

emerging nations; (3) The **Contingent Reserve Arrangement (CRA)** was established in 2015 to support in actual or potential short-term balance of payments pressures through liquidity instruments.

What are the challenges in working of BRICS?

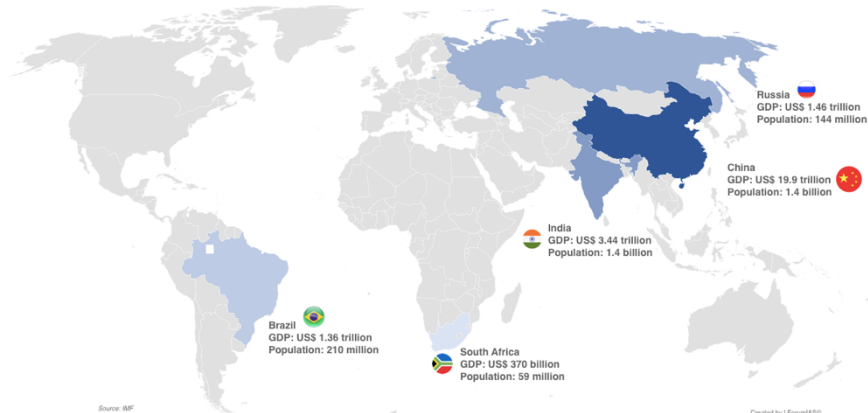
BRICS remains constrained by differences between member nations, most notably India and China: (1) **UN reforms:** India and Brazil have pushed for an **expanded UN Security Council (UNSC)**. But, China is

not in favour of supporting India's candidature; (2) **Terrorism:** China has, on multiple occasion, blocked India's move to sanction the LeT terrorist at the UNSC; (3) **India-China Border Dispute:** Relationship between India and China are at a low after the Galwan Valley clash in 2020. Although, both India and China continued to engage with each other, these differences create doubt on the BRICS' goal of **reorienting the global order**; (3) **Challenge of Russia-Ukraine War:** As the war prolongs, BRICS members will be under intensifying pressure to limit ties with Russia. India, Brazil and South Africa have close ties with the West. As Western sanctions on Russia become more stringent, both Russia and China want to rely on finance and trade mechanisms which are **outside the control of the West**. This would lead to pressure on BRICS members to embrace the same newer mechanisms; (4) **Indo-Pacific:** The BRICS **failed to determine the dynamics of the future course in the Indo-Pacific**. Both China and Russia do not favour even the change of nomenclature of the region from Asia-Pacific to Indo-Pacific. India has aligned its Indo-Pacific strategy with West with the formation of QUAD; (5) **Limited Outcomes:** The BRICS has been able to deliver only on the Economic and Financial fronts. There has been **no significant developments in the political and strategic dimensions**. There have been annual meetings of BRICS Foreign Ministers and Security Advisers since 2009. However, the meetings have been about reaffirming shared perspectives on global governance issues; (6) **Actions of China:** China is **unilaterally trying to expand the BRICS**. It has brought **13 like-minded countries** for a high-level dialogue on global development in the recently concluded summit.

What is the future outlook for BRICS?

(1) **Russia-China recalibration:** Russia and China appear to be keen to readjust the dynamic

between the **economy and security pillars**. President Xi Jinping highlighted in his speech at the summit that China would like to work with BRICS partners to operationalize the **Global Security Initiative (GSI)**. China perceives initiatives like QUAD as efforts for its containment. So it is launching GSI in opposition.



Three Pillars of BRICS

Though BRICS have multiple dimensions, only Economy and Finance pillar has been able to make tangible achievements.



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