How Cohesive Are the BRICS?

Débats Asie avec
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The rise of China attracts considerable attention but one should not forget it doesn’t happen “on its own”: India, Turkey, Indonesia are also emerging. Among these countries, five belong to the so-called BRICS group and gather as such on a regular basis. The shift from a unipolar to a multipolar world raises the question of the relations between these new powers: how do we evaluate the quality of the relations between BRICS countries?

Where is the BRICS organization on the scale or international organizations: is it just cooperation, or coordination, or even harmonization...

The BRICS should be seen as an early sign of a more global shift in world politics and economics

Are the BRICS as a group even worthy of the attention they receive? The shortest answer is: this is too early to say. It is actually more useful to put the question in a broader perspective of structural change, medium to long term. We are at the beginning of an economic, political and diplomatic transition and the financial crisis is part of it.

There are patterns of cohesion between BRICS countries. The loose tie of the G20 process is behind us, and the BRICS are not anymore a simple caucusing process. They follow almost “a bloc or alliance type behavior” ie a higher level of international organization.
Ambiguity of the BRICS’ relations: Tensions and cooperation

BRICS are quite ambiguous. Considering these countries’ stances on different international issues, one could raise similarities between them and they could even write joint communiqués at some point! Yet, differences remain, especially between Heads of State: for example, Brazil tends to be a bit radical and dramatic whereas China tends to be more careful. Thus, Brazil wants to change the whole monetary system whereas China prefers to implement gradually the internationalization of its currency. There is no coherent line among these countries, both in their messages and actions.

Ambiguity is also in the relation of the BRICS with the existing international system. They deliver statements where they clearly act within the system and yet, they also criticize it through sharp statements advocating for reforms. The criticism aims at changing the system but also at changing the order within the system.

Skeptics might say that this group is not sustainable as there is a fierce competition between its members (energy, trade tensions…). Then, major geostrategic tensions remain concerning the reform of the UN Council, not mentioning the border tensions at the Sino-Indian border. Russia is very concerned by China’s rising influence in Central Asia and Far Eastern Russia and China’s expansion in Africa worries South Africa. Yet BRICS countries try to move beyond these tensions through regular meetings and enhanced dialogue. BRICS are not anymore a label created by Goldman Sachs. They are currently transforming this label into a political reality.

2012 Delhi Summit: a new impetus towards a more integrated cooperation?

The last BRICS summit (March 2012, New Delhi) is “illuminating” on this very point as we see China has really started to take the BRICS concept as a means to enhance cooperation. The most striking aspect of this last meeting in Delhi is not quite the meeting in itself but rather the fact that it had been preceded by a preliminary “academic track” meeting where various thinkers gathered together*. Half of China’s delegation was actually composed of high level officials, which is a clear sign that China is taking the BRICS very seriously. It could be interpreted as the beginning of an official “epistemic community”. These meetings explore possibilities to find common positions and enhance cooperation between BRICS countries.

The BRICS confronted to the economic crisis

One of the follow-up from the global economic crisis was an attempt of the BRICS to coordinate their positions in order to give more weight to their statements in the Bretton Woods system. What’s striking in BRICS’ diplomacies before the crisis is that they all focused a lot on regionalization, trying to round around the global existing architecture (“round around behaviors”). Yet, when the crisis hit, they did not try to create an alternative IMF or World Bank. Instead, they rejoined the global architecture and reengaged in the IMF and the G20 trying to reform it. Within this existing architecture they started to talk to each other, creating an equivalent of the American Congress so-called “black caucus” which tries to coordinate some Black members’ positions to gain leverage.

This reengagement in the system can be seen as “the first order response” of the BRICS countries confronted to the world financial crisis. However, this response may have changed in the last New Delhi summit. Indeed, India proposed the creation of a “South-South Bank” or “Brics Bank” which would aim at promoting development projects in developing countries. Of course, such a project would have to overcome major hinders before being implemented. It nevertheless shows a new stance of the BRICS on the international system. This bank would indeed bypass and rival existing institutions (IMF and World Bank) and rely on the implementation of the RMB as an alternative reserve currency to the dollar. Even if it is unlikely that such a bank emerge from the BRICS, the proposition in itself can be interpreted as a shift of the BRICS’ attitude towards a more challenging stance on the existing system. This would thus be “a second order response” of the BRICS.

In a nutshell, there is clearly a growing cohesion among BRICS even if it remains at its first stage.

Questions and remarks

Are public opinions somehow conscious of the new political order set up by the BRICS?

The situations are quite different in each of the BRICS: Brazil’s diplomacy is more coherent and in line with its public opinion. It is the reflect of the democratic process. On the opposite, China’s diplomacy goes far ahead the population’s opinion: giving publicly money to African countries is still an issue for the Chinese government as a fringe of its population doesn’t understand such actions while some Chinese provinces remain underdeveloped. China is trying to educate its people concerning why China has to take a more active role in G20 and BRICS summits.
The BRICS are far from being a homogenous group

Regarding energy issues, China is more sensitive than the four other BRICS as its resources are insufficient to feed its growth: more than in the four other countries, China has to provide growth to maintain social stability within the country. Part of the BRICS is also a dialogue around a sustainable repartition of trade between the five powers and on how to appease trade conflicts, keep win-win relations and long-term interests. With regards to its economic structure and its past development, Russia is the most atypical member of the BRICS and yet it is the most willing and proactive actor. The beginning of the BRICS was actually Russia-China-India and was driven by security issues. Russia is not sure whether it wants to be in the G20 world or in the BRICS world.

What about China’s agenda priorities between regional and international dimensions?

China has been involved in regional organizations for a while. Since the time of the crisis, China has been very serious regarding regional organization. They see a lot of use in the regional mechanisms for economics and security reasons. But China is also a global power and has to involve itself in international organizations. At what point is global more important than regional? Actually, China uses regional actions to gain influence on global mechanisms and vice versa.

Is there a limit for China’s involvement in international financial system for the sake of its own development?

The crisis shows to Chinese leaders that there is vulnerability sitting on top of 3 trillion USD. Indeed, with such an amount of reserves in dollars, China depends heavily on Washington’s unilateral decisions concerning its currency. The United States have therefore a powerful leverage over China. It is interesting to watch China internationalizing the RMB. It is indeed slowly moving to what could become a global reserve currency. It is de facto a way to inject discipline in the international system. Indeed, if China gradually reduces its use of USD, it sends a message to Washington: “you cannot just keep printing money”. Internationalizing the RMB is a warning for the USA. It could even be in the interest of the global system.

Can we map out a BRICS’ behavior within the G20 framework?

What’s striking concerning the BRICS’ participation to the G20 meetings it that they do not put forward any proposal, and only react to propositions made by other countries. There is obviously a common interest among BRICS countries concerning global financial stability. The creation of the Financial Stability Board is interesting as BRICS’ countries can put their handprint on it whereas it is hard to reform the World Bank or the International Monetary Fund.

In what extent is the energetic issue divisive among BRICS?

The rise of energy demand in Asia could lead to a global increase of energy prices in the world. However, western countries are far more sensitive to energy prices than Asian countries which can adapt their economies. Energy issues are less divisive among them than it might be one day among European countries!

Conclusion: need for more political cooperation ahead of economic cooperation

“We need to make a new Yalta” to make breakthroughs, to find solutions. We need to gather a few countries around a table to discuss global political and economic questions. The underlying and tricky question is then to decide who should be at the table. But the G20 format is clearly excessive. Better results would be achieved with a more limited number of parties.

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