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EDITORIAL ANALYSIS

India's BRICS Chairmanship 2026 — Leading an Expanded Bloc in a Fractured World

 **THE HINDU**

15 January 2026

SUBJECTS COVERED**IR** **POLITY****GS PAPERS****GS2****CURATED & WRITTEN BY****Bharat Choudhary**

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India's BRICS Chairmanship 2026 — Leading an Expanded Bloc in a Fractured World

 The Hindu 15 January 2026

GS2

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MAINS RELEVANCE:

GS Paper 2



INTERVIEW ANGLE

"India assumes BRICS chairmanship amid US-China rivalry, Russia-Ukraine war, and an expanded 10-member bloc. How should India leverage this chairmanship, and what are the structural tensions it must navigate?"

WHY IN NEWS

India officially assumed the BRICS Chairmanship for 2026 on January 1, following Brazil's 2025 presidency. External Affairs Minister S. Jaishankar unveiled India's BRICS logo and four-pillar chairmanship theme on January 13 — making India the first country to chair the expanded BRICS+ formation of 10 members.

FROM BRIC TO BRICS+: A STRUCTURAL TRANSFORMATION

When Goldman Sachs economist Jim O'Neill coined the term "BRIC" in 2001 to describe the four large emerging economies with rapid growth potential, it was an analytical category — not a political grouping. The countries themselves turned it into one, holding their first formal summit in Yekaterinburg, Russia in 2009.

The journey since then has been one of steady — and now accelerating — expansion:

Year	Milestone
2009	First BRIC Summit, Yekaterinburg, Russia
2010	South Africa added; BRIC becomes BRICS
2013	Fortaleza (Brazil) — BRICS Development Bank proposed
2014	Fortaleza Summit — NDB and CRA formally established
2023	Johannesburg Summit (South Africa) — 5 new members invited: Egypt, Ethiopia, Iran, Saudi Arabia, UAE
2024	17th Summit, Kazan, Russia — Indonesia and 12 “partner states” added
2026	India chairs BRICS+; 18th Summit to be hosted in India

The Johannesburg expansion was historic: at a single stroke, BRICS doubled in size and added the world’s largest oil exporters (Saudi Arabia, UAE), Africa’s largest economy (Egypt), and Africa’s most populous state (Ethiopia). The collective GDP of BRICS+ now exceeds that of the G7 at purchasing power parity — a fact that its members frequently emphasise.

INDIA’S CHAIRMANSHIP THEME AND FOUR PILLARS

India’s BRICS logo and theme, unveiled January 13 by EAM Jaishankar, structures the chairmanship around four pillars:

Resilience — economic and financial resilience, supply chain diversification, reducing dependence on single-country sourcing

Innovation — digital infrastructure, AI governance, technology transfer from developed to developing nations

Cooperation — South-South cooperation frameworks, development finance, climate finance

Environmental Sustainability — green technology, clean energy transition, biodiversity frameworks

The choice of “Resilience” as the first pillar is significant. It signals India’s intent to use BRICS to build structural economic buffers — particularly relevant after COVID-19 exposed supply chain fragilities and after Western sanctions on Russia demonstrated the risks of dollar dependency.

THE GEOPOLITICAL TIGHTROPE

India’s chairmanship comes at a moment of acute geopolitical stress that makes leading a heterogeneous bloc exceptionally difficult.

The Russia problem: Russia, a founding BRICS member, is under Western sanctions for its invasion of Ukraine. India has maintained trade relations with Russia — importing discounted crude oil and maintaining defence partnerships — without endorsing the invasion. As chair, India will be expected to host and co-lead meetings with Russia at the table while maintaining its relations with the West.

The China dynamic: China and India share BRICS membership while having unresolved border disputes (Eastern Ladakh standoff 2020–2024 disengagement). China’s Belt and Road Initiative competes with India’s connectivity projects in the Indo-Pacific. Within BRICS, China is the dominant economy (contributing ~70% of BRICS collective GDP), which creates an inherent power asymmetry India must manage.

The West Asia dimension: Iran is now a BRICS member despite being under US sanctions. Saudi Arabia and the UAE are simultaneously BRICS members and close US security partners in the Gulf. This creates a bloc where members have fundamentally opposed foreign policy alignments — making consensus extraordinarily difficult.

India’s strategic calculus: India’s approach to BRICS has traditionally been instrumental — using the forum for specific gains (development finance, digital standards, trade facilitation) while avoiding the bloc’s more explicitly anti-Western rhetoric. India’s foreign policy doctrine of “strategic autonomy” means it participates in BRICS without abandoning its Quad membership or US defence partnerships.

THE NEW DEVELOPMENT BANK: RELEVANCE VS. CAPACITY

The **New Development Bank (NDB)**, established at the Fortaleza Summit 2014, is BRICS’s most tangible institutional creation. Key facts:

Headquarters: Shanghai (China)

Authorised capital: \$100 billion

Current paid-in capital: ~\$10 billion (subscribed: ~\$50 billion)

Loans approved: ~\$33 billion across 100+ projects as of 2025

New members added: Bangladesh, UAE, Uruguay, Egypt, Algeria (non-BRICS countries can join)

India’s projects: Several infrastructure projects (road, metro, water supply); notably, India is the largest borrower

President: Dilma Rousseff (Brazil), appointed 2023

The NDB was designed as an alternative to the IMF/World Bank model — without conditionality (structural adjustment requirements). It promises “a new model of international development finance.” However, it faces structural constraints:

Still depends on international capital markets (including US dollar bond issuances)

Project approval processes remain slow compared to its ambition

Western sanctions on Russia caused the NDB to suspend Russia’s access to new loans — a fundamental contradiction for a supposedly “alternative” institution

Under India’s chairmanship, the NDB agenda will include: expanding local currency lending, digital financial infrastructure projects, and climate finance mechanisms (particularly relevant for the Global South’s adaptation needs).

DE-DOLLARISATION: PROMISE VS. REALITY

BRICS meetings have repeatedly featured discussions on reducing dependence on the US dollar in international trade settlements. The Kazan Summit (Russia’s 2024 chairmanship) gave this agenda its highest profile, with Russian President Putin explicitly calling for a BRICS payment system.

India’s position is nuanced: while India benefits from dollar alternatives (it would prefer to pay for Russian oil in rupees to avoid sanctions exposure), it is not ideologically committed to dollar-replacement. The Reserve Bank of India has explored bilateral local currency trade settlement — with Russia (rupee-rouble), UAE (rupee-dirham), and several ASEAN nations — but these remain marginal in volume.

Structural obstacles to de-dollarisation:

The dollar’s dominance stems from US Treasury market depth, rule of law, and network effects — not just political preference

A BRICS currency would require a central bank with independent governance (impossible when members include adversaries like India-China and ideologically opposed states)

Even Russia and China have not fully de-dollarised bilateral trade

India’s chairmanship is unlikely to make dramatic progress on de-dollarisation, but may advance the narrower goal of local currency invoicing for specific commodity trades.

DIGITAL STANDARDS: A GENUINE OPPORTUNITY

Where India can make a meaningful difference is in **digital governance and standards** within BRICS. India’s digital public infrastructure (DPI) stack — Aadhaar, UPI, ONDC, DigiLocker, CoWIN — has drawn interest from several BRICS+ members looking to build national digital systems.

India’s G20 presidency (2023) successfully institutionalised the DPI agenda globally. The BRICS chairmanship offers a further platform to:

Share India’s DPI architecture as a model for the Global South

Push for interoperability standards that would allow UPI to connect with payment systems in Brazil (Pix), UAE (eDirham), and others

Advocate for AI governance frameworks that balance innovation with safety — an area where India has a credible moderate voice

INDIA'S HISTORICAL BRICS CHAIRMANSHIPS

India has previously chaired BRICS:

2012 (4th Summit, New Delhi): Theme “BRICS Partnership for Global Stability, Security and Prosperity” — Delhi Declaration focused on reform of international financial institutions

2016 (8th Summit, Goa): Theme “Building Responsive, Inclusive and Collective Solutions” — BIMSTEC leaders invited; Pakistan-based terrorism (then-current tensions after URI attack) raised by India

The 2026 chairmanship is India's third, but the first as chair of expanded BRICS+.

CRITICAL ASSESSMENT: IS BRICS STILL RELEVANT?

The fundamental question BRICS faces is whether shared economic characteristics (large emerging markets) can substitute for shared values and strategic alignment — which it lacks.

The original BRIC thesis was economic: these were the high-growth economies that would reshape global GDP. But the growth stories have diverged dramatically: China has grown at 6-7%, India at 6-8%, Brazil has stagnated at 1-2%, South Africa at 1%, Russia contracted after sanctions.

The expanded BRICS+ exacerbates diversity: it now includes a NATO-adjacent democracy (India), an authoritarian nuclear power (Russia), the world's second-largest economy (China), two Gulf monarchies (Saudi Arabia, UAE), and some of the world's poorest states (Ethiopia). Finding common positions requires lowest-common-denominator diplomacy that produces broad declarations without specific commitments.

The BRICS credibility test: The bloc's credibility rests on whether it can:

- Produce tangible development finance outcomes (NDB capacity)

- Advance practical alternatives (local currency trade, digital infrastructure)

- Coordinate on climate finance from Global South perspective

- Maintain internal cohesion despite member conflicts

India, with its standing as both a Global South voice and a credible democracy, is well-placed to lead on these constructive aspects — while avoiding the confrontational anti-Western framing that some members prefer.

UPSC RELEVANCE

BRICS 2026 India chairmanship (18th Summit; 4 pillars: Resilience, Innovation, Cooperation, Environmental Sustainability); BRICS+ 10 members (Brazil, Russia, India, China, South Africa + Egypt, Ethiopia, Iran, Saudi Arabia, UAE); Johannesburg Summit 2023 (15th, South Africa's chairmanship); 17th Summit Kazan Russia October 2024; New Development Bank (HQ Shanghai; \$100B authorised capital; Dilma Rousseff president); India's prior BRICS chairmanships (2012 New Delhi; 2016 Goa); BRICS founded 2009 Yekaterinburg; Jim O'Neill coined BRIC 2001; CRA (Contingent Reserve Arrangement)

MAINS GS-2:

“India assumes the BRICS chairmanship in 2026 for the first time since the bloc's expansion to 10 members. Analyse the opportunities and structural challenges India faces in leading this heterogeneous grouping. What concrete outcomes should India prioritise?” | “Critically evaluate the New Development Bank as an alternative to the Bretton Woods institutions. Has it achieved its founding promise?” | “Examine India's doctrine of strategic autonomy in the context of its BRICS membership and Quad participation.”

INTERVIEW:

“Some argue BRICS has become too large and ideologically diverse to be effective. Do you agree? How can India use its BRICS chairmanship to demonstrate that multilateralism works for the Global South?”

★ FACTS CORNER — KNOWLEDGE PEDIA

BRICS+ (2026 COMPOSITION):

Original BRICS (5): Brazil, Russia, India, China, South Africa

New members (2023 Johannesburg expansion, effective January 2024): Egypt, Ethiopia, Iran, Saudi Arabia, UAE

Indonesia (2024 Kazan Summit — partner state process)

12 “Partner States” named at Kazan 2024 (not full members)

INDIA'S 2026 BRICS CHAIRMANSHIP:

Assumed from Brazil (17th Summit host, 2025)

Summit number: 18th BRICS Summit (to be hosted in India)

EAM S. Jaishankar unveiled logo + theme: January 13, 2026

Four pillars: Resilience · Innovation · Cooperation · Environmental Sustainability

BRICS SUMMIT HISTORY:

1st Summit: Yekaterinburg, Russia (2009)

4th Summit: New Delhi, India (2012) — India's first chairmanship

8th Summit: Goa, India (2016) — India's second chairmanship

15th Summit: Johannesburg, South Africa (2023) — expansion announced

16th Summit: Kazan, Russia (October 2024) — partner states added

NEW DEVELOPMENT BANK (NDB):

Established: Fortaleza, Brazil (2014, 6th BRICS Summit)

Headquarters: Shanghai, China

Authorised capital: \$100 billion

Paid-in capital (subscribed): ~\$50 billion

Loans approved (cumulative): ~\$33 billion (100+ projects)

President: Dilma Rousseff (Brazil, since 2023)

Non-BRICS members admitted: Bangladesh, UAE, Uruguay, Egypt, Algeria

India: Largest NDB borrower

CONTINGENT RESERVE ARRANGEMENT (CRA):

Pool of \$100 billion (China: \$41B; Brazil, Russia, India: \$18B each; South Africa: \$5B)

Alternative to IMF emergency liquidity — provides short-term balance of payments support

NDB VS WORLD BANK:

Feature	NDB	World Bank
Conditionality	None formally	Structural adjustment conditions
Voting	Equal (20% each for 5)	GDP-weighted (US ~17%)
HQ	Shanghai	Washington DC
Capital	\$100B authorised	\$300B+ authorised
Founded	2014	1944 (Bretton Woods)

DE-DOLLARISATION – INDIA’S POSITION:

- India participates in bilateral local currency trade discussions (rupee-rouble, rupee-dirham)
- Not ideologically committed to dollar replacement
- RBI has approved rupee trade settlement with 22 countries
- India’s foreign exchange reserves (~\$700B) largely held in USD assets

INDIA’S DIGITAL PUBLIC INFRASTRUCTURE (DPI) – BRICS RELEVANCE:

- Aadhaar: 1.4 billion enrollments; foundational digital identity
- UPI: 16+ billion transactions/month; cross-border links with Singapore (PayNow), UAE (eDirham), Mauritius, Sri Lanka
- ONDC: Open Network for Digital Commerce
- India’s DPI model presented at G20 2023; relevant for BRICS+ members building digital infrastructure

Sources: MEA India, NDB, The Hindu, PIB

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