

: Global Governance Spotlight

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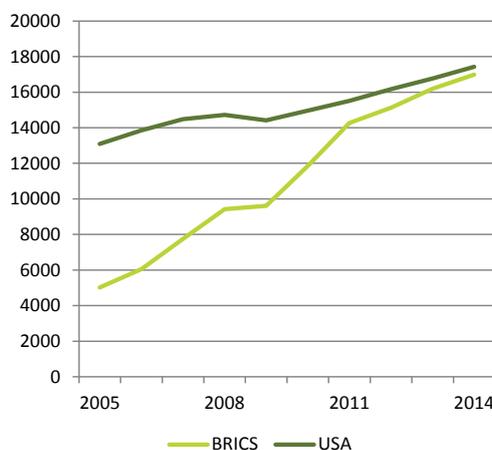
BRICS. A realistic alternative for global reforms?

Herbert Wulf

On 8-9 July 2015, the heads of state or government of the five BRICS countries – Brazil, Russia, India, China and South Africa – convened in the Russian city of Ufa for their seventh summit. Due in part to the crisis in Greece, the summit attracted very little attention in the West. Compared to the phenomenal growth rates achieved by all the BRICS countries over the past decade, their economic motor is now stuttering a little, with only India recently reverting to high growth rates. Russia plunged into crisis in 2014, with Brazil following suit in 2015.

Another possible reason why the summit went largely unnoticed was that the international community is currently preoccupied with various major conflicts and civil wars (Ukraine, Syria and Iraq), with no end in sight. Global crisis management between the US-led West and the BRICS countries, first and foremost the two UN Security Council members Russia and China, is not working at all. So have BRICS' dynamism and significance weakened recently, or has their global political and economic weight been underestimated.

BRICS catches up: GDP growth rates
(in US\$ bn, current)



Source: <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?page=1>

Together, the BRICS countries account for 42 per cent of the world's population and an ever-increasing share of global gross domestic product (GDP). BRICS' GDP is now equal to the US's. A decade ago, the US's GDP was still 2 1/2 times higher than the combined GDP of the five BRICS countries (see graph). BRICS' important role in global economic development – and, indeed, in future policy-making in numerous multilateral and global forums – should therefore not be underestimated. Despite displaying some of the typical characteristics of developing countries, they are now high-status countries and their potential political clout is considerable. It seems realistic to assume that in future, BRICS will not only be a global economic heavyweight but will also play a greater role in agenda-setting, in determining the outcomes of international negotiations and in shaping global rules and norms.

The club model: diverse and common interests and values

The diversity within the five-country BRICS has often been described as a heterogeneous grouping: democratic and authoritarian governments cooperate in this arrangement. Their economic weight is extremely uneven; on the one hand, there are Russia, Brazil and South Africa, whose economies are heavily reliant on production and processing of raw materials; on the other, there is highly industrialised China, accounting for 60 per cent of BRICS' GDP, and India, with its modern industrial sector but the majority of the world's poor. BRICS includes two members of the UN Security Council and three would-be members – but they are not pulling together on UN reform. China and Russia are, at best, lukewarm towards Indian, Brazilian and South African ambitions to secure seats on the Security Council, fobbing them off with meaningless diplomatic phrases. Competition and unresolved border conflicts between China and India are a strain on relations. China's headline-grabbing investments in Africa and Latin America are viewed with suspicion in some quarters. The regional status of Brazil and South Africa – the two largest countries on their respective continents – is also being challenged by competitors. The list of frictions and challenges goes on.

The *modus operandi* chosen by these five unequal partners is a functioning club model in which consensus is sought in some areas, but not at any price, and without majority decision-making or any need to reach compromises. All five self-confident governments give priority to domestic issues over club solidarity and orient their foreign policy towards perceived national interests. This is one of BRICS' weaknesses but also one of its strengths.

The driving force for the BRICS club is its criticism of a whole range of global power relations, first and foremost the rules applied by the international financial institutions (IFIs), i.e. the IMF and the World Bank. Voting rights and the lack of transparency in the appointment of these institutions' management in an US/EU-dominated process that takes place behind closed doors are the main bones of contention. These institutions are regularly criticised at the annual BRICS summits as undemocratic, unipolar/Western-oriented, disrespectful and uncooperative. The final document produced at the seventh summit in July 2015 was as unambiguous as the previous year's: "We remain deeply disappointed with the prolonged failure by the United States to ratify the IMF 2010 reform package, which continues to undermine the credibility, legitimacy and effectiveness of the IMF." The BRICS countries are calling for different decision-making structures that take account of their economic potential.

BRICS: an anti-hegemonic project

On other key global governance issues, too, the BRICS countries are seeking alternatives or criticise the existing rules. The West's liberal narrative on democracy and human rights, the protection of minorities and humanitarian intervention (R2P) are seen – albeit to varying degrees – as an attack on the BRICS countries' sovereignty and territorial integrity. This is partly the outcome of BRICS' experience of colonialism, partly due to increased mistrust as a result of the disagreement over intervention in Libya, and partly due to the conflict flashpoints within the BRICS countries and along their borders: Kashmir (India), Tibet (China), Chechnya and now Crimea/Ukraine (Russia).

So although the five BRICS members differ in their political systems, they show a remarkable degree of consistency in their rejection of democracy exports, especially when combined with putative regime change. They accuse the US of double standards, especially in view of Guantanamo, the use of torture, racism at home and global surveillance activities. In this respect, BRICS pursues a clearly "Westphalian"

BRICS at a glance

Members

Brazil, Russia, India, China, South Africa

Background

The acronym BRIC was coined in 2001 by the then Chairman of Goldman Sachs, Jim O'Neill, in a paper drawing attention to these countries' major economic potential. A first formal diplomatic exchange between the four BRIC countries took place in 2006; the first summit involving heads of state or government was hosted by Russia and took place in 2009. Summits have been held annually ever since. South Africa joined the group in 2010.

Political and economic significance

- Population:
3 billion = 42% of the world population
- Territory:
40 million km² = 26% of the total surface of the Earth
- Gross domestic product:
US\$ 17.4 trillion = 21.8% of global GDP
- Growth:
BRICS accounted for 50% of global growth over the past decade

concept, with sacrosanct state sovereignty and non-interference in a country's internal affairs. R2P and sanctions are viewed with suspicion or mistrust or are rejected outright

The key question for the future is whether BRICS can utilise its new-found global political and diplomatic clout to enforce more democratic rules for emancipatory multipolarity. China and Russia in particular are keen to break US hegemony, but the other BRICS countries are now defying US dominance as well. However, a multipolar world order is not necessarily more democratic or equitable. It could also turn out to be more chaotic and war-torn, plagued by unresolved conflicts.

The most important aspect of BRICS' cohesion is its geopolitical outlook. BRICS pursues an anti-hegemonic notion based on classic geopolitical power politics and relations underpinned by military strength, economic performance, diplomatic and political influence, and soft power (e.g. cultural attractiveness). Each of the five BRICS countries has its own interest in remaining strategically and politically autonomous vis-à-vis the US when global issues are at stake.

South-south cooperation

There have been frequent attempts by the developing countries to have a greater say on the shaping of global economic relations and, therefore, development: the Non-Aligned Movement and the founding of the United Nations Conference on Trade and Development (UNCTAD) in the 1960s and the formation of the G77, based on the concept of a New International Economic Order, in 1974 are examples. For BRICS, more intensive south-south cooperation is a key goal. With their decisions to establish the New Development Bank and the Contingent Reserve Arrangement, the BRICS countries are making serious efforts to create alternatives or, at least, complementary arrangements to the options afforded by the Washington-based international financial institutions and the regional development banks. On a practical level, the BRICS summit in Ufa has brought the Bank and Arrangement a step closer.

But in these development initiatives too, which have the potential to hasten IMF and World Bank reforms at last and offer new options for the developing countries, differences are coming to light. With its emphasis on south-south dialogue, the BRICS group is keen to articulate the interests of the developing countries. However, due to their own interests, economic potential and political assertiveness, the BRICS members themselves

are not typical developing countries. Indeed, they are now donors in some cases, with the power to shape the development policy agenda by emphasising south-south solidarity. Hitherto, however, the BRICS countries (with the exception of Russia) have positioned themselves as perfectly "normal" developing countries and traditional recipients of development assistance. This could soon change with the establishment of the Development Bank and the Arrangement.

Some earlier attempts to give the developing countries a more permanent voice failed due to the diversity of the underlying concepts, interests and values, combined with a lack of economic complementary within the Global South. Will south-south cooperation in the BRICS context be any different? For example, at present, Brazil's interest in south-south dialogue is being stymied by Mexico, which – in a manifestation of the two countries' rivalry – is attempting to tie south-south cooperation in with development policy's north-south dialogue. In Africa, similar rivalry exists between South Africa and Nigeria over their respective claims to represent the region. And the BRICS countries are not the only emerging powers with agenda-setting aspirations. Various other countries (including the Next Eleven (N-11) – Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, South Korea, Turkey and Vietnam) also have political and economic ambitions of global scope. On some issues, such as climate change, BRICS – as industrialising nations – holds different positions from those espoused by many of the developing countries, notably the Pacific island states, which are directly affected by climate change and are therefore pushing more vigorously for effective climate agreements.

One of the specific goals of the latest summit was to strengthen BRICS' cooperation in the field of communications and the Internet, reflecting its view of the Internet as a "global resource". Here too, the aim is not only to boost internal cooperation but also to weaken US dominance. But in advance of the summit, the Indian Government caused consternation, especially in China and Russia, by voicing its opposition to a role for intergovernmental bodies in Internet governance.

Global governance reform in the making

The glue that holds BRICS together is the recognition that its combined influence is greater than the sum of its parts. BRICS' initiatives and determination have done much to challenge some of the traditional rules and norms of global cooperation, many of which should be reformed or replaced. So

it is worth taking BRICS' political activities seriously. What is at stake is nothing less than a new balance in the global order – a shift of accepted norms. BRICS' main objective is to make the international system more democratic and give developing countries a stronger voice so that greater account is taken of their interests. This is a laudable ambition and deserves support, even if this demand comes from the authoritarian regimes within BRICS. There is scope for the EU to play a constructive role here and to act as a counterweight to the rearguard actions and delaying tactics deployed by the ailing hegemon, the US. The Anglo-American/Western paradigm of a liberal world order, with the emphasis on neo-liberal market economics and the promotion of democracy and human rights, is being challenged. The BRICS countries no longer wish to be subjected to the tutelage of a patronising and triumphal West, as has occasionally happened since the end of the Cold War. Here too, BRICS' criticism is understandable and deserves creative support, so that liberal values – especially protection of human rights – are strengthened and do not become collateral damage alongside the justified rejection of Western dominance of global economic relations.

Economically, BRICS continues to assign a key role to the state; politically, it attaches great value to tolerance of diverse systems. The West can no longer set the standards and rules for the functioning of the international system. BRICS strives for a stable, predictable order based on agreed rules, mutual respect and recognition of diverse political systems and stages of development. Anyone wishing to play a role in shaping the rules in future should take BRICS' initiatives more seriously than before. BRICS' club model could well gain traction in the broader global framework as well.

While there is no question mark over its great economic importance, BRICS has been slow off the mark in addressing global security and peace issues. Although the heads of state and government, in their Ufa final document, make reference to all the major conflicts and wars, from Syria to South Sudan, from Islamic State to Iran's nuclear programme, from Mali to Somalia, and from Afghanistan to Ukraine, their choice of words reflects, by

and large, the language of diplomacy: it is non-committal and lacking in specifics. There is condemnation of IS, reaffirmation of the commitment to a peace process between Israel and Palestine, and "deep concern about the situation in Ukraine". But as in the UN Security Council, BRICS seems to be at a loss to know how it should act in order to end wars and promote peace initiatives effectively. A clearer message and stronger engagement by BRICS on this aspect of the global agenda are therefore to be recommended.

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