

INDIA FOUNDATION JOURNAL



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BRICS: Prospects for the 15th Summit

Rajiv Bhatia*

Introduction

Among the world's most important and influential multilateral groupings, BRICS is invariably noticed as a club of emerging economies – three from Asia (China, India, Russia) and one each from Africa (South Africa) and Latin America (Brazil). It is perceived as a counterweight to G7, the grouping of the developed nations. Notably, a BRICS member (China) has become the world's second-largest economy and another member (India) is the fifth-largest economy.¹ BRICS and G7 are key pillars of G20, the premier international economic forum, with India holding the latter's presidency in 2023, which will move to two other BRICS members (Brazil and South Africa) in 2024 and 2025 respectively.

As a grouping of five nations, BRICS represents 27% of the world's land area, 42% of the population, 16% of international trade, 27% of global GDP in nominal terms, and 32.5% in PPP terms. Heading to its 15th summit to be held in Johannesburg on 22-24 August 2023, it draws international attention not only for its past record of achievements and failings but also for its internal

dynamics and new challenges. These include the impact of the COVID-19 pandemic and of the Ukraine conflict, proposed expansion and other aspects of institutional development, and its management of economic cooperation among its members as well as in relation to the Global South. A comprehensive assessment of the relevant facets of BRICS as an institution, during its journey from September 2006 to July 2023, is offered below as a means to explain what is at stake at the forthcoming summit.

That the BRICS' journey has been a fascinating one is beyond doubt. But the question of whether BRICS, in its second decade, will achieve its optimal potential remains intensely debatable. The acronym 'BRIC' was coined by Jim O'Neil of Goldman Sachs in 2001, predicting that the four fast-growing economies (of Brazil, Russia, India and China) would collectively dominate the world economy by 2050. However, the BRICS of today has evolved quite differently. Three milestones in its initial trajectory are particularly noteworthy: September 2006 when the foreign ministers of Brazil, Russia, India and China

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met in New York on the sidelines of the UNGA session to launch a new grouping; June 2009 when the first BRIC summit was held in Yekaterinburg, Russia; and April 2011 when South Africa attended the summit for the first time, giving to the group its current name – BRICS.

BRICS will turn into an adult at 18, next year. When its top leaders² meet at the Sandton Convention Center, Johannesburg in August 2023, they will tackle the principal challenge of retaining its basic cohesion and internal solidarity while increasing its impact and influence in the world today. They will do so against the backdrop of the ongoing overarching US-China strategic contestation and the impact of other geopolitical developments.

Goals, driving impulses

The early formative years of BRICS witnessed the decline of the US-led G7 dominance and the imperative compulsion of the industrialized West to engage emerging economies, especially China, for helping resolve the 2008 global financial crisis. The BRIC foreign ministers in 2006 foresaw the need for greater multipolarity. The elevation of G20 to the highest political level in 2008 was a step in that direction. The first BRICS summit in 2009, therefore, called for “a more democratic and just multi-polar world order” and advocated peaceful resolution of “disputes in international relations.” It also articulated its commitment to “advance the reform of international financial institutions, to reflect changes in the global economy.” Above all, it stressed “the central role of G20 summits in dealing with the financial crisis.”³

Besides, BRICS covered other important

issues such as improvements in multilateral trade systems, implementation of the concept of sustainable development, the pressing needs of developing countries (e.g., increasing development assistance, debt relief, etc.), counter-terrorism, and commitment to multilateral diplomacy.⁴ All these themes became the integral elements of subsequent summits and of their outcome documents.

As the following decade unfolded, the annual summits, held with remarkable regularity, explored many other dimensions of international economic and political questions, articulating the shared perspectives of the five member states and pushing for a coordinated approach. They also created multiple platforms for internal cooperation on a wide range of issues stretching from macroeconomics, trade and investment to health, agriculture, crime and corruption. The BRICS agenda has continuously expanded. As John Kirton, director of the BRICS Research Group at the University of Toronto, noted, “The summit communiqués have grown in length from just under 2,000 words in 2009 to a peak of 22,000 in 2014, then declined to 8,400 in 2018.”⁵ He also pointed out that between 2009 and 2021, BRICS leaders made “844 commitments” pertaining to international cooperation, development, regional security, trade, digital economy, and other issues.

Achievements, disappointments

BRICS had a fairly decent record of progress to show in its first decade (2006–16). It crafted and projected a non-Western view of the world; strengthened multipolarity by serving as a bridge between the Global North and the Global South; helped in improving emerging economies’ quotas

in IMF and World Bank; and created the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). It also focused on its broad ambition to deploy “all policy tools” and adopt “innovation-driven development strategies” to enhance the resilience and potential of BRICS economies and contribute to the global economy.⁶

Yet BRICS has disappointed its supporters on several counts. A clear majority of its members (Brazil, South Africa and India) has been dismayed by the minority view (of Russia and China) on the reform of the UN Security Council. The minority group failed to support the case for permanent membership of the IBSA nations and refused to move beyond a frozen formulation.⁷ Countless meetings of BRICS leaders, ministers and others and endless reams of documents produced have not been backed by adequate tangible action. BRICS summits executed ‘outreach’ by convening meetings of leaders of the host country’s neighbours (such as BIMSTEC in 2016) or even of a larger international group such as the one convened by China in 2018. Yet BRICS provided little concrete assistance to these guest countries, except probably giving them the satisfaction of being associated with an important multilateral forum. From this arose the momentum for the expansion of BRICS.

Internal dynamics

Intra-BRICS dynamics need to be taken into account in assessing its present and future trajectory. In theory, all five members are equal, guided by mutual respect and shared interests that bind them together in the quest for common goals. In reality, an obvious asymmetry marks their

relationship: China’s contribution to the world GDP is bigger than the GDP of the other four combined.⁸ Besides being the world’s second-largest economy, China nurtures ambition and displays an aggressive drive to become the No.1 power, displacing the U.S. This has created complications in Asia, especially for India. After the bloody clash between Chinese and Indian troops in the Galwan Valley in June 2020 and the failure of bilateral diplomacy in the past three years to resolve contentious issues, China-India relations remain seriously strained.⁹ The resultant trends in India’s foreign policy to strengthen relations with the West, especially the U.S. and France, and to consolidate the Quad in the Indo-Pacific have caused much annoyance to Beijing. To think that BRICS can be insulated from these geopolitical developments is to expose one’s naivety.

The war between Russia and Ukraine which broke out in February 2022 proved to be another source of tensions within the BRICS. Despite its close strategic partnership with Moscow, New Delhi chose to adopt a calibrated position – one favouring diplomacy and dialogue rather than siding openly with one or the other party to the conflict. China swore by respect for territorial integrity and national sovereignty and postured to serve as a mediator, though it has in fact supported Russia, given its “no limits” partnership with it. Brazil and South Africa too have been adversely affected by the conflict, coming under heavy Western pressure to condemn Russia. With Moscow’s failure to decisively win the war so far, compounded by internal problems exposed by the Wagner Group’s alleged ‘mutiny’, Russia stands as a beleaguered power today. A comparatively weaker Russia,

increasingly dependent on China, is a recipe for increased imbalance within the BRICS. Insiders point out that the two nations often act as a sub-group in the grouping.

The other three nations – India, South Africa and Brazil – are linked through a common allegiance to the IBSA Dialogue Forum. As leading democracies of three continents, which clearly belong to the Global South, they have more in common among them they do with the more authoritarian governance system Russia and with China’s one-party regime. However seasoned observers note that the IBSA members are far from pulling their weight together in order to ensure a better equilibrium within the BRICS.

In short, the five BRICS members need to first improve their internal dynamics and consolidate their inner cohesion, while seeking to address regional and global challenges. Otherwise, their hyped-up rhetoric and verbosity may prove ineffective in the real world.

Johannesburg – key issues

In the foregoing context, the 15th summit at Johannesburg assumes considerable significance. Its signature theme is “BRICS and Africa Partnership for Mutually Accelerated Growth, Sustainable Development, and Inclusive Multilateralism.” How it handles certain key issues will be watched with widespread interest.¹⁰ These are analyzed below.

Expansion of the membership of BRICS is perhaps the No. 1 issue. The Foreign Ministers’ meeting in Cape Town in June, and the Sherpas’ meeting in Durban in July accorded primacy to it. They attempted to develop consensus on “the

guiding principles, standards, criteria and procedures for this expansion process,” as directed by the leaders at the 14th summit.¹¹ At the end of the Sherpas’ Durban meeting, Ambassador Anil Sooklal, the South African sherpa, announced that the five sherpas were “highly satisfied that we have produced a good report and outcome document.”¹² This was interpreted to mean that a broad agreement was reached among the officials, though it was subject to collective approval by the top political leaders.

What are the likely contours of this agreement? Two facts are clear: first, at least 19 countries (later increased to 22) have expressed interest in one form or another in joining the BRICS¹³; and second, disagreement among BRICS members existed, with China and Russia perceived as pushing for rapid expansion, while Brazil and India advocate a cautious, go-slow approach. South Africa found itself somewhere in the middle but was generally inclined to accept several new members. In reality, it was learnt later that China was, after all, not in a tearing hurry to widely open the gates of membership; that Brazil, in particular, strongly favoured a restrictive approach; and that Russia reportedly preferred expansion “but without any huge enthusiasm.”¹⁴ As a result, gradualism and caution may be adopted as the way forward so that existing inner cohesion and geographical balance are not disturbed.

What the summit decides on this issue will be known on 24 August 2023. It is likely to announce the agreed criteria for new membership, which paves the way for the entry of a small number of new countries from Latin America and Africa. Those chosen from Asia would especially require

the concurrence of all three Asian powers – China, Russia and India. Another point of agreement could be that new entrants are not given full membership at the outset. They may first be ‘socialised’ into the BRICS philosophy and political culture as ‘dialogue partners’. A few years later, they may be allowed to join the forum as members. In other words, the SCO model may be followed by BRICS as far as expansion is concerned. A South African scholar observed that the expansion was “ultimately unavoidable” but its value lay in its “deep symbolism, complementarity and agency.”¹⁵

The G20 summit, to be hosted by India in September 2023, may figure prominently in discussions at Johannesburg. BRICS has been a steady and strong supporter of devising global solutions through the instrumentality of G20. However, during the Indian presidency, it has been extremely difficult to produce the consensus documents at preparatory Ministerial meetings, mainly due to the insistence by Russia and China to exclude the two paragraphs on the Ukraine conflict, which they had accepted at the G20 Bali summit in November 2022. On the other hand, the other three BRICS members have had no difficulty in agreeing to the said paras. Thus, the split in BRICS ranks on this score is complete. Johannesburg will almost be the last opportunity to craft an agreed formula that creates a pathway for a consensus-based Delhi Declaration of G20, a fortnight later.

Ukraine per se and the conflict’s adverse effects on the economies of the Global South will receive pointed attention in Johannesburg. The African Leaders’ Peace Initiative, which took South African President Cyril Ramaphosa and

others to Moscow and Kyiv in June 2023 and its outcome, will no doubt be discussed but it will not be easy to devise a unanimous formulation on Ukraine, given the internal divergences. It is noteworthy that the 14th BRICS summit adopted a fairly general formulation.¹⁶

The New Development Bank (NDB), gradually emerging as a success of BRICS, may come under the Leaders’ lens. The grouping is proud of the NDB’s record, but the latter is thinly capitalized at \$100 billion and is known to be facing financial constraints. This is important to correct, as BRICS leaders’ eye with concern the burden of rising expectations from a large number of developing countries that need funds for development. The bank, therefore, needs to expand its capital base.

A common BRICS currency has received intense media attention, in the buildup to the Johannesburg summit. It may almost be viewed as a media creation, reinforced by some remarks made by Brazilian and Russian officials. A common currency such as the Euro is the end product of a high level of financial integration attained by the European Union (EU) over a long period. BRICS is nowhere near that kind of achievement. Anil Sooklal, South African sherpa, observed, “There’s never been talk of a BRICS currency, it is not on the agenda.”¹⁷ In June 2023, India’s External Affairs Minister S. Jaishankar stated that currencies would remain “very much a national issue for a long time to come.”¹⁸ What BRICS officials have been striving is to create a system for settling trade transactions in their national currencies, probably in separate bilateral formats. Further, efforts to encourage the ‘BRICS

Interbank Cooperation Mechanism' will continue to play an important role in facilitating economic and trade cooperation. Some progress can be expected, but it is clear that the enthusiasm of the Russians, Chinese and Brazilians to move towards de-dollarization is neither shared by the other members nor do objective conditions exist for a common BRICS currency at present. "Pressure from Russia, looking to escape sanctions, and perhaps China looking for a larger global role, not to mention Brazil's Lula, could drive a push for a BRICS currency," noted Peter Fabricius, a consultant with Institute for Security Studies Africa. He added, "But it's too soon to put the greenback on the endangered list."¹⁹

Among other issues, deliberations at Johannesburg may push for positive movement on several ideas that figured in the BRICS' Beijing Declaration of June 2022 such as the participation of Emerging Markets and Developing Countries (EMDCs) in the international economic decision-making and norm-setting processes; support for the African Union's Agenda 2063 and Africa's efforts towards integration through the development of the African Continental Free Trade Area (AfCFTA); there may also be renewed focus on the grouping's endeavours to extend cooperation to other EMDCs through the BRICS Outreach and BRICS Plus Cooperation. A deep discussion on the post-coup situation in Niger and its international ramifications, as well as optimal support for the AU's likely admission into G20 are also expected.

The matter of participation in the 15th summit is another interesting issue to watch. With President Putin's physical participation ruled out, some uncertainty prevailed about whether the other

three leaders (Xi Jinping, Modi and Lula) would personally join President Ramaphosa in a summit in which South Africa has invested considerable political capital by inviting 60 leaders, including 49 leaders of African states and 11 heads of multilateral groupings. Latest reports confirm that the other three BRICS leaders will participate in the summit in person. The 15th summit, therefore, promises to witness one of the largest gatherings of African and international leaders in South Africa. It is worth remembering that the last three summits – Beijing (2022), New Delhi (2021) and Moscow (2020) – were all held in virtual format.

India's policy

As a co-founder of and a steady player in BRICS, India has consistently tried to make it more effective and consequential. From Prime Minister Manmohan Singh's government to Prime Minister Narendra Modi's second mandate, continuity has been ensured on this score. BRICS has been viewed as a potent instrument to secure diversity and multipolarity in global politics. As S. Jaishankar, the external affairs minister, aptly put it, "Counter-dominance and principled commitment to multipolarity in all forms – political and economic, academic and institutional, social and cultural – is written into the DNA of BRICS." He added, "BRICS is a statement of global rebalancing that underlines its essential diversity and pluralism."²⁰

The last time India served as the president of BRICS was in 2021. Then, it laid special emphasis on four goals: reform of the multilateral system; counter-terrorism cooperation; technological and digital solutions for Sustainable Development Goals (SDGs); and enhancing People-to-People

exchanges. These goals have been achieved only in part but India has been a full party to all decisions taken by the previous summits, including those on the grouping's institutional development. At the opening session of the 2021 summit, PM Modi observed that BRICS was "an influential voice for emerging economies," noted that it has many achievements to its credit in the past 15 years, and added, "We need to ensure that BRICS is more productive in the next 15 years."²¹

There are, of course, those who judge the BRICS negatively, particularly against the backdrop of strained India-China relations since 2020 and India's growing cooperation with the US and France in 2023. Some academics openly call the membership of BRICS a liability for India. This is not the case. Viewing the grouping in positive terms, New Delhi considers BRICS a guarantee for an independent foreign policy and strategic autonomy, a means to ensure multipolarity and a valuable device through which its leadership role

in the Global South can be buttressed. Above all, groupings such as G20, BRICS and SCO give opportunities to members to communicate and cooperate with each other, even when their bilateral relations face tensions – as in the case of India-China ties at present.

Conclusion

BRICS will continue to be a significant pillar of the post-Cold War architecture for global governance. The polarising geopolitics of the present decade will, however, act as a serious constraint. So will the lack of optimal internal coherence and mutual trust. As these challenges are addressed, the grouping may have a larger role to play. Optimists have hailed 2023 as the year of 'new opportunities' for the Global South and 'the most impactful year' in the geopolitical landscape. The Johannesburg summit will provide some pointers for the future direction of BRICS, and of the world that surrounds it.

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 July 25, 2023, Ministry of External Affairs. On the sidelines of the BRICS NSAs' meeting in Johannesburg on 24 July 2023, National Security Adviser Ajit Doval conveyed to Wang Yi, his Chinese counterpart that the prevailing situation in the border region "had eroded strategic trust and the public and political facets of the India-China relationship." He added that peace and tranquility in the border areas was essential for normal bilateral relations. The Chinese side reiterated its known position on this matter: All that the two dignitaries could agree was that "India-China bilateral relationship is significant not only for the two countries but also for the region and the world." https://www.mea.gov.in/press-releases.htm?dtl%2F36876%2FMeeting_of_National_Security_Advisor_with_his_Chinese_counterpart_on_the_sidelines_of_the_BRICS_NSAs_Meeting=null&s=03
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The BRICS Platform as a Prototype of the Polycentric World Model

Andrey Volodin and Alexey Kuznetsov*

Diversification and complexity as principles of internal organization are embedded in the behavioral program of any system, including society, politics and international relations. The historical process, in the form of a tendency towards polycentrism, realises and fulfils the natural craving of humanity for “unity in diversity”, as is commonly believed in Indian philosophical thought. It can also be said that the path to “diversity”, i.e. the polycentric structure of the ecumene, reflected in its own way the change of milestones in the historical development of mankind. “History has not ended but returned”. So, figuratively and succinctly, the Indian futurologist Parag Khanna defined the main line of the current world development [Khanna, 2019, p. 12]. India’s Foreign Minister S. Jaishankar assessed the state of the modern world no less expressively and concretely: “Europe has to grow out of the mindset that Europe’s problems are the world’s problems, but the world’s problems are not Europe’s problems” [How to survive a superpower split, 2023].

At one time, Fareed Rafiq Zakaria [Zakaria, 2008] unambiguously defined “tectonic shifts” in the world economy and politics, dividing the last five centuries of world history into three unequal stages:

1. The ascent of the West, which began in the

15th century (directly related to the great geographical discoveries) and underwent a “dramatic” acceleration at the end of the 18th century, under the influence of the first industrial revolution, which predetermined the long-term economic and political domination of the nations of the “North Atlantic space” over the rest of the world.

2. The self-assertion of the United States as the main world power (since the end of the 19th century), which acquired an uncontested character in two decades after the dismemberment of the USSR (Zakaria published his book in 2008).

3. The “rise of the rest”, which inevitably gave impetus to a new regrouping of geopolitical forces in the international system and is taking place before our eyes, in “real time” mode.

However, the eminent author made a few mistakes in dating the last phenomenon: the current “tectonic shift” began two decades earlier, in the second half of the 1980s. This process involved countries in its whirlpool (then they were called “*new influentials*”), among which Brazil, Argentina, Venezuela, Egypt, Nigeria, South Africa, India, etc. clearly stood out. (It should be noted that China, which had just entered the path of accelerated economic growth, did not figure in the

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forecast scenarios of international political scientists at that time.) The main feature of this newly emerging community was their own, particular interests, which were different from the aspirations of the USSR and the United States and their respective allies. However, the dramatic events of the late 1980s and early 1990s “obscured” the objective trends and processes in the world system, and the formation of the grouping of new influential members of the world community is already taking place in a new context, against the background of the emergence of a polycentric or (in the terms used by Zakaria) “post-American world”

Initially, in the mid-2010s, the “post-American world” had already acquired some specific contours of “seven-centric” system, which then included the following countries and regions: Brazil, the United States, Western Europe, Russia, India, China and Japan. After the events of February 24, 2022, the “fallout” from this “cohort” of Western Europe and Japan was quite quickly revealed because they “reactively” migrated to the status of a economic and geopolitical “periphery” of the United States. It is easy to notice that even then, in addition to the recognized leaders of the world economy, relatively new forces were included in the “seven-centric” world, which even then were collectively referred to as BRIC.

Already in the mid-1950s, it was possible to distinguish the three peculiar “poles” of world development. *The Non-Aligned Movement* was added to the Soviet Union and the United States, led by the leaders of India, Egypt and Yugoslavia. In fact, the movement towards a polycentric form

of the world space had actually begun. However, the progressive movement of the world historical process, enriched in the mid-1980s by the emergence of “new influentials”, was interrupted by the collapse of the Soviet Union in December 1991. Nevertheless, the backward ‘traction’ of global processes, manifested in the short-term reign of the “unipole” / Pax Americana, only delayed the “return of history”, i.e. the transformation of the main part of humanity into a genuine force and subject of world politics.

Today, *in retrospect*, we have the right to believe that such a development of the international system was a kind of *historical accident*. In our opinion various circumstances support such an interpretation of world development. Firstly, the collapse of the bipolar world was not dictated by the logic of historical development. A significant (and perhaps decisive) role in the collapse of the USSR was played by a *subjective factor*, i.e. the desire of the late Soviet ethnocratic elites to divide politically and economically the space of the largest country in the world. It is clear that an external factor, the actions of the “collective West”, also played a certain role in the development of destructive processes in the USSR. Secondly, the United States a priori could not exercise “global governance” through mechanisms of political and economic control abroad, since after the collapse of the USSR, the United States accounted for only 25% of world GDP (the maximum value of American GDP was in 1944 when it reached about 35% of the world’s aggregate). Thus, a kind of duality of world politics arose: the United States, which did not have the necessary political and

economic resources for “global governance”, tried to implement the idea of Pax Americana, while the rest of the world was not *psychologically* prepared for a new, multipolar world order. Thirdly, this contradiction continued to grow and was first felt around 2005 after the failure of the expeditionary mission to Iraq. Obviously, since then, the need for a new, more just international order has been clearly felt as an existential necessity, primarily in the “Global Orient and the Global South”. This necessity has given impetus to new, non-West-centric institutional forms of international communication.

Even then, at the beginning of this century, the question was often asked: how viable is the ‘platform’ formed by Brazil, Russia, India and China (and soon the Republic of South Africa) as a geo-economic and – in the foreseeable future – a geopolitical union? In other words, will the new platform, using the academic style of the late Samir Amin, be able to become a new “world project”? These were not idle questions, and it was almost impossible to answer them in monosyllables. On the one hand, the systemic global crisis of 2007-2009, according to authoritative Western and Japanese experts, has far from exhausted its “destructive” potential for the world economy. Thus, speaking at the World Economic Forum in Davos in January 2009, Chinese Prime Minister Wen Jiabao sharply criticized the United States and other Western countries. He blamed “inappropriate macroeconomic policies of some economies and their unsustainable models of development characterized by low savings and high consumption” and “an excessive expansion of

financial instruments in blind pursuit of profit, lack of self-discipline among financial institutions and rating agencies”. Wen added that the direct impact of the crisis on China was “limited because of our banking system”. This time it was China that warned Western leaders, not the other way around [Hiro, 2010, p. 183]. Therefore, in the current situation, as a result of a comprehensive financial and economic crisis, which Western institutions were powerless to manage, it seemed natural for *super-large* nations to coordinate their actions in order – keeping in mind the tentative integration of their economies and markets – to avoid the consequences of severe geo-economic shocks, and, prospectively, to turn the BRICS into a space *relatively* autonomous from the “triad of globalization” (USA – Western Europe – Japan) and capable of ‘adapting’ to the coming “shocks”. Naturally, the mutual geographical remoteness and the specificity of the national interests of each of the countries ultimately adjusted the pace and trajectory of integration processes.

On the other hand, there were (and they have not disappeared to this day) factors of *non-economic* origin (the historical memory of peoples; prejudices, sometimes consciously cultivated by elites in their narrow-group interests; the invisible presence of the factor of “third” countries in bilateral relations, etc.), hindering the seemingly natural processes of economic cooperation and integration.

In our opinion, if it is possible to single out the ‘leaders’ of cooperation and integration in the BRICS at the first stage of development of this association, then they were certainly China and

Brazil. And there were good economic and political reasons for that. Firstly, both giants are quite deeply involved in the global economy and therefore tried to *diversify* their foreign economic relations in every possible way, to avoid *unilateral* dependence on the markets of industrialised countries and their changing circumstances (highlighted by the global financial and economic crisis of 2007-2009). Secondly, Brazil (approximately since 2003) and China (since the XVII Congress of the CPC, October 2007) began to pursue an active socio-economic policy, which, as the Russian sinologist A.I. Salitsky did, could be defined as *a movement from reform to development* [Salitskii, 2018]. The essence of this policy is to vigorously stimulate domestic demand, to consistently equalise the levels of economic development of various regions of the country, to progressively reduce social and property disparities in society, etc. The goals of such a policy are clear and transparent. They include an increase in the standard of living of the masses and – on this basis – the expansion of support in society for the economic and political system. Identical goals make the development strategies of both countries clear to each other, increase their interest in joint ventures, including cross-investments. China has acted very vigorously in this direction [Hiro, 2010, p. 182-184]. The new international role of the “rising economic powers” – Brazil, Russia, India and China – prompted the then Managing Director of the IMF, D. Strauss-Kahn (2007-2011) to call for the organisation to redistribute votes in the Fund in favor of these states.

Even at the initial stage of the platform’s existence, it was erroneous to call Russia and India

“outsiders” to economic integration within the BRICS (then in the BRIC format), but the official line from Moscow and New Delhi, despite their active participation in quadrilateral meetings at the official level, raised some questions for China and Brazil. *First*, what was the relationship between geopolitics (support for the idea of BRIC at the highest state level) and economics (stimulating integration processes in a multilateral format) in the foreign policy strategy of India and Russia? *Second*, what economic and political forces in the two countries were ready to actually participate in the formation cooperative ties within the framework of the then BRIC format? *Third*, did Russia and India have a long-term strategy for BRIC consolidation?

At that time, it was difficult to get an exhaustive answer to these questions. Now, after almost 15 years, we can try to explain the reasons for the “lag” of Russia and India in the struggle for the BRIC in the following way. In India, the elites found themselves in a kind of conceptual vacuum after the collapse of the USSR and the “departure from the East” of the so-called “new” Russia. Indeed, their hopes for a long-term “America-Centric” world in which India would have an important (but an essentially auxiliary) role to contain China in the Asia-Pacific region turned out to be a geopolitical illusion. In addition, the elites and the people of India had difficulty overcoming the “complex of historical memory” in relation to China, stemming both from memories of the border conflict of 1962 and from the fear of the accelerated economic growth in China, which could turn into geopolitical expansion, holding the

prospect of “encirclement” of India in South Asia. The warnings of the Indian military at that time that China could allegedly launch a preemptive nuclear strike on India in 2017 did not look accidental at all. However, history itself turned out to be the best healer of peculiar “historical diseases”: after February 24, 2022 India felt like a real-world power “without exceptions.” This process has gained a positive inertia of irreversible forward motion.

For Russia, in our opinion, the BRIC/BRICS “project” was initially primarily an *intellectual* problem that needed to be solved *methodologically* and integrated into our country’s foreign policy strategy as a “building material”. At the beginning of this century, a rather strange and contradictory picture was emerging. After all, back in the second half of the 1990s, a general idea was put forward about Russia’s *independence* in the world space. However, as historical practice shows, an idea is transformed into a *concept* and into principles of activity only when it is filled up with the necessary “details”. In short, post-Soviet Russia, which initially made a “Western choice”, had to comprehend not only the limited benefits of a unilateral orientation towards Western Europe, North America and Japan, but also to realise and feel the ongoing “change of milestones” in world politics, hence moving its axis towards the “East and the Global South” and finding a practical algorithm for embedding Russia in the era of “the return of history.”

At the beginning of this century, *irreversible* changes commenced to materialise in the system of international relations. After the quickly revealed fiasco of the American-British “expedition” to Iraq,

the course of world history underwent a significant acceleration. Intellectuals in the West openly talked about the “end of the Empire” and the decline of Pax Americana. The inability of the “collective West” to cope with the financial and economic crisis of 2007-2009, which acquired an all-encompassing and global character, seems to have undermined the *psychological* foundations of Western dominance over the rest of the world. By itself, a simple question arose: what will happen after the “end of the Empire”? In 2010, the authoritative international expert and analyst Dilip Hiro noted that the New International Order *after Empire* did not revolve around the United States: “Nor is it dialectical – the United States versus China, the West against Asia, or democracies versus autocracies.” The developments described by him have cumulatively led to “an international order with multiple poles, cooperating and competing with one another, with no single pole being allowed to act as the hegemonic power. Quite simply, the age-old balance of power is back at work” [Hiro, 2010, p. 5-6]. The events and processes of the early 2000s gave rise to crisis phenomena in the activities of international institutions (UN, IMF, etc.) and faced the world with the need to create new transcontinental formats and platforms capable of adequately responding to the irreversibly increasing economic and political diversity of humanity.

Thus, the initially amorphous BRIC/BRICS platform began to acquire the qualities of an international organisation potentially capable of consolidating that part of the world that was outside the “golden billion” and no longer objectively fitted into the “global liberal order” headed by the United

States of America. A material basis for the development of BRICS and similar organisations was provided by several phenomena, mainly:

- the natural exhaustion of the US ability to exercise “global governance”, individually or jointly with ‘allies’;
- the long and vigorous economic growth of China;
- the self-assertion of India as a “civilisation state”;
- Russia liberating itself from the psychological crisis / historical “fatigue” after the collapse of the USSR;
- the emergence of a whole group of states – unequivocal opponents of the “world liberal order” (Iran, Venezuela, North Korea, etc.);
- the civilisational and political consolidation in the Arab world;
- the desire of Latin American nations to speak to the world freely, “in their own voice”;
- the “awakening” of the oppressed Africa.

In our opinion, the growing instability of the international financial system, governed exclusively by the United States and other countries of the “collective West”, also played a significant role in accelerating the development of the BRICS project. The political and economic causes of the chronic instability of world finance were described by the prominent Indian economist Amiya Kumar Bagchi: “The U.S. neoconservatives ... have announced that the United States should enforce its will on the rest of the world and international laws are there only for other states. This doctrine is a sign of U.S. weakness in the economic field: the United States can no longer pay for the energy

resources it needs for the kind of military-centered, environmentally destructive path of profit accumulation it is pursuing, and hence militarism has become a means of grabbing resources without paying a proper price, increasing the profits of crony companies and generating employment in defense industries” [Bagchi, 2005, p. 335].

The BRICS figure itself is implicitly present in the relations of the two most populated countries of the world – India and China. Thus, the noted Indian historian of international relations Z. Daulet Singh maintains that the resolution of the conflict in Doklam in the summer of 2017 occurred under the influence of three circumstances of purely “non-military” origin. Firstly, “invisible” mechanisms of conflict resolution were involved in such formats as BRICS and SCO, which some Indian “analysts” are nevertheless instantly demeaning. Secondly, the joint interest of India and China in a *solidary dialogue* with the West on the reform of international financial institutions has affected their behaviour. Thirdly, bilateral trade and investment are beginning to play an increasingly important role in the Elephant-Dragon relationship [Daulet Singh, 2020, p. 103].

So, the values defended by India, Russia, China, Brazil, the Republic of South Africa and other countries are about arriving at an equal international dialogue as well as about the rejection of the idea of “supercivilisation”, allegedly endowed with the right to impose its behavioral models on other “civilisational states”. The “civilisational states” seek to legitimise the polycentric forms of national political organisations, the indivisibility and “inclusiveness” of the world security architecture, as well as the universal value of sovereignty. In

the political and economic sense, the BRICS activities are focused on the search for a common ideological platform for the international financial institutions that promote the goals and interests of the countries of the “Global Orient and Global South”. In the view of the BRICS countries, the world of the future is a space of equal interaction between “civilisational states”. The formula for such interaction should be the principle of “unity in diversity”, well known to Indian philosophical thought. We can say that the BRICS objectively brings a new “Axial Age” (in the sense given by K. Jaspers), developing theoretical and practical foundations for inter-civilisational dialogue and interaction in a rapidly changing world.

Considering BRICS as a viable alternative to the “rules-based order”, many states of the “Global Orient and Global South” express a desire to join this association. Currently, according to Russian press reports, the list of potential BRICS members includes the following countries: Algeria, Argentina, Afghanistan, Bahrain, Bangladesh, Belarus, Egypt, Indonesia, Iran, Kazakhstan, Mexico, Nicaragua, Nigeria, Pakistan, Saudi Arabia, Senegal, Sudan, Syria, Thailand, Tunisia, Turkiye, the United Arab Emirates, Uruguay, Venezuela, Zimbabwe, etc. [Dimkin, 2023].

More recently, Bolivia, Cuba and Morocco have been cited as potential BRICS members. Thus, the possible number of future BRICS member countries (1) inevitably puts on the agenda the elaboration of criteria for joining the BRICS as *a separate problem*.

Under these circumstances, it will inevitably have to take into account the experience (sometimes negative) of other economic

associations. Thus, the rapid expansion of the European Union to countries at a lower level of socio-economic maturity than the “pioneers” of integration constantly raises the problems of disparity and development imbalances in the EU. On the contrary, the experience of ASEAN ‘platform’, based on the principles of gradualism and consensus, deserves serious study and critical application. Another problem (to a certain extent arising from the first one) is the active use of national currencies in mutual settlements of the BRICS countries. National currencies, as we know, are stimulators of exports, production and one of the driving forces of economic growth, which is so necessary for the BRICS countries. Of particular importance is the problem of cross-investment in the BRICS countries.

The discussion on the creation of a single BRICS currency can and should continue. Nevertheless, the introduction of a single currency seems to be a matter for the more or less distant future though the BRICS resolution of 2023 commits the member-states to studying the possibilities for alternative payment mechanisms and submit a report on this in time for the 2024 summit. President Putin was particularly insistent on this aspect of BRICS development and offered the use of existing Russian mechanisms applied within the Eurasian Union though he stopped short of suggesting a common monetary unit, calling instead for the growing utilisation of national currencies.

In our opinion, the preservation of the viability of the BRICS format, - and all five current participants are interested in this now - allowed for only three realistic scenarios. The first scenario

presupposed the actio of the BRICS in different configurations and in diverse modulations, without formally expanding the format, i.e. using *the formula “BRICS+.”* Even more than a half of the world’s states may take part in some discussions, including some countries traditionally referred to as the “collective West” (for example, Hungary or South Korea). In fact, we can see a new format in terms of content, but partly inheriting the principles of the Non-Aligned Movement.

The second scenario (that was rejected) implied *the preservation of the BRICS five as the core of interaction between different regions* of the world. However, only Russia and Brazil have obvious integration projects along the borders (the EAEU and Mercosur, respectively) with a potential expansion of their areas (in the first case through the addition of Tajikistan, Uzbekistan, Azerbaijan, possibly Mongolia and Iran and in the second case – across Latin America and the Caribbean). It is doubtful that China or India will be able to adequately represent the ASEAN countries or Pakistan, (though India has formed BIMSTEC to better integrate its neighbours into a regional association and is making progress in connecting the Indian Ocean Region Association (IORA). South Africa would have to take on the impossible task of representing the entire African continent. It would have been unclear in this case how to interact with such an important region as the Arab world.

The third scenario that was chosen at Johannesburg implies *a very cautious increase in the composition of the BRICS by adding a few countries in the initial stage.* It also implies changing the acronym for the Grouping to reflect

the changed composition, The selection of countries had to be based both on the political preferences of the current participants and on objective quantitative indicators. The resulting “top-7” or “top-10” countries of the Global South do not necessarily have to become an alternative to Western-centric institutions trying to implement global governance, but it will definitely consolidate by its very existence the transition of the world order towards polycentrism. The most “adjustable” countries seemed to be Indonesia, which would anchor BRICS in the ASEAN mega-region, and Nigeria, representing Tropical Africa. However, both were kept out for now. Indonesia is more or less comparable to Russia and Brazil in terms of population and GDP, while Nigeria is not just competing with South Africa for the right to represent Africa, but steadily turns quantitative growth into qualitative changes (for example, local oligarchs have been able to form national TNCs, second only to South African ones on the continent). Nevertheless, in ASEAN, under the leadership of Indonesia, Thailand, which applied to the BRICS too, is quite comparable with South Africa.

On the eve of the BRICS 2023 summit Saudi Arabia, Egypt and Argentina seemed to be the three most likely nations to join, and they made the cut, along with the United Arab Emirates, Ethiopia and Iran, surely as the result of a compromise between the five current members.

Of course, all speculative calculations about the economic, political or cultural-ideological weight of countries are usually broken by the facts of the real course of history. Nevertheless, it is useful to provide some factual and statistical data for 2022 (see the table).

Some Leading Countries Outside the “Collective West” (2022)

Country	Population, million persons	GNI by PPP, USD billion	Merchandise exports, USD billion	Outward FDI stock, USD billion	Military expenditures, USD billion
Brazil	215.3	3,716.7	334.1	327.5	20.2
Russia	145.6	5,222.9	531.9	315.3	86.4
India	1,417.2	11,636.8	453.5	222.6	81.0
China	1,412.2	30,001.7	3,593.6	2,931.7	292.0
South Africa	59.9	932.8	122.9	200.0	3.0
Indonesia	275.5	3,925.9	292.0	103.9	9.0
Nigeria	218.5	1,234.8	62.7	13.6	3.1
Iran	88.6	1,605.1	73.0	4.2	6.8
Turkiye	85.3	3,151.1	254.2	56.9	10.6
Ethiopia	123.4	345.3	3.9	0.0	1.0
Egypt	111.0	1,619.6	49.3	9.2	4.6
Saudi Arabia	36.4	2,172.0	410.5	167.5	75.0
Algeria	44.9	580.8	61.1	2.8	9.1
UAE	9.4	824.2	598.5	239.9	n.a. (more than 20)
Argentina	46.2	1,203.5	88.4	44.8	2.6
Mexico	127.5	2,684.8	578.2	196.0	8.5
Venezuela	28.3	n.a.	5.1	25.5	Less than 0.1
Pakistan	235.8	1,496.7	30.9	2.8	10.3
Bangladesh	171.2	1,316.1	54.7	0.4	4.8
Thailand	71.7	1,439.2	287.1	179.8	5.7
Kazakhstan	19.6	531.4	84.7	22.1	1.1

Data from the World Bank (<https://data.worldbank.org/indicator>) with some figures for Russia by Rosstat (<https://rosstat.gov.ru/>), while

FDI statistics put from [UNCTAD, 2023, p. 200-203] and military expenditures estimates put from SIPRI (<https://milex.sipri.org/sipri>).

If we take the population (and here the “demographic dividend” is hidden), gross national income when calculated by purchasing power parities (i.e., the scale of national economies), exports of goods (in fact, the competitiveness of the country’s production), the outward foreign direct investment stocks (the power of national business and ability of companies to internationalise their activities), and military spending (that is, the ability to protect their achievements from the encroachments of other powers), then South Africa is an unambiguous outsider among the BRICS. Nevertheless, there is not a single country among the applicants for joining the BRICS that would overtake South Africa in all respects (we have listed 15 countries in the table, since other applicants – for example, Bahrain, Zimbabwe and Nicaragua, are not significant countries economically).

It was not so clear how the Middle East and North African region (WANA) was to be dealt with. For example, Iran is undoubtedly a “civilisational state”, whilst Turkiye claims the same role, by pursuing a very active foreign policy and, due to its ‘westward’ orientation, has achieved more impressive economic dynamics. There is no recognised single leader in the Arab world – Saudi Arabia is the historical center of Islam and an important regional player, but it is obvious that neither Egypt, nor Algeria or the UAE will accept the Saudi Kingdom to represent their region in any important international format, such as the “enlarged BRICS”. The situation with Latin America is not yet free from difficulties, since it is nearly impossible to decide which country can more adequately represent the Spanish-speaking countries of the region – Argentina, Mexico or even Venezuela? We should not also forget about the applications of countries as demographically large

in population as Bangladesh. In the event, the nations that were not invited in Johannesburg were promised the opportunity to become dialogue partners in the coming months or years and some may eventually acquire membership.

As the dynamics of the development of the Russian Federation over the past 30 years show, the economic weight, military-political ambitions and even the wealth of ideological concepts for “export” can change very much under the influence of internal short-term fluctuations in the economic and political conjuncture. It is also reasonable to recall the figures of a century ago, which show that the simplest traditional geopolitical categories should not be discounted. For example, the five largest states in 1922, both in terms of population and area, were (alphabetically) the British Empire, China, the French Empire, Soviet Russia (then the USSR) and the United States of America. It was these five who, two decades later, became the victorious powers in World War II, received exclusive permanent seats of the UN Security Council with veto rights, and within half a century it was again the United States, the USSR, the United Kingdom, France and China that became the owners of nuclear weapons (without granting such a status to India). We ought to emphasise that Germany and Japan, despite their ambitions during the 1930s, which led to the global catastrophe of World War II, were not among the five largest states.

Any ambitious power can live with a variety of statistical indicators without experiencing discomfort from it. Now some well-known Western politicians love to demean Russia, the largest country in the world by area, by pointing out its comparatively modest demographic and economic weight. But some Russians are still alive who, as

students, learned that the USSR, despite its then struggling economy and low living standards won World War II, successfully launched the first artificial satellite and the first manned space flights, led the global movement against colonialism and, in principle, became one of the superpowers. We believe that it is appropriate to quote the luminary of national economic geography, Professor N.N. Baranskiy, in the first chapter of his textbook “Physical Geography of the USSR”, which was mandatory for all Soviet schoolchildren since 1935. He wrote: “Only the British Empire is larger than the USSR in area, i.e. England ..., but the possessions of England are scattered in all parts of the world, divided by oceans and are politically weakly connected; our Union is one continuous territory and ... is politically so tightly soldered as no other state in the world” [Baranskiy, 1935, p.3].

Summing up, it can be noted that the activation of the BRICS format is caused by long-term trends in global development, but specific configurations will depend on the political decisions of countries and their leaders. Russia currently feels like a power capable of transforming the current world order, that is clearly unfair to the majority of humanity. Moreover, it is the Russian Federation that will assume the BRICS chairmanship in 2024. Nevertheless, this does not mean that other BRICS participants should neglect this format. On the contrary, South Africa, Brazil and India are actually the most interested in it, since outside of this format their leverage in international relations would decrease. In addition, in our opinion, institutional reforms of the world order not involving the military-power component are possible only through the strengthening of the BRICS and the expansion of its activity.

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Note 1: (some sources alluded to 50 states, but shortly before the 2023 BRICS summit, the President of South Africa, as its host, announced a little more than 20 official applications)



BRICS: The Role of the Unit of Account for the New “Basket of Currencies”

Paolo Raimondi*

For years, the BRICS countries (Brazil, Russia, India, China and South Africa) have been experimenting with the use of their national currencies in trade and agreements within the group and also with other emerging countries. A process of progressive de-dollarisation of their trade and economies is underway, involving now other regions of the world like the Shanghai Cooperation Organization (SCO) countries and the nations of Mercosur.

In this context, many Western analysts continue to assert that the BRICS coordination has no future, it is doomed to fail. These “experts” should remember that BRICS coordination came into being in connection with and as a response to the Great Global Crisis of 2008, caused by the collapse of the U.S. and international banking and financial systems. The effects were devastating with respect to the production of goods and to world trade. The hardest hit was indeed the poor and developing countries. That is, those who did not bear the responsibility for economic and monetary mismanagement and financial speculation, but who paid a heavy price for the consequences.

All financial data confirm that the global financial situation is today worse than that of 2008. For example, world public debt moved from \$41 to \$92 trillion; global debt is at \$305 trillion, \$45 trillion higher than its pre-pandemic level; the mostly

unregulated and often speculative Non-Bank Financial Institutions (NBFI) overcame the Banking System globally, etc.

Therefore, despite all the legitimate differing national orientations and sometimes diverging or competing interests of the BRICS countries, the necessity to have a safety net and of crafting an alternative to the likely crisis of the dollar and related systems remains stronger than before.

Multilateralism and the challenge of a new international financial order

Multilateralism is today the only means of peacefully addressing and resolving the many global challenges, political, economic, monetary, and even those concerning security. It is a concept recognized in Europe as well. Among others, François Villeroy de Galhau, the governor of the Banque de France argued this during the May 2022 Emerging Market Forum in Paris in a speech on “Multipolarity and the role of the euro in the International Financial System.” He stated that “while Bretton Woods disappeared when the convertibility of the dollar into gold failed, the international monetary system remained based on the U.S. dollar. The idea of a global currency has not thrived in academic debates, much less in policy discussions.”

Even as early as the 1960s, Henry Fowler, the

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Treasury secretary under President Lyndon Johnson, warned that “providing reserves and trade to the whole world is too much for one country and one currency to bear.”

The idea of change had been taken up in 2010 by Michel Camdessus, longtime managing director of the IMF, who had launched an initiative to highlight the shortcomings of the international financial system, particularly its global governance and over-reliance on a single currency.

This debate is also very intense in the United States, even if ignored by most of the media. For example, a leading American economist, James K. Galbraith, asked the question: “Can the United States survive the rise of a multipolar world?”

Galbraith is an economics professor at the University of Austin in Texas, best known for drafting the first legislative plan to save New York City from bankruptcy in 1975. He is the son of John Kenneth Galbraith, a famous economist and a close associate of various American presidents, starting with F. D. Roosevelt, for whom he implemented the price control policy during the Second World War.

To the question above, formulated in his article published by the Institute for New Economic Thinking, James Galbraith answers positively but adds, «not without a political upheaval, stimulated by inflation and recession and by a declining stock market in the short term and, finally, by demands for a realistic strategy in tune with the current global balance of power». He says that “the dollar-based order has thus far been sustained mainly by instability elsewhere and the lack of a credible alternative.”

He expects China to work to “set up bilateral

or multilateral payment mechanisms, with willing partners, that bypass the conventional medium of the dollar.” However, it will be inevitable that the question of an alternative to dollar reserves will be raised. In addition to the role of gold, “an international financial asset will emerge, composed of a weighted set of securities of the participating countries, similar to Eurobonds ... In the reality of Eurasia, this means a bond based predominantly on the Chinese currency.”

His prediction is that “the dollar-based financial system, with the euro serving as a junior partner, is likely to survive, for now.” A significant no-dollar, no-euro zone could be created, cut out for those countries that the US and the EU consider adversaries, primarily Russia, and for their commercial partners. China will act as a bridge between the two systems: it will be the fixed point of multipolarity. “If tough decisions are to be made against China, then a real division of the world into isolated blocs, as in the Cold War, would become a possibility.”, he says.

The role of national currencies in trade

China is clearly at the forefront of using its currency, the renminbi, for its international trade and investment. The most resounding agreement was the one signed in 2018 in renminbi and rubles for the supply of Russian gas to China for the equivalent of about \$400 billion. It should be kept in mind that it imports \$250 billion worth of oil and another \$150 billion worth of commodities such as steel, copper, coal, and soybeans from the rest of the world every year. All these commodities are today valued and traded internationally in dollars. Therefore, China also has to pay for them in U.S.

currency. The use of the renminbi, therefore, has become a strategic priority for Beijing. Trade in the renminbi is intensively done with the other BRICS countries but more in general with the other emerging economies worldwide.

China and Saudi Arabia, for example, in addition to oil agreements, recently signed a memorandum to coordinate the economic initiatives of the Belt and Road Initiative with the Saudi “Vision 2030” program of industrial and manufacturing development. The agreements include cooperation in space, nuclear, missile, new energy such as hydrogen, and major infrastructure including the construction of “Neom,” a \$500 billion super modern city. Among the contracts signed is one with Huawei, the telecommunications giant, which, despite U.S. opposition, already has 5G network agreements with almost all Gulf countries. The prospect, of course, is to bring BRI with all its infrastructure, technology and industrial projects to that region and on to the Mediterranean. China has naturally proposed to use the renminbi in payments for energy supplies and more generally for trade.

Another example is Egypt, which applied to join the BRICS in 2022, and is reportedly considering issuing renminbi-denominated bonds for the Chinese market. Beijing has already signed currency swap agreements with more than 30 countries, including Japan and Russia, allowing the renminbi to be used for certain trades. Many cooperation projects between Brazil and China are already financed and settled in the Chinese currency and in the Brazilian real. In 2019, Russia and China signed an agreement to use ruble and renminbi financial instruments to cover 50 percent

of all their bilateral trade in the coming years. The implementation of the Belt and Road Initiative (BRI) and the financing role of the Asian Infrastructure Investment Bank help to internationalise the renminbi.

Many infrastructure projects with the Asian countries involved are already contracted in the Chinese currency. More surprising is the renminbi deal between China’s National Offshore Oil Company and France’s Total Energies on 65,000 tons of liquefied natural gas imported from the United Arab Emirates. The deal is being handled through the Shanghai Petroleum and Natural Gas Exchange; an exchange created to facilitate renminbi payments.

India likewise has been preparing its currency, the rupee, to play an important role in international markets for quite some time. According to Indian policy experts, “sanctions have created a new world of countries seeking to trade using their own currencies instead of the U.S. dollar.” They also claim that sanctions have harmed third countries, such as India, which are only guilty of having trade relations with those who, for a variety of reasons, have been subjected to sanctions. For example, Venezuela and Iran are rich in oil and have been India’s major crude suppliers in the past. Trade was effectively stopped because of U.S. sanctions. Myanmar has also been subjected to several sanctions, tightened after the latest military takeover. Indian trade has also paid the price. India argues that the Western sanctions policy will remain in place for a long time and that other countries may be targeted in the future. This fear is prompting policy makers to set up alternative payment systems. The goal is to create parallel systems that

can enable trade, rather than immediately “replace” the dollar.

The Indian reflection starts with energy. It states that the global energy scenario has changed over the past two decades. After the growing role of the Chinese renminbi, which has emerged as an alternative to the dollar, New Delhi wonders whether the rupee can be a third player with a petro-rupee. As is well known, India is the world’s third-largest consumer and second-largest importer of energy. Indians complain that the world oil and gas trade is conducted almost entirely in dollars on Western exchanges and with prices that do not represent real demand. India argues that the 2008 crisis challenged the dollar’s role as the single global currency and that its instability would double U.S. debt, prompting Washington to retreat from globalisation processes. It is noted that unilateral and geopolitically motivated sanctions have aroused strong resentment toward U.S. arbitrariness. Hence the move to internationalise the rupee through the creation of a hub for a new international oil and gas market, possibly linked to the Mumbai exchanges. In this way, the Indian government could bring its influence to bear on energy price formation.

The proposal of a new currency

From the standpoint of the already long experience of the use of national currencies and looking at the future perspectives for stronger institutional cooperation, discussions and proposals about a new BRICS currency are legitimate. I do not believe that such a common currency is a factual possibility in the near future, but the studies upon this are today urgently needed.

Russia has been at the forefront of this idea. In mid-March 2022 a meeting dedicated to the “New phase of monetary, financial and economic cooperation between the Eurasian Economic Union (EEU) and the People’s Republic of China” was held in Armenia, under the auspices of the Eurasian Economic Commission and of Renmin University of Beijing, to define the contours of a new international monetary and financial system, at least as regards the Eastern part of the world.

The EEU is the economic and commercial union in which Russia, Belarus, Kazakhstan, Kyrgyzstan and Armenia participate, with a GDP of approximately 1,700 billion dollars. It means to establish a close collaboration with the Belt and Road Initiative, the new Silk Road charted by China. Already in 2020, China had increased its trade turnover with the EEU by about 20%, while national currencies of the concerned states accounted for only 15% of total trade.

What was on the table at the conference was precisely the creation of a “new currency” based on a basket of currencies, among them the ruble and the yuan, also anchored to the value of some strategic raw materials, including gold.

To think that it is just a desperate reaction to the recent imposition of super sanctions on Russia would be a misleading assessment. Instead, it is a project that has been in the field for many, many years, both in Russia and in China.

The project was made public as early as October 2020 by Russian economist Sergey Glazyev, a member of the Council and minister in charge of Integration and Macroeconomics of the Eurasian Economic Commission. He had proposed creating new national payment instruments to set

aside the use of “third country currencies”, obviously meaning above all the dollar and the euro, in commercial and monetary transactions between members of the Eurasian Union and China.

Glazyev stated that the idea was the response “to the common challenges and risks associated with the global economic slowdown and the restrictive measures against EEU states and China”. The Russian economist argued that the financial and payment infrastructure was already in place and it was necessary to develop a system of incentives to encourage its use in trade and economic relations.

The minister of the Eurasian Economic Commission proposed: 1) to develop mechanisms to stabilise the exchange rates of the national currencies of the member countries, reducing bank commissions and interest on loans; 2) to create mechanisms to determine the prices of goods in national currencies within the framework of the agreements between the EU and the Belt and Road Initiative, subsequently also involving other countries, possibly those of the Shanghai Cooperation Organization (SCO) and those of the ASEAN.

Furthermore, in an interview on April 14, 2022, with *The Cradle*, the online journal of geopolitical analysis, Sergey Glazyev recalled that, together with economists from the Astana Economic Forum, a decade earlier he had proposed moving towards a new global economic system based on a new trade currency pegged to an index of the currencies of the participating countries.

It was then proposed to expand the underlying currency basket by adding some exchange-traded commodities. A monetary unit based on such a

large basket was mathematically modeled, demonstrating a high degree of resilience and stability.

In the first phase of the monetary transition, these countries would use their own national currencies and related clearing mechanisms, supported by bilateral currency swaps. Price formation would still be guided by prices determined on various exchanges and denominated in dollars.

This stage, according to Glazyev, was almost complete. After Russia’s reserves in dollars, euros, pounds and yen were “frozen,” the Russian economist said it would be unlikely that any sovereign country would continue to build up reserves in these currencies, instead it would seek to replace them with other national currencies and gold.

The second phase should include new pricing mechanisms that would no longer refer to the dollar. Pricing in national currencies would incur overhead costs, but it would still be more attractive than current pricing in “pegged” currencies, such as dollars, pounds, euros, and yen. The only remaining global currency candidate, the Yuan, would not take their place due to its inconvertibility and limited external access to China’s capital markets.

The third and final phase of the transition to the new economic order would involve the creation of a new digital payment currency.

As can be seen, according to Glazyev this new currency would be open to BRICS and other interested countries. In my opinion, this is an interesting idea but not a practical one. A preparatory middle step is needed, first in the form of a unit of account.

The example of the ECU

The European currency unit, ECU, indicates the unit of account established in March 1979 within the European Monetary System (EMS), whose structure was defined as a basket made up of specific amounts of each community currency, weighted according to the importance of national economies, in terms of gross domestic product and intra-community trade.

The ECU was not a circulating currency and did not replace the value of the currencies of European Economic Community (EEC) member countries. A unit of account is one of the functions of money. It is a measure, a standard numerical monetary unit of measurement of the market value of goods, services, and other transactions. Therefore, it is a necessary prerequisite in commercial agreements that involve debt.

Using a mechanism known as the “snake” the European Exchange Rate Mechanism (ERM) tried to minimise fluctuations between member state currencies. It attempted to create a single currency band, pegging the EEC currencies to one another, with the aim to achieve stable, fixed ratios over time, and prepare the ground for the European Single Currency to replace national currencies.

The ECU replaced the European Unit of Account (EUA) which was introduced in 1950 for the European Payment Union. Originally the EUA was defined with the same value of a US dollar. After the collapse of the Bretton Woods system, with the 1971 decoupling of the dollar from gold, the EUA was redefined as a basket of European currencies. In 1974 the EUA basket was designed to have the same value as the IMF Special Drawing Rights basket.

Since the 1980s, the ECU experienced a notable development in its private monetary and financial uses (issue of bonds, bank deposits and credits, travelers’ cheques, etc.) and particularly in the commercial sector as an invoicing and payment currency. With the adoption of the euro on 1 January 1999 by the European Economic and Monetary Union, the ECU ceased to exist. The conversion between ECU and euro was established on the basis of a ratio of 1 to 1.

The ERM and the ECU processes were undermined in 1992 by Margaret Thatcher’s announcement of her outright opposition to the European Economic and Monetary Union. The general economic instability in Europe paved the way for an impressive speculative attack against some currencies, like the British sterling and the Italian lira.

The speculative attack against the sterling became known as the “Black Wednesday” of September 16 1992. The same day the UK government was compelled to withdraw the sterling from the ERM. According to reports the UK spent over £ 6 billion trying to defend the value of the currency. In those days the big financial speculators moved in to kill the ERM. Press reported that George Soros, known as “the man who broke the Bank of England”, made a speculative profit of over £ 1 billion in few days. Later the UK Treasury estimated the cost of Black Wednesday at £3.14 billion. For other people the overall cost to the British economy was much, much higher.

In the same days of September, the Italian lira also became the target of massive international speculation. The entire process was more widely

analysed in Italy and was known as the “Britannia Story”. In fact, shortly before the crisis began, at the beginning of July, an informal meeting took place on Queen Elizabeth’s yacht Britannia off the harbor of Civitavecchia, near Rome, involving British and international financial interests and representatives of the companies in which the Italian state had a stake. The discussion was about the privatisation of these companies.

Italy had to face huge costs from the Bank of Italy’s attempts to defend the value of the lira from speculators. More devastating was the effect of the devaluation of the currency following waves of speculative attacks: the privatisation of the state-partly owned companies was carried out over time with a “discount” of about 30%!

The undermining of the ECU and of the ERM was the result of speculation and strong political opposition from dominating Anglo-American power centres. The timetable towards the single currency planned by the European States was upset. European leaders wanted a slower process to be able to combine the monetary union with other fiscal and political unitary decisions. To prevent the collapse of the process to build up the European Union, the monetary transition and the creation of the euro were accelerated. Now, Europe’s structural weaknesses are apparent, due the fact that the single currency and the European Central Bank are not supported by other, common political, economic, social and defence institutions, such as a single ministry of public finance.

The ECU experience could be a very important case study in the process of creating a BRICS unit of account. The technical aspects can be studied and improved. Eventually, some of the

European economists who worked with the ECU process can still be consulted.

According to me, the most important lesson to learn is the way ECU was attacked and undermined. I am sure the BRICS leaders are well aware of this danger. It is important, therefore, to prepare a number of strong defensive measures against speculative and other attacks. The BRICS Contingent Reserve Arrangement (CRA) has been conceived as a defense mechanism to face situations and threats as experienced in the 2008 global financial crisis. The latter originated in the US financial and banking sectors awash in debts and immersed in speculations, its devastating effects reverberated dramatically in the emerging economies. Along with the creation of a unit of account, the BRICS should modify and improve the CRA in order to be able to support it in case of need.

Another step in the same direction could be the creation of a strong gold reserve inside the New Development Bank as an alternative defence instrument in case some national currencies of BRICS members come under international speculative attack.

Conclusion

On the occasion of the 14th annual BRICS (Brazil, Russia, India, China, South Africa) Summit, dedicated to a “New era of global development”, organised in Beijing at the end of June 2022, Russian President Vladimir Putin announced that the member-countries are preparing to create an international reserve currency.

Speaking online at the BRICS Business Forum, he said: “Russia’s financial messaging system is open to connect with banks, thus projecting the

need for a BRICS member country reserve currency. The Russian MIR payment system is expanding its presence. We are exploring the possibility of creating an international reserve currency based on the BRICS basket of currencies.’

After the sanctions imposed by the West against Russia following the war in Ukraine, it is an almost inevitable move, expected by those who analyse political processes with a scientific and realistic approach, without ideological bias or prejudice.

Among the various sanction, in addition to the freeze of more than 300 billion dollars of monetary reserves of the Central Bank, Russian banks have been excluded from the SWIFT system of international payments. However, there are other global bilateral or multilateral settlement systems for cross-border financial services, such as the Chinese CIPS system. CIPS processed about 80 trillion yuan (\$11.91 trillion) in 2021, an increase of more than 75% year-on-year. According to SWIFT data, the yuan maintained its position as the fifth most active currency for global payments, with a share of 2.14% of the total.

In the context of the present growing global conflicts, it is legitimate from the side of BRICS countries to prepare an alternative separate monetary system, but I believe that inevitably the emergence of two counterpoised systems, a Western one and an Eastern-Southern one, would increase the danger of a direct confrontation.

On these matters, I share the evaluation of Villeroy de Galhau, already mentioned above. He

acknowledged that a fragmented financial system poses a serious danger. We must avoid moving from a dollar-dominated system to a conflictual non-system between the dollar world and, for example, the Chinese renminbi world. This would generate instability, with the risk of competitive currency devaluations. It could lead to the development of separate payment systems with limited interoperability and weaken the global financial safety net. In particular, he noted that to avoid the mistakes of the past, we would need to generate a collective momentum toward a stable, market-oriented multipolar financial system.

Indeed, on the basis of a stronger international position and the growing influence in the so-called global South, the BRICS should work to propose and organise a reform of the entire international monetary system based on a basket of currencies, involving also the dollar and the euro.

Unfortunately, in the context of the war in Ukraine, the European Union is behaving as a junior partner of NATO. Nonetheless, it should be remembered that the economic reality and the genuine interests of Europe demand a more autonomous and independent strategic and geopolitical orientation. In my opinion, it is of utmost importance that the BRICS group, which has proven to be realistic and responsible hitherto, work for alternative global monetary and financial reform in collaboration with those in Europe, and also in the USA, who are committed to a peaceful future based on global justice and cooperation.

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BRICS, Determined, on a Winding and Long Road towards a Multipolar World

Alex Wang*

The summit in South Africa (August 22-24) has unveiled the new BRICS development roadmap. Where is it going? How do the players themselves envision the future? Within what time frame? Following which paths? With which companions? With what strategy? In order to have a clearer view of this checkerboard, let's examine at ease, the path already traveled and the possible responses following that landmark gathering.

The emergence of the BRICS was inevitable, although the birth of its name is anecdotal. The grouping represents a fundamental move forward towards a more impartial and multipolar world through emancipation from the hegemonic system. Its growing strength and attraction are increasingly felt. This is why the eyes of the whole world were trained on the summit, which took place in South Africa on August 22-24. We believe that we should focus our attention more on the long-term action plan that is being traced, than on the summit itself, which is only a moment in the execution of the former.

Two objectives are of paramount importance in their action plan, namely the introduction of a currency shared between the BRICS countries and their expansion in terms of new members. A review

of progress made in this regard was done at the Summit.

The BRICS members have agreed to admit Saudi Arabia, Iran, Ethiopia, Egypt, Argentina and the United Arab Emirates in the group. Furthermore, the door is wide open, dozens more countries could join the bloc¹. This enlargement is a great step forward in the development of BRICS and also in the transformation of the world.

Birth and development

By grouping together under the acronym BRICS, the four countries which had the highest growth rate, namely Brazil, Russia, India and China and later South Africa, the Goldman Sachs bankers did perhaps not realize that they were giving an identity to a tectonic shift at world level in the economic and financial fields and even beyond.

This movement reflects a basic need in the development of the Eastern and Southern world countries: the search for and creation of a fairer and more balanced global system for the greatest number of countries. In 15 years of existence, this informal alliance has already managed to stand up and acquire more substance and legitimacy. It will revolutionise and restructure the world. During the

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last summit, the BRICS has substantiated and started on its new roadmap, in front of an assembly of more than 50 participating countries from all over the world.

Why does BRICS strive to create an alternative system to the one that was established at the end of WWII? It is true that this time-tested latter one provided a stable framework to the world at large for decades and that the World Bank and the IMF joined forces for global recovery after the massive destructions.² However, this system, under American control, is far from fair and balanced, regarding the countries of the global East and South. The aid is given subject to conditions that the changes imposed will be accomplished, without taking into account the reality of the country, and the sums awarded incur high social costs under the logic of the Structural Adjustment Program. It has created more problems than solutions, for example in the case of Asian countries after the financial crisis of 1997-98.

An alternative architecture is more than necessary because G7 cannot represent, and does not reflect the world in relation to political, economic, demographic and aspirational criteria.

The BRICS group represents more than 40% of the world's population and about 26% of the global economy and provides an alternative forum for countries that are outside the platforms dominated by traditional Western powers. Its influence and economic weight encourage more nations to join.

Encouraging results but some gaps remain to be filled

In terms of strategy, the BRICS follows a dual

axis: while seeking to reform as much as possible the existing system, in particular the World Bank and IMF, it carries out actions with a view to creating and operating a new financial system as well as strengthening the autonomy of national currencies and preparing to create a common currency.

Regarding the working method, a step-by-step philosophy is practiced within the group, especially for strategic projects.

In this real world, the BRICS does not sit back idly dreaming, nor does it get lost in empty talk. It strives to help the countries of the Global East and South in particular, concrete instances, where it is urgent and possible to intervene. Thus, the BRICS created: the BRICS bank, the New Development Bank (NDB), encouraged the use of local currencies and set up the Contingent Reserve Arrangement (CRA).

The NDB is a useful tool to help needy countries through the financing of projects at acceptable rates, such as the transition to electrical buses (Brazil), hydropower plants (Russia) and water supply (India), etc.

Encouraging the use of national currencies for transactions has the effect of reducing dependence on US dollars.

The BRICS Contingent Reserve Arrangement (CRA) created in 2015 is a framework to provide support through liquidity and precautionary instruments in response to actual or potential short-term balance of payments pressures. With the CRA, the BRICS comes to the aid of countries that face short-term payment difficulties.

With the goodwill and efforts of its members, the BRICS has gradually become an effective and operational cooperation platform. In addition to

these tangible benefits, the BRICS has given more voice to members and to the Global South, structuring a whole new geostrategic narrative and giving hope for the rise of a new world order.

At the same time, the BRICS should address some shortcomings if it wants to move faster and more solidly.

The BRICS does not exist as a formal organization yet, it is an annual summit between the supreme leaders of five nations. The presidency of the forum is rotated annually among the members. It is a cooperation platform. Circumstances play an important role. The members are in a fairly relaxed relationship. Despite their shared interest, they have divergent national interests determined by their respective geographies, histories, cultures and strategies. The articulation between these interests requires a lot of work and formalism.

The new objectives

Several programmes are to be launched or pursued with more strength and speed.

Extension process

Given the growing number of candidates who wish to adhere formally or informally (more than 40 according to South Africa³), it has become urgent to come to an agreement about the details of conditions and the process of accepting membership, both for official candidates and for observers, who should wait before joining BRICS. India is leaning towards a stricter vetting process, while China seems to be pushing for greater openness. The idea of the “BRICS +” put forward by Yaroslav Lissovlik deserves a new reading.⁴

Expanding the group too quickly should be

avoided before all have a clear idea of what they want. The experience of the European Union is an interesting case study in this regard.

There was convergence on the first batch of new members. Other applicants are to become partner-countries by the time of the next summit to be hosted by Russia. This addition also makes BRICS a forum for some of the world’s largest fossil fuel producers and exporters.

Creation of the BRICS currency

There is an ongoing discussion about the need for a common gold-based BRICS currency.

This new common currency would drastically reduce the dependence of current and future BRICS member-countries on USD, and provide autonomy, financial stability and protection against possible sanctions and turbulence linked to the cycles of the American economy. When agreed upon, it is bound to dynamite the existing hegemony and prepare the onset of the new global order.

For a subject of such importance and complexity, the process of convergence must be pursued among the BRICS countries, particularly between China and India, to further enable and develop the use of national currencies. In particular, regarding the internationalization of the Rupee, India chooses caution in the adoption of the initiative, since it fears that such a move might introduce unexpected complexities and uncertainties well-established business relations with its partners.⁵ Intense discussions were expected to take place during the Summit (see below). Vladimir Putin spoke extensively about the ‘irreversible’ process of dedollarisation during his address to the Summit and emphasised the growing reliance on domestic currencies for trade between

BRICS members and the diminishing role of the US currency,

Other issues on the agenda included discussions about geopolitics, trade and infrastructure development. Putin described Russia's efforts to develop both the Northern maritime route (along the Siberian coast) and the North-South Corridor between the Indian Ocean and the Baltic Sea.

Convergence and divergence between members

The BRICS members totally share a common interest in wanting to establish an alternative global order, different from the current one under US leadership. At the same time, they may have divergent analyses and positions on a number of issues, for example in the case of India and China.

These two very large countries are neighbours and share a very long common border. Although conflicts have taken place in the past, Beijing and Delhi have a common interest in securing autonomy and development for the Global South. This does not preclude them from having divergent positions on certain subjects, such as the extension of the BRICS and the creation of the BRICS currency.

India has taken note, as all the other BRICS members, that the countries of the West (the US, Europe, Japan, etc.) are in relative decline. At the same time, India also keeps in mind that these countries are still very powerful players, with huge resources in terms of capital, technology and market. It is vital for India to continue cooperating with them while increasing its economic interaction with China. It is not about aligning with anyone else; India decides according to its own interests.

India has a right to align with itself.⁶ This is completely understandable.

The creation of the BRICS currency is one topic of intense discussion between the two partners. China seems ready to give it a go, while India sees this prospect differently, as was clarified by S. Jaishankar, the Indian Minister of Foreign Affairs.⁷ Creating a currency is a long process which heavily impacts the economies of the countries concerned and which will shake up the world economy. Some precautions and preparation are just good common sense.

Once sufficient convergence is achieved between the leading BRICS members in the coming years, the idea of a kind of BRICS currency zone like the Euro Zone could be examined.

Are these the seeds of a separation? Absolutely not. These discussions are healthy within a structure of this scope and magnitude. As long as the areas of divergence do not exceed the points of convergence, this remains an internal matter, manageable within BRICS.

The danger of a hybrid war against the BRICS?

Not everyone wants to see the creation and development of a global alternative order embodied by the BRICS initiative. The latter is the target of hybrid warfare attempts aimed at slowing it down or even stopping it.⁸ Of course, it is useless to get flustered about predictable opposition from certain quarters but, at the same time, awareness and countermeasures may be required.

The Summit and prospects

The evolution towards a new world order is

not a sprint but a full-fledged marathon.⁹ The upcoming Summit was an opportunity for intense work between members at the highest level and helped refine the roadmap leading to a new stage in the development of the BRICS.

As many had predicted, there were no sensational and disruptive announcements, to live up to the expectations of the media about the introduction of the BRICS currency. Convergence is a slow and complex process. On the other hand, a step forward relative to expansion of membership was taken.

One thing is certain: the BRICS, as an

irresistible trend, will continue to develop, sweeping away all obstacles, despite its slowness and the turbulences that lie ahead, along the way. A new world is possible, although the road is long and winding.

On the other hand, the possibility of a dialogue between the BRICS and the G7 is not to be ruled out, either, in the medium and long term. One day perhaps, they might find a way to work together in an unprecedented multipolar structure, starting with the acceptance of one or two members of the G7 as observers at the BRICS summits, and later, allowing them to join in closer cooperation within the broader framework of the G20.

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Inflection Point for the BRICS?

Côme Carpentier*

“Permit me to issue and control the money of a nation, and I care not who makes its laws”

- Mayer Amschel Rothschild, 1790

What began as a 2001 prediction by Jim O’Neill from Goldman Sachs¹ and became a geoeconomic reality in 2009 when the four states listed by him held their first summit in Ekaterinburg, Russia has now reached a crucial stage of evolution. Will it remain a club of five very diverse and even sometimes diverging powers huddling together every now and then to devise cooperative ventures in development finance, science, and technology or will it expand to accommodate new members and project itself as a non-western G-10, 20 or 40, reminiscent of the Non-Aligned Movement of the seventies or of the Group of 77 of the same period?

Will it be able to hold on to the principle of unanimity in its decision-making or will it split into two or more camps under the pressure of strategic rivalries and economic disagreements? Could it even turn into an alternative or rival of sorts to the UN Security Council, still dominated by the winners of the Second World War who refuse to really make room for the new great powers?

There are differences in the strategy to be followed with regard to the two most important decisions now under consideration. While China and Russia seemed to favour the rapid admission of new members, India and Brazil made it known

that they wish to grant eligible candidates partner or observer status for the time being².

Likewise, while Moscow and Beijing have stated their intent to launch a new common reserve and trade currency for the Group in the short term, India has reservations about that project and prefers to grow bilateral or multilateral transactions between the respective national currencies, as is now happening between India, China, Russia, and the United Arab Emirates, mainly in the energy market (e.g. India is paid for its exports to the UAE in Dirhams which are used to settle India’s oil purchases from Russia and Russia, in turn, is paid in yuan for energy deliveries to China). Whether two systems can be used side by side (currency swaps and a common BRICS basket unit) remains to be seen. Major tests of the Organisation have been the Ukraine crisis that began in 2014 when the Western powers imposed several rigorous sanctions on Russia following the Maidan Putsch and Moscow’s annexation of Crimea and, from the February 2022 Russian ‘Special Operation’. The four other partners, while supporting a cessation of hostilities and a peaceful resolution, have kept a broadly neutral policy with regard to that enduring international confrontation although Beijing has tacitly supported Russia.

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Another challenge to the viability of the BRICS system was posed by the bloody clash between the Chinese and Indian armies on the disputed Galwan area of Ladakh around their Himalayan border in the summer of 2020. Yet, in spite of these systemic shocks and perhaps because of the very instability and unpredictability of the international situation, the partnership has survived by focusing on issues where cooperation between the members is mutually beneficial and steering clear of conflictual issues. It should be recalled that the almost seismic political transition of 2019 in Brazil between the Left-Wing government led by Lula de Silva and his hard-right opponent Jair Bolsonaro, known for his pro-US sympathies and his aversion to China and Communism did not negatively affect the BRICS. Even Bolsonaro recognised the benefits of BRICS membership. It should not be forgotten that a number of valuable academic, scientific and educational joint projects for cooperation have been launched and mostly successfully implemented between the BRICS members. The group indeed is not solely an economic and geopolitical assembly, it is also a cultural cooperation platform that helps citizens of its participant states to bypass hitherto hegemonic or at least preponderant universities, foundations, endowments and thinktanks.

Yet, the biggest challenge since its inception was faced at the latest summit of August 2023. The BRICS had to decide whether to add new members from a fast-growing roster of applicants that exceeds forty countries, of which nineteen have formally requested admission, including several important states such as Saudi Arabia, the United Arab Emirates, Indonesia, Egypt, Nigeria,

Ethiopia and Argentina. Even France's President Macron made an unexpected attempt for his nation to join the Organisation when he sought an invitation to the Johannesburg Summit. Although China appeared open to it, whereas India probably had no objection, Russia nipped the proposal in the bud by pointing out that France is a sponsoring party to the unilateral Western sanctions against Russia and other nations and is therefore ineligible according to the BRICS Charter.

Why is this rapidly rising worldwide interest in an organisation, which was initially dismissed by the Western powers as a rather toothless league of developing or declining states scattered around the globe and having little in common apart from holding grudges against the current neoliberal order? The response is clearly to be found in the systemic crisis of the said neoliberal financial and monetary order and in the need for a solution that the BRICS may offer. While the US³ and EU⁴ economies decline as a result of untenable neoliberal policies of financialisation and industrial downsizing, their Fiat currencies (the US Dollar and the Euro) are no longer trusted as safe havens for the reserve holdings of governments and corporations, particularly those of all the other nations and alternatives backed by tangible values such as gold, strategic minerals and fossil fuels are in urgent demand.

The quest for an alternative to the US greenback has been ongoing since the beginning of the 21st century at least but it was massively accelerated by the Ukraine crisis in 2014 when the Government of the United States resorted once again to its familiar policy of economic, judicial and financial sanctions against an allegedly rogue state.

However, that time the target is not another North Korea, Iraq, Syria or Iran but Russia, a nuclear superpower, controlling the largest landmass and owning the greatest reserves of natural assets on the planet. The weaponisation of the world's main reserve and trading currency by the US Government and its subordinates against an increasing number of nations, in violation of international law and of the UN charter, was seen as a clear and present threat to all other countries, even those that had good but essentially tributary relations with the self-appointed leader of the free world.

Another triggering factor was the endemic, out-of-control money-printing by the US Treasury/Federal Reserve that has grossly abused its 'exorbitant privilege' as an emitter of the global currency to flood its economy and all others with ever more virtual dollars, actually IOUs whose principal is not intended to be ever repaid. The engineered COVID-19 epidemic crisis provided a new 'force majeure' escape for the US to keep its ailing economy afloat by distributing free money to its banks, companies and citizens. However, The inevitably resulting inflation did not immediately occur because of the remaining but dwindling ability of the US to make the rest of the world absorb the rapidly expanding mass of Dollars which still account, together with the Euro, for 80% of all trade settlements and currency holdings.

Russia - and to some extent China, which has been designated as a systemic rival and strategic competitor by Washington - took the opportunity of the widespread alarm to promote a proposal for de-dollarisation based on the creation of a new, 'democratically managed' multinational 'basket'

reserve and trading currency, backed by gold and possibly by other hard assets, such as fossil fuels and strategic minerals, that could provide security and stability for business and protect the savings of all member states from the inevitable devaluation of the fiat currency and from the actually negative (with regard to inflation) interest rates offered by US Treasury bonds.

Some early steps in that direction were taken by the D-20 Long Term Investors Club, which held a conference in Modena, Italy in 2008 with the participation of economists and bankers, Savings and Loans and pension fund managers from several countries. The founders and participants floated proposals for a return to principles of sound investments into tangible, productive assets and companies, amounting to *de facto* partial 'de-financialisation' of the economy. In November 2012, another conference on the same theme was convened in Milan under the auspices of the 'Eurasian *Razvitie* (Development in Russian) Development Corridor Project', planned on behalf of the Russian Railways Corporation, and further discussions were held during successive annual sessions of the Astana World Economic Forum in Kazakhstan⁵.

Some of the ideas taken up at the Milan conferences were about in-depth reforms of the global trade regime and currency systems on the lines proposed by the late Nobel Economics Prize Laureate, Professor Maurice Allais (2009). The priority was to limit and reduce the influence of major private banks and MNCs that were seen to have taken over economic leadership from governments to impose a 'technocratic feudal system' to the benefit of a small, self-coopting

minority of plutocratic stakeholders. Real free trade was to be defined as fair trade and great attention was paid to the IMF study authored by Jaromir Benes and Michael Kumhof “The Chicago Plan Revisited”⁶ to slash private debt by 100 percent, while boosting growth and stabilizing prices.

There was also a proposal to evaluate the original Simons and Fisher’s 1936 Chicago Plan that advocated for national states to resume control of the creation of money and buy back private debt by issuing fiat currency as equity, not debt, while segregating the monetary and credit functions, in keeping with the Swiss ‘full money’ banking reform proposal. In the suggested new system, banks would be required to hold 100% reserves for loans (as proposed by Milton Friedman in 1967) and state-created credits would be invested in priority fundamental research and technological and industrial applications. It was noted that an earlier FMI-sponsored study of such a proposed reform had been predictively analysed according to the DSGE stochastic model and found feasible. It was indeed concluded that it would result in a major gain in welfare for societies implementing it.

Policies dovetailing with the proposal include the issuance of low or zero-interest public credit (special bonds, project- or industry-specific when suitable) to state-sponsored research bodies or in some cases to public-private partnerships on the basis of market evaluation and analysis of socio-environmental priorities and product/process commercial potential. Financial facilities can be provided, on the basis of such credit instruments, to attract innovating entrepreneurs.

The economic and financial roadmap advocated by the D20/LTIC and the *Razvitie*

planning team flagged the threat posed by private equity funds, defined as cartelised corporate predators ‘churning borrowed fiat money in the short term’ for their own profit while destabilising industry and the economy in the process.

The Modena initiative was one of the sources of inspiration for the Astana World Economic Forum of 2011, which promoted President Nazarbayev’s anti-crisis plan prepared by economist S N Nugerbekov. The proposal for a radical reform of the international financial system led in the following year to the creation of the G-Global, an informal advisory platform to the G-20 Summit in Guadalajara, Mexico. G-Global also drew inspiration from the 2009 Moscow West-East Economic Forum for its Think20 Report based on the submissions of the D-20 study group and supported by some eminent economists, including Nobel Economics Prize Laureate Robert Mundell.

This preparatory work paved the way for the BRICS hard asset-based common currency project and for the creation of new cooperative financial institutions, the New Development Bank (NDB), also known as the BRICS Bank, and the Asian Investment Bank (AIB) as well as a new Gold Exchange⁷ in Shanghai, that opened in 2017.

A major qualm of the emerging economies about the current financial system is shared by many in the leading capitalist countries as well. The aforementioned Nugerbekov report notes that 10 to 20% only of capital is invested in the production of material goods. {The other} 90% consist of virtual and derivative financial products used for short-term speculative transactions.’

The BRICS currency system is envisioned as a tool to correct that imbalance. An ingenious

interpretation of its likely mechanisms is provided by columnist Dmitry Orlov⁸ who describes it as a notional accounting unit created to rate the value of commercial transactions between currencies. An alternative method is to emit chits (short-term loans at zero interest) that can periodically be either cancelled out if the trade is balanced or renewed on identical terms. If trade imbalances cannot be corrected, gold may be provided by the debtor country in proportion to its trade volume with the other BRICS partners, only to compensate for the deficit in trade (and not to be lent or sold by the recipient) and priced in the earlier described notional accounting units.

The bad news for the American Dollar in this regime is that the participating states would have an imperative reason to sell their US Treasury holdings against gold in order to accumulate sufficient reserves of the latter. Other analysts suggest that other resources, such as gas, oil, and precious metals could also be used like bullion, if priced in the common currency chit units.

All those discussions are building up towards the decoupling that is now taking place, gradually but at high speed and not only in BRICS member states and in those that are applying to join them.

One of the most farsighted analysts of the global financial scene, Ankit Shah, has pointed out how, by replacing the old LIBOR interest-rate index, based on the estimations of London member institutions (‘*Each bank estimates what it would be charged were it to borrow from other banks*’), with the SOFR⁹, the United States is imposing its Treasury’s data as the sole standard, depriving non-American partners of a say in interest-rate setting decisions. The response from abroad

according to him will be the ‘indigenisation’ of lending rate regimes in different countries and economic blocs¹⁰. Thus, de-dollarisation is a predictable reaction to the increasingly autocratic management of the international economy by the US Federal Reserve and Treasury Department. Russia is in urgent need of it as it is not allowed to function normally under the current sanctions regime which is likely to be permanent, as is the case for many other such punitive measures slapped on other states several years ago. China foresees the time when it will come under similar pressures and wishes to prepare by developing a parallel, alternative system while other countries, in Asia, Africa, the Americas and even in Europe are aware of the coming currency crisis and financial-political earthquake which will make them all the victims of fateful economic decisions taken in the US and EU ruling circles. The quest for a way out is therefore an inevitable process, and only the manner and the timeframe in which it will be carried out remain topics of discussion. It will not be solely a result of the endeavour by certain ambitious rival powers to upstage and overthrow the United States from its hegemonic pedestal. Rather it is a consequence of the economic decline of the hegemon itself, no longer able to sustain the system it built when it took the place of the waning British Empire.

The spendthrift management of the American economy in the last decades and Washington’s ever more frequent use of sanctions and military aggression to keep challengers under control have eroded the trust it enjoyed in most parts of the world in the middle of the 20th century when the fear of communist revolution kept many

governments and societies under the US financial and military umbrella.

Monetary and financial regimes, like civilisations and empires, go through phases of growth, acme, and decline ending in their disappearance. The bell now tolls for the *fiat* Dollar system. The American government knows it and is predictably trying by diverse means to prevent the BRICS from going ahead with its projects for an alternative international trading currency. Accordingly, much disinformation circulated about this year's Johannesburg BRICS summit, aimed at convincing the world that the conclave was doomed to fail. The heads of the member governments were surreptitiously advised not to go, or to attend only virtually. South Africa was heavily pressured to comply with the arrest warrant opportunely issued by the International Criminal Court against the Russian President and, as a result, Russia was represented physically by the Foreign Minister. Rumors of dissension and mutual backstabbing within the group floated even in media that used to ignore previous such summits.

It is clear that the collective West is worried

about the ongoing actions and plans of this association that it does not dominate but, as the saying goes, the horses appear to have already bolted out of the stable.

Priorities for Pilot Projects:

- Suitable for and needed in the target area (Eurasian region).
- Wide use and preferably low cost with applications in many areas.
- Bringing about major savings in energy and other natural resources and externalities, with special regard to housing, heavy industry and transportation (e.g. new materials for rail, road, air and space vehicles).
- Advances and fosters education and research.
- Promotes interdisciplinary research integration.
- Sustainability at the interaction of Environment, Economy and Society.
- Should be conducive to widespread improvement of living conditions, ecologically nurturing or at least non-toxic.

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BHARAT (India) for BRICS – A Pathway to Liberate the World

Dedollarisation=Decolonisation=Deradicalisation=Demissionarisation

Ankit Shah*

The World is moving out of the Single Country Reserve Currency format after centuries. Be it a new reserve currency representing a basket of all participant national currencies or trade in national currencies, the Dedollarization process is confirmed. This marks the end of the ills which the single country reserve currency format brought in this world with a lopsided unipolar international trade passing for globalization.

The process of radicalisation of the Indian subcontinent and the Middle East began with the birth of the petrodollar. There were hardly any Arabic black burkhas in the Indian subcontinent before that. There was no single community domination of the property market on both sides of highways across Indian cities before the fiat dollar of 1971 and the petrodollar of 1973.

Following are the notable evils of the Single Country Reserve Currency format in the last 50 years –

A. Destruction of the correct Valuations of the physical assets, commodities and core sectors of manufacturing, farming, food processing, logistics, defense and precious metals.

B. Destruction of Self-employment and

Entrepreneurship model in all societies. Destruction of family as an institution by sponsoring waves of individualism, hyper consumerism, feminism and wokism across countries.

C. Funding of protest and terror finance across the world straight from the printers of the central banks in the West.

D. Funding of Sabotage and Religious conversion activities straight from the printers of the central banks in the West.

E. Luring of talent from other sectors to the Information technology sector, which was born out of the Fiat dollar of 1971, by attracting them to outsourcing projects and very high pay scales while making them do ‘digital coolie’ tasks.

F. Luring of talent to the West by offering them Fiat dollar- based high incomes.

G. Playing the Diplomacy of ‘Two-Bucket theory’ by telling every economically healthy nation that your neighbor is a rogue nation deserving to be sanctioned, which means you have to continue with the US dollar for trade by default. Arms and dollars go to one nation while sanctions are handed over to its supposedly rogue neighbor. *That explains Russia on the border of China, China on border of India, India on the border of*

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Pakistan, Saudi Arabia – Iran, Iran-Israel and EU-Russia and other such ‘two buckets’?

H. Almost none of the erstwhile English colonies have been able come out of the slave-churning degree-factories converting entire society into jobbers as part of the colonial agenda.

I. All countries which cannot print their own currencies to purchase energy became financial colonies of the US in every sense of the word. All central banks look at the Federal Reserve while framing monetary and fiscal policies to ensure physical goods are sent to the West against lower and lower payments in return for a currency backed by nothing (Fiat money).

J. While the West enjoyed distributing social benefits, income security, food stamps and whatnot by endless currency printing, the rest of the world has had to slog overtime to earn US dollars in order to buy any foreign commodities. The West simply printed the currency endlessly to consume far above its needs while floating paper assets in huge proportions in the market to take down the valuations of what the others export to them.

Instead of the physical asset valuing the derivative, the derivative paper assets are now setting the value of the real physical asset. With a large portion of the population turning to speculative trade and passively investing into others businesses, with the edge the dominating country's reserve currency, the goods producing nations have ended up with a pittance as payments for their work. The West enjoyed weekends off, multiple vacations through the year, distributed money cheaply to businesses, leading to enormous tech-innovation, weaponised those IPRs and kept buying up the immigrant brains.

The dollar-loans international bodies continue to impose direct and indirect policy decisions to the subject nations to ensure they remain in the doomed loop of poverty and continuous dependence.

K. The American lifestyle has been sponsored by the rest of the World since 1971 as Dollar-inflation was passed on to the rest of the World by transactions referenced in US currency.

L. Sponsoring Start-ups and particularly e-commerce, directly funded by the central banks of the West at the lowest rates of interest to underlime entrepreneurship, offline trade by small and medium enterprises in all countries by selling products online much below the cost of the products. Not surprisingly, most of these online giant distributors have never been profitable.

The intent and pace of Dedollarization is speeding up with the topmost energy producing and energy consuming countries becoming BRICS members. The BRICS will expand with effect from January, 2024 with the addition of othe UAE, Saudi Arabia, Ethiopia, Argentina, Egypt and Iran across the continents. In all probability, the ‘two opposite bucket’ countries worldwide which have clashed and thereby kept the reserve currency status alive till now, are now joining hands. The ‘cats’ may still keep fighting each other, but they have agreed to first eliminate the monkey (US dollar) as their in-between.

The formation and trajectory of BRICS+ & the Global South needs to be on the following two common themes –

1. Agreement to disagree -

This is to say no country will poke its nose into others’ internal affairs, no country will be bossing

others, no country will have sanctioning privilege, no country will have to face any kind of political compulsions, no country will give any kind of lectures on human rights, no country can seize assets or curb multilateral participation of others and any country can freely exit the format, if they choose to.

2. Agreement to Decolonise from the imposed Western templates of governance -

This is to say many of the BRICS nations will now revisit their understanding of history, scientific discoveries, performance indicators, indexes and ranking criteria from finance to trade to health to education to languages and all walks of life. The ‘natives’ will resurrect from the colonial conformism imposed through centuries of western domination.

The core theme & strength of BRICS of non-commonality is currently being portrayed by many experts as the reason for the futility of such a grouping. Only time will tell, if such truly democratic grouping can produce outcomes or not, compared to the contemporary unidirectional, standardised associations promoted and inspired by Western models. My view is that BRICS was formed exactly in order to escape from Western standardisation. Many of the ‘developing’ economies suffer from internal chaos and reduced valuations of their productivity because of dollarisation, invoicing and referencing their international trade in dollars.

What did Bharat offer to BRICS in the South Africa Summit 2023?

Prime Minister Narendra Modi made the most of Bharat’s stature by timing the Moon landing of Chandrayaan-3 to coincide with the BRICS

Summit. The success of insertion on 5th August, 2023 was complimented by this.

After Subhashchandra Bose, Prime Minister Narendra Modi is perhaps the first Indian leader exercising full sovereignty in governance and decision making, internal as well as external. Many earlier Prime Ministers faced external compulsions when making decisions for various reasons including coalition politics. At the Africa Summit of BRICS – 2023, he offered the following objectives for the BRICS grouping.

1. Unified payments interface
2. BRICS Space Exploration Consortium
3. To make BRICS future-ready, Bharatiya platforms like - DIKSHA, ATAL labs, BHASHINI, COWIN & India Stack
4. Skill-mapping of BRICS nations’ capacities
5. Repository of BRICS traditional medicine knowledge
6. Cooperation in protecting of Big Cats in the BRICS nations

Following are the Dedollarization updates from the Johannesburg Declaration of the XV BRICS Summit - 2023

1. We task our Finance Ministers and/or Central Bank Governors, as appropriate, to consider the issue of local currencies, payment instruments and platforms and report back to us by the next Summit.
2. We stress the importance of encouraging the use of local currencies in international trade and financial transactions between BRICS as well as their trading partners. We also encourage strengthening correspondent banking networks between the BRICS countries and enabling settlements in the local currencies.

3. We call for the need to make progress towards the achievement of a fair and market-oriented agricultural trading system.

4. We agree to strengthen exchanges and cooperation in trade in services as established in the BRICS Framework for Cooperation on Trade in Services.

5. We agree to enhance dialogue and cooperation on intellectual property rights through the BRICS IPR cooperation mechanism (IPRCM).

6. We look forward to the report by the BRICS Payment Task Force (BPTF) on the mapping of the various elements of the G20 Roadmap on Cross-border Payments in BRICS countries.

7. We have also tasked our Foreign Ministers to further develop the BRICS partner country model and a list of prospective partner countries and report by the next Summit.

8. The African Continental Free Trade Agreement (AfCFTA) and BRICS cooperation present opportunities for the continent to transition away from its historic role as a commodity exporter towards higher productivity value addition.

The above pointers make it very clear that the new applications and memberships are going to substantially increase next year. The oversubscription of South African bonds issued by the New Development Bank on 15th August, 2023, the forthcoming issue of Indian Rupee bond in October and the designation of a technical committee to discuss the feasibility of a common currency, all point at replacing the US treasury in its global regulatory role as well as raising loans in local currencies. In the coming months, we could see a massive dumping of US treasury by several nations including China and Japan.

No countries need to join BRICS for doing trade in national currencies like Yuan, Rupee or Ruble; so why are countries applying for membership if a common format is not in the plan?

Large nations like China, Russia and India do not need assistance for dedollarising their bilateral trade, but smaller nations need an established framework to shift their trade out of US dollars as in kind of blanket security. They have seen the fate of leaders like Saddam Hussain and Gaddafi after they went solo in their Dedollarisation endeavours.

The Rupee has some of a reserve currency features, but does not carry enough trade to become a trading currency. The Yuan has many trading currency features, but does not have the trust and transparency factor to become a Reserve currency). The Ruble has none of two, neither trading nor Reserve currency features, but has massive natural resources to be pegged to for valuations. *It is very clear that none of the three – Russia, India and China can bring about a unipolar Reserve currency. All the three nations must compromise to arrive at a multipolar BRICS format of trade.*

While the invoicing and payments can be easily transitioned outside the US Dollar or Euro currency, the referencing for putting a price tag for the valuation of products or services is the difficult part. One of the easiest ways to do so could be making Gold the reference point for valuations to move trade. For example, a particular weight of Gold value can be fixed for say, one barrel of crude oil. Gradually the price resetting can be done for each of the commodities and production traded among nations. This will require

revamping the commodities and stock exchanges and banking systems as well. The GIFT city of Gujarat which hosts the New Development Bank regional office for BRICS can be offered as a mini-World Bank, a nodal agency handling the transactions. Each country can maintain its national currencies for internal trade and shift its foreign trade to BRICS digital tokens issued by the New Development Bank. The issue of BRICS digital tokens can be based on a net gap adjustment of international trade for each member country, with periodic settlements on Gold value terms. There will be a need for a new trans-national, secured Payments system to operationalise and carry out these transactions.

Bharat's immediate Sphere of Influence -

Under the BRICS Partner-Country model, Bharat should cover memberships of the Greater Indian subcontinent to include Bhutan, Nepal, Sri Lanka, Maldives, Myanmar and Bangladesh. The regional trade of Bharat can grow under the BRICS format in the regional neighbourhood. This is

necessary to keep out the imposition of political conditions and external interferences mandated indirectly by the debt-issuing international bodies such as the IMF and the World Bank.

What else can Bharat offer to BRICS?

- *Skills-based Curriculum sharing*
- *BRICS Media*
- *BRICS Defence Capex Sharing as Net Security Provider across the greater Indian Subcontinent*
- *Mandir Ecosystem for establishing a Sanatan Economics Model (Sustainable Economics) with seamless connectivity, possibly from Ayodhya as a central node across the greater Indian Subcontinent*

When information outlets are non-nationalist and the historical curriculum is not based on Shaashtra (spiritual knowledge) principles, a country needs shashtra (military weapons) for internal security.

Shaashtra is for Internal security & Shashtra is for External security. Bharat has the potential to offer both.



BRICS: Expansion and Currencies

Roman Babushkin*

From the very beginning, BRICS was one of the top priorities for the Russian foreign policy. The Association embodies the vision Russia believes in – BRICS promotes just and equal relationship and multifaceted mutually beneficial cooperation based on legitimate national interests, international law and the UN Charter. In BRICS, there is no place for a dictate, domination, unilateral and confrontational approaches, sanctions, weaponization of economy and currencies, as well as interference in domestic affairs.

Even in the current geopolitical turbulence, BRICS is not aimed against anyone. It even does not confront the current international economic and financial institutions, rather it is designed to supplement them. In fact, it offers alternative instruments, which are supposed to be safe from politicized Western architecture, including in the context of the de-dollarization trend.

In this sense, one of the most important achievements of BRICS is the New Development Bank as well as Contingent Currency Arrangement, which were launched in 2014. To date, the NDB's loan portfolio includes 90 projects amounting to more than USD 30 bn. In order to diversify and expand its potential for the benefit of

member-economies, it is going to increase the share of non-sovereign projects and to promote cooperation network with other multilateral and national development and commercial banks. We also welcome the NDB's new shareholders Bangladesh, UAE, Egypt and Uruguay and expect more countries to come in.

The BRICS members have been taking consistent steps to switch to settlements in national currencies for quite some time now and working out new payment mechanisms. Against this backdrop, the proposal of the Brazilian President Lula de Silva to think about the creation of a single BRICS currency sounded relevant. At the last year's summit, the President of Russia Vladimir Putin spoke about an international reserve currency based on the currency basket of the BRICS countries. These ideas demonstrate new tendencies, however it's clear that a lot of aspects around that require in-depth study. For instance, the creation of a single currency suggests the establishment of a single emission center and regulator as well as the synchronization of macroeconomic and monetary policy. On the other hand, a BRICS payment instrument based on the currency basket would help to carry out mutual

**Mr. Roman Babushkin is the Minister-Counsellor, DCM, Embassy of the Russian Federation in India. Note: This is the transcript of the Speech delivered by Mr. Roman Babushkin, Minister-Counsellor, DCM, Embassy of the Russian Federation in India, at the Roundtable discussion on "BRICS Expansion and Currencies" organised by India Foundation on 11 August 2023.*

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settlements without any reliance on the US dollar. In any case, the issues of building an effective independent settlement and payment infrastructure are among the priorities of BRICS in the financial track. Consultations on that are going on.

Traditionally, the BRICS agenda closely corresponds to the G20 priorities, including the need to consolidate the efforts and interests of emerging economies and empower the countries of the Global South. Hence, BRICS is a natural source of support of the current Indian Presidency in the G20. The growing potential of BRICS combined with our likeminded vision for sustainable and predictable multipolarity is by itself a solid reason for us to move ahead towards real democratization of the global governance. That is why it has always been important to maintain relevant coordination. Russia would favour to resume the pre-pandemic practice of regular meetings of BRICS leaders on the sidelines of the G20 Summits.

BRICS exemplifies a new formation, which can be called a flexible integration based on consensus and being truly comprehensive. More than 70 formats of practical cooperation are structured in the three pillars – policy and security, economy and finance as well as humanitarian ties. All that makes this Association even stronger than any agreement-based supranational Alliance or a bloc. That means that we eagerly cooperate on those issues, which we have voluntarily agreed upon.

The Big Five partnership includes such critically important areas like counterterrorism, anti-corruption, healthcare, digitalization, science and technology, innovations, energy efficiency, food security, supply chains, customs, e-commerce and

even space with the Remote Satellite Constellation Agreement is being implemented since 2022.

BRICS is capable to timely respond to the needs of member-states. During the COVID-19 pandemic, the NDB launched the USD 10 bn support programme to help the nations to overcome relevant social and economic consequences.

All the above aspects make BRICS very attractive for other countries, which do share the same values and principles and want to be part of equal and mutually beneficial cooperation. And it's a high time to respond to such desire of at least more than 20 aspirants. The South African presidency's endeavors in this regard deserve high appreciation. With over one third of the world's GDP, a total population of around 3 billion people and a strong desire of other states to join its activities, it is safe to say that BRICS becomes an integral element of an evolving multipolar paradigm, and it is our collective responsibility to effectively address its potential. There is a big hope and expectations from the coming Summit in Johannesburg, which will bring together more than 60 countries with a view to consolidate the global majority in solving common development issues, overcoming acute trade and economic imbalances and multiplying the areas of cooperation.

Russia as the next BRICS chair wholeheartedly supports the priorities set up by the South African presidency focusing on the extension of engagements with Africa, and wishes the Summit to be a historic success reflecting the traditional spirit of mutual respect, equality, solidarity, pragmatism and friendship.



INTERVIEW

BRICS: An Interview with H.E. Mr. Kenneth H. da Nobrega*, Ambassador of Brazil to India

Shristi Pukhrem*



Shristi Pukhrem: It is indeed a very interesting time for India and as India is about to host the G-20 Summit but India also recently participated in the BRICS summit. So, what are the main takeaway for the Brazilian government from the recently concluded BRICS Summit 2023 in Johannesburg?

Amb. Kenneth H. da Nobrega: The main takeaway is undoubtedly the expansion of the group. We are quite satisfied with the inclusion of important partners of Brazil in the group, and the mere fact that approximately 30 countries are interested in joining the group speaks in and of itself, and perhaps it sends some messages to the world

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at large. First, I think an urge to concretise inclusiveness and multipolarity in the world. I think also an interest for new spaces of discussion and new spaces for consensus building and so on. And of course, it also signals those multilateral institutions of governance are not delivering, perhaps what they should deliver peace and security, inclusiveness, concrete actions in facing the global challenges of the majority of humanity, meaning food security, access to energy, fighting poverty and also fighting climate change in the sense of not only mitigation of climate change, but also adaptation to climate change. So, I think this very solid interest in becoming a member of BRICS conveys a very strong message to the world.

Shristi Pukhrem: How does Brazil see and analyse the official declaration and the concrete decisions that has been made at the BRICS 2023 Summit?

Amb. Kenneth H. da Nobrega: We are quite satisfied. When the debate was going on in Brazil regarding the siding with the countries within BRICS who wanted to push for an expansion, other countries were not so convinced, President Lula was one of the first to say that the expansion is a good thing and BRICS does not exist to compete. BRICS is there for inclusion not competition.

Shristi Pukhrem: Brazil takes over as the G-20 chairmanship next year. Brazil wishes to increase the Latin Americas role in BRICS, and with the recent expansion of membership, we saw that Argentina's inclusion is the first step in that direction. So how does Brazil see the inclusion of new members in BRICS, and what effects could

this expansion according to you have on the global economic order overtime?

Amb. Kenneth H. da Nobrega: There was a previous discussion among members of BRICS regarding the criteria for meeting new partners and for Brazil geographical diversity was one of the main criteria that should be taken into account. So, for us it's more than natural that Argentina becomes a member of BRICS. It's one of our main partners, is a South American country, is a member of G-20, but also when we speak of geographical diversity, we also favoured including countries from the Middle East, from Africa, from Asia. So, we are quite satisfied with the results and of course an expanded BRICS is a group with more economic clout. It represents a large part of the world and of humanity, and it has spread geographically. So, all these factors sum up to having a more influential group.

Shristi Pukhrem: So, does Brazil see the MERCOSUR bloc getting institutionally connected with BRICS. Will it be a natural process that MERCOSUR and BRICS will be naturally connected now that its two largest members, Brazil and Argentina, both are in the BRICS?

Amb. Kenneth H. da Nobrega: Well, MERCOSUR is a formal international organization. BRICS, is a well-established coordination group of countries which are like minded in more than one aspect. So, I do not see how these countries could establish formal relations, institutional relations, but we cannot discard in the future. For example, the establishment of a permanent dialogue mechanism between MERCOSUR and BRICS,

not a formal one because these are two different groupings with different agenda.

Shristi Pukhrem: What do you think are the main factors driving interest in BRICS, especially across the Global South?

Amb. Kenneth H. da Nobrega: The factors that are widely spoken and which has attracted so many countries are inclusiveness and multipolarity. The Global South is conveying a message that it needs to be included more in the big clubs with the big countries. So, in BRICS, you will find, and I can say that because I was a former sous-sherpa of BRICS, you find an atmosphere, a dynamism where you can really interact and put forward your priorities and then there is a very solid and consolidated spirit of trying to build consensus. Sometimes the consensus is very complex to build, but the spirit of wanting to reach consensus is an important political dimension of the inside dynamics of BRICS.

Shristi Pukhrem: So, when we are talking about Global South, do you see a contestation occurring in the near future between Global South and Global North?

Amb. Kenneth H. da Nobrega: From the Brazilian point of view, President Lula has made that very crystal clear is that BRICS is there for inclusion, not for competing with G-7 for example. BRICS for us it's not anti-West. We don't think that G-7 is anti-South. It's not in the spirit of our diplomacy, never has been.

Shristi Pukhrem: How will the BRICS financial institutions help further in mobilizing

resources for infrastructure and sustainable development projects, mainly in emerging markets and in developing countries?

Amb. Kenneth H. da Nobrega: The new BRICS bank or the New Development Bank (NDB), is part of the family of multilateral banks or multilateral institutions. So, it aims at joining forces with other multilateral institutions in order to provide more financing, more financial products, diversified financial products for the developing countries, and we know that this is complex because after the pandemic, after quite an uneven recovery, unbalanced recovery of economies throughout the world after the pandemic. To develop financial products which can preserve the financial solidity of the multilateral banks and at the same time take into account the needs of countries who need financing but have some challenges regarding balancing budget, regarding implementing social policies against hunger, against poverty. So, what I can say about it is, first NDB wants to join forces with other multilateral banks. Second, it wants to really listen to the Global South. BRICS is a locus where you can mainstream this discussion and on the basis of this discussion, we can develop good financial products as per the needs of the developing world. And also, financing is a very important pillar of promoting development. Another important pillar is trade and in the declaration on the occasion of the Johannesburg summit, BRICS has shown concerns with neo-protectionism, which has been introduced on the basis of environmental concerns. Of course, we are not saying that the environmental concerns are not legitimate concerns. The point is how this is

going to be implemented, because I would doubt whether when you introduce new barriers and regulations to trade on the basis of environmental concerns, when you do that you have to bring into the discussions also the pillars of climate change law, meaning common and differentiated, the principle of common and differentiated responsibilities, because if you put a barrier against an export of a small country who has historically contributed zero to climate change, but has an industry which has kind of heavier carbon footprint. This country will not be able to export to important markets in the world. So, trade as a channel to induce growth and produce development which is so important for developing countries can be blocked by this kind of neo-protectionism. So, I am not saying that environmental concerns are not important. But let's do this really with care and understanding that what you are causing or what are the consequences to the Global South when you introduce this kind of barrier.

Shristi Pukhrem: How would Brazil define the role, scope, and potential of the new 11 member BRICS? And we see that there are more than 20 more candidates who are interested to join this grouping.

Amb. Kenneth H. da Nobrega: Diversity is part of the Brazilian DNA, and we favour diversity. The idea that the BRICS is becoming more diverse means that more ideas, more concerns are becoming part of our internal discussion. And also, we can claim more legitimacy in terms of the consensus we will build within this enlarged group. We are not saying that BRICS

will be an alternative to the reform of the multilateral international government institutions. We are not saying that it's an alternative. I think it's a group which can contribute in the spirit of building blocks.

Shristi Pukhrem: With the new 11-member grouping, do you see BRICS as a non-aligned movement or a block capable for providing a better balance in the G-20 and the UN Security Council, and maybe pushing for the reform of the UNSC?

Amb. Kenneth H. da Nobrega: I am a bit cautious when it comes to establishing these historical analogies. We should try to understand facts and situations which happened in different period of times. Submitting these facts to a same paradigm of thought, can limit our capacity of analysis in the sense of seeing unprecedented things happening. I would say that of course the non-aligned movement was created in a moment of big global challenges and BRICS was created as a response to the need of making more countries heard, having their concerns heard in the multilateral fora and as a groups which tried to chart new courses, offering different alternative solutions to global challenges. So, we could perhaps envisage some points of contact between the two initiatives. But I would be cautious in drawing conclusions based on an analogy.

Shristi Pukhrem: How do you see India and Brazil bilateral relations in the global multilateral order?

Amb. Kenneth H. da Nobrega: Our bilateral relations are 76 years old, started in 1947.

Throughout these 7 decades we coordinated consistently, in a very consistent and continuous way in all multilateral forum. I think that all Brazilian diplomats who have been active in the last 40 years in multilateral fora, having engaged in coordination with their Indian colleagues which has built trust and confidence between Brazilian and Indian diplomacy. Both countries are of sheer size together –GDP, population, biodiversity, importance in the climate change debates on negotiations throughout the world. We are the two largest democracies in the Global South. With all these assets we can be mainstays in debating multilateral fora and in many groups in the G-20, within BRICS, within IBSA and G-4 and so on, we can really make a contribution and claim that we are legitimate players because we represent a sizeable part of

humanity, and also because India has been traditionally very vocal in multilateral fora in defending and presenting the claims and the plight of the developing world. So, I think that we can make a difference together.

Shristi Pukhrem: India is hosting G-20 in next few days and the next chairmanship of G-20 is with Brazil. So, what are the key expectations or what will be the key takeaways from this summit as we pass on the chairmanship to Brazil next year?

Amb. Kenneth H. da Nobrega: One important takeaway is continuity and I think we will see continuity in the way we see inclusiveness, multipolarity and also mainstreaming the concerns and the challenges faced by the Global South, because, after all, it's the majority of humanity that lives in the Global South.



Spiritual Ethics, Environmental Crises and Remedial Measures

S.R. Bhatt*

Introduction

Philosophy, of which ethics is a significant ingredient, is a systematic reflection upon lived experiences, both present and past, in order to be benefited by the same for realization of quality of worldly life and ultimately the *summum bonum* of life. So, philosophy begins with philosophy of life, lived and to be lived in this cosmos. It is a quest for the ideals of life along with an endeavor to realize the same. It has an essential practical orientation. But this activity is to be undertaken keeping in view the entire wide and variegated Reality. By its very nature it cannot be a piecemeal and compartmentalized thinking even though there can be selective focus on some aspects with some specific objective. The complex Reality can only be understood by integrating multiple, even seemingly contradictory experiences. It has to be a holistic reflection from varied perspectives and multiple approaches. It has to be done with the objective of being benefited by it in shaping the cosmic and human existence for universal well-being. Naturally therefore the individual human existence, human society, natural environment, scientific and technological enterprises, and social, economic and political organizations become crucial points in a purposeful deliberation. Consideration of deeper issues concerning these areas provides it practical

orientation in the context of human life planning, social engineering, science policy and environmental stewardship.

The present paper is an exercise in a very problematic but highly significant enigma of human life concerning freedom and responsibility and concerning the environmental disruption and pollution and consequent ill effects experienced in our concrete day to day living all over the globe due to misuse of freedom and lack of responsibility. It is enigma in the sense that we are aware of the prevailing disastrous situation and its destructive consequences and yet we do not make serious and sincere efforts to get rid of it. We do raise environmental concerns at different forums but we do not cultivate environmental consciousness which was inculcated in us by our ancient seers. If we are sincere in this endeavour we may derive helpful guidance and redemption from the deep insights and enlightening visions of Indian seers and sages.

Human being as highest emergent

Human being in the worldly existence is the highest emergent in the cosmic process so far. Shaped by genetic endowment, ecological interaction and cultural transformation human existence is multi relational, multi-dimensional and multi-layered. It has individual, social and cosmic aspects in a holistic and organic

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framework. It is intimately related with Nature, with other human beings and non-human species. Human identity, therefore, cannot be determined by any one of these facets alone in isolation with others; it is constituted by the totality and intricate unity of all of them.

Human being as rational, free and responsible agent

Human being, ideally speaking, is ratiocinative, goal-oriented, free and responsible agent. He/She is a knower, responsible agent and enjoyer through innate competence and overt performance. As a self-conscious and reflective person, he/She has the capacity to understand one's own self as also others. The term used in Indian culture for such a human being is *puruṣa*. And his/her planned, purposive and methodical action is termed as *puruārtha*. As ratiocinative knower human being is endowed with the capacity to know, to discriminate and to form judgment. He/She has freedom of will and can make a choice. He/She is also a responsible agent and has to be accountable for his/her actions. The free will is regulated will. All his/her willful actions should therefore be in the form of *puruārtha*. He/She has to perform actions with full knowledge, freedom and responsibility. They should be in the form of “*artha*” (conducive and leading to well-being) and not “*anartha*” (detrimental and harmful). Activity is the law of life and every human being must act as *puruṣa* for survival, sustenance and for enhancement of quality of life. So, there is inclusive alternation between freedom and determinism, free choice and circumstantial limitations. Rationality as discriminative ability

implies freedom to choose but being guided by certain norms. It also implies responsibility for the consequences so generated by one's actions.

Human being responsible for environmental pollution

Unfortunately, under the influence of ignorance human mind is prone to perversion and susceptible to wrong-doing and evil. The perversity-prone human mind more often than not indulges in law-violation rather than law-abidance in this lawful cosmos. This leads to ecological and environmental disruption and pollutions at the physical, mental and intellectual levels. The pollution is not just physical in earth, water, air, fire and space. It is all-round at the individual level, at the family level, at the community level, at the social organizational level and at the cosmic level. Sometimes this is caused out of ignorance, sometimes by selfishness, sometimes by force of circumstances but more often by weakness of will or perverse habit of mind. It is not unnatural as its seeds are potentially present in human mind because of the past karmas start fructification before one becomes aware of it or makes an attempt to get rid of it. This is one of the facets of the operation of the law of karma. This law has attributive, retributive and distributive facets which need to be understood properly. But it is very difficult to understand this operation and go beyond its labyrinth.

Significance of health and hygiene

Environmental disruption and pollution, imbalance and degradation, are anti-thesis of health and hygiene. Recognition of value of

internal and external health and hygiene, both individual and social, is a hall mark of civilized society. Health and hygiene are essential for socio-economic as also for total development. It is a truism to say that only in a healthy body healthy mind resides and when there is psycho-physical health there is spiritual solace. For this apart from cleanliness of body and external surroundings, purity of eatables and drinkables leading to purity of mind is also necessary along with considerations of quality, quantity and modality of their intake. Health is primarily an individual value (though figuratively we do call health of the society or nation) whereas hygiene is both individual and social. Maintenance of both is human responsibility for which purity of thought and conduct are essential prerequisites.

Genesis of the problem

The genesis of all worldly problems is anthropocentric individualistic attitude of humans. He/She thinks that the cosmos is for his/her purpose and he/she is the master of all and everything exists for his/ her sake. He/She is the measure of all and center of the cosmos. This ignorance breeds greed and selfishness. It is this aberration in thought and practice which is responsible for absence of symbiotic life style in a holistic globe. It is this which generates all conflicts, tensions and disorder. As stated earlier, the problem pervades all levels of existence, individual, social and global. It has become deep rooted. We may wish to overcome it yet we do not have the required will and the concerted efforts at all levels. We may only hope that saner sense will prevail upon humanity.

Need for ethics and morality

Since all pollution and perversion is human making there is need to regulate human conduct. There is moral degeneration everywhere. The discipline of ethics is primarily concerned with postulation of norms for good human life and regulation of human conduct in accordance with these norms. On the presumption that human being is a *purusa* ethical considerations, ethical theorizing and ethical judgments are undertaken. As stated earlier, rationality as discriminative ability implies freedom to choose but being guided by certain norms. The determination and choice of alternatives requires norm-prescription but human freedom also implies a scope for both norm-adherence and norm-violation. Values to be pursued and disvalues to be shunned are both equally central to moral considerations. Body, senses, breath and mind are governed by the subtle vibrations. The mind, in turn, leads and shapes the entire cosmic process. If we have *kuśala citta* (righteous mind shaped by *right knowledge*) we perform good deeds and virtues spread. But if we have *akuśala citta* (vicious mind) we indulge in bad deeds and vices spread. Delusion produces infatuation and dereliction which in turn give rise to passions like greed, hatred and all other vices. Moral degeneration results in pollution within and without. The point to be noted is that no event and no phenomenon, good or bad, is self-existent or eternal. The implication to be derived is that all ecological pollutions have a causal origin and all these are caused by human mind and resulting harmful actions. Their annihilation also is to be caused by human mind only. As a most evolved species in the cosmic evolution human has

acquired the capacity to preserve Nature or harm Nature. Since we have caused the evils and consequent undesirable suffering, it is our responsibility to eliminate them. This is what can be termed as 'Universal Responsibility'. We carry a universal responsibility not to create ecological imbalance and to rectify whatever imbalance we have caused because of our folly. As stated earlier our entire actions stem from our consciousness. If we have pure consciousness (*kuśala citta*) our actions will be good and conducive to well-being. If we have impure consciousness our actions will certainly be bad and they will lead to all miseries and sufferings. Through our actions we help or harm others and ourselves. All our thoughts, words and deeds are results of our past actions and shape our experiences of the present and the future. What we shall be depends on what we are at present and how we behave in the present. We have therefore to cultivate right attitude towards life and Reality. We have only to cater to our needs and not to feed our greed. We have become too much selfish, consumerists and exploitative. We have ceased to respect our authentic existence and also the authentic existence of others. Indian culture advocates a balanced view of life. Mere material prosperity with the development of science and technology or mere moral and spiritual preaching cannot mitigate worldly sufferings. For a meaningful solution a symbiosis of the two is needed. Eradication of egocentricity and cultivation of existential openness and universal sameness based on the principles of interdependent existence and interconnectedness of all phenomena enunciated in the Indian tradition are remarkable and the most distinguishing features of Indian ethics that have

great relevance and significance in contemporary times and in the new millennium to bring about universal peace, harmony, prosperity and well-being.

Cosmo-centric Global Eco-ethics

From the doctrine of interdependent existence of all phenomena it follows that Indian approach to Reality and hence to ecology is holistic and integral. It does not entertain at the empirical level dichotomy of human-Nature or Nature-culture or body-mind or heredity-environment or theory-praxis or thought-action. A holistic approach accommodates differences which may appear to be opposites. Here there is no exclusive 'either-or' but inclusive 'either-or'. There are no rigid structures, no globalized one-size-fits all approach.

Leading an ecologically responsible life is possible by synchronizing five environments surrounding an individual-family, community, society, nation and cosmos. The guiding principles for this are rightness and mutual support. It is an ethical path of enlightened knowledge and conduct. The entire cosmos is a network of mutuality of events characterized by universal interdependence, interpenetration, interconnectedness and interrelationships. In this undivided world everything miraculously supports everything else. It exhibits 'mutual interpenetration and interfusion of all phenomena'.

The point is that there is wholeness of life, self-sameness of all existences and therefore we must cultivate universal love, universal compassion, universal kindness and respect for all lives and all existences.

Further, this approach being spiritualistic and teleological from this we get a vision and an approach to cosmo-centric eco-ethics, a widening of moral sensitivity as it views human actions in a cosmic context. In modern times we need such eco-conduct to solve eco-crises.

All natural objects have a spirit residing in them. They are our co-inhabitants. As we have a right to live, they also have a right to live. It is therefore a sin to harm or pollute or destroy them. This sort of *panpsychism* is an outcome of spiritual approach to Reality and life. It also reveals the interconnectedness and interpenetration of all phenomena.

Further, in loving all beings and Nature there has to be a life of collectivity, a *samgha jīvana*. The real meaning of life is to be found in the midst of this network of collectivity, a network of interrelationship we call 'life'. Life is to be lived meaningfully in the spirit of cooperation, of mutual give and take, with love, compassion and respect for all. Indian ecology is based on conservation ethics of mutual care and share and therefore Love, compassion and concern for others should be as natural and instinctive as it is for our own selves. It is living with others and living for others and not living on others. The cardinal principle of Indian eco-ethics is, "In joy and safety let every creature's heart rejoice". There are two very catching and apt words for this idea i.e., feeling of sameness with others (*parātma samatā*) and identification of oneself with other selves (*parātma parivartana*)². This feeling of oneness is not physical or geographical but mental and psychological. The root cause of suffering is delusion (*avidyā*) and mental afflictions (*rāga-*

dveṣa). The consequence of it is feeling of separateness, fragmentation, a sense of separate and independent existence, separated from each other, separated from the environment that sustains us and separate from the things we are inextricably related with. The ecological crises we witness today are the result of this delusion which gives rise to greed, hatred and stupidity.

From Indian teachings we learn another lesson that ecology is not a mere matter of theorizing or sermonizing but something to be practiced. So, all of us have to be 'engaged persons' irrespective of our religious affiliation. Instead of crying hoarse over environmental pollutions it is time to act and not to be occupied in discussions and debates or throwing the ball in one another's court. This is important and relevant for us to save this planet from disaster. In this sense message of Indian culture is perennial and eternal. This is enlightenment.

Indian view of surface and deep ecology

The western ecology is utilitarian, materialistic and mechanical but Indian ecology is spiritual and teleological. In Indian teachings we have both surface and deep ecological thinking but their meanings are different than the ones understood by the western thinkers. By deep ecology the Indian mind would mean that we have to attend to the functioning of our mind. All good and evil proceed from the mind. Mind occasions our conduct and makes it good or bad. So, we should educate our mind first. This is the foundation of all ecology. This is the real deep ecology that pertains to inner environment. The surface ecology pertains to our actions that constitute outer environment. We feel affected by

our actions. They alone are visible and tangible. But they are not basic. They only result from our thinking. Their roots are in our thinking. Knowledge and conduct are two sides of the same coin, but knowledge is more basic. The point is that ecological consciousness is fundamental to ecological conduct. Consciousness operates at the deeper level and actions are its outward expression at the surface level. Although internal and external aspects can be distinguished, they cannot be separated. They are mutually interdependent. There is another dimension of deep ecology. Because of its spiritual orientation it talks of essential unity of all existences. All entities exist in the same form. All existences have mutuality and participatory being. Actually, there is no 'other' in ecological considerations. This interconnectedness may not be experienced by deluded empirical mind and this requires spiritual vision for true understanding of Reality.

Remedial measures

Having viewed the Indian approach to ecology we may now discuss the remedial measures. It is to be noted that the problem of environmental pollution is not individual but collective and cosmic and therefore the remedial measures also have to be collective and global.

Respect for Nature ingrained in Indian mind

It is to be highlighted that Nature has its intrinsic value as well as instrumental worth. We have forgotten the intrinsic value of Nature and have taken it as merely instrumental. We forget

that we are products of Nature since we are embodied self and we are sustained by Nature. Instead, we try to conquer Nature and have mastery over it. This is our ignorance, our *mithyā dṛṣṭi* (wrong view). Indian sages and seers always respected and loved Nature and wanted to be in the lap of Nature. If we care for Nature, Nature will care for us. If we destroy Nature, Nature will destroy us. This is the simple principle of interdependence. So, it is saner to preserve and protect Nature, rather worship Nature as a spiritual entity. Nature is beautiful and bountiful. It is full of joy and it gives joy to us. It is joyful and joy-yielding. Let us appreciate and preserve this quality of Nature. Nature is to be approached with respect and gratitude. A life in the lap of Nature is a mark of spiritual freedom. It is freedom from all restraints, physical and mental. It is widening, deepening and heightening of spirit. It is a life of purity, internal and external. Life in Nature is natural life. We should ideally lead a life of a 'green monk or nun' caring for Nature and sharing the bounties of Nature. To repeat, if we care for Nature, Nature will care for us. If we pollute Nature, it adversely affects our existence. Nature is an 'Embodied Love' and 'Embodied Benevolence'. For example, trees do not exist for themselves, they stand in the sun and provide shadow not to themselves, and they yield fruits and other benefits not for themselves. They do so for the sake of others. The same is the case with rivers, mountains and other objects of Nature. In this respect Nature is a great master and a teacher practicing and teaching *maitrī* (loving kindness), *karuṇā* (compassion), *muditā* (sympathetic joy) and *upekṣa* (equanimity), *kṣamā* (forgiveness),

sahiṣṇutā (tolerance) and *saṃatva* (self-sameness).

Doctrine of Ahimsā as a guide to ecology

As stated earlier, the physical and external pollution is due to mental and internal pollution. It is due to *akuśala citta*. This moral degradation affects the individual as well as his or her surroundings. The remedy lies in recovering the lost vision of wholeness and practicing *Ahimsā*. The need is to establish a *vratisamāja* (Value-based society).

The doctrine of *Ahimsā* provides a foundation to an environmental perspective to be offered to humanity to meet the present-day crises that are endangering and threatening all existences human as well as non-human. It also deals with the cardinal Indian teachings that can help in bringing about an ecological lifestyle. Ecological thinking and ecological living go hand in hand and a symbiosis of the two has been the keynote of the Indian view and way of life. Concern for the well-being of the living beings and the physical world has been an important element throughout the history of India. Human existence and destiny are inextricably linked with environments. Recognition that human beings are essentially dependent upon and interconnected with their environments has given rise to instinctive respect and care for all living beings and Nature. Every existence from elementary particles to plants, animals, birds and human are participatory members of the planetary community having personal dignity, inherent worth and inviolable rights to exist and grow.

Ahimsā is not just non-killing but a positive action in the form of unselfish friendliness and compassion for all existences based on the spirit that all existence is as sacred as our own existence. It therefore preserves life and ensures durable peace. *Ahimsā* further implies giving due opportunities to all existences for self-preservation and self-development. There should be no deprivation or exploitation. *Ahimsā* also means removal of suffering of others, offering joy to them, service to all needy and active involvement for good of all. Apart from loving Nature the Indian culture has always advocated love and respect for all beings. All living beings are creatures of Nature. Nature provides them physical form and sustains them. Nature environs them and provides them nourishment. So, the principle of *Ahimsā* tells us that one which you want to kill is your own self as your existence depends on that thing. So, earth, water, air, fire and space all have life to be respected and preserved. and insistence in the lap of Nature is highlighted.

There is another reason for respecting the life of all living beings. Indian culture has advocated the doctrine of cycle of birth and rebirth. This implies kinship with all creatures. We may take rebirth as any of such creatures depending upon our karmas. These creatures could have been our parents or sons or daughters in their previous births. So, to kill some being is to kill one's own relative. Therefore, vegetarianism is the safest practice to escape from this eventuality. Vegetarianism is good for healthy living also.

Doctrines of Aparigraha and Samyam as guiding principles of eco-ethics

Indian tradition emphasise the doctrine of

śama. It means *samyam* which means limitations of wants, desires and possessions (*parigrahaparimāṇa* and *icchāparimāṇa*), curb on unlimited cravings, unlimited accumulation and unlimited consumption. Acquisition of wealth is not bad, only attachment to it or its misuse is to be avoided. The guiding principle is, “Use that which is needful and give the surplus for charity”. The doctrine of *aparigraha* advocates limited use of natural resources, non-violence and vegetarianism (*āhārasuddhehsattvaśuddhi*)

There has to be sustainable production and fair distribution. Everyone has equal right to share the natural resources and therefore there should be no deprivation. This implies intra-generational justice and fair play and also inter-general justice and fair play.

Thus, *aparigraha* stands for non-consumerist attitude where in the policy is, there should be production only if needed and not first production and then arousal of needs as is the practice these days. The present-day policy of advertisement and seduction should be stopped. True renunciation is a state of mind of a human being. It is not only renunciation of unnecessary material goods or consumerist mindset but also evil thoughts and feelings (*kaṣāyas*), rigid attitudes and wrong beliefs. Carelessness, selfishness, obstinacy and greed are the causes of violence. Their eradication requires cultivation of pious mind by *dhyāna* and practice of virtuous conduct by observation of vows, particularly of giving up something as self-restraint.

New Paradigm of Economic Order-
economics of non-violence and peace
Apart from individual and social moral disciplines

referred to above we have to attend to world economic order which is closely related to and dependent upon the environment. The ignorance or failure of modern economic theory to acknowledge this fact has resulted in multiple ills and evils in the world. It has become a threat to the very system which has created it. The growth attained under this model is unsustainable. This apart it has made human self-centered, greedy, insensitive and violent. What is needed is a radical paradigm shift in economic planning and execution in the form of “Relative Economics”, “Regenerative Economics” and “Compassionate Economics”.

Need for cosmic vision

The vision of self-sameness of all existences and zealous longing for eradication of sufferings of others as one's own cross all barriers of race, creed, country and even humanity. The benevolent teachings of universal compassion and cosmic goodwill, living and working for totality, all these have a significant message for the present-day distracted humankind suffering from exhaustion of spirit and languishing in the narrow and rigid confinements of ego-centrism, parochialism and disastrous materialistic consumerism. There is a dire need for a total transformation of our values, ideals, beliefs and attitudes. A time has come for the beginning of a cultural renaissance for which the Indian teachings can play a vital and pivotal role. Indian culture has come into existence as a problem-solving exercise both in terms of prevention and of cure. Indian teachings are of great relevance and significance in contemporary times and in the new millennium to bring about

universal peace, prosperity and well-being. These should be our guiding lights for our ecological thinking and doings. On account of lack of restraints, selfishness and proneness to feed greed rather than catering to the needs there has been all round pollution of environment at all levels—physical, mental, emotional and intellectual. In modern times we are voicing concerns only for physical environment without paying due attention to other types with the result that not much headway is made even in protecting the physical. There cannot be divisive and lopsided approach to environment. Even at the physical level all the *pañcabhūtas* are to be taken care of. Environmental stewardship implies a sense of mutual care to be spearheaded by human being only.

These and related issues may be taken up for threadbare analysis. But apart from theorizing practical concerns must be paramount. Knowledge without action is futile. In the Indian tradition it has been emphasized that right knowledge (*samyak jñāna*) has to fructify in right conduct (*samyak charitra*). In Indian culture great emphasis is laid on proper knowledge (*samyak jñāna*). Knowledge is the only and surest way to spiritual perfection. The Indian scriptures therefore emphasize that we must draw a clear distinction between *samyak jñāna* and *mithyā jñāna*. *Mithyā jñāna* entangles us in the vicissitudes of worldly life. It is bewitching and bewildering and it springs from *avidyā* or ignorance. In order to have right knowledge right attitude or right mental make-up is necessary. This is *samyak dṛṣṭi*. Opposed to this is *mithyā dṛṣṭi* with which we generally suffer. *Samyak dṛṣṭi*

leads to *samyak jñāna*, and the latter alone is the path way to *mokṣa*. *Mithyā dṛṣṭi* and *mithyā jñāna* do not serve any genuine purpose and hence they must be discarded. For an aspirant of *mokṣa/mukti* only *samyak dṛṣṭi* and *jñāna* are helpful. This is the main theme of the teachings of the scriptures, sages and saints. *Samyak jñāna* always leads to *samyak caritra*. The value and purpose of knowledge is not theoretical but necessarily practical. Right conduct ensues only from right knowledge. Conduct without knowledge is blind and knowledge without conduct is lame. The two are complimentary to each other. And therefore, knowledge has to lead to the corresponding conduct. Without right conduct deliverance from worldly miseries, trials and tribulations is impossible and without complete deliverance from these, no permanent happiness can be achieved. As said earlier, these are the three jewels of life which every human being must wear. But this wearing is not decoration but actual practice and concrete realization. However, this is not easy to achieve. It requires *tapas* and *sādhana*, a rigorous control of body, will and mind. So, knowledge without conduct is useless. Merely listening to the discourses is wastage of time and futile. It does not help us in any way. What is needed is the ensuing conduct. But unfortunately, most of us forget this. We listen to the sermons of the spiritual persons but do not practice them. We take it as a past time or a matter of routine of life. Our knowledge remains mere information at the mental level. The *Daśavaikālika sūtra* (IV) compares a person having knowledge without practice to a donkey who carries burden of sandal wood without knowing its value or utility. As the

donkey bears the burden of sandal wood but has no share in the wealth of his load, similarly a person without practice merely bears the burden of his knowledge. He cannot enjoy spiritual progress which is the real fruit of knowledge. Instead, he indulges in evanescent and fleeting worldly pleasures which invariably end up in pain and suffering or mental unhappiness or a feeling of vanity of life. Knowledge is useless without conduct and conduct is useless without knowledge. In Indian culture, philosophy and religion, view and way, theory and practice, are not divorced and segregated. *Darśana* is not mere reflection upon the nature of Reality but also a quest for and a realization of values. Basically, it is a *mokṣa śāstra*. There is a definite purpose in life and Reality if we care to know and a definite goal to achieve if we have a will to do so. Our existence is not meaningless. It has a value and significance. But we must first of all know what we are, what is the nature and purpose of life, what we should be in our life and how we can be so etc. The aim of human existence should be spiritual perfection through material progress. But material progress is only a means and not an end. The end is self-realization which is achieved through the removal of karmic matter and liberation from *samsāra*. There is potential divinity in human being and there must be effort for divinization. This is the ultimate teaching of all Indian scriptures (*Āgamas*).

What is role of education?

Education is a conscious, deliberate and planned process of modification in the natural

growth and development of human being and the surroundings. If proper and adequate it ensures accelerated processes of development in human life in right rhythm. It is therefore a means for betterment and enhancement of quality of life. It is useful for personality development, character building, and for livelihood. It is a hall mark of civil society. But all this becomes utopia if it is not properly conceived and implemented. If we have to draw eco-syllabus for eco-education it has to be on Indian foundation to be meaningful, efficacious and practical.

Conclusion

While concluding it should be reminded that human being is at the climax of evolutionary process. He/She possesses vast potentials for betterment or devastation. He/She can be a super-being or super-malignancy. He/She has a choice and also the capacity of judicious discrimination. Since he/she is the most evolved he/she should be the most responsible. He/She has not only to voice environmental concern but also to cultivate environmental consciousness. Mere sermons and seminars will not help. Unless the overall physical and social environment is congenial and symbiotic nothing will improve substantially. For this we need environment friendly value system and a suitable code of conduct. There has to be inner moral conviction and a moral attitude. We have to induce ecological age and ecological mind. Through proper education alone this is possible.



A Comparative Analysis of Upanishadic and Einsteinian Philosophy

Vandana Sharma*

Abstract:

The Vedic and Upanishadic texts describe “Dharma” as a cosmic force transcending space and time. Following the path of virtue aligns one with Dharma, leading to ethical behavior. Such individuals perceive the universe as a unified entity, not limited by race, religion, species, or group. Rishis and Avatars are periodically born to uphold the spirit of Dharma. Despite diverse origins, these enlightened beings embody non-violence (ahimsa), kindness (daya), compassion (karuna), cosmic friendship (maitri), and equanimity (upeksha) in their pursuit of the ultimate truth.

One notable genius, Prof. Albert Einstein, born on March 14, 1879,¹ in South West Germany, received the Nobel Prize in 1921 for his discovery of the Photoelectric effect.² Einstein is revered not only as the “Father of Modern Physics” but also as a profound philosopher. Regardless of his numerous discoveries, he regarded all beings in the cosmos as manifestations of the Supreme Spirit, displaying compassion and friendship towards humans, animals, and other sentient beings. This notion of cosmic divinity and non-dual vision align with the foundation of the Upanishads.

Reading Albert Einstein’s letters reveals a

striking resemblance of his thought with the verses of the Upanishads. This research paper aims to explore the parallels between Upanishadic and Einsteinian Philosophy, emphasising that the attainment of wisdom leads to a realisation of universal unity, non-violence, and a shared comradeship despite cultural differences.

Einstein’s Paradigm Shift: Embracing Spinoza’s Supreme over Abrahamic God

Baruch Spinoza, a 17th-century philosopher, faced exile from the Jewish community at the age of 23 due to his controversial views on God. He challenged the prevailing notions of a dominant, commanding, and personal God embraced by both Jews and Christians. Spinoza argued that the entire cosmos emerges from God, making it impossible for God to exercise control over His own manifested Self. According to Spinoza, God is solitary, impersonal, and impartial towards all creatures. He considered God as the ultimate cause of the cosmos, which operates according to a cosmic order known as “Substance.” In addition, Spinoza rejected the idea of a pluralistic God and instead embraced the concept of a singular force that manifests itself as the cosmos.³ Spinoza’s concept of God is relevant to this discussion

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because it is referenced by Albert Einstein when he was questioned about his belief in God by Rabbi Herbert, a Jewish leader in New York,

“I believe in Spinoza’s God who reveals Himself in the lawful harmony of the creation. He is not concerned about the fate and doing of mankind. To me all is in God; all lives and moves in God.⁴ A God who rewards and punishes his creatures is unthinkable because all beings act as prompted by natural law, which is God itself. Thus, I reject the idea of a personal God that judges the acts of his creation.⁵ I am fascinated by Spinoza’s pantheism. He is the first philosopher to see the soul and body as one and not as two distinct entities.⁶ I am not an atheist but I cannot accept God as an authority established by the church. I do not believe in fear of life, death and blind faith. I have no faith in the God of theology.”⁷

Similar to Spinoza, Einstein also rejected the traditional notion of the Jewish and Christian God. He believed that God was non-dual, existing inseparably from His creation, and revealed Himself through the objects and phenomena of the universe. Einstein further expressed the view that God is the origin of both good and bad, yet remains indifferent to individual acts of right and wrong. He asserted that the structure of the universe could not have been different from what it is currently.⁸ Einstein later renounced his Jewish faith and German citizenship, ultimately becoming an American citizen in 1940.⁹ Einstein expressed his great fascination in Upanishadic philosophy, despite never having visited India. The Bhagvadgita was highly revered by Einstein as he stated,

“When I read the Bhagvadgita and its

theory of creation, everything else seemed superfluous.”¹⁰

He nurtured close connections with Indian leaders and intellectuals, such as Indira Gandhi, Jawaharlal Nehru, and Rabindranath Tagore. During his time in the United States, he had the opportunity to engage in discussions on profound philosophical concepts with Rabindranath Tagore. Remarkably, Einstein did not consider himself an atheist but rather described himself as a “Religious Non-believer.” Therefore, he did believe in a cosmic power or universal order that expressed itself in its creation. He further propounded that the universe is a manifestation of the Cosmic Spirit, everything within it is inherently divine.

The Philosophical Nexus: Schopenhauer, Upanishads, and Einstein

Arthur Schopenhauer, a prominent German philosopher of the 19th century, held great influence during his time. He was deeply influenced by the Upanishads, and their profound impact is evident in his writings. Albert Einstein, in turn, drew inspiration from Schopenhauer’s ideas. As a result, Einstein himself became a determinist, influenced indirectly by the Upanishads through the philosophical lineage that passed from Schopenhauer to him.

Consequently, through Schopenhauer, the Upanishadic teachings reached Albert Einstein, influencing his beliefs. The idea of a Supreme Will governing the cosmic drama became the cornerstone of Einstein’s life, philosophy, and scientific breakthroughs. This concept shaped his worldview and guided his exploration of the universe. The following statement by Einstein

demonstrates the influence of Schopenhauer's ideas,

*"Schopenhauer's words "Man can do what he wills but he cannot will what he wills." have accompanied me throughout my life. His thoughts have consoled me while dealing with others, even with those who have caused pain. This recognition of the lack of freedom of will have helped me in avoiding taking myself and others too seriously and have protected me from losing my sense of humor."*¹¹

Determinism in Upanishadic and Einsteinian Philosophy

The Upanishads encompass discussions on both determinism and free will. Notably, the Rigveda stands as the world's first text to address determinism through the concept of "Rta,"¹² which denotes a mystical cosmic order that intricately governs the functioning of everything. It lays the foundation for the development of the Vedic concepts of "Dharma"¹³ and "Satya."¹⁴ The Shrimad Bhagavad Gita reflects determinism in its teachings. It emphasises that individuals, under the influence of Avidya (ignorance), mistakenly perceive themselves as the sole doers of their actions. However, the Gita reveals that they are unaware that it is the Supreme, operating through them, orchestrating the intricate functioning of the cosmos. This highlights the underlying concept of determinism in the Bhagavad Gita's philosophy.¹⁵ Further, when we refer to the Upanishads, we find thousands of verses that speak of determinism, i.e.,

*ekohambahushayamah*¹⁶

(I am one and I become many).

In the above said, *Chandogyaopnishad*

speaks about the predetermined divinity of all life forms.

*yasmin sarvani bhutani atmaivabhud
vijanatah |
tatra ko mohah kah shloka
ekatvamanupashyatah*¹⁷

(When all beings have been realised as the 'Self', there remains no delusion and no sadness.)

The verse from the Ishavasya Upanishad suggests that the elimination of delusion and sorrow happens spontaneously when one strives to achieve a state of non-duality (Ekatmavada). Similarly, the Shvetashvatara Upanishad proclaims that everything is divine, implying that all beings are essentially the Supreme in disguise. These teachings imply a sense of pre-determination, as the Upanishads convey that the true nature of all beings is rooted in the Supreme. It further eradicates the difference between the cause and the effect,

*purusha evedam sarvam yadbhutam yacca bhavyam |
utamritatvasyeshano yadannenatirohati*¹⁸

(All this is nothing but the Supreme Being, the One that was. The One that is, and the One that will be. He manifests as the world of material and remains the immortal one behind the mortal.)

Einsteinian philosophy is deeply rooted in the fundamental concept of determinism. It is worth highlighting that both Spinoza and Schopenhauer, who greatly influenced Einstein, were proponents of determinism themselves. Furthermore, Schopenhauer's own views were heavily shaped by the teachings of the Upanishads. These interconnected influences demonstrate the

profound impact of determinism and the Upanishads on Einstein's philosophical framework. Einstein's determinism can be comprehended from the following,

*"God Himself could not have arranged the cosmic connection in any other way than that as it exists."*¹⁹

*"I do not believe in free will. Jews believe in free will. They believe that man can shape his own life. I reject this theory completely and in this respect, I am not a Jew. I am a determinist. Everything is determined, the beginning as well as the end, by forces over which we have no control. It is determined for the insect, stars, humans, vegetables, and cosmic dust. We all dance to a mysterious tune, intoned in the distance by an invisible player."*²⁰

Einstein held the belief that the functioning of everything in the cosmos is governed by a Supreme will. He considered the idea of individuals creating their own destiny as an egotistical folly. In this perspective, a clear parallel can be observed between the Upanishads, the Bhagavad Gita, and Einsteinian Philosophy. These philosophical frameworks all emphasise the existence of a higher power or cosmic order that influences the events and workings of the universe, challenging the notion of individual control over destiny.

The Moral Conundrum: Determinism and Einstein's Ethical Framework

It is widely believed that determinists like Einstein lack ethics. This misunderstanding is the result of a superficial comprehension of his perspective. Einstein has been criticized for being A-ethical. He however made it clear that,

philosophically, a person may not be accountable for his actions. However, at a worldly level, he must observe social customs, rules and laws. Einstein, thus states,

*"I am compelled to act as if free will existed because if I wish to live in a civilized society, I must act responsibly. I may consider a murderer as not responsible for his acts on a philosophical level but at a mundane sphere I will prefer not to take tea with him"*²¹

Despite his belief in determinism, Einstein emphasizes the significance of ethics for maintaining social harmony. His view of determinism primarily pertains to larger cosmic phenomena, such as the predictable movements of the sun, the flow of water, or the nature of fire. However, he also acknowledges that ethics do not derive their authority from a Supreme power but are essential in the material world. This ethical perspective is evident in a suggestion Einstein gave to his daughters during his visit to Japan in 1922, wherein he stated,

*"If you wish for a happy life, use for yourself little, but give to others much"*²²

He further states at various occasions,

*"Only morality in our actions can give dignity to our life"*²³

*"Academic chairs are many but wise and noble teachers are few, lecture-rooms are large but the number of young people who thirst for truth and justice are small."*²⁴

*"I consider ethics to be an exclusively human concern with no superhuman authority behind it."*²⁵

While Einstein held a belief in determinism, he also recognized the importance of ethics in society.

He emphasized that individuals must adhere to social customs, rules, and laws, even though he philosophically considered personal accountability to be influenced by determinism. Einstein's ethical stance highlights the significance of responsible behavior and the pursuit of morality for a civilised society. Therefore, it is incorrect to assume that determinism and ethics are incompatible in Einstein's perspective.

Reflections of Guilt: Einstein and the Hiroshima-Nagasaki Tragedy

Einstein, one of the key scientists involved in creating the atomic bomb, carried the weight of regret for the bombings of Hiroshima and Nagasaki at the end of World War II. He deeply lamented the immense devastation caused by these bombings, which remained a source of pain throughout his life. The development of the bomb was motivated by concerns over Germany's potential creation of a dangerous weapon, and Einstein's famous "energy-mass equation ($E=mc^2$).” played a role in its construction. However, the bomb was not deployed against Germany as the country had already surrendered to the Allies on May 7, 1945.²⁶ Following the bombing of Japan, Einstein expressed deep remorse and sorrow. In response to the tragedy, he uttered the words, “Woe is me.” While advocating for peace, Einstein had written a letter along with other scientists to President Harry S. Truman on July 17, 1945, urging him not to proceed with the bombing. Despite their plea, the advice was disregarded, and the devastating event unfolded on August 6, 1945. Einstein's poignant statement reflects his anguish and the profound impact the bombings had on him. He further stated,

“If I knew that the Germans would not succeed at making an atom-bomb, I would've done nothing.”²⁷

Einstein's Plate of Compassion: The Moral Imperative of Vegetarianism

It is true that Albert Einstein transitioned to a vegetarian lifestyle later in his life and expressed ethical reasons for his choice. While his digestive problems played a role in his decision, Einstein's words and beliefs suggest a broader perspective on the ethical implications of consuming animal products. He recognized the interconnectedness of all beings and the moral dilemma of deriving pleasure from causing pain to other creatures. In light of this understanding, Einstein's remarks indicate that if given the opportunity, he would have willingly embraced vegetarianism as a conscious ethical choice. Therefore, he states,

“I have always eaten animal flesh with a somewhat guilty conscience.”²⁸

“I am living without fats, without meat, without fish, but am feeling quite well this way. It always seems to me that man was not born to be a carnivore.”²⁹

“Besides agreeing with the aims of vegetarianism for aesthetic and moral reasons, it is my view that a vegetarian manner of living by its purely physical effect on the human temperament would most beneficially influence the lot of mankind.”³⁰

“What is the meaning of human life, or, for that matter, of the life of any creature? To know an answer to this question means to be religious. You ask: Does it make any sense, then, to pose this question? I answer: The man

who regards his own life and that of his fellow creatures as meaningless is not merely unhappy but hardly fit for life.”³¹

*A human being is a part of the whole, called by us the “Universe,” a part limited in time and space. He experiences himself, his thoughts and feelings, as something separate from the rest - a kind of optical delusion of his consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole of nature in its beauty. Nobody is able to achieve this completely, but the striving for such achievement is in itself a part of the liberation and a foundation for inner security.*³²

The concept of non-dualism, as emphasized in Upanishadic thought, provides a foundation for the importance of vegetarianism. The notion that everything is interconnected and divine leads to the recognition that there is no inherent distinction between beings. In this perspective, the act of causing harm or inflicting pain upon any living creature becomes contradictory and goes against the understanding of the inherent unity of all existence. It further becomes important to take note of the lives of enlightened individuals. Those who realised the self in all and all in the self often reflect a profound connection to vegetarianism. Figures such as Mahavira, Buddha, Shankaracharya, Ramanujacharya, Mahatma Gandhi, Pythagoras, Empedocles, Plotinus, Rumi, Nicola Tesla, Leonardo da Vinci, Sir Isaac Newton, Thomas Edison, and many others recognized the

fundamental sameness and interconnectedness of all living beings. They understood that suffering is universal and does not discriminate based on size, name, or form.

The message of organic wholesomeness, cosmic divinity, compassion, kindness, and universal friendship, which finds mention in various Upanishadic texts, resonates with the ethical foundations of vegetarianism. It reflects the understanding that embracing a vegetarian lifestyle aligns with the principles of interconnectedness, compassion, and non-violence towards all living beings. This message of organic wholesomeness, cosmic divinity, compassion, kindness and universal friendship finds mention in various Upanishadic texts,

*yacca kincit jagat sarvam drshyate
shrooyate apivaa |*

*antar bahishca tatsarvam vyaapya
naaraayanah sthithah ||*³³

(Whatever in the universe is known through perception is pervaded and indwelled by Narayana)

*aham atma gudakesha sarva-
bhutaæhaya-sthitah|*

*aham adish cha madhyam cha bhutanam
anta eva cha||*³⁴

*samoham sarvabhutesh na me dveshyosti
na priyah|*

*ye bhajanti tu mam bhaktaya mayi te
teshuchapyaham*³⁵

(I exist as the atman in the hearts of all living creatures and I am the beginning, middle and end of all beings. I am the indwelling essence of all creatures and I have no likes or aversions.)

vo namo namo mrigyubhyash

*shvanibhyash cha|
vo namo namah shvabhyash shvapatibhyash
cha vo namah||*³⁶

*(I bow to Rudra, the One who controls dogs,
the one who Himself is the dog and the One
who protects dogs)*

*abhayam nah pashubhyah*³⁷
(animals must live without any fear)
tadaikshata bahu syam ³⁸
(I am one and I become many)

Accepting the Inevitable: Einstein's Philosophy on Death

Like many yogis, Einstein did not view death as a tragedy but rather as a natural and predetermined occurrence. During a conversation with a friend while out for a stroll, the topic of "death" arose. When his friend stated that death is both a fact and a mystery, Einstein added, "...and a relief too." This remark highlights Einstein's perspective that death is not something to be feared or mourned but rather a release from the burdens and limitations of life. It reflects his acceptance of death as a part of the cosmic order and a potential liberation from earthly existence.³⁹ Therefore, it can be inferred that Einstein had a positive outlook on death. As he grew older, he experienced various health issues and for the last 20 years of his life (1935–1955),⁴⁰ he resided in Princeton, New Jersey. When faced with a ruptured blood vessel near his heart, doctors offered him the option of surgery. However, Einstein declined, saying,

*"I want to go when I want to go. It is
tasteless to prolong life artificially. I have done
my share and it is time to go."*⁴¹

Einstein's words illuminate the Upanishadic

concept of doing one's tasks in the mode of renunciation ("I have done my share") and not clinging to things, people, situations, or life ("it is time to go"). Additionally, the Shrimad Bhagvadgita declares,

*"jatasya hi dhruvo mrityur dhruvam
janma mritasya cha
tasma apariharye rthe na tvam shochitum
arhasi"*⁴²

*(Death is certain for the one born, and
rebirth is destined for the one who died.
Therefore, you shouldn't mourn over the
inevitable.)*

Albert Einstein's profound understanding of life and death stemmed from his journey from action to wisdom, body to self, material to the immaterial, and physical to the metaphysical. On April 18, 1955, at the age of seventy-six, Einstein departed from his material body. While he did not have faith in the concept of rebirth, he also did not see death as an end. His thoughts on the matter become clear from the following statements,

*"I do not believe in immortality of the
individual."⁴³ Our death is not an end if we have
lived on in our children and the younger
generation. For they are us; our bodies are only
wilted leaves on the tree of life."*⁴⁴

Conclusion:

In conclusion, the parallels between the Upanishadic philosophy and Albert Einstein's worldview are indeed profound and striking. Both embrace the idea of a cosmic force or Supreme Spirit that transcends space and time, emphasising the interconnectedness and inherent divinity of all beings. Einstein's rejection of a personal,

commanding God aligns with the non-dual, pantheistic views found in the Upanishads and Spinoza's philosophy. Moreover, Einstein's recognition of a cosmic order and determinism in the universe reflects influences from Schopenhauer and the Upanishadic teachings. While he believed in determinism, Einstein also acknowledged the importance of ethics and responsible behavior, echoing the concept of Dharma found in the Vedic and Upanishadic texts. Einstein's commitment to peace and deep sense of regret in the aftermath of the Hiroshima and Nagasaki bombings, further highlight his ethical concerns and his profound understanding of the interconnectedness of all life. His transition to

vegetarianism demonstrates his recognition of the moral implications of causing harm to other creatures and the positive impact of compassionate choices. Ultimately, the exploration of the philosophical nexus between the Upanishads, Einsteinian Philosophy, and the influences of thinkers like Spinoza and Schopenhauer invites us to embrace compassion, non-violence, and a sense of shared comradeship. These perspectives transcend cultural differences and provide a deeper understanding of the cosmos, encouraging us to lead ethical lives and cultivate a harmonious relationship with the interconnected universe of which we are but fragments.

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- 12 *Unchanging truth, unalterable codes of conduct, constant cosmic law, unweaving universal order, and cyclical natural occurrences like birth, death, ageing, and seasons etc.*
- 13 *Dharma encompasses various meanings and dimensions within its essence: 1. Svabhava: It refers to the inherent nature or characteristics of an entity, be it an object, animal, tree, or human. 2. Cosmic Order: Dharma represents the fixed and harmonious cosmic order (Rta) that governs the functioning of the universe. It signifies the consistent patterns and laws that ensure the sun rises and sets, and other cosmic phenomena occur predictably. 3. Duty and Responsibility: Dharma encompasses the idea of fulfilling one's duties and responsibilities in various contexts, such as manavdharma (duties as a human), patidharma (duties as a spouse), rashtradharm (duties as a citizen), and more. 4. Social Norms: Dharma includes adhering to social norms and codes of conduct, such as loyalty to one's partner, respecting authority*

figures like kings or leaders, and showing reverence for nature. 5. *Purushartha*: Dharma plays a role in the pursuit of *Purushartha*, the four-fold goals of life, which are Dharma (righteousness), Artha (wealth), Kama (desires), and Moksha (liberation). 6. Religion: Dharma can be understood as a religious path centered around ethical codes that promote the well-being of all beings, transcending solely human concerns. Hindu Dharma, Jaina Dharma, and Bauddha Dharma can be considered Dharmic religions in this sense, while Islam, Christianity, and Judaism are not typically classified under Dharma. 7. Virtue: Dharma also encompasses virtuous actions and behaviors, such as watering plants, feeding animals, and providing care for the sick and ailing, extending compassion and kindness to all sentient beings.

- 14 Satya represents the concept of truth in various aspects: 1. Acceptance: Satya entails accepting everything and every being in their natural form without attempting to forcefully alter or modify them. Forcing changes upon creatures mentally, physically, or genetically for personal pleasure is considered untruthful or Asatya. 2. Respect for Mother Nature: Satya involves refraining from taking away the resources of Mother Nature with the intention of accumulating them for personal gain. Taking fruits from a tree to satisfy one's natural hunger is an act of truthfulness (Satya), whereas doing so out of greed is considered untruthful (Asatya). 3. Expressions and Virtues: The concept of Satya manifests as honesty, truthfulness, loyalty, calmness, acceptance, appreciation for everything and every being, compassion, kindness, and having an equanimous vision towards the entire cosmos. 4. Integration into Life: Satya is to be practiced in words, thoughts, actions, and as the foundational principle of life. Engaging in acts such as killing, altering someone or something, destruction, and causing harm for sensory pleasure or other reasons falls under the umbrella of Asatya or untruthfulness. In essence, Satya encompasses embracing truthfulness, honesty, and a deep respect for the natural order of the cosmos, fostering compassion and kindness towards all beings, and adhering to a life guided by these principles in all aspects.
- 15 *Shrimad Bhagavadgita*, v.18.16 (*tatraivam sati kartaramatmanam kevalam tu yah| pashyatyakitabuddhitvanna sa pashyati durmatih||*)
- 16 *Chandogyaopnishad*, v.6.2.3
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Niger Leads Fight for African Assertion

Sandhya Jain*

The war for uranium and oil now looms over Niger. An invasion by the France- and US-backed Economic Community of West African States (ECOWAS) is only a matter of time, possibly as early as the conclusion of the 15th BRICS summit in Johannesburg, South Africa, from August 22-24, 2023. The new military government urged citizens to stand up and defend the Motherland, and in response, thousands registered as Niger Volunteers in Niamey (August 19, 2023).

Timofey Bordachev, Program Director, Valdai Discussion Club, suspects that Paris and Washington may indirectly support the ECOWAS nations as French and American contingents have a sizeable presence in the country.¹ ECOWAS countries have been reluctant to get into the fray, arguing that the military regime in Niger enjoys considerable public support, but their acute dependence on the West has overruled their qualms.

The NATO aggression against Libya and brutalisation of Col. Muammar Gaddafi in 2011 has had a sobering effect in Africa, hence the West wants the cover of its regional partners in the military action. Gaddafi created Africa's best welfare state with Libya's oil wealth, with huge gold (140 tonnes) and foreign exchange (US\$ 150 billion) reserves, zero debt and one of the world's strongest currencies. His advocacy of the gold-backed African dinar proved his undoing.

Chad's President Mahamat Idriss Déby Itno attempted to mediate the crisis at the behest of ECOWAS (July 30, 2023).² The organisation gave

the military regime a week to restore the ousted Prime Minister Mohamed Bazoum, a deadline that expired on August 6, 2023. The West African regional bloc also sent a delegation led by former Nigerian military leader Abdulsalami Abubakar to Niger on August 2, 2023 to negotiate with the military coup leaders. Abdel-Fatau Musah, ECOWAS commissioner for political affairs, then said, "The military option is the very last option on the table, the last resort, but we have to prepare for the eventuality."³

Supporters of Nigerien President Mohamed Bazoum gather to show their support for him in Niamey on July 26, Aljazeera, August 2, 2023.

Niger's coup leaders have maintained that the civilian government was overthrown because of poor governance and public unhappiness over its inability to tackle security threats from groups linked to al-Qaeda and ISIS (ISIL). The citizens of Niger are not enthused at the prospect of restoring the pro-Western president Bazoum, an ethnic Arab from the migrant Ouled Slimane tribe that aligns with France in the Sahel region and is embroiled in a long conflict with the ancient Tuareg tribes, Berbers who dwell in the Sahara from Libya to Algeria, Niger, Mali, Burkina Faso, and northern Nigeria.⁴

The coup leaders immediately banned the export of uranium to France. Niger holds the world's seventh-largest uranium deposits, and has hitherto supplied France 15% of her total imports and one-fifth of the European Union's imports. Uranium is a critical element for powering nuclear

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reactors.⁵ In 2019 alone, two mines operating in Niger extracted nearly 2,982 tonnes of uranium. Unlike Germany, France did not accept rapid deindustrialisation on account of US-imposed sanctions on Russian oil and gas, and instead scaled up its nuclear power plants. Its other suppliers, like Kazakhstan and Uzbekistan, rely on the Russian state nuclear power company Rosatom to transport uranium to Europe, putting France in an awkward position.

Political scientist Bertrand Badie of the French Institute of Political Studies, observed that France has failed to “get rid of all its colonial history.” France, he said, “doesn’t know how to turn the page, ... France, since independence by the African states, has pursued a schoolteacher diplomacy based on the temptation to give lessons and distribute punishments.” This approach is out of sync with the evolution of African societies.

Diplomat M.K. Bhadrakumar observes that Western powers do not understand that the African people have a highly politicized mindset on account of their violent and bitterly fought national liberation movements. This history explains why Africa quickly gravitated towards the emerging multipolar world, in order to negotiate with the ex-colonial masters from a position of strength.

The present crisis escalated when Niger’s new president General Abdurrahman Tchiani banned the export of gold and uranium to Paris, on July 30, 2023, in response to France’s decision to suspend aid to Niamey after its military coup. As various West African nations took sides, the now popular military regime appears to have triggered the Dark Continent’s fight for self-respect and agency, by asserting control over the rich resources that have powered the wealth of the Western industrial nations.

The toppled President M. Bazoum, deposed on July 26, 2023, invited France to attack Niger and restore his government, and warned the West against Russia gaining a foothold in the Sahel region via its private military vehicle, Wagner.

Loss of resources

Angered by the loss of natural resources that secured its international status as a leading economic power, France nudged the ECOWAS to intervene in Niger. After a meeting of the Chiefs of the General Staffs of the Armed Forces of the ECOWAS in Accra, Ghana, on August 17-18, 2023, Abdel-Fatau Musah, Commissioner for Peace and Security, said the date has been set but ECOWAS will not announce it.⁶

Musah said, “Let no one be in doubt that if everything else fails the valiant forces of West Africa, both the military and the civilian components, are ready to answer the call of duty.” He added, “Meanwhile, we are still giving diplomacy a chance and the ball is in the court of the junta.” Ivory Coast, Benin and Nigeria are expected to contribute troops to the force mandated to invade Niger.

ECOWAS has already applied trade and financial sanctions on Niger while France, Germany and the United States have suspended aid programmes. Germany is pressing for EU sanctions on the coup leaders. The European Union has announced its willingness to support a military operation against Niger if requested by the pro-Western governments in ECOWAS.

Despite misgivings in some member nations, only Cape Verde and countries led by military governments resisted the proposed military action against Niger. The remaining countries in the 15-member bloc agreed to contribute to the regional

force, namely, Benin, Cote d'Ivoire, The Gambia, Ghana, Guinea-Bissau, Liberia, Nigeria, Senegal, Sierra Leone, and Togo.

The pressure to act is largely due to the fact that Niger is the fourth West African nation since 2020 in which a coup has taken place, following Mali, Burkina Faso and Guinea. The Sahel region is also plagued by armed groups linked to al-Qaeda and ISIL (ISIS) and this violence partly contributed to the military takeovers.

An important reason for the secrecy involved in the proposed military action includes possible repercussions for Nigeria that is struggling to control the activities of several armed groups in the country. There are fears that armed groups in Niger could spill into Nigeria in the event of a military intervention.

Burkina Faso and Mali have deployed combat aircraft to “respond to any form of aggression against Niger” and threatened to withdraw from the ECOWAS if it invades Niger.⁷ The Burkinabe and Malian authorities also rejected ECOWAS’ “illegal, illegitimate and inhumane sanctions against the people and authorities of Niger”. The sanctions include a halt in all financial transactions and a national assets freeze. Algeria and Libya joined them, denouncing the sanctions as “inhumane and immoral.”

The office of Guinea’s President Mamady Doumbouya, in a social media post on August 14, 2023, said the sanctions “would not be a solution to the current problem but would lead to a humanitarian disaster whose consequences could extend beyond the borders of Niger”. It urged ECOWAS to “reconsider its position”.

Gearing up for the conflict, however, Niger has arrested senior officials of the toppled government, including the interior minister, transport minister, a

former defence minister, mines minister, oil minister and the head of the (formerly) ruling party.

Trans-Saharan gas pipeline

Besides uranium, the future of a Trans-Saharan gas pipeline from Nigeria to Morocco to Europe is now at stake. Niger is on the transit route and has refused to host the pipeline (30 billion m³ of gas per annum) which Europe needs to make up for the loss of Russian gas.

Burkina Faso has launched a new state enterprise to sell domestically produced raw materials like gold. It has resumed diplomatic ties with North Korea and terminated the Tax Treaty for Non-Double Taxation between Ouagadougou and Paris, which denied Burkina Faso tax for wealth earned in the country.

Moreover, in Guinea, that is rich in gold, diamonds, iron, bauxite (used to produce aluminium for the motor vehicle and goods industries), President Col. Mamady Doumbouya in October 2022 ordered foreign mining companies to refine resources locally and share the revenue fairly with the country. At a meeting with stakeholders in Conakry, he asked all foreign companies to submit proposals and a timetable for the construction of bauxite refineries by the end of May 2023.⁸ A ban on unprocessed raw materials is now on the anvil as Guinea begins cracking down on defaulting companies.

Doumbouya said, “Despite the mining boom in the bauxite sector, we have to admit that the expected revenues are below expectations, and you and we cannot continue this game of fools that perpetuates great inequality in our relations.” Guinea has the world’s largest reserves of bauxite (7.4 billion tonnes), and is also the second largest producer. China imports nearly half of its bauxite

needs from Guinea. Tanzania banned the export of minerals in raw form in 2017.

ECOWAS announced the closure of the region's borders with Niger. Nigeria disconnected the high-voltage line transporting electricity to Niger, which relies on Nigeria for 70 percent of its power. As the World Bank, France, the European Union, the US and the ECOWAS regional central bank controlled by France suspend aid to Niger, its internal situation is unclear, though the popular reaction favours the coupists, with protesters chanting outside the French embassy in Niamey, "Long live Russia", "Long live Putin" and "Down with France". They set fire to the walls of the embassy compound.

A number of countries felt uneasy over military action in Niger, and public protests broke out in Senegal. The Military Council in Niger withdrew its ambassadors from France, Nigeria, Togo, and the United States and announced the closure of the country's airspace until further notice.

Russia

Russia has said that military intervention by ECOWAS against a sovereign state would be unhelpful.⁹ The Russian diplomatic spokesperson, Maria Zakharova, said Moscow considers it essential to "prevent a new degradation" of the situation in the country.

At the Russia-Africa summit in St. Petersburg in July 2023, President Vladimir Putin had stated that Russia has signed agreements for military cooperation with over 40 African countries, for "bolstering the defence capability of the continent's countries."¹⁰ The agreements cover military-technical cooperation and supply of a wide range of armaments and hardware. Soon after tensions

escalated with France, Russian cargo planes were seen landing at Niamey Airport in Niger.

Moreover, after terminating the wheat export deal through Ukraine, Putin assured the continent that Russia would remain a reliable supplier of grain. He promised to provide Zimbabwe, Mali, Burkina Faso, Somalia, Eritrea and the Central African Republic with 25,000 to 50,000 tons of grain for free, without any conditions and with free delivery, in the next three to four months. The Russian embassy in Burkina Faso was reopened after 31 years.

At the United Nations on August 4, 2023, Russian diplomat Dmitry Polyanskiy said,¹¹ "Russia has never considered Africa, Asia, or Latin America as a space for the extraction of profit... we have and will build factories, schools, hospitals and universities so that you can use your natural resources to manufacture finished goods with added value, instead of exporting raw materials."

The rebellious African nations are not without friends. Iran has an long standing anti-imperialist agenda. Turkish President Recep Tayyip Erdoğan endorsed Niger's suspension of gold and uranium exports to France, calling it the result of 'years of oppression' by Paris.¹² "What France did in Algeria in the past, what it did in Rwanda, what it did in Mali, all these are in all the archives of the world. And especially Africans know this very well." Erdoğan said Turkey would assist in securing grain exports from Russia to Africa and 'underdeveloped countries.'

Wagner

Niger's General Salifu Modi requested help from the Russian mercenary group Wagner, during a visit to Bamako, Mali, on August 4, 2023, where

he discussed the situation with leaders of Mali and Burkina Faso.¹³ Wagner representatives reportedly arrived on August 5, 2023.

Giving his views about Niger's problems, the late Wagner chief Yevgeny Prigozhin said, "I will answer what is the basis for the change of power in Niger. The basis is the economy. The population of Niger has been driven into poverty for a long time. For example, a French company that extracted uranium sold it on the market for \$218, while paying Niger only \$11 for it. You can work with investors on a 50-50 or 30-70 (%) basis, but it's impossible to give back to the indigenous people of the country, who were born in this country, who live in this country, and who expect that the natural resources of this country belong to them, and according to the Constitution, they belong to them, only 5% of the wealth you receive."

Pointing a finger at the Western powers, Prigozhin said Niger was flooded with terrorists "to cover up these economic crimes." The ousted president served the old colonial powers, facilitating the extraction of Niger's natural wealth, hence the military coup was "a liberation movement for the independence of this country, and God grant them success." Prigozhin endorsed the coup and said the situation had been brewing for a while. "The former colonisers are trying to keep the people of African countries in check," he added in his audio message on the Telegram app.¹⁴

Nuland

The US Deputy Secretary of State and veteran colour revolution instigator, Victoria Nuland, rushed to Niger on August 7, 2023, the day after the deadline to reinstate the ousted president expired (August 6). She told CNN that she held "extremely frank and at times quite difficult" talks with General

Moussa Salaou Barmou, the new chief of defense, and three colonels. Her request to meet the former president Bazoum was denied.¹⁵ In fact, the coup leaders threatened that they would physically eliminate Bazoum if she pushed the envelope.

CFA Franc

Regardless of the outcome of the impending war, it is only a matter of time before the West African nations abandon the CFA franc (France of the Financial Community of Africa) imposed by France on its former colonies, which are also forced to hold their foreign-exchange reserves in the French Treasury and the Bank of France.¹⁶

In fact, Paris decides on what and how they spend their money. French companies have the first right of refusal on any major projects. The Bank of France prints their CFA currency and largely determines the broad framework of economic and monetary policy. The commanding heights of most African Francophone economies are controlled by France. French mining interests call the shots with regard to their natural resources.

Military bases

France and the US both have military bases in Niger. The US has an 1,100-strong military presence in the country and a drone base (airbase 201) near Agadez in central Niger, built at a cost of more than \$100 million. Since 2018 it has been used for operations in the Sahel. Cameron Hudson, a former US official and Africa specialist at the Center for Strategic and International Studies, Washington, DC, believes that Washington will try to retain this facility irrespective of who is in charge in Niger. A showdown between the regional states seems inevitable, in view of the rising opposition to the French hegemony in Sahelian Africa.

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EVENT REPORT

Report on Roundtable Discussion on “BRICS Expansion and Currencies”

Siddharth Singh*



India Foundation organised a roundtable discussion on “BRICS Expansion and Currencies” at India Foundation Office on 11 August 2023. The discussion was Chaired by Shri Ram Madhav, President, India Foundation and the session was addressed by Mr. Roman Babushkin, Minister-Counsellor, DCM, Embassy of the Russian Federation in India, Amb. Rajiv Bhatia, Former Ambassador & Distinguished Fellow, Foreign Studies Programme, Gateway House and Dr. Zorawar Daulet Singh, Adjunct fellow, Institute of Chinese Studies, New Delhi. 45 people participated in the discussion.

The discussion focused on BRICS expansion

and also on the possibility of adoption of a new currency system to facilitate trade and financial settlements among member countries. Given the existing financial institutions run by the BRICS, the discussion tried to cover important aspects like how should the proposed system rely on direct payment in the respective national currencies, establish a ‘common basket’ or will a new denomination needs to be created? Speakers also highlighted that in the evolving global scenario, BRICS plays an increasingly important role and it should be analysed from the respective standpoints of its member states and their civil societies.

In his opening remarks, Mr. Roman Babushkin,



Minister-Counsellor, DCM, Embassy of the Russian Federation in India, said that “In BRICS, there is no place for a dictate, domination, unilateral and confrontational approaches, sanctions, weaponization of economy and currencies, as well as interference in domestic affairs”. Mr Babushkin also said that “BRICS exemplifies a new formation,

which can be called a flexible integration based on consensus and being truly comprehensive. More than 70 formats of practical cooperation are structured in the three pillars – policy and security, economy and finance as well as humanitarian ties. All that makes this Association even stronger than any agreement-based supranational Alliance or a bloc”.





Ambassador Rajiv Bhatia in his address said that the core agenda of BRICS is to present a non-western view of the world and not an anti-West view. Amb Bhatia also explained the Intra-BRICS dynamics that needs to be taken into account in assessing the present and future trajectory of BRICS. Dr. Zorawar Daulet Singh in his address highlighted that by creating BRICS

and showing that it could work, the five nations are projecting an alternative to the current West-led global order.

The initial remarks at the roundtable discussion were followed by an engaging Q&A session where participants also raised and highlighted important issues related to theme of the discussion.



