

BRICS: SUSTAINABLE AND INCLUSIVE DEVELOPMENT

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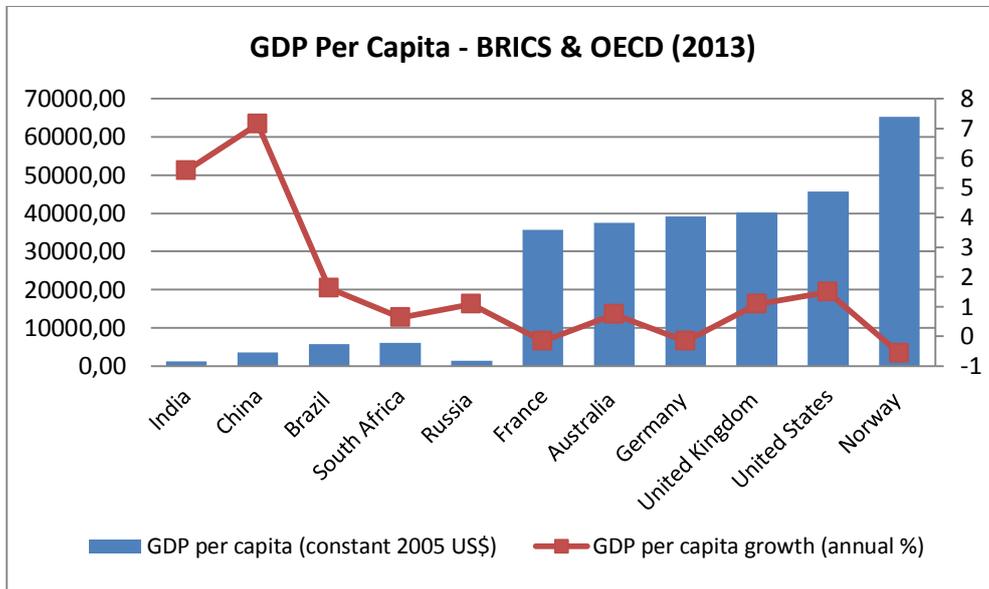
Sustainable and Inclusive Development is a complex concept with many dimensions that go far beyond economic growth captured by the GDP statistic. Sustainable development on its own has been defined as development that ensures needs of the present generation without compromising future availability of resources by the Brundtland Commission's Report in 1987. The same report stated the significance of economic growth, equity and inclusive citizen participation for meeting basic human needs (World Commission on Environment and Development, 1987). This concept achieved highest global socio-political concern at the World Summit on Sustainable Development (WSSD) in 2002. In the years following the WSSD, range of disparate principles assembled under the sustainable development banner, such as 'inclusivity'. 'Inclusivity' simply means equality of opportunity and equitable access and availability of natural resources. Sustainable and Inclusive Development, therefore, can be referred to as, sustainable economic growth with a focus on equal participation and equitable access to resources.

In order to understand what inclusive sustainable development means for India and BRICS, this paper explores the convergence and divergence between BRICS nations viz. development indicators; highlights critical areas for BRICS within the emergent Sustainable Development Goals (SDGs) framework; and suggests what BRICS development paradigm should aim to achieve.

BRICS DEVELOPMENT INDICATORS

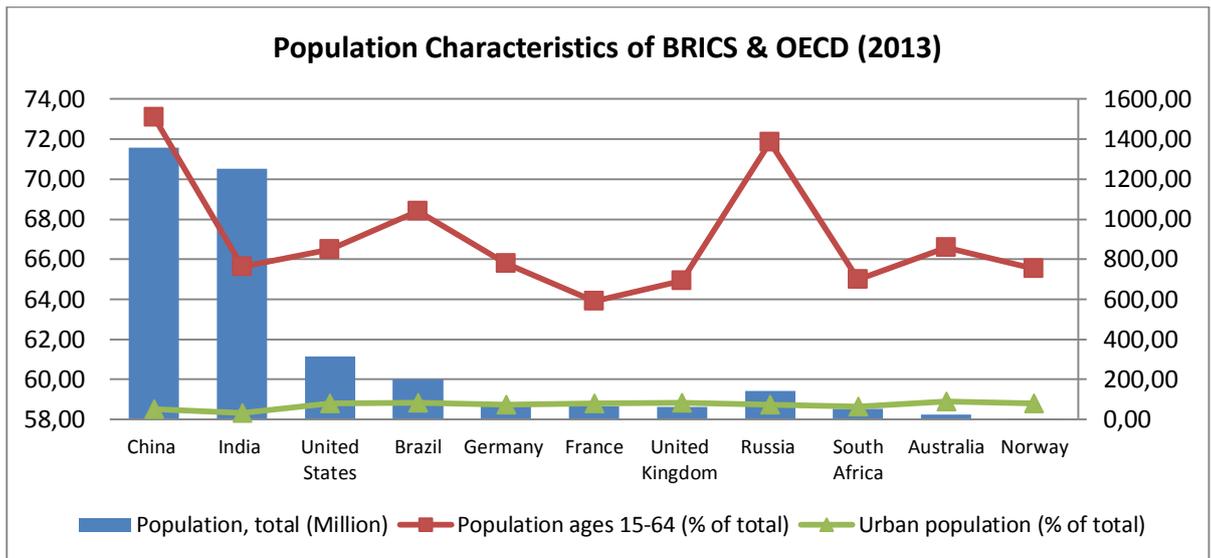
Huge differences in power, resources and development approaches make it difficult to analyse similarities among BRICS nations (Morazán, Leader, Negre, & Garcés Los Fayos, 2012). There are stark differences in social development indicators, including poverty, access to energy, water and sanitation facilities,

employment rates, GINI index, healthcare etc. However, BRICS nations are share certain characteristics such as large size of the economy, strong growth rates and growing influence on global governance.



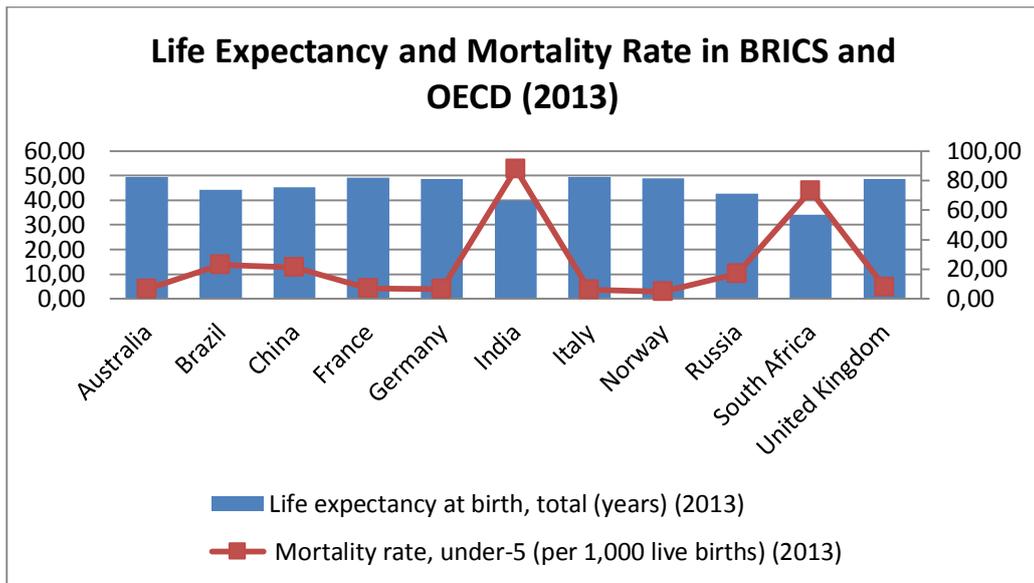
Source: (World Bank, 2015) World Bank national accounts data, and OECD National Accounts data files.

Since economic growth has been cyclical, BRICS nations face an uphill challenge in maintaining the high growth. Demography favours BRICS if they can create a large workforce and a middle-class whose consumption can drive the global economy (Sherpa, 2011). Population between 15-64 years is the highest in China at the moment, followed by India. This ‘Demographic dividend’ along with rising middle class is expected to fuel growth and at the same time create challenges, which will be difficult to address unless a trajectory of Sustainable and Inclusive Development is followed.



Source: (World Bank, 2014) World Bank national accounts data, and OECD National Accounts data files.

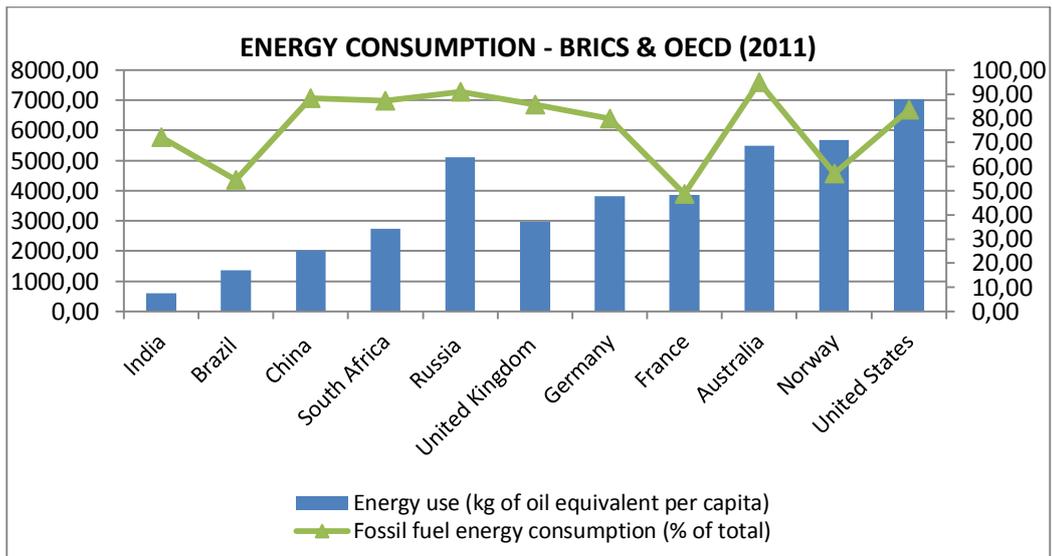
Poverty and inequality have been major concerns for BRICS, despite high economic growth rates. In 2011, poverty headcount ratio (as per cent of total population) was the highest in India with 23.63% people living under \$1.25 a day, followed by South Africa with 9.42%, China with 6.26% and Brazil with 4.53% poor people. Besides poverty headcount ratio, an important factor for understanding growth is participation of the relatively deprived in the growth process (Suryanarayana, 2013). Closely tied to the pattern and rate of economic growth, ‘inclusivity’ has been a major concern for India. Attention was granted to the concern on unequal and stagnant distribution of growth and participation patterns in India’s 11th Five Year Plan as early as in 2007 (Planning Commission, 2007). Over the years, sharing of growth outputs by vulnerable households has increased, as per the National Sample Survey Consumer Expenditure (National Sample Survey Office, 2011)). Increasing inclusiveness among different socio-religious groups is also confirmed by Human Development Survey (Dubey&Vanneman 2014). Nonetheless, the rate of increase is slow and challenging for meeting human development objectives such as mortality rates, life expectancy, education, and literacy etc.



Source: World Bank (2014)

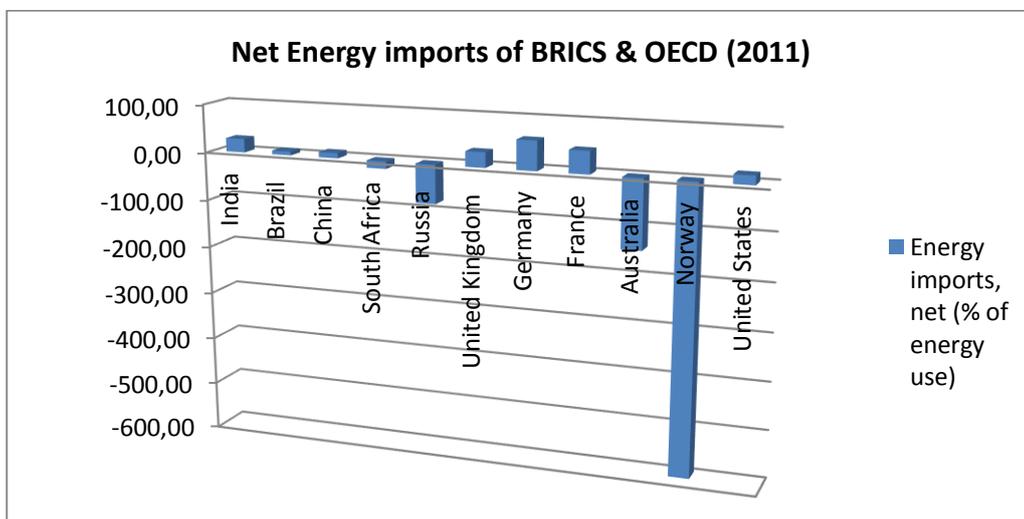
Life expectancy at birth is a good indicator for the overall status of health in any country. Life expectancy in India is quite low relative to OECD countries. India also has the highest Under-5 Mortality Rate among the countries under consideration. 5.27% of the children under 5 in India died in 2013 while the figure for all OECD member countries is merely 0.76%. Even in terms of people lacking access to electricity, India recorded the highest numbers in the order of 75% of the total population, followed by South Africa at 82.7%, Brazil at 98.93% and China at 99.7% (Morazán et al., 2012).

Issues of affordability, access and availability remain a major challenge for BRICS in meeting their energy needs. Lack of universal access to energy is a growth limiting factor and has been globally recognized as a significant challenge. In 2012, United Nations even declared the year as the international year of sustainable energy for all by 2030 (UNEP, 2012). Despite the global initiatives, energy access situation is skewed in developing nations and therefore, it is expected to be one of the critical elements of the Post 2015 Development agenda.



Source: (World Bank, 2014) International Energy Agency (IEA Statistics © OECD/IEA, <http://www.iea.org/stats/index.asp>) and United Nations, Energy Statistics Yearbook.

Consumption of fossil fuels as a percentage of total energy use is also growing steadily in BRICS. China’s percentage share of fossil fuels in the total energy mix is almost at par with South Africa, followed by India and Brazil. In order to meet developmental challenges (such as poverty eradication, income inequality etc.), these countries will need energy. BRICS plan to expand to their clean energy portfolio and reduce their dependence on imported fuels, especially India. A number of renewable energy initiatives are in place in China, India and Brazil.



Source: (World Bank, 2014); International Energy Agency (IEA Statistics © OECD/IEA, <http://www.iea.org/stats/index.asp>).

Sustainable Development Goals (SDGs) and BRICS

The Post-2015 Development Agenda which will lead to the formulation of Sustainable Development Goals or SDG's. The SDGs framework will be built upon the successes and failures of the Millennium Development Goals. There are a total of 17 Sustainable Development Goals formulated by the open working group of UN. There are different approaches, visions, models and tools available to each country, in accordance with its national circumstances and priorities, to achieve sustainable development (UN Department of Economic and Social Affairs 2012).

The implementation of SDGS will depend on a range of factors. First, finance and technology remain major stumbling blocks. The cost-benefit analysis for meeting the SDGs requires further investigation. As per the study conducted by Copenhagen Consensus Centre assessment suggests that prioritizing 19 targets out of the 169 SDGs will achieve four times more benefits by quadrupling the aid budget. These include focus on eradication of extreme poverty, creating health facilities, phasing out fossil fuel subsidies, reducing trade restrictions, increasing education for girls and boosting agricultural growth, among others. The report concludes that the identified 19 targets could offer more than 15 dollar return on every dollar spent (Copenhagen Consensus Centre 2014).

Second, there are actions required on time-bound financing targets, associated macro-economic policies like trade and economic policies, technology transfer, and other resources to assist and enable developing countries' efforts in this direction, as pointed out in the open working group proposal.

Third, a robust mechanism of implementation review will be necessary for the success of the SDGs. The General Assembly, the ECOSOC system and the High Level Political Forum will play a key role in this regard.

Fourth, Global partnership for Sustainable Development will be essential with the active engagement of governments, as well as civil society, the private sector, and the United Nations system. Regional cooperation such as South-South Cooperation will also be important. A survey of recent trends of South-South Cooperation suggests the shift in pattern of investments in LDCs and emerging economies. South-South resources flow in the form of bilateral aid or trade or FDI based on the framework for mutual benefit and exchanges, unlike the traditional donor-recipient relationship (Sharan, Kumar 2013).

Fifth, progressive steps need to be taken to facilitate access of developing countries like India to sustainable technologies through strengthening of TRIPS Agreement provisions for transfer of technology (Article 66.2). Possibilities of extending the public health waiver from TRIPS provisions to environmental considerations may also be explored (UNESCAP). For its part, India should encourage enterprise-level research and development (R&D) activity, for harnessing frugal engineering capabilities for developing products. Learning, absorption and adaptation of imported know-how should also be promoted through joint ventures. The Government of India has announced a variety of measures to accelerate the process of growth with equity and sustainability and shown its eagerness to learn from success stories in these areas in India and abroad.

SDG's include four sets of challenges for India which include completion of all the incomplete MDG agendas with a higher level of ambition, strengthening critical development drivers such as economic growth, industrialization, employment creation and reduction of inequality within and between countries, basic infrastructure including energy, and governance and institutions,

strengthening the sustainability dimension to address new and emerging challenges such as deteriorating environment, unsustainable consumption and production patterns, and accessing the means of implementation including transfer of advanced sustainable technologies from developed countries and harnessing India's frugal engineering capabilities for pursuing low carbon development pathways (United Nation Economic and Social Commission for Asia and Pacific, Asian Development Bank, 2012).

The framework also underscores that the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response, with a view to accelerating the reduction of global greenhouse gas emissions. It recalls that the United Nations Framework Convention on Climate Change provides that parties should protect the climate system for the benefit of present and future generations of humankind on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities.

BRICS Development Paradigm

Although sustainability and inclusion has been a key policy areas for BRICS; disparate development challenges, diverse economic growth trajectories within BRICS nations, and the emerging global challenges such as climate change makes it difficult to identify and codify modality or path of development (Schuftan, 2003) for member countries. Central to this is the challenge of analyzing the impact of past policies and tracing their cause-effect relationships. Nevertheless, in the light of emerging development issues within BRICS as discussed in previous sections and their influence on global processes, some suggestions for what the BRICS development paradigm should entail are given below.

BRICS development paradigm should be based on principles of inclusive sustainable development and co-benefit sharing models. Inclusive sustainable

development should include non-exclusive participation in the economic growth process. Co-benefit sharing models will enhance cooperation on environment and human development.

Sharing of scientific and local knowledge is a must, especially for managing resources such as climate, water, forests etc. Different mechanisms should be formed for exchanging perspectives on developmental interests.

The development paradigm should be fundamentally strong yet flexible to accommodate local socio-political realities of individual BRICS economies. For instance, the concept of economic development should be contextualized according to social and environmental realities of the countries (social and environmental costs of production).

Sustainable and Inclusive Development is not just a techno-managerial process; but rather a political one. National political processes should be mainstreamed in discussion on development of BRICS and recognized as a critical factor in assessments.

Policy environments should be made conducive for increased financial flows for meet funding requirements for infrastructure and sustainable development.

Civil society initiatives for meeting the SDGS should be complimented with national and/or global support (through finance, technology etc) to encourage innovative and targeted impact on ground.

Political leadership and willingness to cooperate and strengthen regional relationships will be required to support transition towards inclusive sustainable development among BRICS. Therefore, building synergies through knowledge sharing and development assistance to lower income countries will be important.

The SDGs framework should be aligned with national strategies, plans, programmes for meeting these goals domestically to reduce overlaps and building synergies in terms of planning cycles of each country. Priority areas should be set within the broader SDGs such as eradication of extreme poverty and improvement in quality of life (access to clean drinking water, sanitation, health facilities, education and clean environment). The priorities can be set based on urgency of action required and the value of return of investments on these goals, as suggested by the Copenhagen Consensus Centre.

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