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# Russian Chairmanship 2020

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## Address to the Readers

**Sergei Lavrov**

Minister of Foreign Affairs of Russia

Dear friends,

We would like to draw your kind attention to a special issue of the “International Affairs” magazine devoted to the Russian BRICS Chairmanship in 2020. It will introduce you to the priorities and tasks of our country’s participation in this unique global governance mechanism, which serves as one of the “pillars” of an emerging more just and democratic world order. BRICS is a striking example of the effectiveness of multipolar diplomacy. Countries with different cultural and civilizational backgrounds have united on the basis of constructive foreign policy philosophy, so in demand in the tumultuous modern world. The participants adhere to coinciding or similar approaches to key global and regional issues. They are committed to building interstate communication on the principles of the UN Charter based on the values of equality, mutual respect and consideration of interests. They oppose the revision of the results of World War II. All this creates the prerequisites for further consolidation of efforts aimed at building a stable and predictable future, for developing common answers to numerous challenges and threats of a global nature.

Economic cooperation is a special area of five-sided collaboration. The New Development Bank is successfully functioning. The BRICS Contingent Reserve Arrangement is

being strengthened. We reject the methods of protectionism and unilateral sanctions, proceed from the lack of alternatives to building international trade on the basis of transparency, openness and inclusiveness. Therefore, it is for a reason that more and more countries with dynamic economies are showing keen interest in the activities of BRICS. Rich cultural, youth, educational, sports contacts contribute to fostering the atmosphere of friendship and trust between our peoples.

During the Russian BRICS Chairmanship, we will continue to work on expanding the horizons of our strategic partnership in all three main areas - political, economic and humanitarian. I am convinced that such a constructive, results-oriented approach, shared by our friends, will become the key to an effective Russia's BRICS Chairmanship and will allow us to successfully hold the XII Summit of the five countries in St. Petersburg in July 2020.



**Sergei Ryabkov**

*Russia's Sherpa in BRICS,  
Deputy Minister of Foreign Affairs of Russia*

RUSSIA | 2020

BRICS

## **Priorities of the Russian BRICS Chairmanship in 2020**

In 2020 Russia took over the chairmanship of the BRICS interstate group for the third time. In more than ten years since the first summit of the group held in Yekaterinburg in 2009 it has experienced a change in essence. It has come a long way from a “club of interests” to a multi-dimensional strategic partnership on a wide range of issues of international politics and economy. It is the focus on making the texture of five-sided cooperation closer, as well as enhancing the BRICS profile in finding the solutions to the problems modern world is facing that dictate our approach to the identification of the priorities of Russia's Chairmanship. As President of the Russian Federation H.E. Mr Vladimir Putin has defined at the BRICS summit in Brasilia in 2019, the main goal of Russia's Chairmanship is to contribute to raising standards and quality of life of the peoples of our five countries. While planning events in the framework of the Russia's year in BRICS we sought to expand their geography, make the group closer to the people. More than 150 meetings and forums are to take place in 15 cities of Russia.

The 12th BRICS summit will take place back-to-back with the Shanghai Cooperation Organization Heads of State Council Meeting in St. Petersburg in July 2020. In November 2020 BRICS will come to Riyadh, where a traditional Informal Meeting of BRICS Leaders is to be held under the Russian Chairmanship on the sidelines of the G20 Summit.

During Russian Chairmanship, we secure continuity in the development of BRICS. We have ensured a harmonious smooth transition from previous presidencies. We are enhancing the scope of multi-faceted cooperation, deepening progressively and comprehensively strategic partnership among the states of the group. Our efforts are focused on making progress on all three pillars of BRICS strategic partnership – policy and security, economy and finance, culture and humanitarian contacts. A major task on the political track is to facilitate the formation of a more democratic world order through BRICS in compliance with the generally recognized principles and norms of international law, including the provisions of the UN Charter. We pay special attention to enhancing collective efforts to counter such challenges and threats as terrorism, laundering of proceeds of crime, illegal drug trafficking, corruption.

We continue working on BRICS foreign policy coordination enhancement in key international fora in the first place. I am convinced that during this jubilee year of the 75th Anniversary of the UN the BRICS countries will be even more energetic in jointly working on strengthening multilateral mechanisms and institutions on the basis of the central role of the UN in world affairs.

We see great potential in the development of cooperation with regional and extra-regional partners in the “outreach” and “BRICS Plus” formats. This is important in terms of building sustainable ties between the five countries and those interested multilateral groupings, as well as Emerging Markets and Developing Countries. Undoubtedly, one of the priorities of the Russian Chairmanship will be the expansion of cooperation on the financial and economic track. First of all, this involves strengthening the already established institutions, i.e. the New Development Bank (NDB) and the BRICS Contingent Reserve Arrangement. They are designed to foster stability in capital markets in case of crisis situations in global economy as well as to increase the investment opportunities of our countries. These mechanisms have actually proven to be effective and relevant. We consider financing projects in the national currencies of the BRICS countries to be an important area of activities.

A lot of work has been done to renew the Strategy for BRICS Economic Partnership for the next five years (2021 – 2025). Joint actions to improve infrastructure, including in the context of the development of remote areas of the BRICS countries are indispensable. We continue our efforts to expand interaction between tax, customs, antimonopoly authorities. It comes as no surprise that one should not ignore a new global complex challenge, i.e. the coronavirus pandemic and its consequences. In February BRICS was one of the first to respond to its outbreak. At the time of writing this article the NDB engaged in preparing credit lines to cover the costs of the fight against the virus in the five countries.. Our healthcare line agencies and other ministries are making use of their contacts. We are focused on improving the efficiency of industrial and technological cooperation between the BRICS countries, developing and implementing new joint projects in such areas as energy, agroindustry, telecommunications, high technologies. We also believe an exchange of experience, including between young researchers and innovators, to be a key element. We are determined to promote the “Clean Rivers of BRICS” programme, launched on Russia’s initiative. We stand for further development of the BRICS Network University, expansion of contacts between academic and scientific centers, research and higher education institutions of the five countries.

Following the results of the BRICS summit in 2019 leaders of the five states in the Brasilia Declaration reaffirmed the need to strengthen the initiatives launched by Russia, namely the BRICS Energy Research Cooperation Platform and the BRICS Women’s Business Alliance aimed at encouraging entrepreneurship among women and strengthening their role in economy. We will enhance the efficiency of the BRICS Business Council. These mechanisms are aimed at expanding contacts within business community and, eventually, at tackling priority tasks of social and economic development, as well as improving the well-being of the nations of our countries. The Russian BRICS Chairmanship attaches special importance to the humanitarian track. Cooperation within this track will become a clear manifestation of the viability of the essence of the BRICS concept, its growing attractiveness for social groups and citizens of our countries.

## Priorities of the Russian BRICS Chairmanship in 2020

We are planning to host a lot of events in 2020. Just to name a few: BRICS Sports Games, Cultural Festival, BRICS Friendship Cities Forum, BRICS Young Scientists Forum, BRICS Young Diplomats Forum, BRICS Young Parliamentarians' Forum, and BRICS Youth Summit. We are confident that all these events will contribute to the strengthening of friendly ties between our countries and contacts between people.

The 2020 Chairmanship coincides with the 75th Anniversary of the end of World War II. Our partners within the five countries are invited to participate in the events marking this momentous event. This will become a symbol of our friendship and mutual understanding between the peoples, a determination of a strong commitment of the five countries to counter any attempts to revive Nazi ideology, to spread the ideas of racism, antisemitism and xenophobia or to falsify history. We consider the popularization of our group and its practical activities to be one of the focal areas of Russia's activities "at the helm" of BRICS. The 2020 Chairmanship is an opportunity to show Russia to the representatives of the countries of the group, tell them about our traditions and achievements. At the same time our citizens will be able to learn more about the group and the BRICS nations. We are going to give priority to the accomplishment of this very task – making BRICS closer and more understandable to the people. I wish the readers of the "International Affairs" magazine every success in 2020. I am sure that Russia's year in BRICS will become an important step to new heights in building a true strategic partnership among the five countries, based on friendship, mutual respect and trust.

BRICS  
RUSSIA | 2020



## Oleg Stepanov

*Director of the Foreign Policy Planning Department  
of the Ministry of Foreign Affairs of Russia*

RUSSIA | 2020

BRICS

## BRICS and Global Governance in a Multipolar World

Our world is changing. The system of international relations is going through the test of change. Metamorphoses of balances have taken place before our eyes. What used to be called the bipolar order fell into oblivion. The age of predominance of a single center is past history.

New influence centers have become the full-fledged creators of international affairs. Their rise has brought cultural and civilizational diversity to the world palette. At the same time the world itself has become more interconnected and complicated. New challenges and new issues of global nature are requiring a collective response. Under these circumstances up-to-date mechanisms of interstate cooperation based on principles of collegiality and equality have the best prospects. BRICS, having united five distinctive civilizations, has become one of such formats. To date, it constitutes a dialogue forum, a mechanism of practical cooperation and, more broadly, an innovative tool of global governance. The contribution of BRICS to the world economy is steadily increasing, the five countries further global economic growth. The New Development Bank (NDB), the financial institute of BRICS established in 2015, functions

actively. The BRICS Contingent Reserve Arrangement (CRA) with the volume of \$100 billion functions as a guarantor of the financial stability of our states. Long-term five-sided projects in financial and investment spheres contribute to the diversification of the world trade, economic and monetary systems, giving the countries of the developing world an opportunity to choose economic and political models. What unites the five countries? First and foremost, we are talking about a platform of like-minded states with coinciding or similar views on the principles of world order. Such concepts as equality of sovereign states, non-interference in internal affairs, mutual respect and consideration of each other's interests, adherence to generally recognized norms of international law are not just figures of speech, but important life guidance for the BRICS countries. In this regard it is BRICS that jointly reflects the worldview of most members of the international community. There is neither ideological dogmatism in the BRICS activities, nor claims to global dominance or the desire to impose anything to other members of the international community. The agenda of the group is extremely positive, be it strengthening security and stability in the world or providing conditions for harmonious internal development. All this helps the BRICS countries to focus on discussing specific crucial issues, without dispersing political resource. Long-term five-sided projects in financial and investment spheres contribute to the diversification of the world trade, economic and monetary systems, giving the countries of the developing world an opportunity to choose economic and political models.

It is also significant that BRICS is not a closed, special club of interests. The group is committed to the UN-centric world order. It advocates collegiality in developing solutions to the crucial issues on the global agenda.

*Long-term five-sided projects in financial and investment spheres contribute to the diversification of the world trade, economic and monetary systems, giving the countries of the developing world an opportunity to choose economic and political models.*

*There is neither ideological dogmatism in the BRICS activities, nor claims to global dominance or the desire to impose anything to other members of the international community. The agenda of the group is extremely positive.*

The five countries oppose double standards in international affairs, condemn military interventions violating the principles of the UN Charter, any forms of interference in internal affairs, unilateral sanctions and illegitimate protectionism

in trade. Understanding reached within the BRICS framework is submitted to discussion at the UN, the G20 and other multilateral platforms. Decisions, having matured as a result of discussions among the five countries, are to complement and develop international legal framework, to enhance the efficiency of the efforts already made in this or that regard or to offer other, more effective measures. There is neither ideological dogmatism in the BRICS activities, nor claims to global dominance or the desire to impose anything to other members of the international community. The agenda of the group is extremely positive.

Finally, in their activities the five countries reflect the objective tendencies in the development of the entire system of interstate cooperation ties. BRICS has made a significant contribution to the work of international structures (the UN, the G20, the Non-Aligned Movement, the Group of 77) as well as of large regional groupings. Moreover, the participation of BRICS countries in them contributes to a more complete consideration of regional features in discussions and to the harmonization of often unrelated integration processes. In this regard BRICS is an example of the true network versatility. Expanding the range of BRICS external partnerships is the evidence of the openness of the group, its readiness to share the benefits of jointly working with others on voluntary and mutually beneficial basis, without any preconditions. Of course, it is worth noting that more and more states are striving to become the part of the processes aimed at creating a space of dialogue and cooperation around BRICS. In 2020, entering the second decade of its existence, BRICS has demonstrated its vitality and relevance. The group is

objectively needed as an important pillar of the renewed world order, which implies not one, but several decision-making centers affecting the real course of events in the world. The strength of the group lies in its true global reach, the full representation of continents, the capacity of the agenda, the relevance of the issues of the world development discussed in this format. It is self-evident that the further creation of a multipolar world, including strengthening of BRICS, will meet opposition from some forces. The competition of interests and priorities is inevitable. However, there is no alternative to collective efforts to address common to all mankind challenges.

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of interests and priorities is inevitable. However, there is no alternative to collective efforts to address common to all mankind challenges.

The world order of the 21st century will be largely determined by the quality

of such strategic partnerships, in which, like in BRICS, a spirit of openness, solidarity, equality, mutual understanding, inclusiveness and justice prevails. And those who are guided by the desire to make the world safe, stable and prosperous.

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## **Vyacheslav Nikonov**

*Chairman of the Committee on Education and Science of State Duma of the Russian Federation; Chairman of the Board of the National Committee on BRICS Research; Chairman of the BRICS Russia Expert Council*

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BRICS

## **BRICS: Expert Dimension**

The BRICS group was conceived as virtual reality. As something discussed by economists and international politics experts. Although the countries have been interacting with one another for centuries. And the real basis of their multilateral interaction was already there in the shape of the famous Russia-India-China triangle brought into circulation by Evgeny Primakov. The transformation of BRICS into an influential international format went through several stages, and at each stage the role of experts was paramount.

The BRICS expert track had come into being before the association itself did. Even before the first summit meeting convened in Yekaterinburg, they had launched a mechanism of consultations involving members of the academic circles in Brazil, Russia, India and China. And in December 2008 the Unity in the Name of Russia Fund and Russkiy Mir (Russian World) Foundation initiated the first ever personal meeting of scholars and practitioners from the then four-member BRIC at the Ararat Park Hyatt Hotel in Moscow.

The first impression was surprise at the very fact of such a multiple get-together. Previously people were more accustomed to communicating either at bilateral meetings or on Western grounds. The discourse was likewise unusual; people started to talk of common interests shared by the major rising economies. It was doubtful

whether the countries so strikingly different and representing different civilizations could find a common language, let alone unite. And they did look for that common language and succeeded in finding one. Then they met in Yekaterinburg, on the eve of the first BRICS Summit.

Such meetings actually constituted the start of the annual Academic Forum that the chair country conducted on the threshold of the summit meeting by the BRICS leaders, expecting scholars to come up with independent estimates and recommendations.

The concluding documents of the forums deal with all aspects of multilateral interaction, and I dare say, helped enrich the summit discussions, furthering and expanding the BRICS agenda way beyond the originally outlined scope of economic cooperation. In a whole series of areas experts played the role of pioneers calling attention to newly emerging problems. The vast majority of initiatives by the expert community were endorsed at the top level and helped turn the association into a significant mechanism of global management with an enormous agenda capable of formatting the fabric of international relations.

By the third summit, when South Africa had joined the dialogue and BRICS had been firmly established, they resolved at the top level to institutionalize the expert track by setting up a network of research centers of the five countries.<sup>1</sup> In Russia, to comply with the plan of measures for implementing the accords achieved at the BRICS Summit in China's Sanya and approved by the President of the Russian Federation on May 24, 2011, the job of the national coordinator was taken up by the National Committee for BRICS Research (NRC/BRICS). The Committee, as the resolution said, was to assist the formation of a single information field in the area of domestic BRICS research and the promotion of the Russian position and expert estimates on the international arena; coordination of activity by the leading research organizations and experts in the BRICS sector. It incorporated a wide variety of specialists who adopted a jocular self-appellation of BRICSologists. Their principal

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mission was to organize and research the role and place of the BRICS countries and other so-called rising powers in global politics and economics.

In 2013, before the Durban Summit in South Africa, the heads of the national coordinating centers signed a

declaration on the BRICS Think Tank Council (BRICS TTC).<sup>2</sup> Its main objective is to exchange ideas between leading experts, scholars and research centers of the five countries and devise a joint ideology and strategic vision of development prospects of the BRICS Association<sup>3</sup>.

At present the official BRICS TTC members are the following organizations intended to promote five-side cooperation along the so-called second BRICS lane: from Brazil, the Institute of Applied Economic Research (Instituto de Pesquisa Econômica Aplicada, IPEA); from Russia, the National Committee for BRICS Research (NRC/BRICS); from India, the Observer Research Foundation (ORF); from China, the China Council for the BRICS Think Tank Cooperation, CCBTC<sup>4</sup>; from South Africa, the South African BRICS Think Tank, SABTT).<sup>5</sup>

This is a veritable holding of think tanks. Scholars and experts regularly hold conferences and consultations, both in a multilateral and in a bilateral format. The apex of the pyramid is the annual BRICS Academic Forum to which the national coordinators invite specialists from relevant ministries and departments, as well as leading experts from the five countries (the number of participants has to be limited to 200 or so, although there are a lot more people willing to take part). Typically, the Academic Forum works under the patronage of the host country's foreign office, and its agenda is formed with a view to the subjects to be discussed at the coming BRICS Summit. So, it is small wonder that the mass media likewise display considerable interest in the Academic Forum.

The TTC has devised its own system of work. It is based on the Long-term Vision of BRICS prepared on the results of the 6th Academic Forum held in Rio de Janeiro in 2014. There the following five main pillars of interaction were named:



*The BRICS Academic Forum*

- I. Promotion of economic growth and development;
- II. Peace and security;
- III. Social equality, sustainable development and improved quality of life;
- IV. Political and economic management;
- V. Universal progress achieved by means of exchanging knowledge and innovation.<sup>6</sup>

Each of the trends was the responsibility of one of the parties. Thus, China was in charge of the first line of research; Russia, of the second; South Africa, of the third; India, of the fourth; Brazil, of the fifth.

Following this pattern, the Think Tank Council prepared, in coordination with the Brazilian side, and presented, in Ufa in 2016, this time within the framework of Russia's chairmanship, the first major analytical report "Toward a Long-term Strategy for BRICS"<sup>7</sup> dedicated to furthering cooperation among the Five for the medium and long term. Later, in 2017, the TTC developed the ideas of the report in the "BRICS 2015: the Jubilee Goals" prognosis.

Within the framework of its 2015 chairmanship Russia, in accordance with the recommendations of the Academic Forum and the Think Tank Council, proposed that the partners should further cooperation by involving in the latter the civil society of the five

countries. In the same year Moscow hosted the first BRICS Civil Forum, with assistance from the TTC. Taking part in the Forum were members of nongovernmental organizations of the five countries. Subsequently, the other member-countries of the association took up the initiative, and the Civil Forum became a pivotal event of the second lane.

Despite the changes in Brazil's political leadership in 2019, that country not only preserved the BRICS format, but was also an unqualified success in the year of its chairmanship, having turned cooperation of the five countries into the channel of practical interaction. The 11th Academic Forum of BRICS was successfully held in Brasilia in September. Alas, as it was pressed for time while preparing the event, the Brazilian side failed to hold the BRICS Civil Forum. However, Brazil is determined to continue cooperation within the framework of the civil track. As for the members of the Think Tank Council, they launched a series of new projects.

Brazil's chairmanship heralded the third cycle in the history of the association. Russia in its chairmanship year of 2020 intends to carry on the line of intensifying practical interaction between the countries of the five countries.

The 12th Academic Forum of BRICS will be held in Moscow in May 2020. The BRICS Civil Forum will be hosted by Yaroslavl. They will draw up recommendations by the expert and civil communities to the leaders of the five countries on the threshold of the BRICS Summit, and take steps toward closer coordination of research into relevant issues.

It is also important to ensure closer interaction between national coordinators of the second lane and the Sherpas/sous-Sherpas of the BRICS countries, i.e. the BRICS official and expert tracks, for more productive employment of the recommendations by the expert community to the five countries' leaders.

They are devising a methodology of the current monitoring of the BRICS activity and translating into reality the accords achieved at the summits, which will help pinpoint problem areas of cooperation and propose steps to attain consensus.

BRICS has not a few ill-wishers. Some believe that BRICS is an impossibility. Others argue that BRICS runs counter to the principles of the liberal Western outlook. Still others prefer to simply ignore BRICS.

Yet, whatever the ill-wishers may say, BRICS is already a reality of the new world order. An example of how relations between states of the world should be constructed. BRICS is an alliance of values that unites our countries. These values are sovereignty, respect for national dignity, non-intervention in internal affairs, respect for the interests and traditions of the partners, and desire for peace and harmony.

The gentle ascent of BRICS does not involve either violence or hegemonic aspirations. Each of the five countries has its own unique place on the Earth, its cultural matrix, and its views of security provision. But they regard this diversity as an unquestionable blessing.

Each of the countries is self-sufficient. But together we are infinitely more powerful.

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2. Declaration on the Establishment of the BRICS Think Tank Council, Durban, South Africa, March 11, 2013. URL: [http://www.nkibrics.ru/system/asset\\_docs/data/54cf71f1/6272/690a/8b0c/0000/original/Declaration\\_on\\_the\\_establishment\\_of\\_the\\_BRICS\\_Think\\_Tanks\\_Council.pdf?1422881265](http://www.nkibrics.ru/system/asset_docs/data/54cf71f1/6272/690a/8b0c/0000/original/Declaration_on_the_establishment_of_the_BRICS_Think_Tanks_Council.pdf?1422881265) (Date of access, 02/10/2020).
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4. Established on the initiative of the Central Committee of the Communist Party of China on January 11, 2017. Predecessor, the China Centre for Contemporary World Studies, CCCWS).
5. Established on the initiative of the Human Sciences Research Council in February 2015. Predecessor, the Human Sciences Research Council, HSRC.
6. «Towards a Long-Term Strategy for BRICS», recommendations by the BRICS Think Tank Council, Rio de Janeiro, Brazil, March 17, 2014. URL: [http://www.nkibrics.ru/system/asset\\_docs/data/54cb/6585/6272/6974/2913/0000/original/Towards\\_a\\_long-term\\_strategy\\_for\\_BRICS\\_-\\_Recommendations\\_by\\_the\\_BRICS\\_Think\\_Tanks\\_Council.pdf?1422615941](http://www.nkibrics.ru/system/asset_docs/data/54cb/6585/6272/6974/2913/0000/original/Towards_a_long-term_strategy_for_BRICS_-_Recommendations_by_the_BRICS_Think_Tanks_Council.pdf?1422615941) (Date of access, 02/10/2020)
7. «Towards a Long-Term Strategy for BRICS», a proposal by the BRICS Think Tank Council, 2015. URL: [http://www.nkibrics.ru/system/asset\\_publications/data/55cc/a884/6272/6921/aa01/0000/original/%D0%9D%D0%B0\\_%D0%BF%D1%83%D1%82%D0%B8\\_%D0%BA\\_%D0%B4%D0%BE%D0%BB%D0%B3%D0%BE%D1%81%D1%80%D0%BE%D1%87%D0%BD%D0%BE%D0%B9\\_%D1%81%D1%82%D1%80%D0%B0%D1%82%D0%B5%D0%B3%D0%B8%D0%B8\\_%D1%81%D1%82%D1%80%D0%B0%D0%BD\\_%D0%91%D0%A0%D0%98%D0%9A%D0%A1\\_\(%D0%B0%D0%BD%D0%B3%D0%BB\).pdf?1439475844](http://www.nkibrics.ru/system/asset_publications/data/55cc/a884/6272/6921/aa01/0000/original/%D0%9D%D0%B0_%D0%BF%D1%83%D1%82%D0%B8_%D0%BA_%D0%B4%D0%BE%D0%BB%D0%B3%D0%BE%D1%81%D1%80%D0%BE%D1%87%D0%BD%D0%BE%D0%B9_%D1%81%D1%82%D1%80%D0%B0%D1%82%D0%B5%D0%B3%D0%B8%D0%B8_%D1%81%D1%82%D1%80%D0%B0%D0%BD_%D0%91%D0%A0%D0%98%D0%9A%D0%A1_(%D0%B0%D0%BD%D0%B3%D0%BB).pdf?1439475844) (Date of access, 02/10/2020)



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BRICS

## Evolution of BRICS in the System of International Relations

It is common opinion that the acronym BRICS spread around the world due to the helping hand of the senior economist of the “Goldman Sachs”, J. O’Neill, and designated only a generalized image of developing countries, most attractive for investors. I would like to bust this myth right away. J. O’Neill may have placed Brazil, Russia, India and China in one group, capable of overtaking in a certain medium term the G-7 countries as for the total size of their economies; however, few know that the concept of BRICS took shape in the Ministry of Foreign Affairs of Russia, namely in its “think-tank”, Foreign Policy Planning Department.

Soon even outside observers understood that these countries were not just an attractive place for preserving and generating more wealth for the “Golden billion”, but serious and responsible actors in world politics with their own ambitions, capable of collectively working out a new international agenda in the interest of the whole world.



On the Russian side prerequisites for such a development of events were clearly in evidence both in terms of theory and practice. Theoretical arguments underlying the concept go back to E.M. Primakov’s idea of creating a cooperation triangle with India and China and diversifying Russia’s foreign policy, taking it

away from an excessive focus on Western countries. For a number of reasons, the proposed triangle could not be built in the 1990s. For now the three countries have managed either to bridge or put aside their differences and actively cooperate not only within the BRICS but also, since 2001, within the RIC, including military and political aspects and security issues.

Ministers for Foreign Affairs of the participants in the group held their first meeting after the “guest session” of the St. Petersburg summit of the G-8 on July 15-17, 2006. In September that year the four ministers met again on the sidelines of the UN General Assembly at an informal lunch in the Brazilian diplomatic mission on the initiative of Russian Foreign Minister S.V. Lavrov.<sup>1</sup>

Further awareness of common interests of Russia and the five countries<sup>2</sup> on a number of issues developed in the framework of the Heiligendamm/L'Aquila dialogue processes (HAP). The dialogue led to the organization of the next meeting of the Ministers for Foreign Affairs of the BRIC on the sidelines of the 62d UN General Assembly which took a decision to create a mechanism for consultations at the level of Deputy Ministers<sup>3</sup> along with regular contacts at the level of ambassadors to the UN.

The first separate meeting of the heads of Foreign Ministries of the BRIC countries took place in May 2008 in addition to the meeting on the sidelines of the UN GA in September that year. They discussed global financial architecture, food crisis, climate change and closer cooperation in the framework of the HAP. Since then Foreign Ministers' meetings have become regular. Also, Russia launched a dialogue on security, which first took place in Moscow in May 2009.

BRIC's Ministers of Finance started meeting in November 2008 on the initiative of the Brazilian side with the first meeting held in San-Paulo before the G20 session, followed by a meeting of heads of the Central Banks of the four

*Theoretical arguments underlying the concept go back to E.M. Primakov's idea of creating a cooperation triangle with India and China and diversifying Russia's foreign policy, taking it away from an excessive focus on Western countries. .*

countries. At that time ministers and heads of the Central Banks of the BRIC countries discussed a number of issues, including the stabilization and regulation of international financial markets, protectionist threat, international financial institutes' reform (quota redistribution by the IMF, which was to be reviewed in January 2011, allocation of special drawing rights, role of reserve currencies and putting in place a new revenue model).

Aware of the importance of “comparing notes” on economic and financial issues Ministers of Finance and heads of Central Banks started gathering regularly holding their meetings usually before every G20 ministerial meeting as well as on the sidelines of the IMF and the World Bank sessions. Since 2011 the BRICS countries have started to hold meetings at the level of Ministers



*Durban 2013*

of Economy and Foreign Trade to discuss issues of macroeconomic policy of the countries amid global financial and economic crisis.

Before the G-8 summit on July 7-9, 2008 in the city of Toyako, Japan, leaders of the BRICS countries held their first informal meeting. The first summit was held at Russia's suggestion in Yekaterinburg in 2009 (when Brazil joined the other three countries after a dialogue on the SCO<sup>4</sup>), followed by top level meetings in China and India (with the participation of the SAR since 2011 on China's initiative). Such summits started taking place regularly,



*Fortaleza 2014. Participants of the BRICS summit:  
Vladimir Putin; Narendra Modi, Prime Minister of India; Dilma Rousseff,  
President of Brazil; Xi Jinping, President of the People's Republic of China;  
Jacob Zuma, President of South Africa*

both independently and on the sidelines of another informal “club”, namely the G20. During the meeting in Osaka on June 28, 2019 the BRICS leaders touched upon the issues of commitment to transparent, nondiscriminatory, open, free and comprehensive trade, further reforms of the international financial institutions, reflecting real changes, climate change and environmental policy, development. All this allowed to confirm the role of BRICS as a certain beacon of stability in the stormy sea of modern global policy and economy, the role which from the very beginning has been a key distinctive feature of the group and determined its additional value among the existing and emerging international institutions.

The results of the summit in Durban in 2013 were an additional factor which contributed to the BRICS transformation into a geopolitical community and a comprehensive mechanism of interaction of five countries, which goes far beyond the function of a platform for consultations on certain issues<sup>5</sup>.



### *Ufa 2015*

Complimentary mechanisms of the BRICS Business Council and the Council of Expert Centers of BRICS were created. We see today well-established formats of interaction not only at the level of business and expert communities, but in the civic society as a whole; youth, academic, parliamentary and other directions have been set.

Another as important issue at the Durban summit was a discussion of the whole spectrum of political topics, ranging from the situation in Syria, the Middle East, Afghanistan, around the Iranian nuclear program to fighting terrorism and drug trafficking.<sup>6</sup>

The decision to launch the New Development Bank as a result of the summit in the Brazilian city of Fortaleza in 2014 became one of the turning points in the BRICS activities. It is worth noting that even states with “common identity” and common principles, which the G-7 nations pretend to be, haven’t achieved such significant results in launching a working joint structure in a short time, that is, it took only about three years to open a joint bank since the idea had been conceived. At present it is a full-fledged institution which has approved about 50 projects worth around 15 billion US dollars. Regional offices are to open

in Russia and India in 2020, which means that the bank will be present in all the five countries.

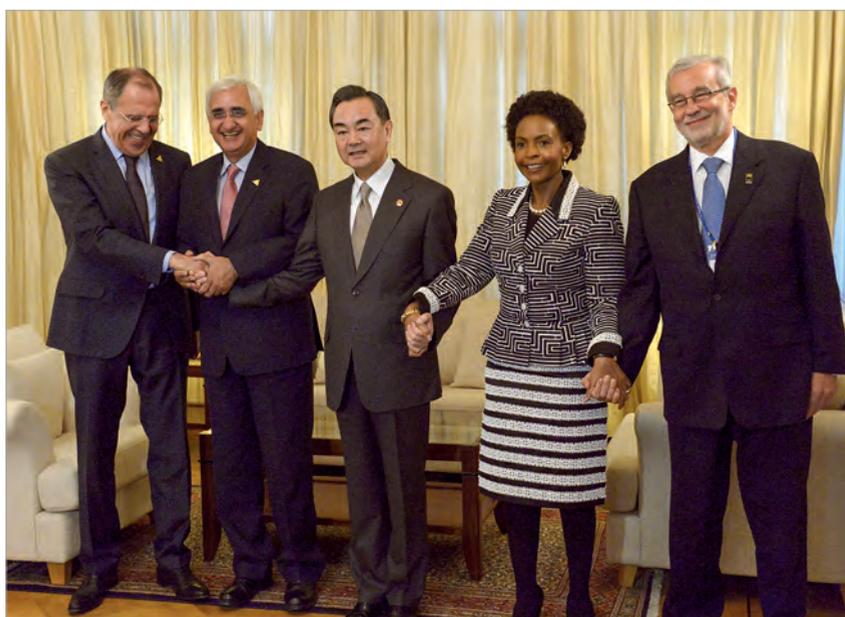
The Strategy for BRICS Economic Partnership, adopted at the summit in Ufa in 2015, which is to be reviewed this year under Russia's presidency, should also be kept in mind. This basic document facilitates trade and economic cooperation within BRICS, strengthens common economic positions of the five countries in global economy – as regards the combined GDP in purchasing power parity terms BRICS has already overtaken the G-7 countries.<sup>7</sup>



For now two full-blown cycles of BRICS summits have already taken place, a third cycle has been successfully launched, with Brazil presiding last year. The 2019 summit in Brasilia, on November 13-14, is of particular importance because it showed that BRICS was not an opportunistic institution supported only by the enthusiasm of its leaders.

Independently from the individual preferences of the national leaders and their ideological stances the group represents a very important mechanism which is relevant in terms of structure for each member of the group. For each member of the five countries the value of the format is determined by a wide range of factors, allowing them not only to resist any external pressure and increase their political clout, but also by a new culture of respect for the differences and complex identity of each participant. Recognition of equality and the right to have their own interests and stands is implicitly present in BRICS.

Also, it is important that since its birth BRICS hasn't been a closed elite project. It showcases responsibility for the stability of world order, targets maximum engagement of all the citizens in the interaction process instead of confrontation, enhances horizontal and vertical convergence. In a short time – in terms of history – official meetings have successfully transformed since the creation of the mechanism into a close texture of multi-level interaction.



*Sergei Lavrov, Foreign Minister of Russia; Salman Khurshid, Minister of External Affairs of India; Wang Yi, China's Foreign Minister; Maite Nkoana Mashabane, Minister of International Relations and Cooperation of RSA; Luiz Alberto Figueiredo, Foreign Minister of Brazil (from left to right) at 2014 Nuclear Security Summit in The Hague*

In July 2020 a BRICS summit is to take place in St. Petersburg. Throughout the year of Russia's presidency numerous meetings on all imaginable topics of potential and real cooperation of the five countries will be held. Over the years the group has finally turned into an integral part of the global landscape. The BRICS nations have proved their ability to take responsible and meaningful decisions which allow us to make the world at least a little better and more predictable.

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1. O.Stuenkel, *The BRICS and the Future of Global Order*. Lexington Books, 2015. p. 11.
  2. After a mechanism of interaction with countries not included in the G-8 (Brazil, China, India, Mexico and South Africa) was proposed in 2007 by the German chair in the framework of the Heiligendamm/L'Aquila dialogue process, these

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five countries formed for some time a group with a single identity (initially the Outreach Five later transformed into the Five to stress they were on a par with the G-8 countries). Initially the HAP participants maintained dialogue on the issues of freedom and terms of investment, corporative social responsibility, development and protection of innovative projects, energy efficiency and cooperation in the area of High technologies development policy.

3. The first of those meetings took place in March 2008 in Rio de Janeiro, Brazil.
4. Though a number of researchers, e.g. O. Stuenkel, believe that this format, overlapping with the SCO was proposed by Russia because it feared that an independent BRIC summit might fail to materialize, nevertheless we deem it necessary to note that the key factor seems to have been rational considerations rather than fear of lack of content in case of a separate meeting.
5. This direction fully corresponds to the strategic goals and tasks of Russia's participation in the BRICS. In conformity with the Conception of Russia's participation in the BRICS group the key direction of the strategic development of the mechanism is its "gradual transformation from a forum for dialogue and tool of coordination of stances on a limited range of problems into a full-fledged mechanism of strategic and current interaction on key issues of global policy and economy". <http://news.kremlin.ru/media/events/files/41d452a8a232b2f6f8a5.pdf>
6. For more details regarding these and other decisions see the eThekwini Declaration of the BRICS summit of March 27, 2013.
7. Final press conference of the President of the Russian Federation, V.V. Putin, on the outcomes of the summit in Brasilia, 14.11.2019. <https://ria.ru/20191114/1560937723.html>. Though Jim O'Neill, who became famous owing to the BRICS, has recently said that the combined GDP of the Five at its nominal value is likely to equal that of the G-7 by 2037, first of all due to the size of the Chinese and Indian economies.



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## **BRICS in a New World**

The BRICS group (Brazil, Russia, India, China, South Africa) is, perhaps, the main international format, reflecting large-scale changes which have been taking place in the world over the last few years. These changes have been caused by a failed attempt to build a unipolar model of international governance after the end of the “Cold War” and, on the other hand, by a rapid “political globalization”, i.e. growing real influence and autonomy in the international affairs of the states, situated not only in the traditional Euro-Atlantic space, but worldwide. This new globalization became the inevitable result of growing political influence of the states, whose opinion had been of little significance for global policy just a few decades earlier.

Russia’s role in BRICS is unique. The New Russia does not stake on the competition of imperial ambitions, but on closer international cooperation and creation of such really effective formats of interaction, which can provide an alternative to the growing chaos in the global politics and economy. It is largely due to this fact that BRICS is gradually shifting from its original mission of serving as a means of expressing a consolidated opinion of new, growing economies in the world dominated by the US and its allies to the agenda which offers the world new solutions, reflecting the changes in the international environment.

At present BRICS represents efforts to create a just polycentric world order, to overcome the domination of the collective West in the international relationships and global governance. The group allows non-Western member-states of the G20 to coordinate their approaches on multiple issues of world politics, and global economic and political governance, to express similar stances and agendas at multilateral institutions and forums, engage in multilateral and bilateral cooperation. The BRICS nations pursue a common goal of building a just polycentric world order that will give every country an opportunity to design an independent model of its social, economic and political development and to pursue an independent foreign policy as well as to establish a more representative and effective system of global governance, enhancing the clout and role of developing countries in the key regulatory institutions, with the US dollar playing a reduced role in the international finance.

Despite its rather short history the BRICS unique format has already become a subject for close study by international academic and expert communities. Namely, most authors point to the contribution of the group to the organization of the world economic order, as well as to the discussion of new approaches to economic governance as a whole. The discussion has always been more emotional at the expert level focusing not so much on the interests, common for the BRICS countries, but on their individual approaches, things which divide rather than unite them. For instance, contradictions between China and India, the desire of Beijing to use its participation in the group only to advance its own agenda, the dependence of BRICS on the change of the political cycle in Brazil or in the Republic of South Africa after its accession have become a commonplace.

There is no doubt that such important countries as the BRICS participants formulate their own foreign

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policy priorities, depending on the development tasks and national culture of strategy.

For Russia it involves strengthening legislation and building institutions of cooperation. For China it's the realization of a large-scale strategy of a more just world order in the Chinese perception.

For India it's building such an international environment, both at the regional levels and at the global ones which will allow the country to have a rightful place, corresponding to its size and potential. The main political priorities for Brazil and South Africa which they advance through BRICS are asserting their status as leading countries in Latin America and Africa. It is absolutely normal that these strategic targets are different, and it would be strange to demand that the BRICS countries should demonstrate the kind of discipline in their ideas and actions common, for example, to the western community. In fact, BRICS emerged as an alternative to the lack of freedom apparently dominating in the international relations in the 1990s and in the early 2000s. The value of BRICS consists in the fact that national leaders do not get any "instructions" at its meetings or argue about the best way to implement them, as it often happens to the G-7, but speak to each other as equals. If the participants are equal and are not going to limit their sovereignty, decisions made by them become more important in the long run.

Despite many doubts, BRICS group has established itself as an important phenomenon of international life. These discussions, like any discussion of the international organizations issue, though formally BRICS is not one of them, make it relevant raising at least two questions. The first question is whether the BRICS can and must become a unifier of non-Western global political players while the USA and its allies are so far not ready to put forward a truly multilateral agenda, going beyond their own interests. It's a

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question of geography and scope of the BRICS group membership. To what extent should it try to become more representative as regards its member-states? In other words, can we, at least only in theory, raise the question of enlarging the group's membership and uniting within its framework all or almost all the G20, i.e. nations which do not make part of the G-7, the main exclusive informal institution of the West?

The second question is whether BRICS can pivot towards becoming an institution which sets new rules of the game in global politics and economy, rules which could effectively correct distortions emerging as a result of eroding efficiency of the institutions currently in place. The two questions require a large-scale discussion and study both from the perspective of the countries currently in the group and the expectations of the international community related to it. On the whole, it is important for the BRICS countries to see something which at the moment is beyond the scope of the group's former function, that is, serving as a tool of expressing a special opinion of its participants, albeit important for the world. An alternative to the enlargement and growing international importance of BRICS is deeper, i.e. closer ties between the member-countries in the areas of cooperation already defined.

Let us start with the second issue. For now BRICS does not claim and can hardly claim to have the features of an international regime, i.e. a group of states which establishes norms of communication and its own foreign policy practices. The states of the group have a shared opinion on a number of issues of global economic and political agenda. Moreover, experience has shown that they are quite capable of presenting a concerted framework stance on these issues. However, there's a long way to go from expressing a shared stance to being ready to set rules. In a way, the BRICS group will have

*Despite many doubts, the BRICS group has established itself as an important phenomenon of international life.*



*The BRICS Leaders at the 2019 G20 Osaka summit, hosted by Japan*

to walk this path, because the modern world is too disorderly for such important countries as its participants not to offer it new rules of conduct. It looks like the countries of the group will now have to examine carefully the areas where they can realize their potential to strengthen the institutional and legal environment of global politics and economy. For the group's contribution to be of practical significance in a world, where hegemony, by definition, is impossible, they should maintain a regulatory dialogue with other international organizations, such as ASEAN, EAEU, African Union and a host of others.

A discussion in the framework of the dichotomy “enlargement and more intense cooperation” is being held by experts and officials of the BRICS group. Countries belonging to the group have different views on this issue, which is also absolutely normal and even productive. The problem is different. In the long run no BRICS country and, logically, nobody in the world can aspire to replace the USA as a contender for the global leadership. Such ambitions even if triggered by good intentions will immediately

oppose the contender to the rest of the international community. That's why growing economies' perception both of BRICS and other international institutions in which they actively participate, should evolve into an understanding that those bodies help them limit their power on their own accord for the benefit of universal security and development. That's why in certain circumstances the BRICS nations will apparently have to embark on a discussion as to how far they can increase their clout by expanding formal cooperation with third countries.

The very acronym BRICS (former BRIC) appeared as a result of intellectual search in a situation of rapid growth of new global economic players in the first half of the 2000s. And the fact that it has become a reality of international politics reflects the objective demand which had by then taken shape. The future of the group which has already become the main platform for a new, more democratic policy depends on its ability to meet this evolving demand.



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## BRICS as a Multimodal Format of Cooperation

Over the past few years the BRICS countries have stepped up discussions on new formats of cooperation among which the BRICS Plus concept initiated by China in 2017 has given rise to the most intense debate and discussion. This concept was first developed at the BRICS summit in South Africa in 2018 where the South African side invited the representatives of the countries of regional integration groups of the developing world. Apart from the growing level of cooperation between the regional blocs of the BRICS countries, the cooperation between regional development institutions and the New Development Bank (NDB) is worth noting. Also of note is the increase in discussions on expanding the membership of the NDB mainly with the support of the regional partners of the BRICS countries. All these initiatives can be considered as key components of the extended and open format of the BRICS Plus format.

With reference to the events of 2019 and the discussion of the cooperation format among the BRICS countries with their partners from developing countries the most noteworthy are the steps taken to expand the NDB membership. Essentially the increased number of the NDB members will remove the urgent need to expand the core pool of the BRICS members, while the model of the NDB

expansion can be viewed as one of the directions of development of the so-called BRICS Plus format, i.e. the cooperation between the main members of BRICS and their regional partners from developing countries.

In practical terms, the expanded membership of the NDB will facilitate the first steps of the institutionalization of the BRICS Plus concept. According to the statements of the representatives of the BRICS countries joining the NDB of the regional partners of the core BRICS countries is one of the possible ways to expand the NDB. Also, the regional approach to expanding the NDB membership has an economic dimension, as it enables the main BRICS economies to be more actively involved in integrating ties with their neighbours and financing the associated projects via the NDB. Also, the regional strategy for the expansion of the BRICS membership allows to use the potential synergies existing between the NDB financial instruments and regional mechanisms which could contribute to and enhance the positive effect from project financing by the bank.

In this regard the economic advantages and potential for integrating connectivity between the main BRICS economies and their regional partners can be further strengthened by creating a platform for cooperation for the regional development banks and funds where members are the BRICS countries. Such a platform for cooperation between regional development banks can include the Eurasian Development Bank (EDB), the Development Bank of South Africa (DBSA), the SAARC Development Fund (SDF), the Structural Convergence Fund of Mercosur (FOCEM), the China Development Bank (CDB), the China-ASEAN Investment Cooperation Fund (CAF), and the New Development Bank (NDB). Among this group of development institutions the NDB could play a coordinating role in support of the BRICS Plus initiatives.

In the long term the scale of the BRICS speaks well for the implementation

*Apart from the growing level of cooperation between the regional blocs of the BRICS countries, the cooperation between regional development institutions and the New Development Bank is worth noting.*



of not only regional but also global projects. In this regard both the creation of conditions for promoting integration between developing countries and the leadership in creating and developing new platforms of international cooperation can become the mission of BRICS.

A platform of cooperation between major regional integrational groupings of both developing and developed countries could be one of such new formats of cooperation. The support for creating such a platform could be provided by such international institutions as the WTO for which the forum of interaction with regional blocs could become a pillar in settling the increasing trade conflicts.

The G20 which is already involved along with other multilateral institutions in building cooperation with regional blocs and their development institutions could become another platform which could support the creation of the forum of interaction between regional blocs.

The creation of a global platform for interaction between regional integrational blocs is highly necessary in the current conditions of an increase in protectionism and the undermining

multilateral format cooperation between countries. However, after many decades of operating under the Bretton Woods system of international institutions, paradoxically, a platform was never created for the horizontal cooperation between regional integration groups and vertical channels to enhance collaboration between regional and global multilateral institutions.

Filling such a vacuum in the global system for managing regional blocs could assist the expansion of communication channels in international relations. However, there is insufficient leadership by the major regional groupings to launch such an initiative. Under such conditions the BRICS Plus platform which could become the foundation for cooperation between regional integration groupings of the Global South could bring significant momentum to the process of establishing cooperation between regional groups and their institutions on a global scale.

The innovative nature of the BRICS Plus concept is reflected in the transparency of its economic cooperation and integration which is not limited in terms of geography, culture and civilization. The goal of deepening to the maximum the economic integration gives way to the widening the grasp and inclusivity of the integration platform. The platform could combine different levels and formats of integration – from free trade zones to customs unions and bilateral and multilateral agreements, as well.

Possibly the most forward-looking element in the evolution of the BRICS Plus concept is the development of this platform in «integrating integrations».

A precondition for that is that every BRICS member has its regional integration grouping and regional development institutions associated with it. As Deputy Foreign Minister of the Russian Federation S. Ryabkov noted in 2018

*The innovative nature of the BRICS Plus concept is reflected in the transparency of its economic cooperation and integration which is not limited in terms of geography, culture and civilization.*

*In more general terms the BRICS Plus can become a multimodal platform for cooperation both at the level of individual countries and at the level of regional blocs.*

“we suggest that our partners should view the BRICS Plus format as a development platform which could be called «integrating integrations»”<sup>1</sup>. It is noteworthy that the processes of economic integration over the past few years are increasingly aimed at the growth cooperation not only between the countries but also between the regional blocs.

Among the countries with high level of economic development which are the most actively involved in creating alliances with other regional blocs are the European Free Trade Association (the EFTA member-states are Iceland, Liechtenstein, Norway and Switzerland) and the European Union.

Also, a number of regional blocs of developing countries concluded free trade agreements or other types of trade agreements with similar structures from other regions.

The examples can include the agreement on preferential trade between Mercosur and the EU, as well as between Mercosur and the Southern African Customs Union (SACU), the agreement on economic partnership between the EU and the Economic Partnership Unit of the Southern African Development Community (SADC), also the free trade agreement between ASEAN and the Australia-New Zealand Free Trade Area (AANZFTA).

In the long run the spread of the «integrating integrations» phenomenon could result in making the system of trade alliances (which currently number in the hundreds) more streamlined and structured.

With regard to developing countries such a format of economic integration through the development of the BRICS Plus platform could significantly accelerate the South-South integration processes and catching up with developed countries in terms of scale and depth of integration in the global economy.

In more general terms the BRICS Plus can become a multimodal platform for cooperation both at the level of individual countries and at the level of regional blocs. In contrast to certain exclusivity of regional agreements with the participation of developed countries the BRICS Plus can position itself as a unique platform for open multiple format interaction. In this way the openness for economic cooperation can extend to both developing countries and developed ones. As important is the element of sustainability of economic integration which will be possible in the framework of multimodal platform since the countries could conclude agreements in accordance with real needs and levels of their development.

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1. <https://tass.ru/politika/4931502>



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## A New Vision...

### (The Fifth Anniversary of the New Development Bank)

On 7 July 2015, the year of Russia's chairmanship of BRICS, the inaugural meeting of the New Development Bank (hereinafter: NDB or the Bank) Board of Governors was held in Moscow, chaired by Minister of Finance of the Russian Federation Anton Siluanov. This event was due to the fact that all the members of the five countries had by that date completed very difficult and time-consuming domestic procedures related to the ratification of the two basic documents of the Bank establishment: the Inter-governmental Agreement and the Bank Charter. The significance of that Board of Governors meeting can be seen in the fact that it was attended by all the ministers of finance of the five countries. After the meeting in Moscow this membership has never met at a regular (annual) meeting of the NDB highest management body.

The discussion of the agenda, which included administrative and organizational issues related to the Bank launching, resulted in approval of the rules and regulations for the Board of governors and the Board of directors, the arrangements for the election of board chairmen and the Bank President, and for the appointment of vice-presidents. The session chair made the following statement on behalf of the "distinguished assembly": "By 2020 the Bank should fully complete its corporate formation and be recognized by the BRICS member countries and the world community as one of the leading multilateral development

banks successful in such key areas as green energy and other sustainable development projects”.

Has the NDB achieved its stated goals? How successful is it as a development institution? Does the NDB have a potential to rise to a new level in ensuring interests of the founder countries? These and many other questions are considered in the following survey of the Bank’s activities over the last five years.

## SUMMING UP

As a participant in prior consultations on establishment of the NDB and official negotiations of authorized delegations of the parties, the author is particularly pleased to note that all corporate documents required for the Bank’s operation had been developed, agreed and approved in early 2018. There are more than thirty such documents. These can hardly be ranked, since each of them serves as a basis for specific tasks. Therefore, I shall mention only some of them without diminishing the significance of many others. They include the above-mentioned rules and regulations for meetings of highest management bodies of the Bank, basic credit terms for sovereign borrowers, similar documents concerning private borrowers, with or with no State guarantees, arrangements for interaction with multilateral financial institutions, documents regulating operations of the key Committees of the Bank: budget, personnel matters, audit, risks, and compliance. Thus, one of the two suggestions formulated by Anton Siluanov at the NDB inauguration had been 100 % realized by early 2020: the Bank has been established as a legal entity and as an international self-sustaining financial organization. This was facilitated also by punctuality of the founder countries in contributions to the paid-in capital. As for the beginning of year 2020, the amount of the capital reached 6.5 billion USD, of the ten billion stipulated with the constituent documents.

In the opinion of the author, since the NDB inauguration the second target formulated by the Russian side has also been achieved: the Bank is now not only visible in business and financial circles of the BRICS countries, but also recognized by developed economies. In this context, suffice it to quote *The Economist* of 29 September 2018: “At the moment of weakness their most tangible creation – a bank that aims to reshape

the world of development finance – is making surprising headway.” According to an unwritten principle of British politics, the magazine did not bother to analyze the “headway”. So, we shall do it here.

Thus, at the beginning of 2020, i.e., less than five years since its inauguration, the NDB has approved 52 investment funding projects for a total of 15.8 billion USD, while in the “breakthrough” year of 2019, it approved 22 projects for 7.1 billion USD. The amount of annual operations has brought the Bank within the reach of the European Bank for Reconstruction and Development (EBRD), one of the “veterans” in development financing which usually concluded agreements to a total of some 9 billion USD a year. Most projects financed by the NDB are in the field of renewable energy, i.e., the green economy. Its portfolio, naturally, contains projects related to water resources management (protection), while other projects belong to the category of sustainable infrastructure. Also, it is worth to note the fairly balanced structure of the Bank’s loan portfolio: 14 projects are being implemented in China and India each, nine in Russia, eight in South Africa, and seven in Brazil.

Other important achievements of the Bank, of which both its shareholders and staff can be proud, include the AA+ international credit rating from both Fitch Ratings and Standard & Poor’s Global Ratings, and top ranking by national rating agencies of Russia, Japan, China, and South Africa. Without delay the Bank has placed corporate bonds in the finance markets of China and South Africa. In 2019, the NDB registered its issue of bonds program on Moscow Exchange to a total of 100 billion rubles. Today, it is safe to say that in addition to the capital formed out of the founder countries’ funds, the Bank has a sustainable resource base and is able to finance major sustainable development projects.

### REASONS AND FACTORS

The rapid launch of the NDB operations is no less impressive. Most operating multilateral development banks had reached similar results by the end of the first decade of their existence. What are the reasons/factors of the NDB success? Correct answers to this question are important not only for recording historically meaningful facts.

Continued impact of these factors or at least careful attitude to them is essential for the NDB further development.

The Bank's achievements seem to be based on three factors, or three circumstances that determine both its success and its "novelty" as compared to other multilateral development banks. First, the relationships of equality, mutual respect and trust that the founders have formed from the very beginning of preliminary consultations. The NDB's operating activity is based on safeguarding the interests of borrowers and adapting the terms of project funding to the needs of a specific country and its development priorities. None of the shareholders has the right of veto in respect of any possible actions and/or decisions of the Bank.

Second, a novel, though not yet proven, approach to investment project funding. This approach is described as "sustainable infrastructure" development, i.e., the building of elements of social and physical infrastructure resistant to external influences. These may include natural calamities, environmental problems, difficulties with funding on the ground, "human factor" effects, and changes in the social and political situation, etc. Sustainable infrastructure projects take into account external factors throughout the life cycle of a specific facility, from project design to decommissioning.

Such a formulation of the issue stimulated, among other things, a relevant discussion in the Group of Twenty which resulted in the adoption of the Principles of Quality Infrastructure Investment. This is another justification of the innovative approach by the founder countries to defining the mission of the NDB. A key element of innovation is prioritization of and shift to project funding in local currencies which should become one of the basic principles of infrastructure facility sustainability since it is in local currencies that they generate financial flows.

Third, avoiding excessive bureaucracy in approving projects for funding, money transfers by contractor-executing agencies, and monitoring of intermediate targets achievement, and reporting. The NDB relies on preventive measures in its operations, i.e., on effective risk management. As a result, 14 (!) strategies for all aspects of project activities, from liquidity control to compliance and anticorruption measures, have been developed and adopted. Of course, the effectiveness

of this novation has yet to be assessed since as of the beginning of March 2020 no project funded by the Bank has been completed or commissioned. So far it can be safely said that the time spent on project request consideration does not exceed 6-8 months, while “traditional” multilateral development banks take, as a rule, from 12 to 18 months.

Such are the factors of the Bank’s successes noted by The Economist. However, the list of advances would be incomplete without other three facts which are not obvious enough to an outsider. These include, above all, keen interest shown by the BRICS leaders in the establishment of the NDB, starting with their instruction to ministers of finance given in March 2012 in New Delhi concerning the issue of “feasibility and viability” of this step and finishing with monitoring the process of basic documents development, formation of managing bodies and replenishment of the paid-in stated capital. Also, it is worth to the now almost forgotten report by two well-known professors, Nicholas Stern and Joseph Stiglitz, published in September 2011 and dealing with the establishment of the multilateral development bank as both an instrument of South-South cooperation and a mechanism for redistribution of global savings for the purpose of financing physical and social infrastructure elements. This document served as a relevant position paper and allowed to “draw together” ideas concerning the Bank of all participants in preliminary consultations. To say this whole thing has helped a lot to consolidate positions of the BRICS member-countries would be an understatement. However, it should be noted that Russia had not appeared among South-South development bank founders in the above-mentioned report.

Finally, they wisely decided not to have a permanent “resident” Board of Directors. Instead, the NDB has a non-resident Board which initially included heads of delegations to the negotiations on its establishment. This largely simplified and accelerated intercorporate processes and brought closer together the management and the shareholders, and, as a result, allowed to promptly identify projects suitable for funding by the NDB, while modern IT technologies allow remote or videoconference decision-making. None of the functioning multilateral development banks have ever had such an advantage!

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The Russian line of the NDB operations is successfully developing. The accumulated amount of all loans approved by the Bank and intended for project funding in the Russian Federation amounted to 2.7 billion USD. The Bank intends to increase it at least by 50% in 2020. Moreover, the most diversified NDB loan portfolio is connected with operations in Russia. Whereas in other founder countries the Bank provides funds primarily for energy generation and road infrastructure projects, in the Russian Federation its activity also covers the areas that are usually considered as associated with structural reforms. These include promotion of the judicial reform (it was this credit that attracted attention of *The Economist*); support to the development of a system of highly skilled professionals training for key branches of the economy; integrated development of the territory and infrastructure of small towns and settlements, and improvement of water supply and drainage systems in the Volga basin.

The Bank and its shareholders supported a number of initiatives launched by Russia and aimed at raising the performance of the NDB. The initial initiatives included adoption of policy of interaction and cooperation with “small” regional development banks and national development institutions. These efforts brought a specific result in the form of Nord Hydro project of small power plants construction in Karelia funding through provision of financing to the International Investment Bank and the Eurasian Development Bank. In fact, it is this project that may become the first completed project involving the NDB which apparently confirms that this is the right direction in the Bank’s operations. The policy of project lending without sovereign guarantees has also been developed and approved at the initiative of Russia. The beneficiaries are the SIBUR holding and Russian Railways which signed loan agreements with the Bank for 300 million USD and 500 million CHF, respectively.

The opening of the NDB Eurasian Regional Center is scheduled for the summer of 2020. The Government of the Russian Federation and the Bank have already signed a relevant agreement. It provides for various benefits and privileges for both the Center as a legal person and for its

staff. This will facilitate the NDB's operations in the huge territory of the Russian Federation.

In the medium term the Bank is to become an important instrument of substantial development projects funding, including those contained in the President Executive Order No. 204 dated May 7, 2018 "On National Goals and Strategic Objectives of the Russian Federation through to 2024".

## PROSPECTS

Judging by the results achieved and growth rates of the loan portfolio, the prospects for the NDB seem more than encouraging. The Bank has firmly occupied its own niche in the international financial architecture. Moreover, some of its initiatives catalyzed expansion of operations in other multilateral development banks and on other multilateral platforms. The Bank's expansion has already gone beyond the borders of founder countries due to a specially designed and approved policy of project funding in non-members of the NDB. As for the interests of the founder states, these may be satisfied at least by the fact that with the expansion of the Bank's operations there is less indefiniteness about the source of financial resources if there is a need for funding an infrastructure project of a medium-size sustainable development project (up to one billion USD).

At the same time, to fulfill its mission adequately the Bank and its shareholders have to regularly solve a number of practical tasks and go beyond what has already been done. First, the NDB, like most credit organizations, faces challenges in identifying bankable projects. Their work with sovereign borrowers obviously is of great significance and that is why the Asian Infrastructure Investment Bank is moving in this direction but, at the same time, it should not be the "principal road" of expanding the Bank's operations. Private business projects funding and their co-financing, not only by way of loans but also of equity participation, cannot but become, in a few years, the basis for the NDB presence in shareholder countries. However, so far this challenge has not been met yet.

Second, the BRICS leaders rely on the Bank as a catalyst for integrationist projects contributing to mutual trade and investments.

It's no secret that currently the five countries are not major trading partners. However, the Bank has been established precisely with the aim to reduce their dependence on developed economies and to enhance their role in global management. Much of the burden is evidently placed on measures aimed at sustainable development of the national economies and financial systems of the founder countries. But the NDB has the necessary integration potential and it should be brought into play.

Third, and this objective is closely connected with the previous one, the Bank should work purposefully to expand its use of national currencies of the BRICS countries in its operations. The key prerequisite here is stable demand for loans in national currencies.

Bond lending in local currencies in national markets of the five countries allows the Bank to provide loans in the currency that is in demand with the borrowers. However, this is only a partial solution to the task of effective use of the paid-up part of the charter capital nominated in USD. The borrowers' interests would be better met if the NDB could provide mixed funding, i.e., credits funded from paid (bond loans) and from unpaid (paid up capital) money.

Increase in the NDB membership is another line of comprehensive fulfillment of its mission entrusted by the founders, especially in the context of enhanced South-South cooperation. BRICS follows innovative ways to meet this challenge, as well. Whereas joining a traditional multilateral development bank requires an application which would most likely be accepted, membership of the NDB is possible by invitation only. This rule is aimed at maintaining the NDB identification as the BRICS Bank, but its charter documents provide for the NDB membership of UN member-countries, naturally those that share its goals and objectives. All legal requirements for expanding the membership of the NDB are met. Consultations, so far informal and nonpublic, are conducted, in which the key role belongs (this is another innovation) to the founder countries and not to the Bank management. Relevant decisions may be published in July 2020 during the Five summit in St.-Petersburg. Thereby a new stage in the expansion of the New Development Bank will be launched.



## **Ksenia Yudaeva**

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## **In the Name of Financial Security**

### **BRICS response to challenges of the global financial system**

*A new age is dawning, the adaptive age. Adaptation is no defeat, but a strategy of protection against that, which is happening already'.*

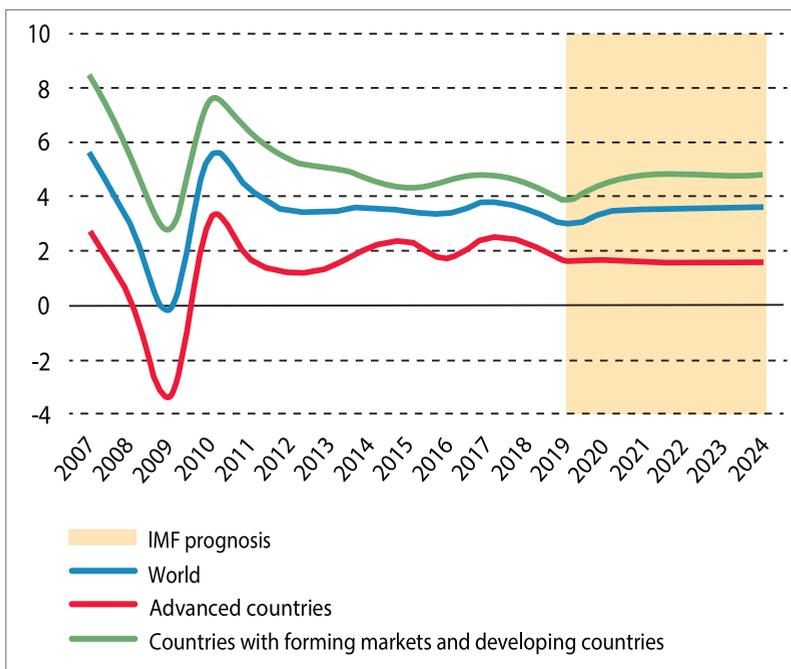
*Kristalina Georgieva, IMF Managing Director*

A decade since the world financial crisis the international financial system is anew up against hard times. The risk of global economic slowdown is still high. According to the IMF statistics, the growth rate in 2019 will be three percent, and this is the lowest forecast since 2009. Moreover, the slowdown in the world economy is synchronic. Thus, according to the IMF forecast, economic growth in advanced countries will drop to 1.7 percent in 2019, from 2.3 percent in 2018; in the countries with forming markets and in developing countries, to 3.9 percent from 4.5 percent, respectively. The risks involved in trade wars, political uncertainty (in the case of Brexit), and finally in climate change and increasingly frequent natural disasters are strongly affecting global financial stability.

BRICS

Figure 1.

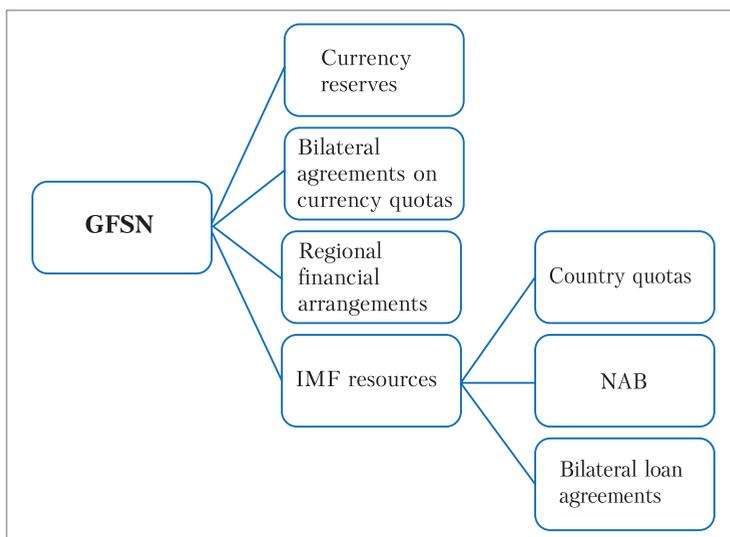
Dynamics of global GDP growth, %



IMF prognosis

Figure 2.

Global Financial Security Network

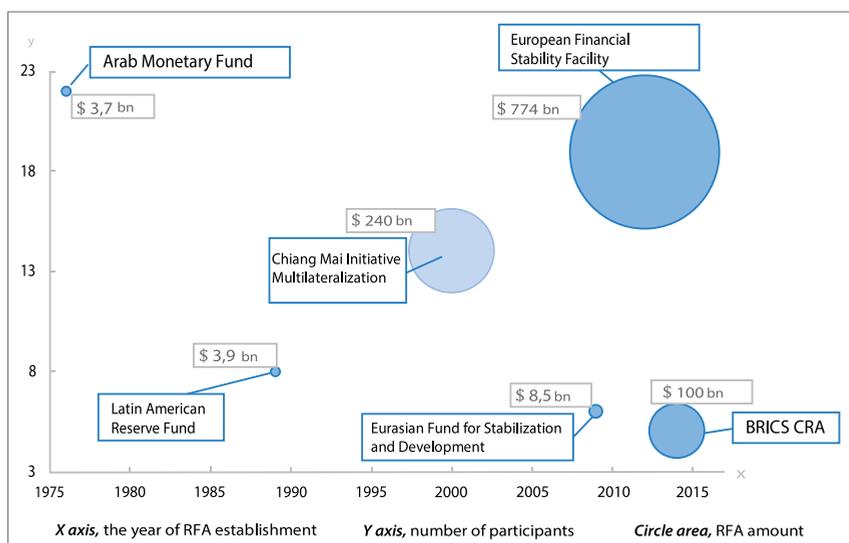


Under the circumstances the Global Financial Security Network (GFSN), an international multi-level mechanism of preventing and combating crisis consequences, has to adjust. Thus, at the global level there have been attempts at reformatting the IMF resources to match the new reality. The reference is to both the revision of country quotas in favor of developing countries, and a reform of the New Agreements on Borrowings (NAB) intended at the very least for preserving, and at the most for increasing the overall volume of the IMF resources over the next three to five years.

Also, several factors point to the process of the IMF resources reformatting getting stalled. This is both the 15th revision of quotas that failed to take place in October 2019, under which it was expected to have quotas redistributed in favor of developing countries, and delays in the NAB reform. Against this background, as well as in conditions of continuing high risks to financial stability, an alternative GFSN instrument for providing financial security is regional financial arrangements (RFAs)<sup>2</sup>.

Figure 3.

### Regional financial arrangements



The six largest economic regions have acquired their own financial safety air bags, as it were, over the last half-century. The

aggregate resources of these RFAs at the moment exceed the IMF resources. On analogy with the IMF, several agreements, including the Chiang Mai Initiative (CMI) Multilateralization, the Arab Monetary Fund (AMF), and the Latin American Reserve Fund, provide not only for financial, but also for technological aid for agreement participants, i.e. monitoring of the economic situation in the country and consultations.

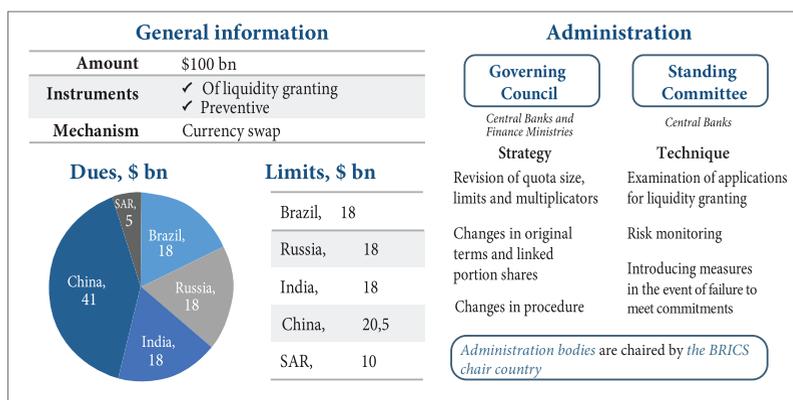
The BRICS countries did not stay on the sidelines of the adaptation trend that has been gathering momentum. Back in 2014, as though sensing an impending IMF resource crisis, and inspired by the Chiang Mai Initiative, the Central Banks of the five countries launched their own RFA counterpart, the BRICS Contingent Reserve Arrangement (CRA).<sup>3</sup> The mechanism has been devised for the contingency of one or several countries in the group of five encountering dollar liquidity problems, and is intended to cushion the effect of short-term excessive pressure on the country's balance of payments. Financial support is granted via the currency swap mechanism.

An important advantage of BRICS CRA is prompt access to financial aid. For one thing, each country of the five countries is entitled to apply to BRICS CRA at any moment for financial aid not exceeding the country limit. The total use of the country limit resources (linked portion) is only allowed in the event of the borrower country having a stabilization program agreed with the IMF and meeting the commitments it has assumed under the latter. In the absence of a similar program the amount of the loan granted will be 30 percent of the country limit (de-linked portion).

Also, since BRICS CRA is entirely virtual, the decision to grant the money can accordingly be taken, among other things, by online voting; it takes about a week to approve a tranche from the moment of application by the borrower. The body that approves money allocation is the Standing Committee of the BRICS Pool; it bases its decision on the macroeconomic indices submitted by the claimant (defined by the Operational Agreement between the BRICS Central Banks).

Figure 4.

### BRICS contingent reserve arrangement



The operational validity of the BRICS CRA mechanism has been proved in practice by two tests, which the Central Banks of the five countries held in 2018 and 2019. Thus, in 2018 they put into operation in a test mode an instrument of granting liquidity with actual movement of money, and in 2019, a preventive instrument and option of early money demand by one of the creditors (the encashment option). In 2020 several creditors are expected to be able to resort to the encashment option at once.

BRICS CRA is not only a financial “air bag.” The mechanism of the Five uniting the Central Banks of major developing countries has an enormous research potential. The system of exchanging BRICS macroeconomic information devised in order to render information support to decisions by the BRICS CRA administrative bodies<sup>4</sup> enables the leading economists of the five countries<sup>5</sup> to regularly<sup>6</sup> exchange macro-statistics and discuss topical issues of the international financial agenda. The results of expert discussions are used to form an Economic Note, a brief survey of the macroeconomic situation in each BRICS country, by the Central Bank of the BRICS chair country.

In this context the Bank of Russia hopes to support the BRICS CRA development in 2020 as an instrument of monitoring the macroeconomic situation in the countries of the five countries. We plan to issue the first ever BRICS analytical report, jointly with

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our partners, that will include an expert estimate and forecast, both for every economy separately, and for the association as a whole.

The response of the BRICS countries to the increased vulnerability of the international financial system is not confined to setting up BRICS CRA with its financial and research functions. Thus, since 2017<sup>7</sup> the Central Banks of the five countries, with assistance from experts of the Bank of International Settlements, have been actively working on launching a bond fund in BRICS national currencies (the BRICS Bond Fund). The purpose of the project is to keep up the investment stability of the BRICS countries by stimulating the development of bond markets in the national currencies of the five countries.

The strategy of adaptation is not defeatism. On the contrary, having displayed readiness for change, having started a search for the more accessible and effective methods of fitting in the new world context, the BRICS countries have opted for financial security and financial stability.

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1. Georgieva, K. (2019). *The Adaptive Age*. Finance & Development, Vol. 56, NO 4.
  2. The IMF defines RFAs as mechanisms of financing that help a group of countries in the region undertake to grant financial support to those members of the group that suffer (or may suffer) from lack of liquidity or balance of payments problems.
  3. The BRICS Pool Agreement was signed on 15 July 2014, in the course of the 6th BRICS Summit in the city of Fortaleza (Brazil).
  4. The BRICS System of Exchange in Macroeconomic Information (SEMI) was agreed by the Central Banks of the Five on the results of the session of the Standing Committee of the Contingent Reserve Arrangement Pool on 26 February 2016 in Shanghai.
  5. In 2018, on the initiative of the RSA Reserves Bank, the BRICS SEMI Research Group was set up incorporating experts in macroeconomics from the Central Banks of the Five.
  6. In the format of quarterly video conferences.
  7. The initiative to establish the BRICS Bond Fund was endorsed in principle by the leaders of the Five in their declarations on the results of the 2017 and 2018 Summits in Xiamen and Johannesburg.

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## Role of BRICS in the Global Economy

In the ten years since its first summit (Yekaterinburg, 2009) BRICS has become an institution of global economic governance and a platform for coordination and cooperation of its member-states. The increasing role of BRICS in the global economy has come about due to several factors among which the key ones are the economic might of the five countries, the contribution to the reform of international economic institutions and the impact on the transformation of the international monetary and financial systems.

In terms of the economic might, in spite of the consequences of the financial and economic crisis of 2008, the fluctuations of global economic growth, an increase in protectionism, the ongoing deficit of funding for infrastructure and other issues over the post-crisis decade, the average GDP per capita for the population of the BRICS countries (5,4%) was three times higher than worldwide (1,7%). The share of BRICS in the global GDP has added 10 p.p., standing in 2019 at 33%.<sup>1</sup> It is predicted that the growth rate of the BRICS member-states which is higher than the global rate (4,5% as compared to 2,5% in the coming years) will lead to further increase in the share of the five countries. By 2030 it will exceed that of the

USA and European countries combined, reaching 37% of the global economy.<sup>2</sup> Responsible monetary policy aimed at decreasing the sovereign debt<sup>3</sup>, increasing international reserves,<sup>4</sup> helps to ensure macroeconomic stability. The BRICS countries represent 19% of global exports, 16% of global imports, 19% of incoming and almost the same amount of outgoing direct investment.

These figures are not only important in themselves but they also are the key to achieve sustainable growth and economic equality in the countries of the five countries, in the partner countries and globally as a whole. The BRICS countries represent 42% of the global population which in turn legitimizes the decisions taken by the five countries and is a source of credibility for them. The increase in combined economic potential of these countries increases the opportunities for economic and political influence in order to strengthen and reform the multilateral system, including international economic organizations, to ensure that it is more inclusive, democratic and representative, to enhance participation of developing countries and states with emerging markets in the process of international decision-making.<sup>5</sup>

BRICS played a decisive role with regard to the reforms of international financial institutions. The coordination of the BRICS countries' positions facilitated reaching the agreement by the G20 at the summit in Seoul in 2010 on the reform of quotas and management of the IMF and the World Bank: redistribution of quotas of 6% and 5% accordingly in line with the interests of developing countries and having developed by January 2013 a new formula to calculate quotas. The decision on quotas came into force in January 2016. The issue of reviewing the calculation formula has been postponed year on year. And in October 2019 the issue was delayed again, this time for the period of General reviewing of quotas from 2020 until December 2023. Given the

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increasing contribution of emerging markets to the global GDP, the stalling in the implementation of the reform leads to further increasing disparity in their shares of the global GDP and shares of the IMF quotas and, in turn, the level of influence on the Fund's decisions.

It shows the need for the BRICS countries to have stronger coordination of their positions on this area of the reform and their collective advancement in the G20 and the IMF.

The relative success in developing and coordinating new standards of finance regulation is linked to BRICS.

The G-7 countries, primarily the USA with their major financial markets found themselves under significant pressure from the electorate calling for stronger regulation.

They sought to use international regulatory cooperation to create international rules of the game which would allow them to ensure both stability and persistent competitiveness of their national markets.<sup>6</sup> BRICS, aware of the need to increase the quality of regulation, to improve national regulatory bases and to reform international system of financial regulation, focused specifically on coordination to prevent consequences and side effects, stemming from cross-border effects of the reform of regulation for the emerging markets and developing economies. While developing Basel III G-7 countries faced pressure from the banks which recovered after the crisis and lobbied against the reform, for lengthier periods of introduction and softer terms for new requirements. The position of the G-7 countries has changed accordingly. The participation of China, India and Brazil in the Basel committee has helped respond to pressure and dilute the standard.<sup>7</sup> Although reforms of financial regulation are often blamed for reducing liquidity levels on several financial markets,<sup>8</sup> they increased the resilience of financial institutions and markets.

The most significant contribution of BRICS to reforming international financial system was the creation of the New Development Bank (NDB) and BRICS Contingent Reserve Arrangement (CRA).

By mid-2019 the NDB had approved financing of 44 infrastructure projects totaling about 13 billion US dollars, BRICS CRA totaling 100 billion US dollars. The US plays a role of a stabilizing fund, an insurance mechanism should a short-term liquidity deficit arise as a result, for example, a rapid outflow from any BRICS state. Its testing has proved successful. A decision has been taken to create the System of exchange of macroeconomic information. In contrast to the IMF and the World Bank, regional development banks are intricately tied to distribution of financing to meet the specific needs of borrowers, the NDB loans are not limited by specific requirements.

The new institutions reflect the interests of the emerging markets and developing countries, provide social benefits for its members and their partners, and are pushing for more active reforms of the current system. The establishment by BRICS of its own institutions confirms they are not satisfied with the speed of the international financial institutional reforms. However, this does not imply the refusal of BRICS to cooperate within the existing formats. Essentially it is a creation of additional development mechanisms and insurance from risks. The cooperation of BRICS within the Bretton Woods institutions and with the G20 remains a priority of the five countries to complete reforms of international monetary system, which will reflect the role of countries with growing markets and developing countries in the global economy and will remove vulnerabilities linked to the domination of the dollar in international trade and financial system.<sup>9</sup>

Aimed at forming a multilateral currency system, the cooperation within the IFI and further

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strengthening of the NDB, BRICS CRA, the Interbank Cooperation Mechanism, provision of credit lines in national currencies and creation of infrastructure for the expansion of trade in national currencies will be the contribution of BRICS to creating a fairer system of the

global economic governance and the provision of sustainable, strong balanced and inclusive growth.

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1. Calculations by CIIR RANEPА according to the IMF data.
2. The role of the BRICS in the world economy & international development. <https://reddytoread.files.wordpress.com/2017/09/brics-2017.pdf>. The calculations are done in purchasing power parity terms based on data of CAM World Databank.
3. In all the BRICS countries the sovereign debt is considerably lower than GDP. According to the IMF, among the BRICS countries Brazil had the highest level of sovereign debt in 2019 (91,57%), Russia's debt stands at 16,49% of GDP, India's at 69,04%, China's at 55,57%, South Africa's at 16,49% of GDP. At the same time the average level of sovereign debt in developed countries is more than 100%. Source: International Monetary Fund, World Economic Outlook Database, October 2019.
4. The total reserves of the BRICS countries at the end of 2018 stood at 4 462 380 mln US dollars. In terms of currency reserves China, Russia and India are in the first, fifth and ninth place respectively whereas Brazil and South Africa are in turn in the tenth and thirty-ninth places respectively.
5. Brasilia Declaration following XI summit of the BRICS countries November 14, 2019 paragraph 6. <http://kremlin.ru/supplement/5458>.
6. Eric Helleiner. What Role for the New Financial Stability Board? The Politics of International Standards after the Crisis. <https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1758-5899.2010.00040.x>.
7. Woods, Ngaire. The G-20 Leaders and Global Governance, GEG Working Paper, No 2010/59, University of Oxford, Global Economic Governance Programme (GEG), Oxford. <https://www.econstor.eu/bitstream/10419/196320/1/GEG-WP-059.pdf>.

8. PWC. Global financial markets liquidity study. <https://www.pwc.lu/en/banking/docs/pwc-banking-global-financial-markets.pdf>.
9. The trade in dollars and the growth in the volume of operation in dollars in the global financial sector will strengthen the influence of changes in the US economy on other countries and reduce the potential of their monetary policies. The growth of loans in dollars increases the vulnerability to changes in dollar exchange rates and forces central banks to increase dollar reserves. Moving to a new reserve currency or a basket of currencies including the euro and the Chinese yuan will reduce the influence of the US on the global financial cycle. The influence of the dollar on global financial conditions will also reduce the new Synthetic Hegemonic Currency (SHC) proposed by European countries. As a result, the multilateral global economy needs a new multilateral currency system to reach its potential. <https://www.bankofengland.co.uk/-/media/boe/files/speech/2019/the-growing-challenges-for-monetary-policy-speech-by-mark-carney.pdf?la=en&hash=01A18270247C456901D4043F59D4B79F09B6BFBC>.

# BRICS

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## Sustainable Development Goals – BRICS countries’ specifics

In 2015 most countries in the world signed the UN Declaration on Sustainable Development Goals (hereinafter, SDGs) and undertook to move toward their realization, but national goals (17 goals and numerous tasks and specific indices) were to be formulated in accordance with their own developmental characteristics. For advanced countries, this is chiefly solution to the accumulated social and environmental problems with an emphasis on mitigation. For most developing countries, this is practically the basis of devising development programs from various, frequently low, levels of development. However, for the BRICS countries, this is a far more important and topical task of a comprehensive approach to their own (catching-up) development. Thanks to the two documents adopted in 2015, UN SDGs and the Paris Agreement on Climate Change (SDGs 13), humanity has, perhaps for the first time, been united not by major principles or rules, but by a uniform framework program. The countries are to formulate its content for themselves.

The transition of the five countries so important to postindustrial society is significant not only for themselves, but also for many other countries connected with them. And this is true not only of trade and economic relations, but also of a wide range of social institutions.

Sustainable development goals (seventeen in all) encompass virtually all major areas of public life, although the degree of detail varies. The

BRICS countries share the same interests in many spheres on the world arena, especially as regards maintenance of acceptable rules of world coordination and governance, particularly in the area of finances, trade and international development. For a decade they have already cooperated. As far as the SDGs is concerned, their respective position is somewhat more complicated. There could have hardly been formulated with any degree of uniformity 17 complicated development goals (with over a hundred tasks) for the five BRICS members. It is unlikely to set the same specific levels for our five countries by most of the SDGs indices (especially in the short term), but interaction and mutual support are very useful when our countries are moving ahead toward higher development degrees.

First of all, it is worth to note that currently they are at different stages of economic development. We'll regard the nature of economic growth in each country in the SDGs context, and compare some important development aspects within the group on the whole: the use of modern IT, power engineering and greenhouse gas emissions.

China has made a gigantic spurt in building up industrial production and exports, and within the quarter-century sped along a 100-year road of industrial development, reforming education and creating contemporary science, above all applied. The size of its GDP by the purchasing power parity has exceeded that of the United States. Its trade surplus with the United States keeps firmly around \$100 billion, while its military expenses have reached 40% of the US level (the USSR-USA ratio was the same in 1988). As the result of this prolonged extensive growth the country appears to be completing the industrial stage in its development, although it is as yet premature to speak of its transition to postindustrial society, which is in essence transition to sustainable socio-economic development. China's per capita GDP is typical of a medium-developed country (see Table); its public institutions are highly centralized. A remarkable parameter of China's economy is the standard of personal

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consumption in GDP, which is below 40%. The Chinese leadership is seeking to change the development parameters; in particular the annual growth rates of real GDP are gradually going down from 10%-plus to the current level of 6% (in 2020 it may drop even further because of the epidemic).

Table 1

	Brazil	Russia	India	China	RSA
GDP by per capita PPP in 2018 (Intl\$ thou)	14,3	24,8	6,9	16,2	12,1
Share of population with secondary-plus education (% of over 25s)	60,0	95,0	-	65,3	72,3
Share of population with PCs in 2017	46,3	71,0	13,0	51,9	28,1
Share of primary energy produced in 2017 (% of the world)	2,1	10,2	4,0	17,5	1,1
Share of primary energy consumed in 2017 (% of the world)	2,1	5,2	6,3	22,0	0,9

Source: World Bank, IEA, OECD, Euromonitor

After four decades of economic growth China has solved a lot of the SDGs problems; it has conquered famine, and developed healthcare and education. Over the years of progress, the material wellbeing of the poorer population strata is several times higher, but still there is a good deal of social inequality. The latter is registered in Party documents which set the task to reduce inequality; this matches SDGs number 10. The country has other problems, as well, that are connected with relevant SDGs; these have in part become a by-product of extensive development – the environment, water supply, serious regional inequality. The country

will address these problems in the foreseeable future, which means considerable costs.

India is the world's largest active democracy blessed with enormous ethnic and religious diversity; it is displaying high GDP growth rates (9 – 10%), but has just begun to get away from the problems of poverty, millions of people in need of adequate electric power supply, drinking water and safe cooking. India is solving the problems of the industrial stage of development by stepping up the services sector (in particular, through services export), as the country's wellbeing level is the lowest among the BRICS members. In India well-educated strata and developed industry branches and regions stand out among the vast masses of the agrarian population still facing the problem of clean drinking water and lack of electric power. The tasks of India's sustainable development are extremely complicated in conditions of continuing population growth and the need to provide not only education, but also jobs for lots of young people from various castes, religious denominations and groups.

The South African Republic is completing the third decade since the end of apartheid by consolidating its civil society and democratic institutions. Social inequality remains among the world's worst, which confronts education before anything else with very serious tasks. The country boasts superior development of some branches of the mining industry and farming, but at the same time there is massive agrarian poverty and the industrial structure typical of very serious periods of industrialization in Europe. In these conditions one of the problems in ensuring sustainable development is to create jobs for the masses getting better education. But the increase in per capita incomes comes up against difficulties related to both own demographic growth and the considerable influx of migrants from poorer neighbors in Africa. Under the circumstances the SDGs concentrate around speeding up economic growth, employment, and the supply of energy for the population.

To date Brazilian economy is in the process of recovery after a severe crisis coupled with complicated social processes, which resulted in partial replacement of the political power elite. With the remaining considerable social inequality, the country is going through a turbulent period. In this case it is worth to single out the support of stable socio-

economic institutions among the goals of sustainable development. The socio-economic upswing at the start of the 21st century encouraged the formation of the middle class and a powerful civil society. But the country appears to have run into the obstacle frequently called the trap of average development standards. As I see it, there is a number of barriers related to the restructuring of the social system and incomes that is to ensure social stability. Naturally, Brazil is vulnerable to fluctuations in agricultural export prices, and is suffering from serious debt problems; there are difficult discussions of environmental issues (to do with the Amazon area). So, the implementation of Sustainable Development Goals largely depends on stability of socio-economic institutions and transition to economic rise.

The Russian situation is distinguished by duality; the country boasts more advanced education and science, and a higher per capita GDP than the other BRICS members, but it is encumbered with lots of serious problems of the industrial stage. Yet it would be premature to talk of transition to the postindustrial development in our case, as well. The nature of post-reform economic institutions has as yet failed to ensure effective use of own financial resources; the rate of accumulation in GDP stays below the desirable 25%, loans are expensive, while the country continues to export capital, as does any country with a trade surplus. The relatively balanced budget and the low level of indebtedness go hand in hand with a low ruble exchange rate. However, poor competitiveness of the industry and political sanctions are holding the growth back. The goals of sustainable development are likewise dualistic; many problems typical of the developing world have been solved, but there is still relative poverty, civil society resents many development aspects, such as the healthcare and education standards, and an inadequate increase in the number of jobs for well-educated young people in the area of science and arts. Public life and socio-economic institutions undergo constant alterations, so the stability of development is a topical issue in many aspects described by the UN framework form. Russia has signed the SDGs Declaration and is doing much to actually attain these goals. In this respect tremendously important are the national projects (in accordance with the May 2018 decrees by the RF President), which aim at solving a number of major development problems essentially

corresponding to the SDGs. Meeting the objectives of the projects for 2024 creates a basis of a longer-term strategy, which is to be devised by the Ministry of Economic Development and which is to contain detailed long-term goals of sustainable development.

Among the global development goals the problem that stands alone is that of mitigation by energy transition and reduction of greenhouse gas emissions. In this area the BRICS countries face a number of common complicated problems; the more important among them is the role of production, use and export-import of coal (barring Brazil). This branch has received massive investments; it provides jobs for lots of people, and it gives a considerable proportion of energy plus export revenues. The BRICS countries produce vast amounts of petroleum products, metals, and chemicals for export, which are manufactured on their territories and account for a sizeable volume of emissions. Advanced countries consume these products, but they do not register emissions. Progress in power engineering and climate programs can be an area of joint SDGs implementation, all the more so since this is yet another sphere where global problems cannot be solved in disregard of the interests, cooperation and active work of the BRICS countries.

Among mutual achievements it is worth noting the rapid progress in digitalization and information systems, particularly in Russia, India and China. The population (especially urban and younger generations), the state bodies and enterprises in the BRICS countries have largely mastered the previous STP stage in the sphere of information technologies. Nowadays they are entering the campaign to use robotics and artificial intelligence to solve their development problems. In a series of industry areas the BRICS countries could address development problems in coordination and carry out relevant programs. In particular, I am referring to transition from purchasing Western equipment, IT included, to production based on own intellectual potential and markets. The differences in the development standards and specialization of the BRICS countries basically promote experience exchange, joint projects and attainment of national SDGs on the way to higher levels of socio-economic development.



## **Andrei Spartak**

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BRICS

## **The Horizons of the Strategy for BRICS Economic Partnership**

In 2015 Russia initiated adoption of the Strategy for BRICS Economic Partnership. The document was drawn up because, with the existing differences in geography, history and evolution, the common interests of the BRICS countries were primarily political, while their foreign-trade and investment relations were on a fairly modest scale. At the same time expanding relations within BRICS in the first half of the 2010s and the growing influence of BRICS in the world proved that the association was perfectly viable, but it became obvious that further stable and successful development of the Forum called for conditions favorable for intensified economic cooperation. Accordingly, there arose the need to formulate lucidly the essence of the BRICS group, showing the principles cooperation was to develop on, indicating the objectives and tasks in this area, and also outlining the more promising spheres of interaction in the medium term. The Strategy proposed by Russia contains answers to these questions; in particular, the Strategy points out the following.

- BRICS is a dialogue and cooperation platform among the States. BRICS cooperation is aimed at complementing and strengthening existing bilateral and multilateral relations between the States. In fact, BRICS is a new format of integration cooperation that creates conditions for developing relations, both within BRICS

and open to interaction with other interested countries, advanced and developing alike. Thus, the non-confrontational nature of the group was accentuated.

- “This platform aims to promote peace, security, prosperity and development in multipolar, interconnected and globalized world,” i.e. the countries located on different continents emphasize the importance of furthering constructive cooperation on a global scale.

- The main proclaimed principles of partnership furthering are as follows: “full respect for the sovereignty of the States; commitment to international law and recognition of the central role of the United Nations on peace, security and development; recognition of multipolar nature of the global economic and financial system; account for national interests, priorities, growth and development strategies of the States; commitment to supporting sustainable development, strong, balanced and inclusive growth.” The partnership of the BRICS countries is based on commitment to the rules and principles of the multilateral trading system as embodied in the World Trade Organization (WTO), recognition of the multipolar world order, account for national interests of the Countries, and commitment to mutually beneficial cooperation with other countries.

- Economically speaking, the Strategy implementation is to promote mutual trade and investment and create a business-friendly environment for investors and entrepreneurs in all the BRICS countries, to encourage further interaction between markets, which is to enhance and diversify trade and investment cooperation, that support value addition among the BRICS countries.

- In terms of industry branches, the Strategy defines the more topical cooperation areas, among them trade and investment, production and processing of minerals, power engineering, agriculture, including food security and access to food; financial cooperation, and cooperation in the ICT area. For each of the branch lines the Strategy specifies potential forms of cooperation.

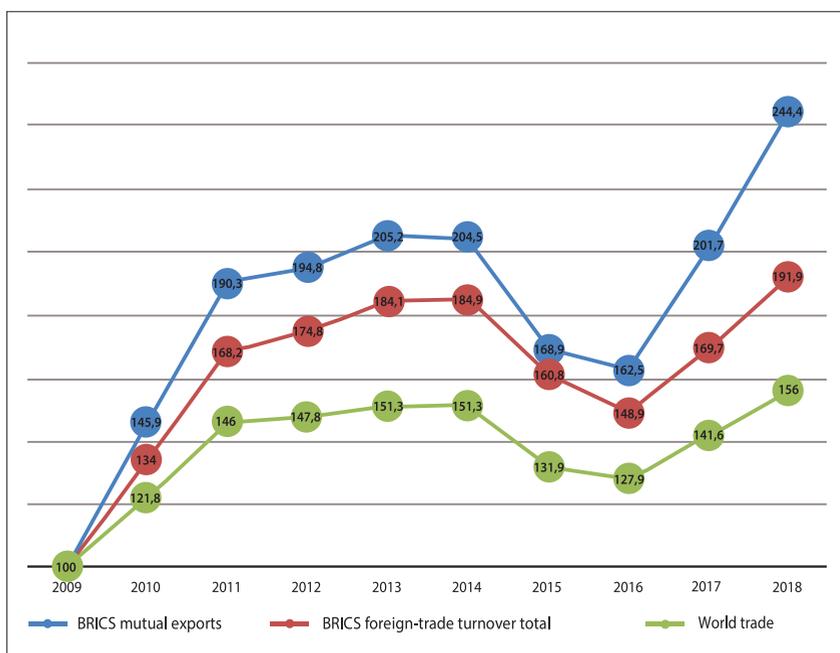
- A good deal of store is set in the Strategy by strengthening interrelationships between the countries, including institutional interrelation (intended to encourage convergence of approaches and harmonize issues of foreign-trade operation regulation), physical

interrelation (development of transnational transport and logistical systems), contact between individuals (cooperation in the area of education, tourism).

- A separate block in the Strategy focuses on issues of interaction with international and regional economic organizations and forums.

The time that has elapsed since 2015 shows that the Strategy has become a successful foundation for developing economic partnership between the BRICS countries. Despite economic, trade-political and geopolitical problems arising now and then, the trade and economic cooperation within the Forum is expanding and attracting new supporters. Mutual exports of the BRICS countries grew by 45% from 2015 to 2018, while BRICS overall foreign-trade turnover and global trade on the whole in the same period grew by a mere 19% and 18%, respectively. Russia's trade turnover with the BRICS countries in 2019 was 66% higher than the level in 2015.

### Dynamics of mutual and foreign trade in BRICS commodities and of world trade on the whole (2009 = 100)



Source: International Trade Centre. URL: <http://www.intracen.org> (accessed 20.02.2020).

The aforesaid confirms the fact that the Strategy correctly defines the basic objectives and principles of partnership, branch trends and instruments of expanding relations. Thus, the approaches to partnership furthering proposed by Russia in 2015 are in keeping with the interests of the BRICS countries and can be used as the basis of a new medium-term document during Russia's BRICS chairmanship in 2020.

Over the second half of the 2010s the world economic progress underwent substantial changes, structural and technological shifts, affecting economic growth and development, which have to be reflected in a new medium-term Strategy of the BRICS Economic Partnership. In particular, it is necessary to take into consideration the following global processes and transformations.

- diminishing economic growth rates, a slowdown in the dynamics of international trade and investment, the considerable numbers of conflicts in world markets, the explosive growth of protectionism, which taken together call into question the chances of the countries successfully attaining the objectives of sustainable development;

- in recent years an increasing number of countries, the BRICS members among them, have set for themselves the task of switching over to green growth as a major component of sustainable development; employment of environment-friendly, green technologies in production and promotion of commodities is becoming increasingly crucial to successful expansion of foreign-trade relations;

- in conditions of highly saturated solvent demand economic development is increasingly getting qualitative rather than quantitative, and is based on creating and introducing innovations; it is this kind of innovative nature of progress that is becoming a key condition for success in furthering national economies;

- digitalization of economies is assuming an ever greater role in the markets of all kinds of resources, more intensive use of the Fourth Industrial Revolution technologies in production is becoming a major condition of ensuring strategic competitiveness;

- development and introduction of digital technologies carry new risks, both current, threatening stability of enterprises and

organizations, and strategic, forming new challenges, in particular for the markets of labor, capital and the sphere of state governance;

- in conditions of expanding horizontal flows of information in today's society an increasingly important thing for maintaining stability of socio-economic development is the inclusive nature of development, which implies creation of equal opportunities for the growth and development of all population strata, regions and territories.

Considering the high dynamics of geo-economic, technological, trade and political changes in recent years, the task of rendering relevant the Strategy of Economic Partnership has become a virtual imperative for the BRICS countries. Currently the BRICS states, having as they do enormous potential, bear responsibility not only for their own development, but also for attaining the Objectives of Sustainable Development on a broader regional and global scale. The BRICS countries accounted for over 33% of the world parity GDP in 2019 (with under 30% for the Group of Seven), and for nearly 18% of global trade.

Rendering relevant the BRICS Economic Partnership Strategy is a major priority of Russia's current BRICS chairmanship, and should be officially presented at the BRICS summit in St. Petersburg in July 2020. The main point of the Strategy renewal is to propose adequate and efficient responses to new global challenges on the part of the BRICS association.

Accordingly, the new version of the Strategy will make a lot more emphasis on the aspects of digital transformation of the BRICS economies and measures of furthering cooperation between member-states in the area of digitalization, bridging digital divide in the BRICS countries, developing electronic commerce and digital trade, introducing modern digital technologies in state governance, improving protection of consumer rights, and of copyright in the digital environment, etc.

The renovated Strategy should reflect the greater role of the sustainable and inclusive development agenda based on innovation, including issues of greater interrelation, development of remote territories, among other things, by means of providing state, social and other services in a remote format via the Internet, and modern communications systems.

Among other important accents in the actualized Strategy there are interaction in the area of technologies and innovations focused on mastering the Fourth Industrial Revolution technologies (within the PartNIR framework), establishment of joint technological platforms and innovation clusters, formation of networks of high-tech parks and business incubators, conducting the policy of open innovations in international science and technology cooperation. It is necessary to emphasize the important role of national development institutions and the BRICS New Development Bank in spurring high-quality investment within the association and increasing its stability.

A thing of major importance will be consistent efforts by BRICS to strengthen an open, transparent, non-discriminatory, inclusive, multilateral, law-based trading system under the WTO auspices. The Strategy should reflect issues of the WTO reforming, improvement and development of international trade rules, and countering the growth of protectionism.

The renovated Strategy will also reflect issues of furthering mechanisms of intra-BRICS monetary-financial cooperation (the New Development Bank, the BRICS Contingent Reserve Arrangement (CRA), the BRICS Bond Fund in national currencies, plans of developing and integrating national pay systems), endorsing the international health regulations, responding to climate changes, furthering cooperation in innovative development trends in power engineering, transport and logistics, human capital, strengthening food security, etc.

It has to be taken into account that as economic partnership within BRICS is expanding and deepening, this Forum will be playing an increasingly important role in the business of attaining the goals of bilateral trade and economic cooperation between Russia and the BRICS countries. In this sector the Russian leaders and their BRICS counterparts have set themselves large-scale tasks to have increased the volume of mutual trade and investment by the mid-2020s. It is for this period that a new Strategy of the BRICS Economic Partnership is being developed, and so economic interests in the area of Russia's bilateral cooperation with the BRICS countries should likewise find reflection in the document under consideration. This will also benefit BRICS as a whole.



## **Ilsur Metshin**

*Mayor of Kazan, Chairperson of the United Nations Advisory Committee of Local Authorities (UNACLA)*

## **The Relations between Cities and Municipalities in BRICS: Development and Prospects**

The year 2020 opens up new opportunities for a multilateral expansion of international contacts; within the framework of Russia's BRICS chairmanship, from in the fall 2020, Kazan will for the first time become a venue of the BRICS Twin Cities and Municipalities Forum. Over 150 representatives of local authorities from the countries of the association will assemble there to discuss issues of attaining sustainable development goals, the key topic of the Forum this year.

We are deeply honored to be hosting an event at so high a level. The local self-government, which is the level of authority closest to the public, has a vast sphere of responsibility. The local bodies of power, regardless of the region or the country, share the same basic task, to make local self-government efficient, remove legal and financial contradictions, and provide equal opportunities and conditions for all inhabitants.

To study and replicate the best world practices of implementing the Sustainable Development Goals is getting more relevant each day. We are increasingly confronted with the need to devise mechanisms of effective planning and managing urban systems, of interaction between the central, regional and local levels of authority,

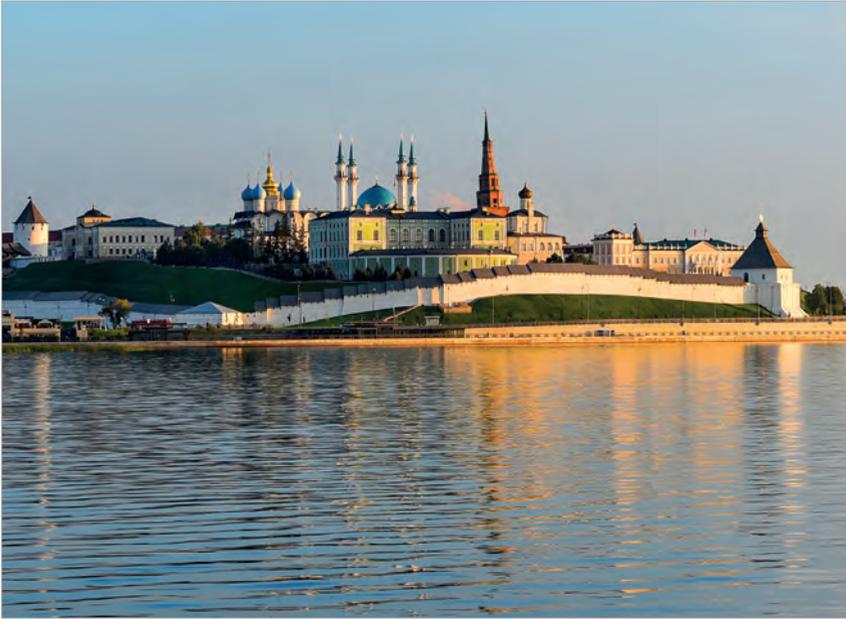


provision of openness, security, endurance and environmental tolerance of cities and populated localities, and tools of protecting and preserving the cultural and natural heritage.

*Kazan is  
a sunny city*

Furthering cooperation between twin cities and municipalities in the BRICS countries is paramount for strengthening interaction at the interregional level and exchanging the results of practical work to counter the challenges related to rapid urbanization.

One of the distinctive features of the Twin Cities Forum in 2020 will be further introduction of the BRICS Plus format involving participants from developing countries that are regional partners of the BRICS states. We are confident that this is an excellent chance of



*A view of the Kazan Kremlin,  
a World Heritage Site  
(UNESCO)*

forming a stable circle of like-thinking people who share our vision of the importance of a multilateral, poly-centric world system. This format will

help us establish cooperation in matters of devising joint responses to topical international challenges related to the provision of sustainable development and long-term economic growth, and redressing of the current imbalances.

Kazan can make a perfect venue for the meeting of regional representatives at the international level. In 2019 I headed the UN Advisory Committee of Local Authorities, UNACLA. The Committee represents the interests of 323,000 municipalities, megalopolises and regions across the world. This is the most powerful and influential entity oriented toward municipal needs.

The principal objective of the Advisory Committee is to defend the interests of local authorities in the United Nations, promote the dialog between local bodies of power and national governments, and also exchange the best practices.

One of our chief tasks within this entity is to assist dialog between local and national governments, and regular exchange of opinion

between the parties on issues related to a greater role of local authorities at the national and international level.

*Reference note*

*Talk of the need to set up a permanent structure under the UNO that would coordinate activity by local authorities and would also speak on their behalf in the UN started at the 1st World Assembly of Local and Regional Authorities in Istanbul in 1996. The Assembly attracted more than 500 mayors from various cities of the world. Subsequently this led to the establishment of the UN Advisory Committee of Local Authorities (UNACLA) and the World Organization of United Cities and Local Governments (UCLG).*

*UNACLA was instituted in 1999 under Resolution 17/18 of the UN-Habitat Board of Directors as a consultative body for consolidating UN dialog with local authorities all over the world.*

*UNACLA represents the interests of 323,000 municipalities, megalopolises and regions the world over. UNACLA comprises 20 members from the UN-Habitat and the UCLG.*

*The World Organization of United Cities and Local Governments (UCLG) is a global network of municipalities, megalopolises and regions, and also associations thereof. It unites over 240,000 cities and territories of 140 countries, and is a major UN partner.*

*UCLG consists of seven regional branches, European (with the HQ in Brussels), North American (Ottawa), Latin American (Montevideo), African (Rabat), Middle Eastern (Istanbul), Asia Pacific (Jakarta), and Eurasian (Kazan). The UCLG World Secretariat is in Barcelona.*

*The UCLG Eurasian regional branch is the most recent addition and the most dynamic. It incorporates over 850 cities from 12 countries: Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kirgizia, Mongolia, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine. This is an important growing point for UCLG at large. Since 2006 it has been headed by the Mayor of Kazan.*

Kazan has had a positive experience of solving various problems that we are willing to share with our counterparts across the world. Over the last few years the city implemented a whole series of initiatives that helped

achieve a positive social, economic and environmental effect, thus assisting the city's sustainable development. A lot of the problems found solution in the projects *Healthy Kazan*, *Green Record*, *Kind Kazan*, *Environmental Development*, *Inter-culture Mutual Understanding*, and others. Kazan's socio-economic development was also boosted by such major international events held in that city as the World Student Games of 2013,



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*Kazan in the evening* the World Aquatics Championship, the Calisthenics World Cup, the FIFA Confederations Cup, the World Football Championship, the World Skills Championship, and many others.

Strategic investments in sports, medicine, and public space improved the living standards in Kazan and were highly appreciated by the competition commission of the internationally renowned Lee Kuan Yew World City Prize; our city won a special prize, along with such cities as Tokyo, Hamburg and Surabaya.

We do not intend to stop at this. The city takes an active part in carrying out national projects in all the main areas of the economy and social life, getting ever more comfortable, accessible and safe. For instance, under the Program of Public Spaces the city has rebuilt and opened lots of parks and public gardens. One of the chief tasks at present is to saturate the park territories with events and a socio-cultural environment that would be in demand.

We seek cooperation with various organizations on the global level in order to borrow the positive experience of other cities. Thus, the capital of Tatarstan has been included in the UNESCO creative cities network in the Music section. It unites 246 cities whose development is based on such creative activity as music, applied, ornamental and folk arts, design, cinema, literature, media art, or gastronomy. I do not doubt that we will find positive practices for developing our creative collectives.

Acknowledging the role of culture in the new agenda marks an extremely important step toward a better future. Protection of culture and promotion of its development do not only constitute a task in its own right, but also are a way of attaining a whole series of goals in the area of sustainable development. Thus, culture is directly conducive to urban safety and stability, economic growth and adequate jobs for all people. It contributes to inequality reduction, protection of the environment, encouragement of gender equality, and construction of peaceable and open societies.

Culture and creative activity hold an important place in implementing each of the three aspects of sustainable development, namely, economic, social and environmental. In turn, work along each of these lines helps preserve cultural heritage and further creative potential.

Kazan is a megalopolis with a distinctive multi-cultural and poly-confessional makeup. Living in the city in the harmony of cultural, religious and linguistic diversity are some 1.2 million people of 115 ethnic groups. Kazan boasts a unique cultural code. On the city map there are over a thousand items that form the cultural diversity of the capital.

In conditions of the global world cities, wherever they may be located, are facing similar challenges. We hope that the BRICS Forum of Twin Cities and Municipalities in Kazan will become an effective ground for active discussions and devising new strategies of cooperation consolidation between municipalities, enhancing their role in solving global problems, and exchanging the best experience so as to make the life of our citizens more comfortable.

We are looking forward to welcoming all the Forum participants in our hospitable city!

**Dmitry Tomilin***Rector of the Institute of Theater Art***Mariya Nosova***Vice-Rector of the Institute of Theater Art***Yevgeny Glazov***Acting teacher of the Institute of Theater Art*

## **BRICS International Festival of Theater Schools as an example of successful cooperation among the five countries in humanitarian sphere**

BRInging ContinentS together! This is how we deciphered the acronym BRICS, and this is what we used for motto at the International Festival of BRICS Theater Schools. The Festival is a unique event in the theater world, when representatives of different schools and genres act in different languages in the same performance. The differences of language and appearance are no hindrance to seeing the beauty of the piece and the mosaic of stage features in a single play, and this sets people seriously thinking about the fact that we are all humans on the same planet Earth.

The idea of the Festival originated in 2016, at the Institute of Theater Art named after People's Artist of the USSR Joseph Kobzon (at the time administered by Joseph Kobzon). While the BRICS countries were furthering relations in the political, economic and humanitarian spheres, we thought we'd let the politicians do their job, while our task was to create an atmosphere of friendship and unity between peoples. To teach people to understand each other through art and culture. It is not enough to feed a person; they

BRICS International Festival of Theater Schools as an example of successful cooperation among the five countries in humanitarian sphere



*The Theater BRICS 2018/2019*

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will still crave for spiritual nourishment as well. Art is the best language of communication between peoples in different countries, of different ethnicity, religions, color, and mindsets; it is democratic and comprehensible. The uniqueness of the Festival is that it has a global scope and is a graphic example of the entire diversity of theater talent of BRICS students and Festival visitors. And fully aware of this, we help the Festival give a creative impulse to creative friendship between different countries.



## BRICS International Festival of Theater Schools as an example of successful cooperation among the five countries in humanitarian sphere

The first Festival of Theater Schools was held in 2017. By now we have had three of those. Each was hosted by downtown Moscow in an atmosphere of love and joy. It showed the extent of Moscow's hospitality and of the Russian people's friendliness. Theater art affects people in a very special way demonstrating an exclusive example of constructing partnership relations between various states. Over the years the Festival kept expanding; in 2019 the BRICS countries were joined by Armenia and Belarus, while in 2020 theater schools from France and Germany are also willing to take part.



Undergraduates from each country brought over fragments of one and the same piece of drama. In 2017 it was Romeo and Juliet; in 2018, The Servant of Two Masters; in 2019, Oedipus Rex, and in 2020 the audiences will see Mother Courage and Her Children. The theater schools offer their own version of the play previously selected by all the participants, their national vision, and stick to their own country's tradition. For instance, a Harlequin-like character, every bit as poor, hungry and smart, helped the theater school from Brazil nurture the protagonist for Carlo Goldoni's Servant of Two Masters. The Chinese school united the features of drama and Beijing opera, so young Juliet

was not only gentle, but also admirably rhythmical. The RSA school added a taste of Africa to its staging, both in singing and in choreography, showing the national color of its country. Therefore, the dusky Juliet from South Africa impressed the public with her skilful handling of the African national drum, and looked eminently organic next to the fair-skinned Romeo. India performs in Hindi and uses masks as part of costume, which imparts



to the whole thing a vivid flavor of the traditional Indian theater.

To give the visitors a better insight into Russian culture, we decided to hold each opening ceremony of the Festival in the Russian national style, flamboyantly and lushly. Russian folk songs, skomorokhs (clowns) and jokes kindled the public exciting interest both in Russian culture and in the Festival itself. And we were proved right. The Festival attracts large numbers of viewers. People

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BRICS International Festival of Theater Schools as an example of successful cooperation among the five countries in humanitarian sphere

come expressly to see unique productions from various countries that they can see strictly here and now, during the Festival. Rehearsals are held in the open, and the viewers have a chance to get behind the curtain, as it were, watching the work of the director, how and whence images originate, and the real performance is made.

At the closing ceremony of the Festivals all the participants take part, and the whole thing gets so multifarious that it cannot



fail to excite positive emotions, especially when the actors release pigeons; tears start flowing involuntarily, and everyone wants to return to the Festival over and over again...

The International Festival has become a major festivity not only for the artistic youth who devote their life and career to theater art, but also for the common viewers. The language of the stage, culture, esthetics unites different people the

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world over. And a person who watches a performance like that understands only too well what is happening on the stage, even though the action is in different languages. The Festival offers a unique chance to students from different countries to exchange theater traditions and experience on the same stage, display their art before the general public and make new friends.

Someone may ask, So who was the winner? But... the Festival is no contest; the point is not to find out who is better and who is worse. This is a common site for communication. Each participant, in lieu of prizes and awards, will take to their home country new friendships and a unique experience. But the most important thing the youngsters take with them is their impressions of Russia. And not only of Russia, come to that; the participants will get to know



how people live in other countries, and will understand that all share the same problems and joys.

The thing we once devised has become a source of progress for the inner outlook of young people in various countries, expanded the scope of modern forms of culture and art, and given an impetus for further development of friendly relations. We would like to see the Festival help form a cultural environment, year in year

BRICS International Festival of Theater Schools as an example of successful cooperation among the five countries in humanitarian sphere



out, stemming from the historical and theatrical heritage, and traditional values of world cultures.

All the participants are trying to impart to the Festival true meaning of creation, making it into a vivid example of good will, and desire of BRICS peoples for mutual cooperation and understanding. The urge to bring closer various cultures has a profound interrelation and is perfectly natural. The positive mood of each participant consolidates mutual understanding, friendship and cooperation between peoples, promoting the formation of civil solidarity, and resistance to extremism in the youth environment. The common international performance shows how people from different countries can exist in peace and harmony, solving the same problem without enmity.

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## **Anna Nesterova**

*Founder and Chairperson of the Board of Directors, Global Rus Trade; Head of Russian National Chapter of the BRICS Business Council Working Group on Digital Economy; Member, Presidium of the General Council of Business Russia*

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## **Female Entrepreneurship as an Economic Cooperation Driver in BRICS Countries**

Female business has become a tangible element of global entrepreneurship, and its development is a more promising driver of economic growth. According to the International Labor Organization statistics, women account for some 37 percent of the world's total GDP. Moreover, experts believe that equal participation of men and women in economic processes could have increased global GDP by 26 percent by 2025.

In BRICS furthering female entrepreneurship is likewise an important part of the economic agenda. Thus, Russia has approved the National Action Strategy for Women for the Years 2017 to 2022, which includes carrying out measures to improve the position of women in all spheres of society. In China the programs of career furthering suggested by the All-China Women's Federation are gaining popularity. They include grants for professional training, a preferential tax regime, attractive credit schemes at low interest rates, and tutorship.

In Brazil female business is endorsed by the National Service of Small and Medium-size Entrepreneurship. This institution periodically tracks the growth dynamics of female participation in the business community, and places on its electronic platform

## Female Entrepreneurship as an Economic Cooperation Driver in BRICS Countries

ideas for business, free online courses, information about useful digital services for managing business, and drawing up business plans. In South Africa the state Isivande Women's Fund offers financial and non-financial support for startups, franchise opening, and own business expansion. In 2016 the women's organization in the Indian Federation of Commerce and Industry Chambers launched the Female Entrepreneurship in Electronic Commerce program, which helps involve women in online trading through education and setting up experience exchange societies.

The idea of creating a separate mechanism to endorse female entrepreneurship in BRICS was an offshoot of the desire to help women develop their own business in the five countries and involve businesswomen in international activity. The world gives extra attention to the matter of involving women in the economy; work is being done under the Women-20 official G20 engagement group; projects and programs of supporting female business are being implemented at ASEAN, APEC, UNIDO, WTO and UNO international floors.

At the moment the main mechanism of furthering business cooperation between the BRICS countries is the Business Council, which is an effective instrument of arranging international partnership, chiefly for big business.

Businesswomen in the BRICS countries are mostly owners of micro-, small and medium-size businesses that often find entering international markets an uphill task. Nevertheless, it is precisely female small and medium-size business that creates jobs for under-protected groups of the public, introduces green technologies, and preserves traditional crafts. All of that is making a solid foundation for inclusive economic growth. According to the research by the Grant Thornton International consulting company,

*The idea of creating a separate mechanism to endorse female entrepreneurship in BRICS was an offshoot of the desire to help women develop their own business in the five countries and involve businesswomen in international activity.*

*Among the objectives of the Business Alliance is not only the furthering of female entrepreneurship across the BRICS space, but also inclusion of female business in global added-value chains, plus organization of its international cooperation.*

women at the head of businesses in the countries of the five countries account for about 30 percent, whereas the world average is just over 20 percent.

Precisely for this reason is it extremely important to have a cooperation mechanism within BRICS that would be aimed at furthering and supporting female entrepreneurship, which is chiefly represented by small and medium-size businesses.

The idea of setting up a female business association was pioneered by the business community at the First International Women's Congress of BRICS and SCO Countries in Novosibirsk in the summer of 2017. In September of the same year, at the conference of the BRICS Business Council in Shanghai, the Russian initiative was backed by the Chinese side; later it was supported by Russia's President Vladimir Putin. In 2018 the Alliance initiative was entered in the Johannesburg Declaration signed at the conclusion of the 10th BRICS Summit.

In 2019 the parties worked actively on approving the format and structure of the Alliance, and already on 14 November Brasilia witnessed a token event, the birth of the BRICS Women's Business Alliance (WBA), which was recorded in the Brasilia Declaration adopted on the results of the 11th Summit Meeting of the association member countries.

It is assumed that the activity areas of the Alliance will include digital economics, healthcare, tourism, food industry, creative economics, and other branches.

The Alliance will unite women who have founded their own small or medium-size businesses, hold leading positions in major companies, represent women's business associations, or possess considerable business experience. Each country will delegate five representatives to the national sections of the Women's Business Alliance; these ladies will have gone through all the stages of business

## Female Entrepreneurship as an Economic Cooperation Driver in BRICS Countries

formation, overcome the main barriers, and will be ready to share their experience. That will help make the Alliance agenda useful in terms of business development practice.

Within the association there will also be work groups whose main focus, including the agenda, working methods and other issues related to the would-be activity of the Alliance, will be decided by its members.

Among the objectives of the Business Alliance is not only the furthering of female entrepreneurship across the BRICS space, but also inclusion of female business in global added-value chains, plus organization of its international cooperation.

It is worth pointing out that the Women's Business Alliance and the BRICS Business Council will be actively cooperating in order to increase female participation in economic processes of the countries of the five countries.

In 2020, the year of Russia's BRICS chairmanship, expanding cooperation with a view to female entrepreneurship development will also doubtlessly become a priority for this country. The first Alliance meeting is expected already early next year, when, as we hope, breakthrough decisions will be made for the female business communities of Brazil, Russia, India, China and South Africa.



## **Lyudmila Sekacheva**

*President of the “BRICS.  
The World of Traditions” Regional Public  
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cultural research project*

RUSSIA | 2020

BRICS

## **The Great Teachers of BRICS: the Practice of Culturological Expeditions in the five countries**

Public diplomacy has ample chances of furthering multilateral ties in humanitarian space; it can unite members of various age groups, professions, and creeds on the same floor. The multilateral peacemaking cultural research expedition the BRICS Great Teachers (hereinafter, the Project). World of Traditions regional public organization has become a unique format aimed at developing inter-culture and civilization relations of the BRICS countries.

Our organization was set up with the assistance of Russia’s Culture Ministry and Foreign Affairs Ministry in order to carry out the points of the inter-government agreement on cultural cooperation of the BRICS countries signed on Russia’s initiative at the Ufa summit in 2015. The work of the organization aims at researching and popularizing cultural assets, creative heritage and national cultural traditions of the five countries. To this end there were theme expeditions dedicated to great thinkers of the association countries, Leo Tolstoy in Russia, Mahatma Gandhi in India, Confucius in China, Nelson Mandela in the RSA, and Baron of Rio Branco in Brazil.

The Project was launched in 2009, India Year in Russia. Since then and until 2015 fifteen cities in this country hosted the show Leo Tolstoy and Mahatma Gandhi: Unique Heritage, the only one of its

kind. The show illustrated correspondence between the two greatest public figures of the past and present on a timeless subject, namely, non-violence. The display was prepared jointly with the Indian National Museum and the Mahatma Gandhi Library in New Delhi, and the Leo Tolstoy Museum in Yasnaya Polyana. Simultaneously several Russian schools held theme classes and drawing and composition contests.

In fact, that cultural act prompted the idea of the five-sided Project. The experience gained from the years of work in Russia's regions helped us expand the boundaries; we started dreaming and preparing cultural research expeditions to India, China, the South African Republic and Brazil, the countries that gave the Great Teachers to the world.

The expedition idea was taken over in 2016 by the Indian cities of New Delhi, Mumbai, and Pune under the motto of “the Great Moral Road. Great Peacemakers Tolstoy and Gandhi”. The trip was dedicated to studying the preparation strategy and tactics of the non-violent liberation of the Indian people from the yoke of British colonialism, and the role of the great Russian writer in the process, as well as publicizing his life and work in India. The expedition attracted a lot of attention on the part of Indian scholars, culture figures, artists, university lecturers and undergraduates in Delhi and Poona who became its active participants.

One of the token expedition places became the student city of Poona in Maharashtra. The subject of the expedition inspired Poona scholars to make a collection of research papers on the contribution of Leo Tolstoy, Mahatma Gandhi, and Annabhau Sathe<sup>1</sup> in various spheres. The collection was sent to the libraries of Indian schools and universities becoming a major educational aid on the subject of moral values. The launch of the collection was held in Moscow during Indian Culture Days in Russia in 2017, the year of celebrating the 70th anniversary of India's independence

*World of Traditions regional public organization has become a unique format aimed at developing inter-culture and civilization relations of the BRICS countries.*

*On the eve of celebrating the 75th anniversary of Victory in the Great Patriotic War of 1941-1945 and the Second World War it is also planned to implement a five-sided historical and literary project, the Peoples of BRICS to the War Heroes.*

and 70 years of diplomatic relations between Russia and India.

In 2017 the expedition continued in China, in the native country of Confucius, the Province of Shandong. The Project aimed at studying China's cultural traditions, academic and historical

heritage, and the Confucian philosophy, as well as at popularizing the work of Leo Tolstoy. The Russian delegation met with Vice President of the Chinese Confucius Research Institute Professor Liu Xuibing who offered us little known materials about China's most famous philosopher for study.

The expedition presentation occurred at the Qufu State Teacher Training University. The Chinese students and teachers displayed great interest in the cultural and educational show Great Moralists Leo Tolstoy and Confucius, which contained copies of rare materials. The festivities at the university ended in a wonderful folklore concert by the St. Petersburg State Song and Dance Company named "Friendship Is the Most Valuable", and a general round dance.

In November 2018 the expedition dedicated to the 100th anniversary of African leader Nelson Mandela set out for the South African cities of Johannesburg, Pretoria and Durban. Especially heart-warming and useful were the meetings with undergraduates at the University of Johannesburg, and the Teacher Training and Polytechnic Universities in Durban, who displayed a lot of interest in the Project conception.

A token event of the expedition was tree planting in honor of the five great BRICS teachers in the Durban Resistance Park. The Park of Kindness and Friendship, as it is known, is even now the favorite recreation place of the city dwellers.

The fifth country where the relay of multilateral expeditions ended in October 2019 was Brazil, the city of Rio de Janeiro. In the course of the jubilee expedition a special place was reserved

for the study of the work and heritage of the great diplomat and peacemaker Jose Maria da Silva Paranhos, Baron of Rio Branco. The Father of Brazilian Diplomacy, the Bismarck of Brazil, as he is called in the country, headed the Ministry of Foreign Affairs in 1902-1912; he managed to achieve a peaceful settlement of all of the country's territorial problems and was at the cradle of contemporary integration processes in Latin America.

The Project was also dedicated to the 150th anniversary of the Indian philosopher Mahatma Gandhi by whose monument in Rio de Janeiro they held a memorial act involving India's Honorary Consul in that city.

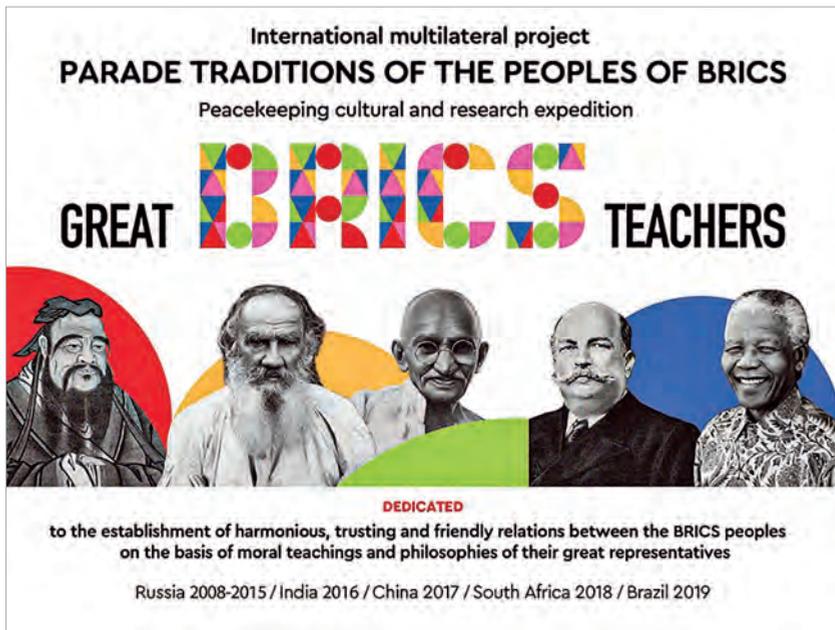
A Brazilian saying goes, "a friend is not the one who says, Go ahead, but the one who says, Let's go ahead together". And the expedition fully bore this out. On a single humanitarian floor they managed to bring together members of the diplomatic corps and public diplomacy of the BRICS countries, which helped successfully conclude the Project in the Alliance countries closing the circle of expeditions.

A sign of the considerable significance of the expedition was its inclusion in the list of measures specified in the Appendix to the Brasilia Declaration on the results of the 11th Summit of the BRICS member-states.

The BRICS Great Teachers project targeted primarily young people, "If we wish to change the world for the better, we should start with children," as the Teachers of the five countries said. In all, within the ten years the expedition relay involved nearly eight thousand participants from all countries in the association, mostly children and adolescents.

"BRICS. The World of Traditions" will carry on its good educational work in and outside the BRICS countries. We are planning to organize a signing of the Message of the BRICS Nations on Friendship, Kindness, Trust and Accord.

*For, to quote Dmitry Likhachev, a prominent Russian scholar and supporter of Russian culture, Member of the Russian Academy of Sciences, "Morality is the most powerful uniting basis".*



In the first third of March 2020 in New Delhi the Organization, jointly with its partner the BRICS International Forum, will hold the international conference named “The Vision of the Future” where the Project will be launched and other joint projects will be discussed.

And of course, our especial effort is focused on active participation in measures of the Russian Chairmanship in the five countries in 2020. We hope to make a worthy presentation of the results of our big and fascinating Project during the BRICS Culture Festival and the BRICS Civil Forum.

On the eve of celebrating the 75th anniversary of Victory in the Great Patriotic War of 1941-1945 and the Second World War it is also planned to implement a five-sided historical and literary project, the Peoples of the BRICS to the War Heroes. The project is based on the collection and presentation of books about the greatest tragedy of the 20th century. The titles of some books speak for themselves. Brazil contributed the editions *The Great Patriotic War of the Soviet Union* and *The Night Witches*, about Soviet women pilots in the war years. China sent in the book *The USSR and China in Joint Fight against the Japanese Aggression in the Years of the*

## The Great Teachers of BRICS: the Practice of Culturological Expeditions in the five countries

*Second World War*. In the Russian book collection the following volumes stand out, a trilogy entitled *The Small Heroes of the Big War*, about child heroes in the Great Patriotic War, and the *Women Decorated with the Order of Glory*.

The Russian popular peacemaking expedition, the BRICS Great Teachers, became a cultural and educational event in the BRICS countries showing to their peoples that Russia sought to develop relations not only at the political level, but also at the cultural and public ones, thus consolidating unity, friendship, trust and concord within the five countries, falling back on the moral teachings of the great members of the BRICS nations.

For, to quote Dmitry Likhachev, a prominent Russian scholar and supporter of Russian culture, Member of the Russian Academy of Sciences, “Morality is the most powerful uniting basis”.

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<sup>1</sup>Annabhau Sathe (1920-1969), a prominent writer, social reformer and philosopher from Maharashtra, India.



## **Irina Kuklina**

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BRICS

## **On Cooperation in Science, Technology and Innovation within BRICS Interstate Group**

Over the last five years cooperation in science, technology and innovation (hereinafter, STI) within the interstate association of BRICS progressed exponentially, and rose to a fundamentally new level, among other things, due to the leading role of the Russian Federation (hereinafter, RF). Cooperation of the five countries in the area of science, technologies and innovations can rightly be taken to be a driving force of cooperation within the framework of the interstate association.

Successful realization of STI initiatives goes along with consistent and efficient meeting of commitments enshrined in such fundamental documents as

- Memorandum of Understanding on Cooperation in Science, Technology and Innovation (Brasilia, Brazil, 18 March 2015). In 2020 we are marking the fifth anniversary of the document signing;
- Strategy for the BRICS Economic Partnership (Ufa, Russia, 9 July 2015), and also Point 62 of the Ufa Declaration adopted on the results of the 7th BRICS Summit (Ufa, Russia, 9 July 2015);
- Annual declarations registering the success achieved and outlining further development vectors. On 20 September 2019 the

city of Campinas, Brazil, hosted the seventh conference of the BRICS Ministers of Science, Technology and Innovation. On the results of the meeting the Ministers approved the Campinas Declaration, and also signed the Calendar of BRICS STI Events for 2020;

- The BRICS Science, Technology and Innovation Work Plan for the Years 2019-2022.

The thing meriting especial attention is the recently created mechanism of STI administration and coordination of BRICS cooperation. In accordance with the New BRICS Science, Technology and Innovation Architecture conception proposed by Brazil in 2019, the administration model is structured by the following four collaboration lines:

- academic interaction by Work Groups (hereinafter, WG) of the BRICS (WG on a wide range of themes, astronomy, biotechnology and biomedicine, including human health and neuro-sciences, photonics, material science and nano-technologies, geo-spatial technologies and their application, prevention and elimination of natural disasters, information-communication technologies (ICT) and high-performance computing systems, cooperation in the oceanic and polar research areas, LED lighting sources, new and renewable energy sources;

- cooperation in the area of research infrastructures (the BRICS Global Research Advanced Infrastructure Network, BRICS GRAIN);

- interaction in the area of innovations (the BRICS Plan of Action in the area of innovation cooperation for 2017-2020, iBRICS Innovation Network, BRICS Centers of Technology Transfer);

- development of long-term cooperation (holding the BRICS Forum of Young Scientists, meetings of members of the BRICS Academies of Sciences, and conferences on technological foresight and STI policies).

In order to carry out the initiatives of the BRICS New Architecture the Russian side worked out and agreed with its

*Altogether, by the results of three BRICS STI FP coordinated contests, 91 projects were supported in 11 research areas, 73 of those with Russia's participation.*

BRICS partners a mechanism in the format of the Administrative Committee intended to ensure proper management and coordination of STI activity in the BRICS countries.

On 10-11 February 2020 the Ministry of Science and Higher Education of the Russian Federation held the first meeting of the BRICS STI Administrative Committee. The tasks of the Administrative Committee include improving coordination of interaction in science, technology and innovation; monitoring and estimating jointly implemented initiatives, informing the interested parties in time of STI activity within BRICS, actualizing the calendar of events and systematizing information, and also providing information-analytical accompaniment of events. In the immediate future work will continue on creating a web-platform intended to simplify the process of interaction between work groups and other forms of BRICS cooperation, form a single database of documents, and also improve the general public awareness of cooperation in the area of BRICS STI.

It should be pointed out that the BRICS countries vigorously work on projects in the STI area. Researchers receive support during annual coordinated multilateral contests under the Framework Program of BRICS STI (hereinafter, BRICS STI FP, Program). Among the organizations financing BRICS STI FP there are such departments and funds as the RF Science and Education Ministry, the Russian Foundation for Basic Research (hereinafter, RFBR), the National Council of Brazil for Science and Technology Development, Brazil's Innovation Agency, India's Department of Science and Technology, China's Ministry of Science and Technology and National Fund of Natural Sciences, the RSA National Research Fund and Technological Innovation Agency.

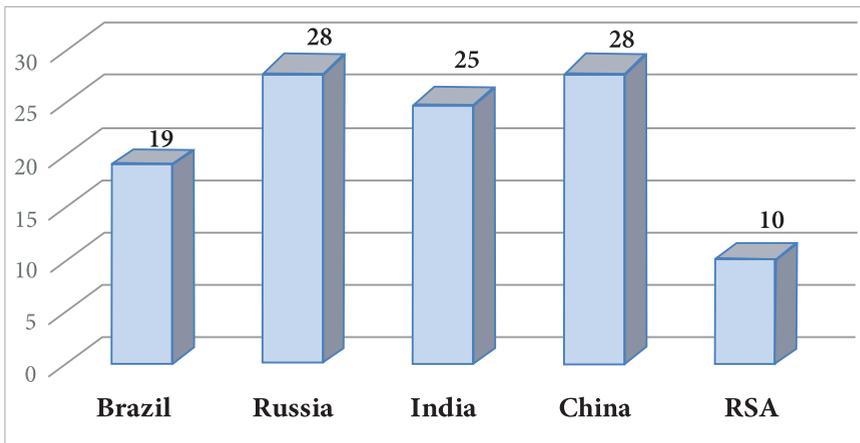
The work body coordinating contest initiatives for support of basic and applied research projects is the BRICS STI Contest Secretariat, in the person of RFBR. To optimize the work and simplify the procedure of handing in joint applications they devised the BRICS STI FP Internet portal, <http://brics-sti.org/>.

In 2019 the third contest ended, and with it the first cycle of the BRICS STI FP research projects competition. According to the

RFBR data, the outcome of the third contest was the endorsement of the largest number of projects, 35. Of those 28 will be carried out with the participation of researchers from Russia (see Figure 1).

*Figure 1.*

**Distribution of national participants in endorsed projects (3rd contest of BRICS STI FP)**



Altogether, by the results of three BRICS STI FP coordinated contests, 91 projects were supported in 11 research areas, 73 of those with Russia's participation. Studies most in demand among the scientific community were material science and biomedicine.

The main tasks of the second stage under the Program are removal of administrative barriers, synchronization of finances allocated by the parties, involvement of theme work groups in selecting the contest subjects. The new principles agreed by the BRICS STI FP participants are to form the basis of implementing the second stage of BRICS FP scheduled for 2020-2024.

One cannot help noting that Russia developed and successfully launched the mechanism of interaction within the framework of the BRICS STI initiatives on the national level, the Council for Science, Technology and Innovation Cooperation within the BRICS interstate association. The Council comprises heads of the BRICS theme work

groups from Russia, representatives of RF federal ministries and departments, Russia's leading research organizations and universities, academic communities and business circles, as well as experts from key centers for studying issues of the BRICS development. The Council was set up by the RF Science and Education Ministry in order to coordinate work on carrying out measures in the area of science, technology and innovation conducted within the BRICS framework. The work of the Council is coordinated by the Secretariat in charge of organizational and information-analytical support of the Council members.

In accordance with the Plan for 2020 BRICS Events approved by the President of the Russian Federation and the Conception of Russia's BRICS Chairmanship, the priority task during Russia's chairmanship is to enhance multifarious interaction between members of the scientific community in the BRICS states in order to form a global science and technology agenda, respond to global challenges, and carry out joint research projects and programs.

It has to be pointed out that the motto of Russia's chairmanship, "BRICS Partnership in the Interests of Global Stability, General Security and Innovative Growth", emphasizes the innovative activity in furthering five-side cooperation. The main subject of the BRICS science-and-technology and innovation cooperation in 2020 is Science, Technology and Innovation in the Interests of Man.

During Russia's chairmanship every effort will be exerted to give impetus to major Russian initiatives in science-and-technology and innovation cooperation; among them, the BRICS Global Research Advanced Infrastructure Network (BRICS GRAIN), the BRICS Virtual Institute of Photonics (BRICS VIP), the BRICS Network Center for Material Science and Nano-technologies, and the BRICS Water Forum; also, to implement the accord on use of Russia's and BRICS research vessels to carry out joint expeditions.

In all scheduled for 2020 along the Russian Science and Higher Education Ministry lines there are over 20 events, including 10 sessions of BRICS Work Groups, three Forums (the Water Forum, the BRICS Young Scientists Forum, and the International Forum

On Cooperation in Science, Technology and Innovation within BRICS  
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Contest of Young Researchers from the BRICS countries, Topical Issues of Mineral Wealth Exploitation), two meetings of BRICS CEOs for science, technology and innovation, and separately, for education, plus two meeting of the BRICS Ministers for Science, Technology and Innovation, and separately, for Education.

On the eve of the meeting of BRICS CEOs and Ministers of Science, Technology and Innovation there are other events to be held during the week, among them a meeting of heads of research projects under the BRICS STI framework program, the 6th meeting of the BRICS Work Group for Funding Science, Technology and Innovation, and the 2nd meeting of the Administrative Committee for Science, Technology and Innovation of the BRICS countries.

Thus, cooperation in the BRICS STI area serves to exemplify the high degree of interaction effectiveness in the five-side format and the integrated approach to providing inclusive and stable global growth based on mutual respect, equality and partnership.



**Alena Peryshkina**

*Director of SPID Infosvyaz  
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BRICS

## **Human Wellbeing as the Cornerstone of the cooperation among BRICS Nations**

### **DEVELOPMENT FOR EVERYONE. THE CIVIL BRICS**

Since the time the Foreign Ministry heads of Brazil, Russia, India and China met in Yekaterinburg in May 2008, the group now known as BRICS has grown from a discussion floor into a fully fledged actor of international relations. The reform of the world finance system, the creation of multi-billion mechanisms of economic stability, the support of the UN role as guarantor of international security, combating crime, development of security strategies, and even cooperation in the area of peaceful outer space, all of those are priorities of the five countries in their fight for a better life for everyone.

The wellbeing of man is invariably in the center of the BRICS initiatives. Attaining the wellbeing is a subject for not only political and expert debates, but also public ones. Precisely for this reason a whole series of formats of interaction with social partners are developing among the working mechanisms of the

Human Wellbeing as the Cornerstone of the cooperation  
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five countries, including the Think Tank Council, the Business Council, the Academic, Trade Union, Youth and Media Forums, and also consultations along the non-commercial organizations line, the Civil BRICS.

As a full-scale process, the Civil BRICS was first realized on the initiative of the Russian Chairmanship in 2015. The first forum in Moscow attracted 400 representatives of public organizations; the result of their work was a package of recommendations later handed over to the countries' leaders at the 7th BRICS Summit in Ufa (2015). Russia's successful experience was followed up by India in 2016, by China in 2017, and by South Africa in 2018, which helped create an international community of efficient non-commercial organizations and consolidate the civil track as a traditional BRICS mechanism.

The purpose of the format is to provide constructive dialogue between civil society and the governments of the BRICS countries on topical social issues in such spheres as security, healthcare, education, finances, culture, ecology, and the living environment. The work of the BRICS Civil Forum not only helps translate the demand from below, but also promotes transparency and involvement of the public in the work on realizing collective decisions and control over the states meeting their commitments.

The formation of a single platform on key issues, and as a result, the preparation of a consolidated declaration by civil society is not one day process. Commonality of strategic interests at the level of the countries' governments is not always synonymous with the interests that non-commercial organizations working in the field formulate for themselves. Having added the difference in the potentials of civil institutions in the countries of the five countries, the

*The wellbeing of man is invariably in the center of the BRICS initiatives. Attaining the wellbeing is a subject for not only political and expert debates, but also public ones.*

*As a full-scale process, the Civil BRICS was first realized on the initiative of the Russian Chairmanship in 2015.*

discrepancies in prioritizing long-term commitments, specific cultural characteristics, and the increasing influence of powerful international NGOs, you will get an idea of what the Track Agenda determines.

In the calendar of Russia's BRICS chairmanship in 2020 there is the Civil Forum scheduled from 8 to 11 June in Yaroslavl. Already in March they will start preliminary consultations on the Agenda topics. Among the key debates there are matters of economy digitization, development of human capital, application of information and communication technologies in the post-truth period, furthering "green economy" approaches, a greater role of women, and also expanding cultural ties.

Apart from the BRICS chairmanship, the year 2020 for Russia has also been marked by submission of a voluntary national survey of attaining the goals of sustainable development, in connection with the end of the first five-year period of implementing the sustainable development agenda. Therefore, the subject of the BRICS Civil Forum is Developing Cooperation among the BRICS Public Organizations for Sustainable Development. Debates during the work of the Forum aim not only at comprehending the role of NCOs in the attainment of the Goals of Sustainable Development by the BRICS countries, but also at devising recommendations that contain stable approaches to meeting the GSD indicators.

In the field of international relations the highest objective for civil society organizations consists in uniting the fragmented human potential. The Civil BRICS is to pool the resources available to the BRICS countries to solve political, social, economic and environmental problems, so as to guarantee development and higher standards and quality of life for each of their citizens.

## OPPORTUNITIES FOR EVERYONE. THE YOUTH FORUM

The Youth Forum that first met in Kazan in July 2015 laid the foundation of cooperation on such extremely important matters as power engineering, information security, entrepreneurship, employment, science, education and innovations. They set up the BRICS Youth Energy Agency (YEA), the Youth Association, and the BRICS Youth Expert Society (YES). The Youth Forum became a venue for dialogue on global issues and formation of a common position on priority subjects of chairmanships. The Forum consistently works on creating opportunities for furthering humanitarian and economic ties between young people of the five countries.

In 2016, under India's chairmanship, the Summit participants paid special attention to developing skills for the future labor market, the volunteer movement and participation of young people in the processes of national and international governance. At Summit 2017 hosted by the All-China Youth Federation (ACYF) the delegates formulated proposals for the leaders on issues of the BRICS youth policies, innovations and entrepreneurship, and mechanisms of youth involvement in global management. Summit 2018 in Limpopo was held under the slogan "Radical Economic Transformation: the New Development Bank Is to Work for the Youth". They discussed overcoming inequality, providing jobs and training young people to face up to challenges of the Fourth Industrial Revolution. The recommendations of the fifth Summit that took place in Brasilia in October 2019 included initiatives on promoting the BRICS volunteer movement and creating improvement centers for preparing young people for challenges of digital economy and devising long-term technological solutions to stimulate economic growth and sustainable development.

*In the field of international relations  
the highest objective for civil society  
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fragmented human potential.*

*Further consolidation of interaction between young people in the association countries in economics, politics, energy, science, culture and other spheres is the cornerstone of cooperation success in the five countries.*

The program of youth events of Russia's BRICS chairmanship in 2020 provides for holding the BRICS Youth Summit and a meeting of heads of youth departments in the BRICS countries; the Forum of young leaders of the BRICS countries and the SCO; the Forum of young

diplomats of the BRICS countries and the Forum of young parliamentarians of the five countries. The delegates will discuss and make appropriate proposals on such cooperation lines as furthering entrepreneurship, employment in conditions of digital economy, bridging the digital divide, education for the future, cooperation in science, and innovations. Issues of rational wildlife management, energy efficiency, and balanced economic, social and environmental elements of sustainable development will be the focus of attention during discussions at the BRICS Young Scientists Forum, Youth Energy Summit, and GSD Youth Forum for the BRICS countries. Young businessmen, parliamentarians, diplomats and scholars will elaborate recommendations for the future agenda of the BRICS and cooperation plans for the youth of the five countries. One of the innovations at the BRICS 2020 Youth Forum will be a launch of the practical mechanism, a business incubator whose purpose is to discover and endorse the realization of promising projects by young entrepreneurs of the five countries.

Further consolidation of interaction between young people in the association countries in economics, politics, energy, science, culture and other spheres is the cornerstone of cooperation success in the five countries, and the enhanced role of the BRICS in solving basic problems of global governance and provision of sustainable, inclusive and balanced economic growth as the foundation of wellbeing of citizens in the association countries.

Human Wellbeing as the Cornerstone of the cooperation  
among BRICS Nations

Other articles of this issue also examines the rest of the second-lane interaction formats of the five countries, both the traditional ones, like either the Academic or Business Forums, or the BRICS Think Tank Council and the Business Center, and some new ones to be launched this year, like the BRICS Women's Business Alliance. Further and closer interaction between the population of the five countries will help these countries not only draw together and know each other better, get an insight into each other's culture and history, understand each other's worldview and continue to consolidate the formal track of interaction, but also preserve BRICS as the key core of the world order changing in the interests of all the countries and for universal wellbeing. The multiplicity of developing interaction activities and trends permits to achieve unity in diversity, which is the hallmark of our five countries.



## Editorial

This year Russia is assuming BRICS Chairmanship. The group has not only won the reputation of a successful, dynamically developing mechanism of interstate interaction, but has also firmly established itself as an influential factor in global governance. This issue will introduce you to the achievements and plans of the five countries in making progress on all three pillars of BRICS strategic partnership – policy and security, economy and finance, culture and humanitarian contacts. As the issue of the journal was being prepared for publication, the global outbreak of the coronavirus infection made significant changes in the Russian Chairmanship plans. With quarantine being imposed practically everywhere and many states closing their borders, extraordinary measures are being taken. The BRICS Events Calendar is being reconfigured. Almost all the meetings scheduled for this spring are postponed to a later date. The BRICS countries immediately responded to the new challenge in the spirit of a famous Russian proverb “A friend in need is a friend indeed”. Already in the early days of the crisis the Russian BRICS Chairmanship issued a comprehensive statement in support of the efforts of the Chinese people and government. The gravity of the coronavirus threat can be judged by only one fact: 42% of the world's population live in the BRICS countries. One way or another, the pandemic hit every country of the group. Nevertheless, they do not shut themselves off from the world with their own problems, but help others and coordinate

closely their efforts with the other states in the spirit of cooperation, which is in the BRICS spirit. The outbreak of the coronavirus infection has clearly shown the demand for expanding interaction in healthcare and increasing the potential of BRICS crisis response. Obviously, these issues will become one of the priorities of Russia's Chairmanship for this year. There is no doubt that our five-side cooperation will defeat this viral pandemic. The strength of BRICS lies in its unity and ability to overcome adversities and difficulties together. We are confident that the 12th BRICS Summit in St. Petersburg will become a synonym for success, being both an embodiment of genuine strategic partnership of the group, and a symbol of a united spirit and indestructible brotherhood.

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**Сергей Рябков:**  
«Мы сейчас находимся в беспрецедентном кризисе, связанном с тем, что происходят человеческие трагедии...»

Москва, 4 апреля 2020 г.

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