

# The Role of BRICS in the Agricultural and Economic Development of India

**Dr. Rita Madanlal Shetiya**  
**Assistant Professor of Economics**  
*Email - [drritashetiya14@gmail.com](mailto:drritashetiya14@gmail.com)*

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## **Abstract**

The aim of this paper is to study, evaluate the role of BRICS in Agricultural and Economic development of India. Development of agriculture sector has been the objective of India since the first five-year plan. Indian economy is base on Agricultural sector. Being a member of BRICS organization, all the five countries prioritizing agriculture sector. The Agricultural Research Platform among the key objectives aims to promote food security, self-reliance, sustainable agricultural development and poverty alleviation through strategic cooperation in agriculture among member countries. This paper gives idea about after joining the BRICS organization is there any change in India's Agriculture Development? BRICS organization discussed measures to enhance cooperation on food security and poverty alleviation. Are these measures taken by them? What's the result? Over all this paper examine the Economic development of agriculture sector and especially India achieved after join the BRICS organization.

**Key Words:** *BRICS, Objectives of BRICS, Role of BRICS, Agricultural and Economic Development of India*

## **Introduction**

Economic cooperation among nations for mutual benefits helps strengthen peace and

understanding among them as governments in the region cooperate on market liberalization, trade and investment facilitation, and other functional programs. In pre – Independence era the international trade of India was consisted to the British only, which was under the influence and control of British regime. It was confined to the export of raw materials especially the agricultural goods like cotton, oil seeds, tea etc. and import of finished goods like textiles, cloth, machinery etc. But in post-independent period India has adopted mixed economic system to give real inputs to the rapid growth and development of our country. As a part of this policy, to establish the fundamental and heavy engineering industry; import of machinery, tools, chemicals etc. were considered most important. As a result, India remained the exporter of agricultural goods. But in the last decade of 20th century especially under the influence of Dunkel Proposal and acceptance of General Agreement on Tariffs

and Trade (GATT) the contemporary government of P.V. Narsimha Rao initiated economic and financial reforms, It was the boost dose to the industrial development as well as trade and commerce, India's share in International trade is less than one per cent.

The fruitful consequences such as economic and financial reforms came into appear in the first decade of 21<sup>st</sup> century. On the other hand India has initiated policy to join various International organizations and groups for the rapid growth in international trade. Thus India became a pioneer member of an international community of emerging economies named as Brazil, Russia, India, China and South Africa (BRICS).

### **Significance of the study**

Although the literature on the positive role played by agricultural production seems to show consensus, there is no study the researcher is aware of that exclusively focused on the Role of BRICS in Agriculture and Economic development in India. Majority of the existing studies focus on performance and growth of the BRICS countries. Neither of them to the researcher's best knowledge used BRICS as a unit of analysis in developing Indian agriculture sector. All these gaps were filled in this study. The Indian economy is based on the

Agriculture sector and the agriculture sector depends on Monsoon. 58% population depends upon the agriculture sector. Reducing India's dependence on other countries, especially for agricultural product (Food grains, etc) India want to become self-reliant.

### **Review of Literature**

1. Kiran Bala Das (2016) had completed Ph.D. research entitled "The Impact of WTO Agreement on Agriculture: A Comparison of the BRICS Countries" this thesis submitted to P.Ravishankar Shukla University Raipur. The researchers point out that, The Agreement on Agriculture (AoA) of WTO has a positive impact on BRICS countries in post WTO regime. It is also clear seen that import of major agricultural product grown faster than export of major agriculture product from BRICS countries in the post WTO period. It is due to liberalization under the WTO and the gap between export and import narrowing after WTO regime started. BRICS countries have various economic development experience they come very tuff and hard way from last thirty years, so knowledge of economic development play a strong role in the shape of the

world economic order and world economic transition period.

2. Mahendra Dev and Chandrasekhar Rao (2015) had completed in their study “Improved Terms of Trade for Agriculture. Result from Revised Methodology” about most comprehensive method of terms of trade between different sectors of economy. The terms of trade of agriculture sector in surplus in India. Besides farmers are moving towards non-agriculture sector because that sector is more productive than agriculture in employment. The advanced index measures the performance of different sectors and farmers income and there relation is adverse. So that identify minutely the degree of terms of trade is improved or adverse in agriculture sector.
3. Rajashri S Gudaganavar and Nagaraj V. Guaganavar (2014) had explored in their study “Structural Dimensions of India’s Agricultural Export– An analysis” about the competition India face from south Asia countries after WTO era it was increased. Any change in India’s production and export of its product, it’s directly affecting the economy if country weather it is by economic policy. And political disturbances. The traditional

export commodities like tea, coffee, oil cakes, tobacco share in trade insignificant, it’s clear from composition and compound annual growth rate of agricultural commodities and structural change with diversification in export. The main cause that, the percentage share of commercial crop was surged. The percentage share of India total export plummeted, it is because surged in % share of service sector and manufacturing sector and world share of India plummeted after implication of Agreement of Agriculture (AoA) provision.

4. S. Davenport, R. Chadha and R. Gale (2009) had explored in their research paper on “Competition Policy Reform in Agriculture: A Comparison of the BRICs Countries”. The researcher conclude that, The agricultural sectors of the BRICs countries have generally responded positively to policy reform efforts to date with clear trends in most countries toward production specialisation and international trade. Nevertheless, continuing sensitivities around farm incomes and food security, particularly in countries where agriculture accounts for a significant proportion of the population,

present significant challenges to further agricultural policy reform.

## **Objectives**

1. To study the overview of BRICS organization.
2. To study the agricultural trade among the BRICS countries.
3. To study the role of BRICS in agriculture and Economic development of India

## **Research Methodology**

The present study explores the said subject using a qualitative research approach. This research paper is purely based on the secondary data sources collected from official websites for example Trade Statistics, trade map, BRICS official Website S etc.

## **Overview of BRICS**

BRICS (Brazil, Russia, India, China and South Africa) was established in 2009 with the initials of the five countries whose names appear in the list of powerful countries. These five countries are not only among the powerful countries due to their increasing rate of growth and development and their natural resources, but at the same time they account for 27% of the world's Gross

National Product (GDP), 42% of the world's population and 26% of the world's land of countries. The objectives and tasks of this organization are to provide financial supply, Development of Agriculture Sector, foreign trade policy, environmental protection, comprehensive development and growth, etc. for the growth of the economy of these five countries along with other developing countries.

From 2009 to 2021, the BRICS countries have held a total of 13 summits/conferences, the first of which was held in Yektenburg, Russia on 16 June 2009, the second in 2010, Brasilia in Brazil, the third in 2011, China-Sanaya, the fourth in 2012, India- New Delhi, fifth 2013, South Africa-Durban, sixth 2014, Brazil-Fotleja, seventh 2015, Russia-Ufa, eighth 2016, India-Goa, ninth 2017, China-Xiamen, tenth 2018, South Africa-Johannesburg, eleventh 2019, Brazil-Brazil, 12th 2020, Russia-Petersburg, 13th 2021, India-New Delhi. The objectives of each conference are different. In Fourth summit, 2012 BRICS organization objective was to promote food security, sustainable agricultural development and poverty alleviation through strategic cooperation in agriculture among the member countries. For achieving this goal they established BRICS Agricultural Research Platform.

As you know that India's agricultural exports are with other BRICS countries, but other BRICS countries are also exporting and importing agricultural commodities. India has been importing and exporting these

agricultural products along with BRICS countries before joining BRICS but the change in India's import and export after joining BRICS can be seen from the following table.

### **India's Agricultural Trade Among the BRICS countries**

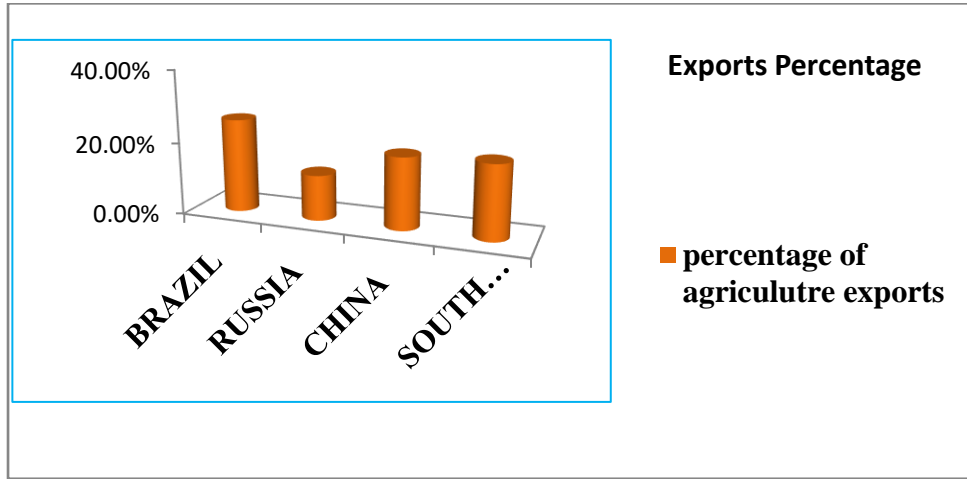
**Table No. 1 India's Agriculture Export's to BRICS countries (2006 and 2017) in (%)**

<b>Country</b>	<b>Total Export</b>	<b>Agricultural Export</b>	<b>Percentage of Agricultural Export</b>
Brazil	11,07,27,794	2,87,05,104	25.92 %
Russia	5,65,57,279	70,89,174	12.53%
China	39,51,28,874	7,83,20,751	19.82%
South Africa	11,15,42,218	2,26,52,146	20.31%
<b>Total</b>	<b>67,39,56,165</b>	<b>13,67,67,175</b>	<b>20.29%</b>

**Source:**[https://www.trademap.org/Bilateral\\_TS.aspx?nvpm=1%7c699%7c%7c076%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1](https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c699%7c%7c076%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1)

As per shown in the table Brazil Agricultural percentage of Export is highest (25.92%) compare to other BRICS countries. Russia's Agricultural percentage of Export Percentage is lowest (12.53%). It means that overall percentage share of BRICS countries in agricultural export is very less. Although Brazil is good in agricultural production, India exports agricultural products to Brazil more than other BRICS countries.

**India’s Agriculture Import’s from BRICS countries (2006 and 2017) in (%)**

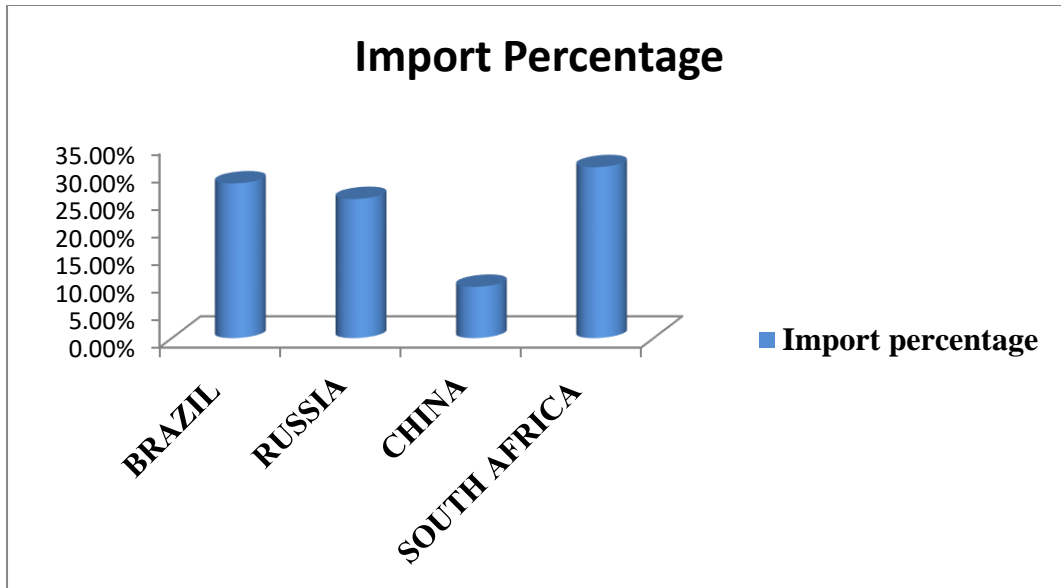


Source: Table No. 1

As per shown in the table India’s Import from South Africa 30.94%, compare to other BRICS countries its more. It means that India importing more compare to Export. Over all trade is increase after India Join the BRICS organization but Export not increases.

Country	Total Import	Agricultural Import	Percentage (%) of Agricultural Import
Brazil	2901300008	841261135	28.00 %
Russia	147263577	37079192	25.18%
China	1564983636	145188205	9.28%
South Africa	1381611442	427531202	30.94%
<b>Total</b>	<b>5995158663</b>	<b>1451059734</b>	<b>24.20 %</b>

Source:[https://www.trademap.org/Bilateral\\_TS.aspx?nvpm=1%7c699%7c%7c076%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1](https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c699%7c%7c076%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1)



Source: Table No. 2

### India's Trade in Agriculture among the BRICS countries

The Indian economy is based on the Agriculture sector and the agriculture sector depends on Monsoon. 58% population depends upon the agriculture sector. But still India exports less agricultural products compared to importing more agricultural products. According to the data it's observed that, India's Exports to other BRICS countries include agricultural products like Coffee, tea, mate, spices, Cotton and Cereals only exported by India to Russia, China and South Africa respectively. Brazil has strong competitiveness in agricultural products and competes with India and South Africa. The

Percentage of these agricultural products is very low.

India's Import from other BRICS countries includes Agricultural products like vegetables and oil imported from Brazil. Cereals imported from Russia. Not only India imports more agricultural products from BRICS countries but also other countries. On the one hand, even though India is an agricultural country, India does not produce more agricultural products. Behind this there are many factors and reasons are responsible for this. Following are the same.

Indian agriculture suffers from both productivity shortages and aggregation issues. Agricultural productivity in the global

context is very low. The need for extension services by way of training and advisories is of importance, given lack of productivity in part due to outdated farming techniques adopted by uninformed peasants. India's Agricultural sector has not been protected as given to industries through Special Economic Zones, cheap credit, subsidies and other benefits. There are problems in the use and management of agro – inputs. Due to establishment of water – intensive industries, growing population, extensive deforestation, water for irrigation is decreasing. Use of fertilizer in Indian agriculture is very less in comparison with other countries. In India 58 % of farmers rely on farm – saved seeds which cause 25 to 30 % lower productivity.

There are some demand constraints like slow growth of urban economy, restriction on exports, lack of land reforms, failure of poverty alleviation schemes, slow growth in rural wages. India has more laborers. Agricultural operations require labour to work in unfavorable conditions but recently, the availability of agricultural workers is declining due to several restrictions imposed by the government on the type of labourers to be used and amount of wages to be paid. Besides that the agricultural labourers prefer to work in construction, dairy farms, and road constructions.

The size of agricultural holding is quite uneconomic, small and fragmented, unorganized agricultural marketing, natural calamities, etc. Due to these reasons, India cannot move towards self-reliance and cannot export large quantities of agricultural products. But still Low agri exports here are only to BRICS it doesn't mean agri exports of India are low. We may be exporting more to other countries. E.g. we export rice, vegetables, fruits and flowers in large quantities to Middle East and Europe.

### **Role of BRICS in Agricultural and Economic Development in India**

The BRICS countries produce more than one-third of the world's agricultural output and have a significant role and responsibility in ensuring the sustainability of the agriculture and food sector, global food security and nutrition. Member States act for increased resilience of agriculture, rural areas and farmers by enhancing agricultural cooperation and promoting inclusive development of rural areas. India has developed the BRICS Agriculture Research Platform to promote cooperation in the areas of agricultural research, extension, technology transfer, training and capacity building. The first meeting of the BRICS Ministers of Agriculture and Agrarian



Development was held in March 2010 in Russia, Moscow. An Agricultural Expert Working Group of BRICS organization working on various ways to developed agricultural sector.

1. Creation of agricultural information base system
2. Ensuring access to food for the most vulnerable population
3. Reduction of negative impact of climate change on food security
4. Enhanced agricultural technology cooperation and innovation
5. Trade and investment promotion
6. Focus on agro – biodiversity India is actively promoting the diversification of its agri-food systems through countrywide programs such as pulses, oilseeds, horticultural crops, National Bamboo Mission and the recently launched National Palm Oil Mission. The objective of these programs is to increase the income of the farmers along with providing diversification in both farm and plate.
7. Ensuring sustainable use of natural resources
8. Exploring long-term and sustainable mechanisms for cooperation in the agricultural sector

India needs the BRICS to be stable for

trade to nurture. BRICS role is very much important for not only for India but also other BRICS countries. These five member Countries are very much powerful. If they decide to strengthen the economy, maintain peace and inclusive growth then according to that they will take steps. India since the inception of BRICS has played an important and active role. It attaches high importance to the BRICS forum for promoting global economic growth, peace and stability. Co-operation on the economic front is one of the focus areas of India's policy towards BRIC. India sees BRICS as a platform to build multilateral relations with Latin American, African and Asian countries. India has over the years, developed closed strategic relationship with the other member countries. India has also tried to use BRICS as a forum to resolve the age-old mistrust and complicated relationship with China. India has also played an important role in the setting up of New Development Bank. Also for India, co-operation with the BRICS is very important in terms of addressing its food and energy security issues, and combating terrorism.

## **Conclusion**

There is no doubt that BRICS plays an

important forum for all the member countries in promoting South-South cooperation and North-South dialogue. It will also help its member countries in fulfilling UN Millennium Development Goals (MDGs). In recent years, BRICS have come together in a political grouping in a way that has far exceeded most expectations. BRICS not only help all these five member countries to develop agriculture sector but also economic development of the BRICS.

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