

# BRICS Summit 2024: A Strategic Win for India Over China

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**Abstract:** *The 2024 BRICS Summit in Kazan emphasized the bloc's commitment to a multipolar global order by promoting financial independence from dollar - based systems and Western financial institutions. India showcased its Unified Payment Initiative (UPI) as a model for the proposed decentralized BRICS Payment System, aimed at reducing reliance on the US dollar and countering China's influence within the bloc. India's strategic moves, including advocating Ethiopia's inclusion in BRICS and collaborating with Russia on space exploration, highlighted its efforts to balance power dynamics and strengthen its geopolitical position. These initiatives reflect India's nuanced diplomacy, fostering cooperation among BRICS nations while safeguarding its interests against China's dominance. The summit marked a significant step in reshaping global financial and geopolitical frameworks.*

**Keywords:** *BRICS Summit, multipolar world, decentralized payment system, India - China rivalry, geopolitical strategy*

Kazan Summit has reflected the BRICS' aim to challenge the West - driven financial hegemony by extensively promoting a multipolar world order and reducing dependency on dollar - denominated Western financial institutions.



(Photo by: Alexey Danichev)

With BRICS constituting more than 40% of the world's population and over 25% of its GDP directly coming from emerging economies, BRICS has gradually grown into one of the most influential alliances in the world with the goal of challenging the current global financial hegemony. The recently - held BRICS Summit, 2024 concentrates on the increasing calls for a multipolar global order and a more decentralized and balanced monetary system in terms of de - dollarization. This is in line with BRICS' primary goal of reshaping international governance frameworks to counter US hegemony.

The BRICS summit in Kazan featured in - depth discussions aimed at reducing the reliance of BRICS member countries on Western financial institutions and increasing the economic self - sufficiency of each member country. Attendees emphasized the need of encouraging bilateral and multilateral trade in local currencies, which is being viewed as a critical step in re - establishing a strong financial framework that

protects member countries from the negative effects of sanctions and currency volatility caused by external factors.

At the beginning of the meeting, India highlighted its Unified Payment Initiative (UPI), which is being adopted by several nations across the world, such as France, the United Arab Emirates, Malaysia, Singapore, Bhutan, Sri Lanka, and others, whereas UPI service collaborations are gradually extending to regions like Europe, Japan, the USA etc. The projection of rapid success of UPI services in India was basically intended towards grabbing the attention of BRICS member countries to think about India's proposal of a decentralised BRICS payment system.

The BRICS Payment System, proposed by India, was an important takeaway from the Kazan meeting. This strategic effort of India proposes a comprehensive and independent structure that promotes trade among BRICS nations without heavily relying on the US currency or traditional Western

Volume 13 Issue 11, November 2024

Fully Refereed | Open Access | Double Blind Peer Reviewed Journal

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banking institutions, aiming to empower the bloc's economy and exponentially strengthen their global competitiveness.

Many experts in this region believe that India has played smartly in using its growing economic strength and geo - strategic ties to oppose China's growing influence with the BRICS coalition. By advocating the BRICS Payment System, India aims to attract nations both within and beyond the group seeking greater financial independence from the economic domination of the US and China. The ongoing multilateral talks within the block show India's complicated balancing act, as it now safely plays both a *cooperative* and *competitive* role with China. Through active diplomatic engagement, India tries to underscore its commitment to the BRICS' overarching goals while also seeking to counter China's efforts to impose its financial dominance over the alliance. This nuanced and deliberate approach of India reflects its diplomatic commitment to protecting its own strategic interests in a rapidly evolving geopolitical landscape, in addition to encouraging mutual cooperation among member states within the block. As China is not supportive of the view that India would introduce any proposal potentially challenging China's unilateral dominance in the bloc with deliberate efforts to undermine its influence, China formally did not welcome India for this initiative. China is well aware of the fact that the BRICS payment system would encourage each member nation to conduct transactions in its own currency, preventing Chinese currency from controlling the block while also ignoring China's ambitions to become an alternative to the US dollar in the long run.

Therefore, the BRICS Payment System will certainly help reduce China's influence over other BRICS members. It primarily focuses on creating a shared and decentralised financial system that allows each member country of the block to be financially more independent, rather than heavily relying on China's financial debt trap network.

India's advocacy for the BRICS payment system undoubtedly improves its soft power within BRICS and solidifies its position as a leader among developing economies aiming for economic sustainability in the region. This idea is seen by member nations as a sincere effort to balance power within the bloc. As none of the members of the block wanted China to exert excessive dominance, they wholeheartedly welcomed India's proposal of establishing a decentralised payment system, as this proposal also spoiled China's aspiration of becoming an alternative to the United States.

In light of Indo - Chinese rivalry and China's debt trap policy, it is quite probable that the countries outside the block will also acknowledge this initiative. Therefore, it can be concluded that India's proposal of creating a BRICS Payment System, a decentralised payment system, is a significant victory in its strategy to counter China's influence under the Belt and Road Initiative (BRI). If implemented, this will change the global financial landscape significantly and facilitate increased trade between India and other BRICS nations without any dollar - driven financial barriers.

India's other strategic milestone of this meeting is its bilateral collaboration with Russia on Space Research. Russia has teamed up with India to work on the Space Exploration

Consortium while China is working on the International Lunar Research Station on its own. Since Russia views itself as superior to China in the field of space exploration, it rejected China's initial offer for Russia to join this project as a subordinate member. It is often known that Russia used to be a leader in space exploration and that it still has a big impact on science and technology today. As a result, Russia has decided to collaborate with India on the Space Exploration Consortium, expressing its cold discontent with China. By partnering with India, Russia has indirectly but deliberately sent a message to China that it still considers itself superior to China in the field of space research.

The major strategic advantage of India here, however, is that India has been able to strengthen its relationship with Russia in countering China's dominance in Space R&D. Russia and India are determined to launch a *small modular reactor* on the surface of the Moon before China does. In this context, India is actually benefiting from the hidden rivalry between China and Russia, gradually strengthening its position in the sphere of space research and development.

The third major geopolitical outcome of the Kazan Summit is the effective and formal admission of Ethiopia into the Block, which has historically been considered an adversary of Djibouti and Eritrea. Keeping in mind that Djibouti and Eritrea, which have a very good relation with China, host naval bases for China and other Western countries, it is India which first proposed the inclusion of Ethiopia in the BRICS. It is possible to see India's decision to welcome Ethiopia into BRICS as a strategic move to balance China's exponentially growing influence in Africa. India can now compete with China's extensive investments and diplomatic outreach under the Belt and Road Initiative (BRI) by expanding its engagement in Ethiopia, one of Africa's fastest - growing economies and a major geopolitical player in the Horn of Africa. Due to Ethiopia's historical adversity with Djibouti and Eritrea, its membership in BRICS would represent a significant strategic advantage for India within the alliance.

India has welcomed Ethiopia into BRICS, much like China did when it admitted Pakistan to the Shanghai Cooperation Organization (SCO). The inclusion of Ethiopia in the BRICS bloc could give India a similar strategic advantage in opposing China by drawing attention to its internal disputes with China - backed Djibouti and Eritrea within the group, much like Pakistan plays a crucial role for China in opposing India within the SCO bloc. Therefore, this BRICS meeting, overall, can be perceived as a strategic win for India over China as well as Western countries from the perspective of international geopolitics.

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