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FINDER

FORTUNE IAS NEWS DAILY EXPLAINER

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THE HINDU

The BRICS bank — an alternative that wasn't

Prelims: General Paper 1
Current events of national and international importance.

Mains: General studies 2
Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

Why in Focus?

- India is hosting the **18th BRICS Summit in New Delhi on September 12–13, 2026**, under the theme **"Humanity First"**.
- The summit has renewed debate on whether BRICS can actually create an alternative to the **Western-dominated global financial system**.

> **BRICS** is a grouping of major **emerging economies** that aims to increase cooperation in areas such as **economy, trade, finance, development and global governance**. Originally founded by **Brazil, Russia, India, and China in 2009**, the coalition added South Africa in 2010 to form the acronym. As of 2026 : Brazil, China, Egypt, Ethiopia, India, Indonesia, Iran, Russia, Saudi Arabia, South Africa, United Arab Emirates.

Key Highlights

- BRICS established the **New Development Bank (NDB)** in 2015 to provide development finance as an alternative to institutions such as the World Bank.
- However, the NDB remains connected to the existing financial system. Around **half of its outstanding bonds are denominated in U.S. dollars**, while local-currency lending was around **22% by mid-2025**.
- The NDB also continues to depend on Western credit-rating agencies such as **S&P, Fitch and Moody's** and works with institutions such as the **World Bank and International Monetary Fund (IMF)**.
- The **Contingent Reserve Arrangement (CRA)** was created in 2015 with a **$100 billion fund** to provide emergency financial support to BRICS members. However, it **has never been activated**.
- The CRA has an important limitation. A country seeking more than **30% of its allotted amount** must first enter an IMF programme. Therefore, it cannot fully function as an independent alternative to the IMF.
- BRICS has also promoted **local-currency trade and reduced dependence on the U.S. dollar**. However, members have different positions on de-dollarisation and a common BRICS currency.
- BRICS countries have largely demanded **greater representation within existing institutions** such as the IMF rather than seeking their complete replacement.

Implications

- BRICS remains **financially dependent on**

the existing global system because its own institutions still use the U.S. dollar and rely on established financial and credit-rating mechanisms.

- The members have **different economic and geopolitical interests**, making it difficult to adopt a common approach towards the dollar, global trade and financial institutions.
- The continued **dominance of the U.S. dollar** makes rapid de-dollarisation difficult because global trade, investment and financial markets remain deeply connected to it.
- The CRA has limited institutional capacity, including the absence of **permanent staff and independent surveillance mechanisms**, reducing its effectiveness during financial crises.
- **Geopolitical and economic pressures** from major powers can discourage BRICS members from taking measures that directly challenge the existing financial order.
- There is a significant **gap between BRICS' ambitions and its actual achievements**. Instead of creating a completely separate financial architecture, BRICS has so far mainly tried to secure a greater role within the existing system.

Way Forward

- Strengthen the **New Development Bank** and gradually increase lending in local currencies.
- Make the **Contingent Reserve Arrangement** more effective by developing independent surveillance, research and crisis-management capabilities.
- Promote **local-currency trade and interoperable payment systems** rather than immediately pursuing a common BRICS currency.
- Push for reforms in the **IMF and World Bank**, particularly greater voting rights and representation for developing countries.
- Follow a **gradual and pragmatic approach** that increases financial autonomy while maintaining cooperation with existing global institutions.

Mains Question

BRICS has emerged as an important voice of the Global South, but its efforts to create an alternative global financial architecture face several structural and geopolitical limitations. Examine and suggest measures to strengthen BRICS financial cooperation. (250 words, 15 marks)

A bigger BRICS, shaped by India's vision

Prelims : General Studies Paper I

Current events of national and international importance

Mains: General Studies 2

Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

Why in Focus?

- The **BRICS Summit in New Delhi (September 12–13, 2026)** is significant amid **geopolitical conflicts, weakening global governance and changing alliances**.
- **BRICS now has 11 members** and around **10 partner countries**, making it a major transcontinental grouping.
- Its collective economic output in **purchasing power parity (PPP)** exceeds that of the **G7**, giving BRICS significant global economic weight.

Key Highlights

- India conducted around **350 BRICS meetings** across the country, including **22 ministerial-level meetings**, ahead of the summit.
- India's 2026 BRICS agenda focuses on **"building resilience, innovation, cooperation and sustainability."**
- BRICS works through three broad pillars: **political and security; finance and economy; and culture and people-to-people exchanges**.
- On **resilience**, India has promoted initiatives such as the **BRICS Digital Centre of Excellence for Smart Grids and Energy Storage** and the **BRICS Logistics Supply Chain Cooperation Framework**.
- On **innovation**, India has proposed a **start-up innovation fund, incubator network, digital public infrastructure repository and science and research repository**.

- **Business incubators** are institutions that support entrepreneurs in **developing their businesses**, especially in initial stages.

- On **sustainability**, initiatives include **combating desertification, disaster management, forest-fire preparedness and sustainable aviation fuels**.
- BRICS is also promoting **climate resilience** through **people-centric and community-based adaptation**, alongside mitigation efforts.
- On **cooperation**, proposed initiatives include revitalising the **multilateral trading system**, establishing an **urbanisation forum**, enhancing the **digital capacity of women**, and strengthening cooperation in **education, youth skilling and MSMEs**.
- The central approach is to promote **knowledge sharing, joint research and capacity building** among member countries.
- BRICS can help members **enhance their strategic options** and contribute to a **multipolar world**, which aligns with India's foreign policy objectives.
- The grouping must avoid being drawn into **geopolitical conflicts** that do not serve the strategic interests of its members.

Implications

- An expanded BRICS can strengthen the **Global South's role** in global economic and political affairs.
- Greater cooperation in **technology, logistics, research, energy and climate resilience** can provide practical benefits to member countries.
- BRICS can help India promote a more **multipolar international order** and expand its strategic options.
- Cooperation in areas such as **youth skilling, education, MSMEs and women's digital capacity** can make BRICS more people-centric.
- However, geopolitical differences among members may limit the grouping's ability to achieve **substantive consensus**.

Way Forward

- Focus on **practical cooperation and deliverable outcomes** rather than allowing geopolitical differences to dominate the agenda.
- Strengthen **knowledge sharing, joint research and capacity building** across member countries.
- Expand cooperation in **trade, technology, logistics, climate resilience and sustainable development**.
- Ensure BRICS remains **inclusive and development-oriented**, with greater benefits for youth, women and MSMEs.
- Use BRICS to strengthen **strategic autonomy and multipolarity** while maintaining constructive relations with other major powers.

Mains Question

BRICS has evolved from an economic grouping into an important platform for advancing a more multipolar global order. Discuss the opportunities and challenges for India in strengthening BRICS as an effective instrument of global governance. **(250 words)**

Eyes on the road:On India and road traffic fatalities

Prelims: General Studies Paper 1

Current events of national and international importance

Mains: General Studies 2

Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Why in Focus?

- There is a **need for a comprehensive road-safety strategy as India continues to face a high number of road deaths** despite existing safety measures.

Key Highlights

- India has **only around 1% of the world's vehicles but accounts for about 11% of global road traffic fatalities.**
- In 2024, **two-wheeler riders accounted for 46.2% and pedestrians 20.6% of road deaths.**

- **Non-use of seat belts, helmets and child restraints** increases the risk of serious injuries and deaths.
- **Speeding is the dominant recorded traffic violation** associated with road fatalities.
- The **Motor Vehicles (Amendment) Act, 2019 introduced several measures** to improve road safety.
- The **Supreme Court has asked the Ministry of Road Transport and Highways to consider measures** to increase the use of seat belts and helmets.

Implications

- **Poor enforcement of traffic rules and shortage of traffic police** personnel.
- **Widespread speeding** and unsafe driving behaviour.
- **Inadequate use of helmets,** seat belts and child restraints.
- **Lack of systematic adoption of the Safe System approach** by governments.

> The **Safe System approach** is a road-safety approach that assumes people can make mistakes and therefore designs roads, vehicles and traffic systems to prevent crashes and reduce the severity of injuries when crashes occur.

- **Poor identification** and correction of accident-prone locations.
- **Delays in providing emergency and trauma care** after crashes.
- **Limited public culture of road safety** and responsible driving.

Way Forward

- **Adopt the Safe System approach in road planning** and management.
- **Strictly enforce speed limits,** helmet and seat-belt rules.
- **Identify and improve black spots** and accident-prone roads.
- **Make vehicles safer through tamper-proof seat-belt reminders** and safety features.
- **Improve trauma care** and emergency response systems.
- **Strengthen road-safety awareness among drivers, pedestrians** and schoolchildren.
- **Improve traffic policing through adequate manpower** and technology-based enforcement.

Mains Question

India's road safety challenge cannot be addressed merely through individual responsibility. Discuss the need for a Safe System approach to reduce road traffic fatalities in India. (250 words)

KEYWORDS

Silver economy

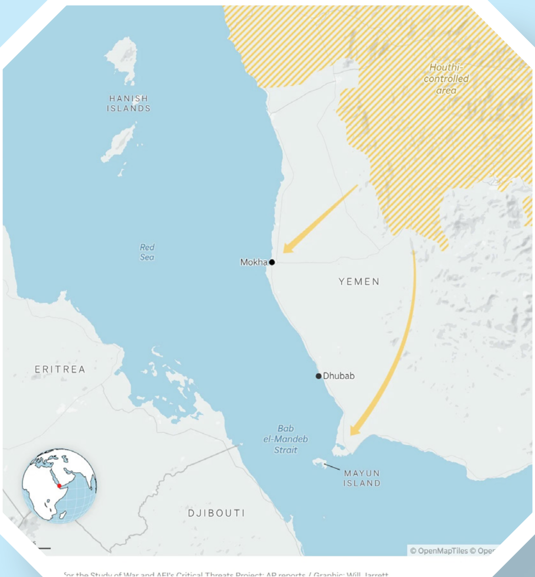
- The **Silver Economy** refers to the production, distribution and consumption of goods and services such as **healthcare, smart housing and assistive technology** that are designed to meet the needs and purchasing power of the ageing population.
- According to the **United Nations Population Fund (UNFPA) India Ageing Report 2023**, India's elderly population is projected to **more than double from 149 million (10.5% of the population) in 2022 to 347 million (20.8%) by 2050**, creating a large and rapidly expanding market for **elder-care products and services**
- To promote this sector, the Union Ministry of Social Justice and Empowerment launched the **Seniorcare Ageing Growth Engine (SAGE)**. It provides up to **₹1 crore in equity funding**, with government ownership capped at 49%, to start-ups developing innovative products and services for senior citizens.
- The government has also created the **SACRED (Senior Able Citizens for Re-Employment in Dignity) portal** to connect experienced and active senior citizens with private-sector employers, recognising the elderly as **active contributors to the economy** rather than only welfare recipients.

Market Infrastructure Institutions (MIIs)

- Market Infrastructure Institutions (MIIs) are **financial entities that provide essential infrastructure for the daily operations of the stock and capital markets.**
- MIIs primarily **comprise Stock Exchanges (including Commodity Exchanges), Clearing Corporations and Depository Organisations.**
- They **facilitate trading, clearing, settlement, record-keeping and storage of securities,** thereby supporting efficient financial-market operations.
- MIIs are **separate corporate entities that earn profits from their services**, while also functioning as first-line regulators in the market.
- **SEBI (Securities and Exchange Board of India) is the main regulatory body for India's capital markets**, and every stock-market MII must be registered with SEBI.

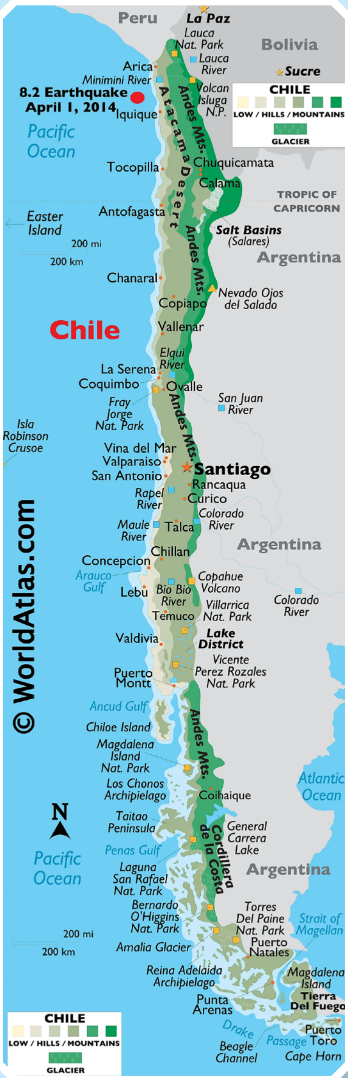
Places in News

Mayyun Island



- Also historically known as **Perim Island**, it is a **volcanic, barren island belonging to Yemen**, situated directly within the narrow **Bab el-Mandeb Strait**.
- It bifurcates the Bab el-Mandeb Strait into two navigational channels- the **Small Strait (Bab Iskender)** to the east near the Yemeni mainland, and the **Large Strait (Dact-el-Mayun)** to the west towards Djibouti.
- It was strategically garrisoned by the **British East India Company and the British Empire** in the 18th and 19th centuries to protect maritime routes to India and later served as a major **coaling station for steamships**.
- It acts as a critical **maritime choke point** overseeing global **oil shipments and container traffic** moving between the **Indian Ocean, Gulf of Aden, Red Sea and Suez Canal**.

Chile



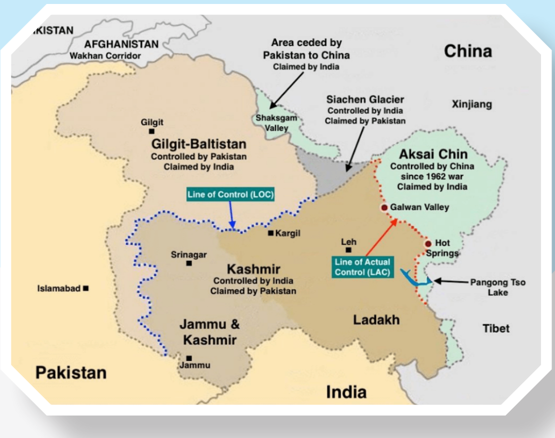
- **Chile** is a long, narrow country along the **western edge of South America**, bordered by the **Andes Mountains** to the east and the **Pacific Ocean** to the west.
- It shares land borders with **Peru and Bolivia** in the north and **Argentina** along its eastern border.
- Its capital, **Santiago**, lies in the country's **central valley**.

Species In News

- Chile has striking geographical contrasts, from the **Atacama Desert** in the north to the **glacial landscapes of Patagonia** in the south.
- **Cape Horn**, located at the southern tip of South America, lies within **Chile**.

Pangong Tso

- Pangong Tso is an **endorheic (hydrologically landlocked) lake in the Himalayas, situated at an altitude of about 4,350 m.**
- It is **located in eastern Ladakh and extends into the China (Tibet region).**
- Pangong Tso is **one of the world's highest brackish-water lakes** and is about 134 km long and almost 5 km wide at its broadest point.
- The lake is a **breeding ground for different types of birds during summer, with bar-headed geese, Brahminy ducks, black-necked cranes** and seagulls commonly spotted there.
- The lake is **not part of the Indus River basin, is geographically a separate landlocked river basin,** and lies in disputed territory, with the LAC passing through it.



Bezoar Ibex

- A mitochondrial genome sequencing study on Kerala's **Malabari goat** traced its rare maternal genetic lineage (**haplogroup B1**) to wild **Bezoar goats of Iran and Iraq**, suggesting that ancient maritime spice routes influenced livestock genetics.
- Scientifically classified as *Capra aegagrus*, it is considered the **primary wild ancestor of modern domestic goats (*Capra hircus*)** and is listed as **Near Threatened** on the IUCN Red List.
- Its native range covers the **rocky, arid mountains and cliff habitats of Southwest Asia**, particularly parts of the **Middle East, Zagros Mountains and Caucasus**.
- Males have **long, backward-arching scimitar-shaped horns** with sharp anterior keels, which are used for combat and movement through steep mountainous terrain.
- The name **Bezoar** is derived from the Persian word *pādzahr*, meaning **"antidote"**. It refers to **bezoar stones**, calcified masses found in the gastrointestinal tract that were historically believed to have medicinal and antidotal properties.