

*Research Note*

# The BRICS: The Last Line of Defence for Globalisation?

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## Abstract

In the West, the rise of nationalist populism reached a tipping point in 2016 when it generated both the United Kingdom vote for Brexit and the election of Donald Trump as President in the United States of America. In contrast, the BRICS have over this same period invested in strengthening their commitment to the United Nations, global governance and economic globalisation. Although their primary focus has been on inter-BRICS financial, trade and economic cooperation, they opted to focus their 2017 annual Summit on developing strategies to defend global governance, economic globalisation, free trade and collective climate action. How did we get to the point where it seems to be up to the BRICS to play an important role in rescuing globalisation?

## Keywords

BRICS, Rising Powers, Globalisation, Global Governance, Global Warming

## Introduction

Brazil, Russia, India, China and South Africa came together to form the BRICS grouping because they realised that by combining forces in a small but strategic group, and by binding key countries of the global south in Asia, Africa and Latin America together, they had a better chance of realising their common vision for a new global order. If the BRICS were meant to be an alternative, or counterweight to the hegemony of the liberal global order led by Washington D.C., how did the BRICS – in less than 10 years – transform into an important force in the defence of global governance, economic globalisation, free trade and collective climate action? How did we get to the point where it seems it is up to the BRICS, together with a few like-minded countries in Europe and elsewhere, to rescue globalisation?

The answer may lie in two macro trends. In the West, the rise of nationalist populism reached a tipping point in 2016 when it generated both the UK vote to leave

the European Union and the election in the US of a president who is a protectionist when it comes to free trade, who believes in an America First approach to global governance, and who is in denial when it comes to global climate change. In contrast, the BRICS have over this same period invested in strengthening both their inter-BRICS cooperation, as well as their commitment to the United Nations and other aspects of global governance and economic globalisation, that they regard as serving their own and the global common good.

In the past China used the argument that regulations aimed at controlling the emissions of green-house gasses should recognise the special needs of developing nations to lift their populations out of poverty, to restrain climate negotiations. However, by late 2015, and whilst still insisting on the principle of common but differentiated responsibilities, China shifted from being a constraining force in global climate change negotiations to an enthusiastic supporter when China became a signatory to the 2015 Paris Climate Change Agreement.

Over the last decade, the BRICS became more committed to those aspects of global governance and globalisation that it viewed as crucial to their own interests and the global common good. Over this same period some in the US, UK and several European countries, who spearheaded global governance, free trade and the global marketplace in the past, reached a point where they felt globalisation had gone too far. The Trump victory and the Brexit vote reflected a view that the negative effects of globalisation needed to be checked.

When Xi Jinping and Donald Trump had their first face-to-face meeting in the US in April 2017, they had similar objectives but competing theories of change. Donald Trump wanted to increase American jobs and strengthen the American economy by limiting free trade, whilst Xi Jinping wanted to strengthen the Chinese economy by protecting free trade, globalisation and global governance. The Economist magazine said that “they were looking in opposite directions: America away from shouldering global responsibilities, China towards it” (Duncan Green 2017).

This contrast was evident also at the January 2017 meeting of the World Economic Forum (WEF) in Davos. While the new Trump administration sent no official representative to this annual celebration of globalisation – the meeting took place a week before the inauguration of President Trump - Xi Jinping gave the first ever address of a Chinese President to the WEF. In his address, the Chinese President stressed that there would be no winners from a trade war, and he urged that all countries continued to support the 2015 Paris climate change accord. “Pursuing protectionism is like locking oneself in a dark room,” he said. “Wind and rain may be kept outside, but so is light and air” (Elliot and Wearden, 2017).

## The Rise of the BRICS

The grouping that became known as the BRICS was established in 2009, and will have their tenth summit in 2018 in South Africa. A decade is a very short period of time in global politics. However, their collective influence is buoyed by the longer-term growth trajectories of especially China and India, the two BRICS members with the largest growing economies, as well as the credibility generated by their global representativeness, spanning Africa, Asia, South-East Asia and Latin America.

The importance of the BRICS grouping has been consistently downplayed by many, mostly western analysts. By choosing to focus on the differences within the group – Brazil, India and South Africa are democracies; India and China find themselves in competition on many dimensions; and Russia does not self-identify with the Global South – they tended to miss the shared interests that has made the BRICS a resilient and robust grouping. Instead of being doomed by its internal differences, as predicted by many observers in the West, the BRICS grouping has consolidated its identity and influence. The group has already produced significant institutions, such as their own development bank and contingency reserve fund, and more are in the pipe-line. They have also invested in a level of coordination and cooperation that is normally associated with regional unions like the European Union and African Union.

The BRICS countries are drawn to each other because they share a common experience; they were all negatively affected, in one way or another, over the past 50 years or more by being on the periphery of a world order dominated by the United States and its allies. They realised that they will only be able to break free from this dominance if they work together. The BRICS formulate their vision for an alternative global order as follows:

*We underline our support for a more democratic and just multi-polar world order based on the rule of international law, equality, mutual respect, cooperation, coordinated action and collective decision-making of all states. We reiterate our support for political and diplomatic efforts to peacefully resolve disputes in international relations (BRICS, 2009, para. 12).*

In *the BRICS and Coexistence*, de Coning, Mandrup and Odgaard (2015) argue that this vision of a future global order where the rules prevent any one state, or an alliance of states, from dominating the international system, can be understood as a coexistence model of global governance. The essence of the model is the prevention of hegemony. This is achieved by bringing about a multipolar world in which hegemony is initially constrained and eventually rendered impossible.

## **What does the BRICS Summits reveal about the coherence of the grouping?**

One way to assess the degree to which the BRICS have been able to generate common positions, and act on them, in the areas of global governance, globalisation and climate change, is to make a content or discourse analysis of the official declarations or communiqués released after each of the BRICS annual summits. If one analyses the statements released at the eight BRICS summits that took place between 2009 and 2016, one can reach the conclusion that the BRICS countries have embarked on a significant cooperative project. The statements also list the steps they are taking to coordinate their policies on a wide range of issues, and they report on the progress of the institutions they have jointly created.

At each of the summits the BRICS countries have reaffirmed this shared macro-level analysis of the state of the global order, and have reiterated their alternative long-term strategic vision, based on their shared values. These values include mutual respect; collective decision making and co-management of global affairs; commitment to international law and to multilateralism, with the United Nations at its centre and foundation; global peace and the peaceful resolution of disputes; economic stability; social inclusion; equality; sustainable development, collective climate action and mutually beneficial cooperation with all countries.

However, what sets the BRICS apart from other groupings that have had similar qualms with the existing global order - such as the Non-Aligned Movement established during the Cold War - is that this smaller group of five states have managed to break this grand strategic vision down to specific goals, which they have then pursued together in the short to medium-term. At each summit the key issues included international finance, international trade, climate negotiations and negotiations around sustainable development. At each summit the BRICS countries articulated what their common position was on these issues, and they have subsequently coordinated and cooperated in forums such as the G20, at the annual meetings of the IMF and the World Bank and in the Doha series of the World Trade Organisation negotiations.

The summits also reflect another significant distinguishing feature of the BRICS, namely how over a relatively short period, they have meaningfully increased inter-BRICS cooperation. For instance, in the area of international finance and trade, the BRICS countries have decided to trade among themselves in their own currencies, they have established their own \$100 billion Contingent Reserve Arrangement, and they have established their own development bank. Several other initiatives are underway, for example to establish an independent ratings agency, and to explore how insurance and reinsurance markets in BRICS countries can pool capacities.

Another significant feature of the cooperation among the BRICS is the way in

which their practical cooperation has been steadily expanding over the years. The first two BRIC summits (South Africa joined the grouping in 2010 where after it became the BRICS) were firmly anchored in the original motivation for the creation of the BRIC grouping, namely to respond collectively to the global financial crisis. The first summits were dominated by detailed positions on the international economy and the need to reform the international financial system. In the later summits, additional issues have been added each year, and increasingly sophisticated common positions have been developed on a range of issues spanning sustainable development, energy policies, climate change and a number of international political and security issues. For instance, to give one example of the breath of issues addressed, at the BRICS Summit in India in 2016, the following position was adopted on the internet:

*We advocate also for an open, non-fragmented and secure Internet, and reaffirm that the Internet is a global resource and that States should participate on an equal footing in its evolution and functioning, taking into account the need to involve relevant stakeholders in their respective roles and responsibilities (BRICS 2016, para. 67).*

The last few summits have generated detailed common positions on a range of highly sensitive international political questions such as the Iran nuclear issue, the Israeli-Palestinian conflict and the conflicts in Libya, Syria and Yemen. These common positions reflect a growing trust among the BRICS countries, and indicate the depth of preparation that goes into organising these annual meetings.

At the fifth BRICS Summit hosted by South Africa in 2013, the BRICS countries specifically committed themselves to progressively develop the BRICS into a full-fledged mechanism of current and long-term coordination on a wide range of key issues of the world economy and politics. The following non-exhaustive list is an example of some of the meetings that have been taking place between BRICS summits, and is indicative of the level of coordination and cooperation that underpins the BRICS grouping.

- On macro-economic and financial issues, there have been meetings to establish the multi-lateral contingent reserve arrangement, the new development bank, an independent ratings agency and annual meetings of the ministers of finance and the governors of the reserve banks of the BRICS countries to oversee these initiatives and to coordinate positions ahead of the IMF, World Bank and G20 meetings.
- On trade issues, there have been annual meetings of the customs authorities and the creation of a BRICS customs committee, BRICS expert dialogues on e-commerce, meetings of the heads of competition authorities,

and there is an annual BRICS Business Forum and annual meetings of the ministers of trade.

- On the political and security front there have been meetings on combating illicit trafficking of narcotics, a working group on counter-terrorism, a BRICS dialogue on foreign policy, consultations on the security of outer space activities, annual meetings of national security advisors, meetings of the defence industries, meetings on defence and security cooperation, and meetings of special envoys and deputy foreign ministers on specific issues such as the situation in the Middle East and North Africa. The BRICS ministers of foreign affairs meet regularly ahead of, or on the side-lines of international meetings, such as the annual UN General Assembly meetings.

Such meetings also take place in areas such as the environment, tax cooperation, disaster management, corruption, education, science and research. There is, for instance, an annual meeting of the BRICS science and technology funding parties, and each of the BRICS countries fund research into various aspects of BRICS cooperation. These formal inter-state meetings are, while most prominent, not the only ones. There are also annual BRICS think tanks council meetings, a BRICS academic forum and a BRICS university network. There have been meetings of the BRICS parliamentary forum, a BRICS youth summit, a BRICS civil-society forum and BRICS trade unions meetings. More recently there were also cultural events such as BRICS film festival and sporting events, including an under-17 BRICS football championship. The only other groupings that have achieved this depth and breadth of cooperation are established regional groupings like the European Union or the African Union. The fact that a grouping crossing Africa, Asia, Europe and South America can sustain such a level of cooperation is an indicator of the level of shared interests among the members and the value the members of the group assign to their cooperation.

When India hosted the eight BRICS Summit in Goa in October 2016, it was followed by an Outreach Summit of BRICS leaders with the leaders of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) member countries comprising Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. Similarly, when South Africa hosted the fifth BRICS Summit in 2013 it was followed by a retreat with African leaders, under the theme, “Unlocking Africa’s potential: BRICS and Africa Cooperation on Infrastructure”. It would thus seem that the BRICS countries are sensitive to criticism that they are an exclusive club and are taking steps to use their hosting of the BRICS summits to create beneficial linkages with their sub-regions.

The summits also reveal that whilst these countries share a macro-analysis that is

based on an assessment of the political-economy of the global order, and although their primary activities concern financial, trade and economic cooperation, their ability to develop a shared analysis of the geopolitical and security dimensions of the global order, and to generate common positions on the political issues of the day has steadily grown over time. For instance, on the political front, the Syrian issue has demonstrated how the BRICS, for the first time, were able to block the course of action the United States and its allies wanted to take, namely to externally enforce regime change, on a major international political question. It showed that the BRICS do not have to become as powerful as the United States to influence the global order, they only have to become influential enough to block the power of the United States to act unilaterally. On Syria, for example, the BRICS issued the following declaration following the October 2016 Summit hosted by India:

*We support all efforts for finding ways to the settlement of the crises in accordance with international law and in conformity with the principles of independence, territorial integrity and sovereignty of the countries of the region. On Syria, we call upon all parties involved to work for a comprehensive and peaceful resolution of the conflict taking into account the legitimate aspirations of the people of Syria, through inclusive national dialogue and a Syrian-led political process based on Geneva Communiqué of 30 June 2012 and in pursuance of the UN Security Council Resolution 2254 and 2268 for their full implementation. While continuing the relentless pursuit against terrorist groups so designated by the UN Security Council including ISIL, Jabhat al-Nusra and other terrorist organisations designated by the UN Security Council (BRICS 2016).*

As this statement suggest, the BRICS countries, together with other rising powers like Indonesia and Turkey, seem to engage in international conflict resolution in ways that differ significantly from the theories of change that the West employs when it comes to peacebuilding. In *Rising Powers and Peacebuilding*, Call and de Coning (2017) point out that for the rising powers, sustainable social change comes about as a result of relatively stable social and economic development. This is why the peacebuilding approaches of rising powers tend to focus on medium to long-term socio-economic development, rather than short to medium-term political transformation.

One of the issues on which there does not seem to be agreement among the BRICS is Security Council reform. In the first two summits, the communiqués merely note that China and Russia are also permanent members of the Security Council and acknowledge the increasingly important role that Brazil and India play in international affairs. In the last five summits the BRICS countries collectively call for the reform of the Security Council. However, they have not been able to develop a detailed position as to what such reforms may entail beyond a

call for making the Council more representative, effective and efficient, and to increase the representation of developing countries. Should their representation increase, the BRICS will have a very influential voice with both two permanent members and several others that have credible claims to be represented on the Security Council.

However, what the BRICS countries do agree on is the importance of the UN as the centrepiece of global governance, with the Security Council at its core. At every Summit the BRICS have reaffirmed the role of the United Nations and each summit has expanded the space given to UN related issues. The 2016 BRICS Summit declaration addressed UN related issues such as the Agenda 2030 Sustainable Development Goals and the need to further strengthen UN peacekeeping, but it also referred back to the UN on a range of other issues such as the peaceful use of outer space, corruption, disarmament, communicable diseases and climate change, to mention a few.

### **The Strategic Patience of the BRICS**

One of the reasons why the BRICS may have chosen not to pursue Security Council reform, and reform of other global institutions like the IMF and the World Bank, too aggressively, is because they are cautious not to destabilise the current global order. This is because their continued rise in influence in the international system is closely linked with the position their economies enjoy in the global economic system, and the degree to which they are able to make domestic progress with their national development agendas. Reforming the global system at too rapid a pace may destabilise the global economic and political order. This means that the BRICS are likely to be careful when pushing for reform of institutions like the UN Security Council, to ensure that such reforms do not harm their own interests. Whilst the progress made over the past years has been significant, the BRICS are not necessarily overly pressed for time when it comes to reshaping the international system. They can afford to engage with and influence the global order slowly over the medium- to long-term, whilst at the same time giving their own countries the opportunity to further develop and grow. This does not mean that the BRICS are not committed to serious reform of the global system, including its peace and security dimensions, but rather that such reforms will be pursued in a way and at a pace that is evolutionary rather than revolutionary (de Carvalho & de Coning 2013). Duncan Green (2017) echoes this analysis when he concludes that “China is a revisionist power, wanting to expand influence within the system. It is neither a revolutionary power bent on overthrowing things, nor a usurper, intent on grabbing global control.”

Collectively, the theory of change that the BRICS are pursuing can be described as co-shaping the new global order, which is consistent with the coexistence

model of global governance. They do so by on the one hand coordinating their engagement in a wide range of international forums, such as the G20, to maximise their influence, whilst on the other hand the BRICS countries are increasing their own inter-BRICS cooperation. Creating their own institutions, such as the new development bank, help them overcome some of the limitations of the existing international institutions, such as the IMF and the World Bank. At the same time, it helps them to push their international counterparts to reform these global institutions, by way of example and through competition.

Their cooperation in the BRICS grouping does not, of course, prevent the members from also participating in various other groupings, such as the G20. Nor does it suggest that the BRICS is the primary, or most important cooperative arrangement that the members of the BRICS are engaged in. South Africa, for instance, also belong to the Southern African Development Community (SADC) and the African Union (AU), which it probably views as at least equally important to its membership of the BRICS and the G20. South Africa, Brazil and India, the three democracies within the BRICS, also belong to the IBSA forum, and India and South Africa also cooperate in the Indian Ocean Rim grouping. In fact, the extent to which the BRICS members are linked into this wider network of international and regional organisations further enhance their commitment to global governance and globalisation, and increases the influence that the BRICS can have in the international system.

No analyst foresaw, nor did the BRICS themselves, that in less than a decade, these actions would bring them to a point where the BRICS has become an important force in defence of global governance, economic globalisation, free trade, and collective climate action.

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