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India's Call on BRICS: Aligning with China without a Deal

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China–India association in the BRICS bloc of countries is an example of multilateralism at its height. For China, the BRICS group holds a strategic significance as it is targeted towards the Western hegemony of the global financial structure and decision-making. In contrast, the group of five developing countries is certainly a serious cross-regional mechanism in India's multilateral dialogue; but it's not a vital one. Sharing the platform with China in the BRICS group is a strategic reality for India, though not a compulsive one. Despite India's progressive engagement with China under the framework of the bloc and in bilateral trade and economic relations, the West and the Europe remain too vital for India to ignore.

New Delhi is getting ready to host the fourth BRICS (Brazil-Russia-India-China-South Africa) summit on 29 March 2012. Like the preceding Sanya summit, the New Delhi summit is intended to ponder more on reforming the global institutions in order to achieve a stronger and reformed global financial structure. However, one wonders whether the New Delhi summit will explain India's outlook and policy approach towards the BRICS group. As in the previous summits, China is likely to push for the BRICS group to become an alternative to the Western-dominated world order. Will India align its interests with this Chinese assumption? Will India succeed in raising its stature in the BRICS group, especially considering that South Africa, India's partner in the IBSA bloc (India–Brazil–South Africa), has been included in the BRICS group, or is this move an omen for the merger of BRICS and IBSA, going along with the Chinese perspective?

BRICS: The Chinese Say, the Indian Say

The BRICS group includes members from every corner of the world excluding North America and Europe. China and India are neighbours but have adversarial relations, sharing the BRICS leadership, aiming to reform the global financial structure. The cooperation is an outstanding statement of the global multilateral politics, at least from the Western perspective. From the Yekaterinburg summit to the Sanya summit, the political approaches of China and India have been the highlight of BRICS politics. It is not about what the Chinese and Indian leaderships have addressed, but how and in what context they have addressed those issues.

The Sanya summit released the very first exclusive declaration of the BRICS, highlighting the need to reform the global financial bodies, that their rules, regulations and settings need to be aligned more towards the requirements of developing countries, breaking from the current status of favouring the developed economies. The declaration also noted that the global financial crisis had exposed the "inadequacies and deficiencies of the existing international monetary and financial system"; hence, there is need for an "international reserve currency system providing stability and certainty". The Sanya summit inducted South Africa as a member; gathered support for Russia's entry into the WTO; promoted the idea of intra-BRICS trade; and discussed removal of unstable globally convertible currencies. It was noticed that China gave more importance to the currency issues, and have stressed upon the fact that the BRICS members must have a direct currency conversion among themselves, without really depending on other currencies for conversion. This issue is, in fact, very close to China's strategic rivalry with the West where the Chinese have been constantly alleged for undervaluing their Yuan to benefit itself and to the detriment of the West's trade terms.

Essentially, however, the Chinese approach to the BRICS group is more politically than economically orient-

ed. China's core foreign-policy objective is to design a world order that will accentuate its own standing in the comity of nations. During the Sanya summit, China succeeded in inducting South Africa into the group, though the South African economy would not objectively have been attractive enough for BRICS membership. Through this move, Chinaattained its objective of creating a stable cross-continental network within the bloc, sidelining India's pre-eminence in IBSA. After South Africa's inclusion in BRICS, Chinese scholars and experts are campaigning for merger of the two blocs. Their explanation is that there is a need to have focused representation from the developing world to counter Western economic and political dominance. India does not agree. The Indian approach to the BRICS group has been more about global economics and governance issues, aiming to reform the global financial structure. In the Indian view, the BRICS economies inhabit a "strategic economic position" in global affairs. India's Prime Minister Manmohan Singh has asked for "reform of political and security governance structures in the United Nations or the international financial, monetary or trade system", which would be a stepping-stone for an "orderly transformation" of the world. While the New Delhi summit will carry forward some of the previously generated dialogue within BRICS, can the host country influence the future of BRICS agenda? Indian foreign policy objectives are not linked exclusively with BRICS and India has not tried to politicize the BRICS gathering in addressing global strategic issues that will affect India's relations with the West.

An Indian Perspective?

Given the asymmetry of power politics that India has with the major power blocs, India's approach to the bloc has been directed more by economics than political. India does not want to raise political issues within the BRICS group, as this may complicate its foreign policy postures on global issues. Further, it does not want to be seen to be closely allied with China politically at multilateral forums. The Indian stance in the bloc is limited to reform of the global financial bodies and broader economic issues, whereas China has a greater set of complicated political issues with the West and Europe, such as currency manipulation and human rights, to name a few. An order based on massive political and economic engagement between the developing world at cross-regional and global levels has been India's immediate priority. In this context, the BRICS group is a staid entity in Indian foreign policy along with membership of IBSA and BASIC (Brazil–South Africa–India–China).

India's dialogue in the BRICS group is to push the developing country dialogue within the global financial bodies. India wants to advocate for a greater role or the involvement of developing countries and emerging economies in financial bodies like the IMF, World Bank and in the WTO without really confronting the Western countries or strategically distancing itself from the Western world. In general, three imperatives explain India's approach to BRICS: (i) pursue the dialogue of the developing world, with China as a possible partner; (ii) maximize economic and political contacts at the cross-regional level, without really merging or mixing the dealings between BRICS, IBSA and BASIC; (iii) be a part of the emerging order for global issues without affecting the relations with power blocs like the United States and the EU. In fact, India's perception of the BRICS is broadly linked with its vision and dialogue of a multipolar world order, modified by its relations with the US and China. The United States is a "traditional ally" and strategic partner in India's broader global strategic and security design where China is a constant security concern for both; China remains a partner for New Delhi when it comes to cross-regional or global multilateral economic issues that are linked with global governance formulations. India does see the rise of BRICS as a "strategic reality", a fitting mechanism that suits not only its own policy formulations but also for greater developing or emerging world dialogue.

In brief, BRICS remains an opportunity to maximize the larger governance issues that India plans to attain collectively with developing or rising economies, including China, in a Western-dominated global financial structure. Underlying this unfolding approach is a basic political change: New Delhi's new foreign policy and engaging China without any strategic agreement. Until recently, India had reserved itself into a case of "security isolationism" that became the flip side of its non-aligned foreign policy. With rapid evolution of multilateral politics and security alliance building, India has begun to emphasize the virtues of multilateralism at different levels and forming strategic alliances with likeminded countries on issues or themes of common interests.

The China Factor

Sharing the desk with China as a partner in cross-regional multilateral forums like BRICS and BASIC is a deliberate effort by India. China still remains a security concern for India; it is a supreme power not only in Asian politics with an impressive economy but also carries an overall advantage over India as a permanent member of the United Nations Security Council. The reason why India has crafted a forward-looking multilateral practice with China in the BRICS group is the nature of the current global multilateralism and convergence of strategic interests in an interdependent world. In the Indian estimation, while China has advantages over India in global multilateral settings, China is equally dependent on India to shape the current global power politics in its favour. Being the biggest economy in the BRICS group with an impressive GDP growth rate, China is a huge market, almost setting the course to become a potential dialogue partner of the United States in G-2. These facts are taken into account in Indian foreign policy.

India's foreign policy has focused a great deal on great-power relations in the post-cold war period. Despite strategic mistrust at different levels, India's relations with the United States, China and the EU are today at their best terms than at any time before. Placing emphasis on "strategic partnership", India has tried to forge its relations with the US, China and the EU at varying strengths and intensities through trade, talks and diplomacy. The recent India–EU summit, which discussed a range of bilateral, regional and global issues, is an example of the versatility of India's approach in dealing with the EU. The joint statement emerging from the summit acknowledged the vitality of this "longstanding strategic partnership". Nevertheless, India's power relations with these three important powers remain fragile. This is in harmony with the fact that in the politics of the current century, all relationships remain fragile, subject to alteration and modification. Strengthening one relationship is possible without disturbing the other relationship much. An interesting aspect in this context is India's engagement with China within BRICS, which is meant for greater economic and governance issues without upsetting its relationship with the United States and the EU. Such politics permit a developing power like India to have a greater say in world politics.

Not Discounting the Western World

For India, both the United States and Europe are serious economic partners. Strategically, both could also be beneficial to India in a possible 'China-dominated' world order. Here again the caution for India is its troubled past with China: an age-old unresolved boundary problem along with a set of other bilateral issues that compel India to look for Western and European support for its global and foreign-policy dealings. Besides, the Chinese have never been forthcoming in India's permanent membership at the UN Security Council (UNSC) or for full membership in the Shanghai Cooperation Organization (SCO), where China is the predominant power.

Despite the current economic crisis, the EU and its economy are still large enough for India to look for greater engagement with this part of the world. The European Commission President Jose Manuel Barroso was reported saying that the EU and India are "two likeminded global players; together they could help shape a rule-based world". The recent India–EU summit in New Delhi did indicate the potential for closer cooperation between India and Europe, where the thrust was on crafting a potential FTA between the two in the near future. If the FTA materializes, it will be the single biggest trade pact in the world, benefiting 1.7 billion people. It will help the recovery in countries like Greece and Spain from the Euro-zone financial crisis. New job creations, financial collaboration and sustainable economic growth on both sides will further enhance India's relations with EU. This will greatly consolidate India's status as a "relevant power" at the global level, given China's troubled relations with the West and Europe. India's dealings with BRICS members are not so big that they should overshadow its interest towards Europe or West.

India's relationship with the United States has strategic implications for New Delhi over the issue of global strategic relevance, notably that of nuclear non-proliferation, support for UNSC membership, energy security and balancing power politics in Asia. Driven by trade, many countries are joining hands with China, but they are also heavily dependent on the US for greater strategic and security issues. The economic magnanimity of the US is still much further ahead in global financial institutions in comparison to China. Despite the reform of the World Bank in April 2010 where China's share of voting rights was increased from 2.77 per cent to 4.42 per

cent and India's voting rights from 2.77 per cent to 2.91 per cent, the US still has a 15.85 per cent share, giving it the veto power. The China–India association in BRICS is a smaller issue and carries little strategic relevance globally, at least for India.

In short, India's approach to the BRICS group is best explained in terms of its democratic dialogue where New Delhi divides its approach within the segment of BRICS, IBSA and BASIC. The Chinese politics also compel New Delhi to approach the BRICS bloc with caution. China's growing relations with Brazil and South Africa also prompt India to believe more in a 'non-BRICS' world, at lease politically if not economically. For India, the IBSA is a coordinating mechanism, based on soft-power dealings, having three specific objectives: democratic ethos, developing-country slogan, and acting together globally for socio-economic dealings. This distinct Indian approach will keep New Delhi politically and economically attractive, even if the Chinese woo both Brazil and South Africa through trade and commercial dealings. For India, membership in IBSA not only enhances its democratic ethos, but also helps to build its identity as a country that does not necessarily belong to the Chinese world. For India, IBSA is a democratic alliance, whereas BRICS is more an abstract phenomenon of rising economies with resources, populations and diverse social and political systems.

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