOM



UNITED STATES



EUROPEAN UNION

INTRODUCTION

GROUP OF 20

The Group of G20 (G20) comprises of twenty of the world’s largest economies, including, Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, and the United States along with the European Union. G20 members currently account for more than 80% of world GDP, 75% of global trade, and 60% of the global population.

Origin and Evolution

The G20 was founded in 1999 after the Asian financial crisis as a forum for the Finance Ministers and Central Bank Governors to discuss global economic and financial issues. The G20 was later upgraded to the level of Heads of State/Government and was designated the “premier forum for international economic cooperation”. Since 2011, the G20 Summit is held annually, under the leadership of a rotating Presidency. The G20 initially focused largely on broad macroeconomic policy, but it has since expanded its ambit to include trade, climate change, sustainable development, energy, environment, climate change, anti-corruption etc.

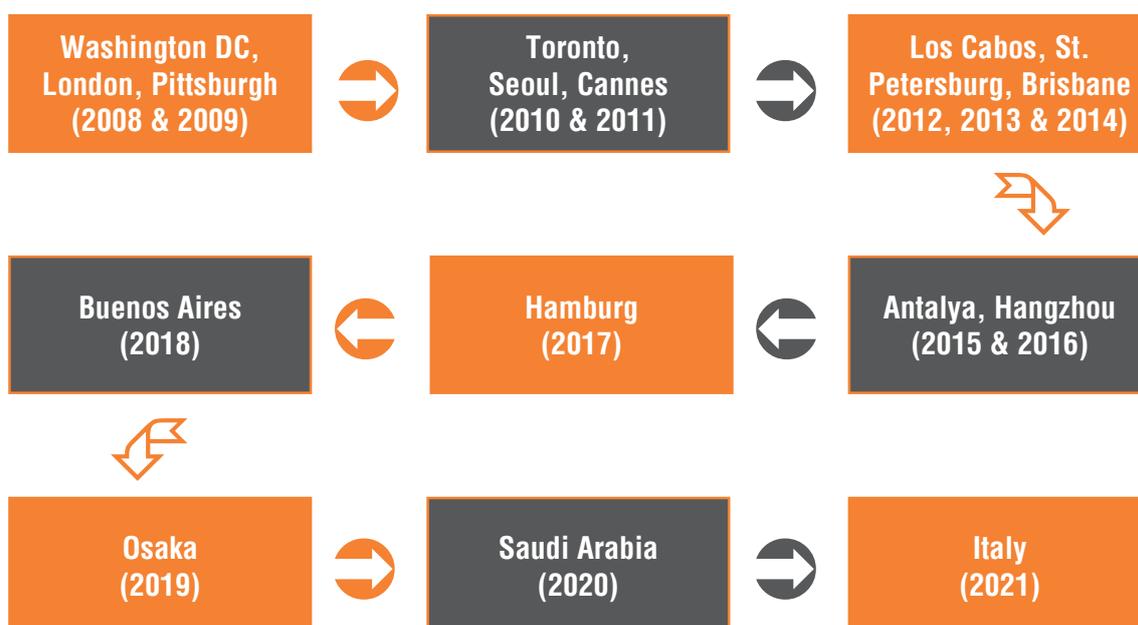
Organizational Structure

The G20 does not have a charter or a secretariat. The Presidency, aided by the countries holding the Presidency before and after it (Troika), is responsible for setting the agenda of each year's Summit. The G20 process is led by the Sherpas of member countries, who are personal emissaries of the Leaders. The Sherpas, oversee negotiations over the course of the year, discussing agenda items for the Summit and coordinating the substantive work of the G20. The G20's work is divided into two tracks: the Finance Track and the Sherpa Track. Within the two tracks, there are thematically oriented working groups in which representatives from the relevant ministries of the members as well as from invited/guest countries and various international organizations participate. The working groups meet regularly throughout the term of each Presidency. The agenda is also influenced by current economic developments as well as by the tasks and goals agreed upon in previous years. The G20 holds a multi-year mandate to ensure institutional continuity.

Participation by Non-Members

There has been a tradition of inviting a few non-G20 member countries as guests as well international organisations. These countries vary from year to year, except Spain which is a permanent invitee. Regular participants in the G20 process are the International Monetary Fund (IMF), the World Bank, the United Nations (UN), the Organization for Economic Co-operation and Development (OECD), the World Trade Organization (WTO), the International Labour Organization (ILO) and the Financial Stability Board (FSB), as well as the countries holding the presidencies of the regional organizations such as ASEAN, the African Union, and the development program NEPAD. The incumbent Presidency may invite other countries and international organizations for G20 meetings and Summits.⁽¹⁾

Trajectory of G20 Summits



BRICS (Brazil, Russia, India, China & South Africa)

BRICS is a grouping of the five emerging economies of Brazil, Russia, India, China and South Africa. Mooted in the year 2001 by Goldman Sachs, these five emerging countries from different regions of the world were increasingly seen as the centre of global power transition. Coinciding with the Global Financial Crisis (GFC) of 2008-2009, the main aim of the grouping was to foster cooperation, policy coordination and political dialogue regarding international economic and financial matters. However, and since its inception, the BRICS has expanded its activities, particularly in conducting regular meetings of the group, coordinating positions in international organizations and the development of an agenda for multi-sectoral cooperation among its members. The group was consolidated with the first Summit at the Heads of the State level in 2009. Thereafter, the group continued to meet once every year to discuss varied issues of global importance.

Genesis and Significance: From BRIC to BRICS

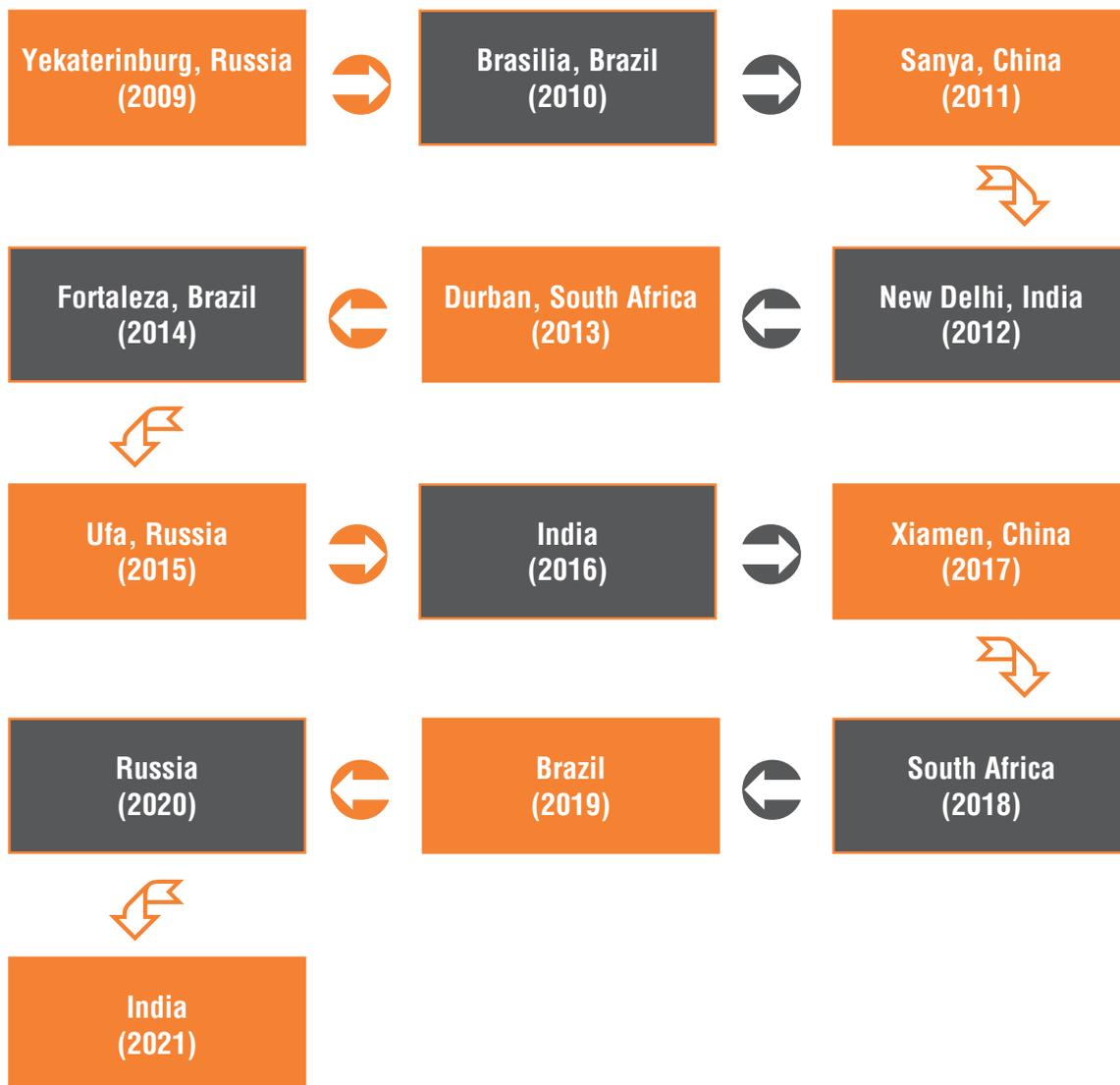
The acronym BRIC(S) was first mooted by Jim O' Neill of Goldman Sachs to represent Brazil, Russia, India and China in the year 2001 while projecting that the economies of Brazil, Russia, India and China would individually and collectively occupy far greater economic space and would be amongst the world's largest economies in the next 50 years or so. However, the group met for the first time after the meeting of the leaders of Russia, India and China in St. Petersburg on the margins of G8 Outreach Summit in 2006. The group became formalised during the 1st meeting of BRIC Foreign Ministers on the margins of United Nations General Assembly (UNGA) in New York in 2006. Thereafter, the 1st BRIC Summit was held in Yekaterinburg, Russia, in June 2009. The group expanded to include South Africa at the BRIC Foreign Ministers' meeting in New York in September 2010. Accordingly, South Africa attended the 3rd BRICS Summit in Sanya, China in April 2011.

BRICS Members

Together these five emerging economies of BRICS represent over 40% of the world's population, more than 30% of the world GDP and 17% share in the world trade. The group started essentially as a platform for discussion of economic issues of mutual interests. However, the agenda of BRICS has considerably expanded in its scope over the years to encompass important global issues. BRICS cooperation is embedded on two pillars – consultation on issues of mutual interest through meetings of Leaders as well as of Ministers of Finance, Trade, Health, S&T, Education, Agriculture, Communication, Labour, etc. and practical cooperation in a number of areas through meetings of Working Groups/Senior Officials.

According to statistics of the World Trade Organisation (WTO), the participation of BRICS in global exports more than doubled between 2001 and 2011, from 8% to 16%. In these years, their total exports have grown more than 500%, while total global exports grew 195% in the same period. Between 2002 and 2012, intra-BRICS trade increased 922%, from US\$ 27 billion to US\$ 276 billion, while between 2010 and 2012, BRICS international trade rose 29%, from US\$ 4.7 trillion to US\$ 6.1 trillion dollars.⁽²⁾

Trajectory of BRICS Summits



ANALYSING THE G20

The G20 has been around for several years now. It convened its first meeting of the finance ministers in 1999, post the economic crisis that the world went through in 1997-1998. But it is since the one held in 2008, organized by the then President of the USA, George W. Bush, that gave rise to a discussion at a level, including all emerging economies and advanced countries, that are actually facing the brunt of the economic fall down and discussing topics of paramount importance, like emerging from the financial crisis together, simplifying banking regulations and kickstarting world trade.

However, the G20 is a group of twenty countries with diverse situations, dealing with their country-specific issues, some developed while the others struggling to make it to that list, differences in expectations from the G20, varied thought processes about the global agenda, and therefore, giving rise to conflicts among the members. This is where the G20 plays a crucial role of moderating the differences in opinions of member countries and preserve the common interest of the G20 in achieving a larger goal.

The G20 was indeed quite successful in maintaining this role in the initial years post its conception. It was committed towards restoring the economic activity across the world, remodel financial regulations, enabling free trade practices, and facilitate the International Monetary Fund to expand its lending ability to overcome the financial crisis.

In its initial years, the G20 was progressing as per its mandate and was successful in achieving all its objectives, for which it was created in the first place, be it containing the economic downfall or replacing the inclusion of only developed nations, with a large number of emerging countries. The G20 also succeeded in reforming the board and reworking the voting rights of the IMF, favouring the developing economies, in turn escalating its resources. However, as soon as the global situation began to improve, the motivation to perform joint action began to disappear, and as a result, the G20's role became questionable. The G20 agendas over the years, were influenced by the ongoing crisis at that point in time, rather than focusing on its commitments.

In light of these challenges, the impact and role of the G20 forum has become debatable. Such situations have given rise to questions on the existence and importance of the forum. Can the G20 fulfil its promise to deliver sustainable growth globally? Will it be able to reform the international organizations to ensure a better economic status? For these questions to be pressed and forgotten, a few challenges need to be addressed by the G20. The forum needs to rethink on its advantages, stick to realistic and smart goals, include emerging economies in the decision-making processes as well, and restructure itself with more clarity on the roles of each position. The largest economies, that are members of the forum can help develop such a framework.

Advantages of G20 over other forums

The G20 is designed to be a flexible platform. It does not have any binding agreements, the discussions are not authorized by the government, the statements merely define the way forward and intention of the forum. The group does not represent the interests of the globe and is positioned and structured like a steering committee for providing recommendations. It functions as a body for strategic coordination rather than implantation of projects. It is this flexibility and workability, that proves as an advantage for the G20 over other similar forums. It gives it an avenue for acting immediately when required without worrying about the legal implications and rapidly changing environment. However, the G20 has not been successful in taking action at the ground level. The already established multilateral institutions involved at the granular level might not be comfortable with the G20 encroaching their territory. These smaller institutions portray far more expertise in comparison to the G20. It is imperative to understand and acknowledge the limitations of each of these bodies. Each one of them has a set role and objectives, for which it was initially set up and structured accordingly. Therefore, the foundation must remain intact and the agendas of these forums must not be influenced by the current world dominations, to maintain their sanctity. Similarly, the G20 was formed for coordination between the Finance Ministers and Central Bank Governors of large economies to discuss the economic crisis that hit the world during 1997-98. It was originally, to form a strategy to overcome the effects of the financial crisis and provide recommendations to the government in order for them to take appropriate action at the policy levels. The G20 was

never visualized as a decision-making body. Therefore, the concerns around G20 becoming just an opportunity for a press event, are relevant. In other words, the nations world over must look at the strategy developed by the G20 and then turn towards the smaller institutions like International Monetary Fund (IMF) and World Trade Organization (WTO), to translate those strategic recommendations on ground. A steering committee or a body responsible for coordination, is designed to carry out such a role.

Limitations of the G20

Just as any other multilateral forum, the G20 also has certain limitations apart from the advantages. Expectations from the forum must be set, keeping in mind its boundaries and weaknesses. The most important point to remember is that all the members of the G20 are different. They have different interests, different economic statuses, progress for each member might have a different meaning altogether. The urge of the G20 to control global imbalances exemplifies this challenge. Therefore, there might be disagreement between members depending on their interests and requirements. Unfortunately, till date, the G20 has not been able to manage much on developing a single roadmap to effectively tackle these differences and still has not been able to set a clear goal to achieve. It has also been seen that resolving imbalances between the larger economies has been always put on the front and center of the group's agenda, labelling them as a *global challenge*, while ignoring the actually required domestic reforms. However, these imbalances can never be balanced, unless they are in the self-interest of those driving them – whether it is China promoting its domestic produce for internal consumption or the United States taking dramatic steps to reduce their deficits and debt to avoid the end of American prosperity and leadership. The established nations will not put their position and power at stake just because the G20 suggests to do so. Therefore, the G20 must either look for a solution to encourage domestic reforms or forget aiming for reducing imbalances, which seems unreasonable.

In general, the G20 has not been stable in maintaining its record. According to a report by the G20 Research Group, published in September 2022, reviewing the period from November 2021 to June 2022, recorded that the G20 members managed a 68% compliance rate on 21 priority commitments made in the Rome Summit in 2021. This record was much lower than the compliance rate of 85% on 20 commitments made in the Riyadh Summit held in 2020. The report also mentioned the winners and the vulnerable areas among the priority commitments: At 93%, the development commitment on an inclusive recovery had the highest interim compliance. Next came three commitments with 90%: the climate change commitment on national contributions, the food and agriculture commitment on malnutrition, and the health commitment on One Health. They were followed by the infrastructure commitment on public-private partnerships at 88% and the two macroeconomics commitments on local currency markets and inclusive growth at 83%. The energy commitment on unbated coal power had the lowest compliance at 30%. According to the interim compliance rate by G20 members, the United Kingdom had the highest compliance at 90%, followed by Germany at 88%, and Japan, the United States, and the European Union at 81%. Indonesia, which hosts the 2022 summit, placed 18th for compliance at 55%. Russia and South Africa had the lowest compliance at 50%.⁽³⁾

These differences in the compliance rates of different countries on different commitments, reflects upon the coordination failures of the G20. While, these may not be the main challenge of the group, but they definitely play a role in deflecting the G20s focus from the key problems to tackle. In addition, the G20 members have also, at times, not been truthful to their commitments to the G20. They have agreed to dedicate efforts to certain commitments, that were already in their national agenda. This again draws us back to the point that members will only agree to the G20s suggestions, in case they align with their national interest. In addition, the G20 has not put in place, enforcement tools and monitoring frameworks, to steer the compliance of the member countries. In the light of this, the G20 cannot force action, but can only review, scrutinize and monitor the actions of its members, and put pressure on those countries, that threaten the security of the forum and the other members. Suggestions regarding introduction of enforcement norms in the G20 were produced, however, it could restrain the members to engage in policy debate, if complying to every word uttered by the G20 becomes mandatory.

In essence, the G20 must also be familiar of its weaknesses and limitations, before promising to deliver. Unaccomplished goals and failure to deliver, tarnishes the image of the G20 as an effective forum and puts its existence in danger. The G20 must adhere to its role of a steering committee and not aspire to run the world.⁽⁴⁾

Assessing the performance of the G20 over the years

To understand the performance of the G20 since its inception, let us divide it into two different verticals. The first being the “forum for the elite”. The G20 was initiated as a ministerial level forum to respond to the financial crisis and protect the world economy from drowning. It achieved its goal beautifully by stabilising the larger private sector stakeholders and using fiscal measures as a catalyst to accelerate the recovery.

These initial efforts of the G20 economies, acted as a world saviour, even beyond the economic sector. Sadly, once the primary goal was met, the focus deviated from a larger picture to individual national interests of the member countries. Even after maintaining an overall homogeneity at the top level, the middle and the lower class were still bearing the brunt of the crisis. Unemployment, declining minimum wages, delay in income, etc. were a few effects of the crisis on these classes.

As a result, during the next few years, several member states agreed on the need to address unemployment. The commitments agreed upon were increasing the number of jobs available, higher minimum wages and enhancing the labour share. Apart from the finance track, a labour ministers’ track was established along with a working group on employment, followed by a subgroup on labour income share in 2015. But sadly, the recommendations provided by the group for policy changes, were never incorporated. They are only words without actions!

As a result of the lack of seriousness within the G20 to tackle this widespread problem of unemployment and loss of income, ramifications started to appear on the political front. The United Kingdom marched out of the European Union, Trump came into power, were a few examples. The G20 could be seen as a mechanism of the elite for getting their way. If the G20 had not missed those opportunities to work in coordination to tackle declining wages, the harsh effects of globalization might have been softer on the working class. It could have stopped or decelerated the pace of increasing shares going to the rich.

The second vertical could be the synergy of the member states. Since 2016, after the change in government of the United States, the individual interests of the G20 nations outweighed the combined goals of the G20. The interests at least matched to an extent, where the forum had some relevance in addressing global challenges. Assuming that the nations shared some common interests, a few issues were concurrently handled, for example, climate change, trade and development, inequality and labour participation. However, with time, as the governments changed, interests changed and subsequently actions changed.

Post 2016, a new trend emerged within the G20, wherein, development of multiple blocs was seen. Strategies to contain the rise of China and Russia were being carried out separately, that gave rise to such a trend. The smaller economies also started taking sides and joining forces with the bloc that they assumed would be beneficial and supportive of their agendas in the future. As a result of this changing political scenario, within the G20 states, the forum started lacking in ensuring coordination and achieving common goals for a better future globally. ⁽⁵⁾ The recent Ukraine- Russia conflict also intensified the development of blocs and countries taking sides. In nutshell, the G20 in the past few years, has been nothing more than another reflection of a world on the verge of dividing into blocs.⁽⁵⁾

ANALYSING THE BRICS

In November 2021, the acronym BRICS completed its glorious 20 years, since the term was first coined. It also marked 15 years of cooperation and collaboration among member countries. It is now time to review whether the forum actually fulfilled its destined goals or got lost in transit.

The term BRICs came up as a representation of the shifting power scheme globally. It was assumed that Brazil, Russia, India and China would dominate the world economy and guide the rest of the world during this global resurgence. Economists had realised the potential of these emerging powers and the scope of expanding trade and investment in these nations. As a result, BRICs became the talk of the town!

It was believed that this group could change the face of the world, as they collectively constituted nearly 50% of the world's population and approximating to a quarter of the global GDP. There was all the more reason to believe in this forum, as they soon invited South Africa to be a part of this strategic partnership in 2008 and the acronym, known today was completed.

However, according to Jim O'Neill, the one who coined this acronym, believes that the group has failed to live up to the expectations on a whole. Leaving apart China and India, the others have performed even worse. China has become a leading economy and a hub for manufacturing and India has also more or less, achieved the trajectory that was envisioned twenty years back. Today. Both these countries hold a larger position in contributing to the world economy and overall development.

However, India has also witnessed a few fiascos after 2014. The sudden demonetisation, that impacted the most vulnerable in ways that can't be forgotten. Loss of jobs, failure to generate adequate jobs, loss of income, fall in minimum wages, were a few of them.

To add to the woes, COVID-19 struck the whole world and knocking off a larger population below poverty line.

Concurrently, the lowest scoring ones, did well initially, however, their progress dwindled in the latter years. Their current contribution to the world GDP remains what it was in the beginning. The reason might be their overdependence on the other countries for import and domestic consumption. Another important point to note was the lack of coordination among the members on issues important for global development.⁽⁶⁾

The BRICS was fundamentally established to ensure political, economic, community and academic cooperation.

1. Political Cooperation:

BRICS' political and security cooperation aimed at achieving peace, security, development and cooperation for a more equitable and fairer world. BRICS served as a platform to discuss policy frameworks and learn from each other's achievements and mistakes, to make the global political architecture more stable and effective. BRICS also acted as a mechanism for the African countries to take forward the agenda of South- South Cooperation and promoting North- South dialogue. It aimed at making the process inclusive by involving the neighbouring countries in their activities.

2. Economic Cooperation:

The increased trade practices among the BRICS countries promoted economic cooperation activities across various sectors. Agreements were concluded in the areas of Economic and Trade Cooperation; Innovation Cooperation, Customs Cooperation; strategic cooperation between the BRICS Business Council, Contingent Reserve Agreement and the New Development Bank. This gesture strengthened economic cooperation and boosted trade markets across borders. It also helped the feeling of shared objectives emerge stronger. A major milestone during the BRICS cooperation was also the proposal to introduce '**BRICS' Cryptocurrency**' for a unified payment system.

3. Community Cooperation:

The need for strengthening cooperation amongst communities on culture, athletics, education, film and youth was recognised. People-to-People exchanges were considered necessary as they promote new friendships, deepen old partnerships and encourage understanding between BRICS countries. Such People to people exchanges include the **Young Diplomats Forum, Parliamentarian Forum, Trade Union Forum, Civil BRICS** as well as the **Media Forum**.

4. Academic Cooperation:

Student exchange programmes were introduced in member countries, wherein students from other countries could enrol for educational courses. International competitions were also inaugurated to develop an atmosphere of unity among the BRICS countries, facilitating the participation of millions of children from each state.

Thus far, the BRICS have had a few major accomplishments. When formalized, the forum's main objective was to bring reforms in the international finance architecture and strengthen the international institutions such as International Monetary Fund (IMF) and the World Bank. Unfortunately, they still emulate an archaic framework and distribution of power. Nevertheless, based on the differences in opinions and priorities of the member countries, BRICS has faced a lot of mistrust. Despite this, the cooperation within BRICS countries expanded from just finance and covered an array of issues such as education, trade and development, global health, security, and science and technology.

The forum was successful in bringing the much-needed reforms in the international finance institutions, such that they influence the world economy to get better by the day and regulate the emerging trade and financial markets.

New Development Bank

One of the most important accomplishments of the BRICS was the setting up of the New development Bank (NDB), a multilateral development bank established by BRICS members that combinedly contribute to 24% of global GDP and 16% of the world trade. The proposal to set up such an institution was first put forward in 2012 during the BRICS Summit in New Delhi. However, it finally started its operations in 2015, after the formal agreement was signed in 2014 at the BRICS Summit held in Fortaleza.

The purpose of NDB was to deploy resources for infrastructure development and achievement of SDGs within BRICS members and other emerging economies and developing countries to complement the existing efforts of multilateral and regional financial institutions for global growth and development. The Bank is headquartered in Shanghai, China with regional offices in South Africa and Brazil. The NDB functions on a consultative mechanism among the BRICS members with all the member countries possessing equal rights. NDB has so far approved 70 infrastructure and sustainable development projects worth USD 25.07 billion (including loans under NDB Emergency Assistance Facility) across all the member countries in the past five years. This includes 18 projects of India worth USD 6.9 billion. NDB funds projects in areas such as sustainable infrastructure, clean energy, social safety, public health, education, water, sanitation and flood protection, renewable and green energy, transport, infrastructure, irrigation, agriculture, smart cities etc.⁽⁷⁾

Contingent Reserve Arrangement

CRA, established along with the NDB in 2015 by BRICS member nations, is a framework for the provision of support through liquidity and precautionary instruments in response to actual or potential short-term balance of payments pressures. It was established keeping in mind the growing instances of financial crises over the world. The initial investment for the CRA was one million US dollars. It also aimed to safeguard the global finance architecture.

Along the way, many challenges came in the progress of the BRICS nations. Disagreements between members, economic imbalances, regional disputes amongst countries, were among the top challenges. Apart from these, the dominance of only the current members of the forum, exhibiting the power of their emerging markets, became a barrier in the growth of the grouping.

Other representatives must also be included to ensure a worldwide lens towards economic stability.

Along with this, to remain relevant, the BRICS will need to expand its scope and agenda. In addition, it will have to involve other countries within the group. Besides, the political structures of all the member states are varied in nature. While Brazil is a democratic nation, Russia follows dictatorship.

After completing twenty years, the basic principles of BRICS must be evaluated with respect to all the five members, as they practice their own individual agendas. These independent interests can cause severe conflicts among the five countries, especially India and China.

The group also witnessed certain failures along the way. It did not fulfil the expectation to successfully reform international financial institutions for greater good. The forum has not been able to expand itself, as a result of disparate approaches and failure to sign cooperation agreements with other countries, mainly the US. Some of the member countries have undergone recession as a result of the Ukraine- Russia conflict, isolating Russia from the rest of the countries. As a result of COVID-19, all BRICS members have failed miserably to sustain their momentum of growth and have been pushed back by at least ten years.

Since China contributes to approximately 38% of the total export of BRICS, it has always been seen dominating the decision-making processes within the BRICS. To add to the chaos, lack of policy coordination has resulted in weakened ties between India and China, over the years.

What does the future hold?

As established, the initial years of the groupings, both G20 and BRICS were satisfactory and member countries were able to work collaboratively on common issues of priority. However, in the recent years, the forums struggled to make an impact and remain true to their purpose. For these platforms to remain relevant in the coming years, it is extremely necessary for all the member countries to look back and analyse the opportunities missed, those available henceforth, and not try to push the forums beyond their limitations. The groups need to make amends in their outlook and functioning and go back to where they started off from. They must adapt with the fact that the world has multiple power houses, and provide an equal platform for all member countries to contribute to decision making.

Setting up an additional research wing may prove beneficial for G20 and BRICS to provide better solutions to the challenges of development. The forums must refine their approaches according to the changed environment. They should also deliberate efforts to achieve the commitments made in convergence with the Paris Agreement and the other SDGs.

With regard to BRICS, along with NDB, taking support from other finance institutions globally, SDG activities could be funded. Cooperation on digitalization, technology, industrialization, innovation and trade and investment, must be operationalized by setting up science and technology centres, research centres, etc. The already created BRICS Women's Alliance must be boosted and used as a measure for women empowerment in the BRICS countries and promote gender equality.⁽⁸⁾

Despite all the BRICS countries being part of the G20 grouping, the decisions in the premier global forum are highly influenced by the largest economies including China and India, but not the others. After the reforms brought about in the voting systems of international organizations such as IMF and World Bank, the weaker economies have also got an opportunity to raise their voice and make it heard. As a result, China, Brazil and India have benefitted largely. However, South Africa is still underrepresented and unheard in the hierarchy, after their appeal for a third seat in the board was rejected. Therefore, the Southern countries must also get an opportunity to be part of the decision-making processes and enhance the North- south cooperation.

Since the BRICS countries are involved in the G20 platform as well and are very much a part of developing international financial regulations. However, opposing the interests of the smaller economies, the G20 agenda has always been influenced by the rich and the powerful. This practice must change and certain regulations for compliance by all member countries must be developed.

The establishment of the NDB and CRA was highly appreciated by the countries world over. However, these initiatives also lacked transparency and accountability standards. It was more difficult for members to access information within the NDB and it was hidden and not available for anyone to access. In addition, the NDB still lacks a system to be held accountable, in case it causes harm to any consumer. Besides, it also risks being focused on only economic issues, rather than concentrating on other globally relevant issues as well.

To fulfil the commitment of the BRICS to promote a more just and equitable global economy the BRICS will need to up their game. In order to achieve this, the governments of the member countries need to protect and promote human rights. To begin with, they must concentrate on protecting the rights of each beneficiary of their activities. Therefore, a robust system for monitoring and evaluation of the projects must be built. Apart from this, certain accountability standards must also be met. In case an individual is adversely affected by any activity, supported by the governments of these countries, a mechanism must be built to provide effective solutions to maintain harmony and peace.

Finally, the decision-making authorities including governments, international institutions and third parties must be able to highlight the relevance of the proposed recommendations and justify the use of the allocated resources. This shall infuse the lost trust in the grouping and enhance effectiveness.⁽⁹⁾

While the formation of such a grouping was a positive step back then, its role and basic ethos is highly overestimated. For the member countries, the forum acts as a means to discuss interest areas and priorities and agree on common agendas. China uses the forum for its innovations to be tested and evaluated, and Russia looks at it for financial support.⁽¹⁰⁾

Remaining Relevant

No country in the world was spared by the COVID-19 pandemic. International relations, along with global health systems and economies were hampered. The gaps in the systems were exposed. Governments world over and international organizations failed to live up to the expectations and provide tangible solutions to mitigate the harsh effects of the pandemic.

Thus, it has now become more important than ever, for international institutions like BRICS and G20 to realize what has happened, do some soul searching, and think over their strategies and actions if they want to remain relevant. The same is true for all international organizations.

It has been over twenty years since the G20 and BRICS were founded and they are currently grappling to emerge from the effects of the crisis. Why else would other entities—such as the QUAD, AUKUS and others—be created? Both the forums lacked leadership and were less united during the global crisis. There was severe dearth of consensus, coordination and cooperation amongst the members countries.

Therefore, it is now time for both the multilaterals to be renovated. It has now become more relevant than ever and has gained urgency. Beyond their basic ethos, other challenges are pressing: climate change, digitalization, artificial intelligence, international finance, and international security.

The G20 and BRICS, are a reflection of the world order, and currently that itself is lacking. An institution of this level can be effective and relevant only if its members are in consensus and are willing to act together for a larger agenda. Even a common enemy—COVID-19—could not bring the members to act in unity.

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