

BRICS and India: A Multilateral Block for South-South Cooperation: Analyzing the Present Trade Scenario in Goods and Services and Future Economic Integration

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BRICS and India together symbolize the rising confidence and economic dynamism of the Global South. Over the past five years, bilateral trade scaling past USD 417 billion demonstrates the tangible dividends of South-South cooperation. While structural challenges—such as trade deficits and non-tariff hurdles—remain, India's robust economic expansion and strategic policy initiatives position it as an indispensable anchor for the bloc's future.

A. Introduction and Theoretical Foundations

The contemporary global economic architecture is undergoing a profound structural transition, characterized by multipolarity, shifting geopolitical alignments, and a re-evaluation of traditional North-South economic dependencies. At the epicenter of this tectonic shift stands BRICS—initially conceptualized as an acronym for emerging economic powerhouses (Brazil, Russia, India, and China) by Goldman Sachs economist Jim O'Neill in 2001, and later expanded to include South Africa and subsequent partner nations (O'Neill, 2001; Singh, 2023). BRICS represents the premier institutional manifestation of South-South cooperation, a strategic framework designed to foster mutual economic development, technical collaboration, and collective bargaining power among developing nations.

India, as a founding and anchor member of the bloc, views multilateral cooperation through BRICS not merely as a commercial conduit, but as a critical instrument to architect a fairer, more inclusive polycentric world order (Kumar, 2023). Rooted in the principles of sovereignty, equality, and mutual respect, India's engagement within BRICS embodies the aspirations of the Global South. Over the past two decades, the grouping has evolved from a nascent political dialogue platform into an institutional powerhouse complete with financial architecture—exemplified by the New Development Bank (NDB) and the Contingency Reserve Arrangement (CRA)—and robust sectoral working groups spanning agriculture, health, science, and trade (Bhat, 2023).

This paper undertakes a comprehensive examination of India's role within the BRICS framework, specifically analyzing the present trade scenario in merchandise goods and cross-border services, identifying structural challenges such as trade imbalances, and outlining strategic pathways for future economic integration and South-South collaboration heading toward 2030.

B. Evolution of BRICS and India's Strategic Alignment

The institutionalization of BRICS began in September 2006 on the margins of the United Nations General Assembly in New York, culminating in the inaugural formal summit in Yekaterinburg, Russia, in June 2009 (Kumar, 2023). The subsequent inclusion of South Africa in 2010 cemented its continental representation across three vital continents: Asia, Africa, and Latin America. Together, the expanded grouping accounts for a massive share of the global population, over 40 percent of global economic output measured on a Purchasing Power Parity (PPP) basis, and a substantial proportion of global trade flows (Tantri & Shaurav, 2018). For India, BRICS provides a vital diplomatic and economic

multi-alignment platform. Amid rising protectionism, weaponization of supply chains, and fragmentation of global trade rules overseen by the World Trade Organization (WTO), India leverages BRICS to: **Champion Multilateralism:** Advocate for reforms in global governance institutions, including the United Nations Security Council, the International Monetary Fund, and the World Bank. **Diversify Economic Partnerships:** Expand commercial footprints across non-traditional emerging markets in Africa, Latin America, and Eurasia. **Secure Strategic Inputs:** Guarantee stable access to critical minerals, energy supplies, advanced technologies, and developmental finance required to sustain India's high GDP growth trajectory (ASSOCHAM, 2026).

C. Present Trade Scenario: Goods and Merchandise Dynamics

The commercial integration among BRICS nations has witnessed unprecedented expansion over the last five years. According to recent empirical assessments by industry bodies such as ASSOCHAM (2026), bilateral and intra-group trade involving India and its BRICS partners has more than doubled, surging from USD 203 billion in the 2020–21 fiscal year to an impressive USD 417 billion in the 2025–26 fiscal period. This remarkable growth trajectory underscores the deepening commercial interdependencies among emerging economies, bucking broader trends of global trade deceleration.

Table1: India–BRICS Trade and Economic Performance: Baseline, 2025–26 Outcomes and Growth Prospects

Metric / Indicator	2020–21 Baseline	2025–26 Assessment	Growth Trajectory / Projection
Total India-BRICS Trade Volume	USD 203 Billion	USD 417 Billion	>100% Increase over 5 Years
India's Merchandise Exports to BRICS	USD 45 Billion	USD 96 Billion	Targeting USD 200 Billion by 2030
India's Average GDP Growth (2021–2026)	6.5%	>7.0% (7.8% in Q1)	Fastest-expanding major economy
Primary Export Sectors	Raw materials, Intermediates	Engineering, Pharma, Tech	High-value manufacturing shift

Source: Ministry of Commerce & Industry, Government of India, 2026

Despite this quantitative leap, a closer examination of the composition and balance of trade reveals underlying structural asymmetries. India's merchandise exports to BRICS partner countries reached USD 96 billion in 2025–26 (ASSOCHAM, 2026). However, India persistently runs a structural trade deficit with the broader grouping—predominantly driven by massive imports of energy commodities, fertilizers, and manufactured electronics/machinery from major partners like Russia and China (Bhat, 2023). Empirical trade studies utilizing the gravity model and revealed comparative advantage (RCA) indices indicate that intra-BRICS trade has historically been dominated by inter-industry trade rather than sophisticated intra-industry supply chain integration (Bhat, 2023). While India holds strong comparative advantages in pharmaceuticals, agro-chemicals, information technology

services, and specialized engineering goods, market access barriers, non-tariff measures (NTMs), and logistics bottlenecks have constrained the full realization of export potentials.

D. Services Trade, Digital Cooperation, and Financial Architecture

While merchandise trade forms the traditional backbone of economic exchanges, the contemporary trade landscape within BRICS is increasingly driven by services, digital infrastructure, and innovative financial architectures.

- *Cross-Border Services and Digital Public Infrastructure (DPI)*

India's preeminence in global service exports—spanning software development, IT-enabled services (ITeS), healthcare, financial consulting, and professional education—positions it uniquely within BRICS. Emerging economies within the bloc are actively seeking to replicate or integrate with India's Digital Public Infrastructure (DPI), such as Unified Payments Interface (UPI) frameworks, Aadhaar-based authentication, and open-network digital commerce (ONDC). Digital trade cooperation reduces transaction friction, enhances transparency, and enables small and medium enterprises (SMEs) across the Global South to participate directly in cross-border value chains.

- *Local Currency Settlements and Financial Autonomy*

A transformative development in BRICS economic cooperation is the aggressive push toward financial sovereignty and de-dollarization through *Local Currency Settlements (LCS)*. Given the vulnerabilities exposed by Western economic sanctions, SWIFT network exclusions, and global inflationary shocks, the BRICS finance track has prioritized cross-border payment mechanisms settled in national currencies (ASSOCHAM, 2026). The Reserve Bank of India's operationalization of Special Vostro Rupee Accounts (SVRAs) with partner nations represents a vital step in insulating bilateral trade from third-party currency risks, lowering transaction costs, and enhancing macroeconomic resilience.

E. Future Cooperation: Pathways to 2030 and Strategic Recommendations

As BRICS expands its membership and economic footprint, realizing the ambitious goal set by industry analysts—such as scaling Indian merchandise exports to BRICS to USD 200 billion by 2030—requires intentional, multi-pronged strategic interventions (ASSOCHAM, 2026):

Streamlining Non-Tariff Barriers (NTMs): Addressing custom clearance delays, sanitary and phytosanitary (SPS) measures, and technical barriers to trade (TBT) through mutual recognition agreements (MRAs) on product testing and certification. **Deepening Global Value Chain (GVC) Integration:** Moving beyond simple buyer-seller commodity exchanges toward co-production networks in high-growth sectors, including green energy technology, electric vehicles (EVs), electronics, and advanced chemicals. **Critical Mineral Security:** Establishing dedicated BRICS mineral corridors to secure stable, diversified supply chains for rare earth elements, lithium, cobalt, and silicon essential for the global clean energy transition. **Expanding Institutional Financing:** Leveraging the New Development Bank (NDB) to finance sustainable infrastructure, digital connectivity, and climate-resilient projects across the Global South without predatory debt conditionalities.

F. Benefits of BRICS for India

For India, BRICS provides an important platform to strengthen South-South cooperation, expand trade and investment, and diversify economic partnerships beyond traditional markets. The enlarged BRICS grouping gives Indian businesses access to a large and geographically diverse market, creating opportunities for exports of manufactured goods,

pharmaceuticals, information technology, business services, agriculture and other knowledge-based services. India can also benefit from greater cooperation in digital economy, artificial intelligence, infrastructure, energy, finance, skills and innovation, while the BRICS Business Council facilitates business-to-business and investment linkages. In 2024–25, India recorded significant services trade with BRICS members, including exports of services worth USD 8.6 billion to China, USD 6.12 billion to the UAE, USD 4.74 billion to Saudi Arabia and USD 3.73 billion to Brazil, illustrating the existing and potential importance of BRICS markets for India's services sector. Furthermore, cooperation on local-currency transactions, payment mechanisms, trade facilitation and sustainable finance could potentially reduce transaction barriers and strengthen India's economic resilience. Overall, BRICS can support India's objectives of export diversification, greater participation in global value chains, technology and knowledge exchange, and stronger representation of developing economies in global economic governance.

G. Labour Mobility as the Missing Link in BRICS Services Trade: Examining Mode 4, Migrant Worker Protection and Inclusive South-South Economic Integration

While intra-BRICS economic cooperation has rapidly deepened across merchandise trade, digital public infrastructure, and local currency financial settlements, cross-border services trade via the temporary movement of natural persons (Mode 4) remains structurally constrained. Mode 4 restrictions create a persistent friction point in South-South economic integration, disproportionately limiting service-exporting powers such as India. This paper examines Mode 4 movement as the missing structural link in intra-BRICS services trade. It evaluates the regulatory barriers suppressing Mode 4 expansion, assesses the imperative for robust migrant worker protections, and proposes institutional mechanisms to operationalize portable social security, skill harmonizations, and equitable labor frameworks across the Global South.

The expansion of the BRICS bloc marks a major transition in global governance and South-South cooperation. Economic interdependencies across member states have surged, with intra-group trade flows accelerating significantly. However, a granular breakdown of intra-BRICS commerce reveals a stark imbalance: while merchandise trade and digital integration have expanded rapidly, cross-border trade in services through Mode 4—the temporary presence of natural persons supplying services—remains underutilized. Under the General Agreement on Trade in Services (GATS) framework of the World Trade Organization (WTO), Mode 4 accounts for under 3% of global service trade, subject to high regulatory friction. Within BRICS, where major member economies hold specialized comparative advantages—such as India's IT and professional services sector—the restriction of labour mobility hampers broader structural convergence. Addressing Mode 4 is essential to bridging the gap between trade in goods and trade in knowledge, skills, and human capital across the Global South. Mode 4 service delivery relies on the temporary entry of professionals, independent specialists, intra-corporate transferees, and contract service suppliers. Empirical evaluations indicate that higher Mode 4 restrictiveness sharply depresses bilateral services trade, particularly for intermediate inputs across digitized value chains.

Table2: Current base line services trade and possible bottlenecks among BRICS

Structural Component	Current Baseline in BRICS	Integration Bottleneck	Strategic Remedy
Services Export Structure	High reliance on Mode 1 (Cross-border supply).	Regulatory caps on Mode 4 temporary visas.	Intra-BRICS GATS-plus commitments for professional service providers.
Qualifications Recognition	Disparate national licensing standards.	Lack of mutual recognition agreements (MRAs).	Harmonized skill mapping frameworks and credential equivalencies.
Labour Protections	Fragmented domestic social safety nets.	Non-portability of pensions and insurance.	Intra-bloc bilateral/multilateral social security agreements (SSAs).

Source: WTO Service data

For service-intensive economies like India, which exported over USD 23 billion in services to partner nations like China, the UAE, Saudi Arabia, and Brazil in 2024–25, regulatory hurdles in physical movement create severe transaction costs. Unlocking Mode 4 allows BRICS to transform from a market for primary commodities and finished goods into an integrated regional labour and services ecosystem.

A central challenge in expanding Mode 4 trade involves guaranteeing comprehensive protection for temporary service providers and labour migrants. Historical Mode 4 frameworks under the WTO have faced criticism for treating temporary labour mobility as a purely commercial transaction, frequently leaving workers vulnerable to wage disparities, lack of legal recourse, and loss of accrued social security contributions. To achieve inclusive South-South economic integration, BRICS must align commercial trade policy with International Labour Organization (ILO) standards. Key protection measures include:

- **Social Security Portability:** Developing bilateral and bloc-wide Social Security Agreements (SSAs) ensuring that temporary workers do not lose their contributions toward pensions and health coverage upon returning to their home countries.
- **Digital Public Infrastructure (DPI) for Decent Work:** Utilizing interoperable digital platforms for transparent labor contracts, worker registration, and cross-border wage payments in local currencies.
- **Preventing Regulatory Arbitrage:** Establishing minimum wage safeguards and workplace safety standards to prevent the degradation of domestic labour standards in host economies while prohibiting the exploitation of foreign service suppliers.

Strategic Pathways for Inclusive South-South Integration

To institutionalize Mode 4 labour mobility and worker protection, BRICS member states should implement targeted policy interventions:

1. *Establish a BRICS Business & Professional Mobility Visa*: Create streamlined, expedited temporary visa tracks for intra-corporate transferees, certified professionals, and technical specialists to reduce administrative friction.
2. *Standardize Skills and Qualifications*: Expand the scope of the BRICS Employment Working Group (EWG) to draft bloc-wide Mutual Recognition Agreements (MRAs) across engineering, healthcare, IT, and green-technology professions.
3. *Draft a BRICS Multilateral Framework on Social Security Portability*: Institutionalize cross-border benefit transfers and digital tracking of social safety coverage in collaboration with the ILO.
4. *Leverage Local Currency Payment Systems*: Integrate cross-border labour payments and remittance flows into local currency settlement frameworks to eliminate foreign exchange overheads for migrant workers.

Conclusion

BRICS and India together symbolize the rising confidence and economic dynamism of the Global South. Over the past five years, bilateral trade scaling past USD 417 billion demonstrates the tangible dividends of South-South cooperation (ASSOCHAM, 2026). While structural challenges—such as trade deficits and non-tariff hurdles—remain, India's robust economic expansion (>7% GDP growth) and strategic policy initiatives position it as an indispensable anchor for the bloc's future. By championing local currency settlements, digital integration, and inclusive value chain development, India and its BRICS partners are actively rewriting the rules of international commerce, forging a resilient, equitable, and multipolar global economic order for the decades ahead. Labor mobility through Mode 4 represents the missing link required to complete the architecture of BRICS economic integration. By pairing progressive service trade liberalization with robust migrant worker protections and social security portability, BRICS can construct a human-centric model of South-South integration. Prioritizing the movement of skilled professionals alongside capital and goods will solidify BRICS as a transformative force for equitable development across the Global South.

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