



BRICS: DAWN OF NEW ERA, OR BUSINESS AS USUAL?

Nandan Unnikrishnan and Samir Saran, eds., *BRIC in the New World Order: Perspectives from Brazil, India and China* (Macmillan Publishers India, 2010), 200 pp.

M. Davydov and Y.N. Moseykin, eds., *BRIC: Moving Towards Closer Cooperation, A Collection of Reports and Speeches at the International Conference, V* (Moscow: Institute of Latin America RAS/RUDN, 2010), 232 pp.

Reviewed by Boris Martynov

A lot of water has flown under the bridges over the Amazon, the Volga, the Yangtze, and the Ganges since Goldman Sachs coined the BRIC (Brazil, Russia, India, China) term. There have been two BRIC summits (Yekaterinburg 2009 and Brasilia 2010). BRIC has turned into BRICS, with the S standing for South Africa, which joined in 2010. Contacts between the ministries and agencies in the five countries have become regular and much more extensive. The ranks of the opponents and advocates of the new format (the so-called BRICS optimists and BRICS pessimists) have swelled, with endless intellectual battles raging between the analysts over the organization's future, and a multitude of new research into the subject in our own country and abroad.

Large numbers of analysts and experts are involved in BRICS studies these days. That is certainly a cause for optimism. This article reviews two compilations of expert reports—the first rounds up the speeches delivered at a conference in New Delhi in May 2009 in the run-up to the first BRIC summit in Yekaterinburg; the second summarizes the materials of a conference held in November 2009 at the Peoples' Friendship University of Russia (RUDN) several months ahead of the second summit in Brasilia.

Let us note one important difference between the two compilations: in the Indian one, the pessimists are somewhat better represented than in the Russian one. That is hardly surprising. The fact that BRIC was preparing for its second summit when the conference at RUDN was being held must have added some optimism to those who had been enthusiastic about the new format from the very beginning, and dampened down the doubts of the skeptics.

BRICS is becoming an increasingly institutionalized and clearly formatted structure; it is winning its rightful place in the community of international organizations. It is becoming part of the world order (or world disorder, depending on whom you ask). But does that mean that BRICS is actually becoming a stronger and more influential body? Probably not. It is more likely that BRICS is destined to become yet another global structure, of which there is no shortage these days. The growing number of these structures is not really translating into solutions to new global problems. Marcos de Azambuja, a prominent Brazilian diplomat, said in New Delhi that BRIC's destination was "to become the *modus operandi* of the twenty-first century, devoid of the bureaucratic paraphernalia that are so typical of the structures that have appeared in other historical contexts."¹ Let us hope he was right. Most of the optimists who believe that the new format has real prospects take hope from its novelty and its being different from the old structures. They say the skeptics are led by the "inertia of our perception of international bodies."²



An approach based on stereotypes and economic realities would make one doubt BRICS' prospects. But leaving aside considerations of the member states' growing economic potential, their share of international trade, their faster economic growth compared with the G8 club, etc. (all these things have been discussed in great detail, and they are actually at the core of the BRIC idea), let us point out the following.

First, the growing interdependence of the producers (Russia and Brazil) and consumers (China, India, and South Africa) of hydrocarbons does not necessarily guarantee a cloudless future for BRICS. Given past international experience, it could actually saw discord and bad blood between the member states.

Second, a lot has been said about the "colossal prospects" in the trade in traditional goods³ as well as new areas of cooperation⁴ between the BRICS nations. But one cannot ignore that these nations are increasingly competing with each other on the international markets.⁵ Thanks to China's trade expansion in Latin America the biggest number of complaints against the Chinese now being considered by the WTO (8 out of 18) has been raised by Brazil. "For many Brazilian exporters China has become the main threat. China is capable of flooding the Brazilian market with its own goods and crowding the Brazilian producers out of the international markets," Dante Mendes, a Brazilian expert, argues.⁶ India is seen in similar light by Brazil, being a key competitor in the steel and software industries. Meanwhile, Russia's ambitions to become a world-class agricultural exporter depend on the world's top five agrarian giants, among whom Brazil ranks third. These giants are not inclined to embrace any newcomers. The list of existing and future causes of discord goes on and on. Should we accept then that steel, poultry, pork, airplanes, and toys are once again standing in the way of long-overdue changes in the world economy and politics?

For now, that is not the case. During the world economic crisis BRICS managed to instill a fighting spirit into the new G20 international club. At a summit in London in September 2009 it pushed through the decision to redistribute 5 percent of the votes in the IMF and 3 percent in the World Bank from the old members to the rising economies. That redistribution is set to continue; the previous round was clearly insufficient, especially given that China has now become the world's second-largest economy. At the BRIC summit in Brasilia the leading banks of the four member states signed a memorandum of cooperation, which is the new club's first practical document aimed at building its own financial infrastructure.

There have been clear changes on the world financial scene in favor of BRICS, and more are on their way. There is also a prospect of Brazil and India becoming new permanent members of the UN Security Council. But will all that be enough for BRICS to become "a force for international growth and stability for decades to come," as the optimists predict? Given all these high expectations, the redistribution of votes in the international financial institutions in favor of BRICS, as well as the proposed reform of the Security Council, still comes across as the BRICS countries fighting to achieve their own tactical goals, which have nothing to do with the proclaimed long-term strategy. Once those goals have been achieved, BRICS could enter a period of stagnation and slow decline, having outlived its usefulness—or it could rapidly disintegrate, unable to cope with growing trade and economic rivalry between its member states. The short-term nature of the goals pursued by the BRICS members is quite obvious. It is equally obvious that the strategic aspirations of the BRICS organization must be much more substantial and long-term than the tactical goals of its individual members. And that is exactly the argument being put forward by the proponents of a "more fair, democratic and secure world order that would reflect the modern world's cultural and civilizational diversity."⁷

The civilizational approach to BRICS must not be forgotten, if for no other reason than the simple and obvious fact of the four (and now five) members of that club representing all the main world civilizations, except for the Western and Islamic civilizations. Nevertheless, it has been pointed out that the BRICS countries "differ in terms of the nature and degree of their interest in participating," as Professor Abdul Nafey of Jawaharlal Nehru University put it. "Russia is probably more interested in security issues. Beijing's main concern is that China and the East as a whole are insufficiently represented in the key international organizations that regulate the world economy. Brazil and India are still searching for their place on the international economic and political arena."⁸

Skepticism over the future of BRICS has been expressed in its most distilled form in an article published by Russia's *Mezhdunarodnye Protsessy (International Trends)* journal in 2009.⁹

It argues that the BRICS countries “absolutely cannot be integrated into the global hierarchical system without undergoing a transformation that would reduce their potential for growth and independence. The elites of the leading regional powers cannot be easily integrated into the Western elite These countries are not ready to establish their own stable spheres of influence beyond their own home regions. They are not very eager to play the role of protector and defender to other countries, especially if that involves confrontation with the United States and its allies. Unlike the former Soviet Union, these countries are not superpowers in the proper sense. They are not aspiring to spread their ideology and political system around the globe, or to enter into an outright struggle with the United States for influence in parts of the planet that are not vitally important to them. They do not have the necessary capabilities or ideological and political motivation to play the zero-sum game, whereby every loss by your opponent is your own victory, and your every loss is a victory for your opponent.”¹⁰

That may actually be all for the good. The world obviously needs a viable alternative to the principles and methods that have long discredited themselves. The radically new BRICS format is an excellent opportunity for an infusion of fresh blood into the world economy and politics. Any attempt by BRICS to play the old superpower game outlined in the quote above would spell the end of the very idea of this new format, turning it into a tired copy of the old formats. “BRIC cannot be viewed in the light of the old stereotypes of the twentieth century, with its rigid bipolar structure. BRIC is a reaction to the new reality, to the transitional situation of the twenty-first century, which is leading to a multipolar world order.”¹¹ The main advantage of BRICS is that “this is not a group of future G8 members. Its philosophy and orientation are completely different.”¹²

The mission of BRICS, in the opinion of many of its proponents, is not only to restore the balance in the modern structures of global economy and politics, which still retain a historical pro-Western slant despite the growing influence of the rising economies. The more important task is to achieve a civilizational adjustment of the entire philosophy, system, and methods of the global world order. Such a correction is needed if the world is to understand the new global challenges more clearly and comprehensively, so as to be able to come up with effective solutions. Growing attention to BRICS demonstrated by the international community and the world media¹³ is entirely logical. That attention is not explained solely by the economic achievements of the BRICS nations, or the redistribution of the votes in the IMF in their favor. The real motivation behind that attention is to understand whether the rise of the new global players, which are not part of the Western civilization, can re-tune the world orchestra to achieve greater harmony.

For all the obvious differences in the individual political or economic interests of the five BRICS countries, which are all civilizations in their own right, they share the aspiration to build a new multipolar world order. The model pursued by the BRICS countries in their efforts to become part of the upper echelons of global economic and political influence is very different from the paradigm of every single great power of the twentieth century, in that this model continues to be based on the use of soft power. The task of maintaining and building up that soft power cannot be solved by using the old methods. Soft power does not rely on military strength alone. It depends on a whole host of economic, political, information, and cultural factors that form a positive international reputation of the country in question and help it to fulfill its ambitions of leadership. That is why many experts who spoke in New Delhi and Moscow had the truth of it: the mission of BRICS is a joint (and still intuitive in some ways) search for an alternative model of global development, which is based on a multipolar international political system, a well-balanced global economy and trade, and new elements of social justice in domestic affairs.

Worsening global problems such as environmental degradation, climate change, depletion of natural resources, terrorism, drugs trade, and others are forcing the rising economies to follow such a path. “Any growth in BRIC’s political influence will be directly proportional to their joint efforts to establish a new world order,” says Professor Ji Ping of the China Center for Contemporary World Studies. “The four BRIC countries, which represent different civilizations with their unique cultures, ideologies and diplomatic traditions, have a lot in common; they all reject dictate by third countries and follow their own interests in domestic as well as foreign policy. All that can help them to readjust the existing global balance of economic influence and speed up the restructuring of the fundamentals of the global economy, politics and security.”¹⁴ But will these nation-civilizations be united in their aspiration to change the world, and what are the useful innovations that can be expected of these countries by humankind, which has lost many of its old points of reference?



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The civilization specialists already have fairly persuasive answers to these questions. For example, V.G. Khoros of the IMEMO RAS institute believes that the world politics can be enriched by the Indian concept of non-violent resistance and the Chinese cult of knowledge, Confucian ethics, and zestful Chinese pragmatism. As for the “relatively young civilizational community,” which is how Brazil is described, the author points out the trend towards a synthesis of cultures of the various races and ethnic groups living in Brazil, which makes that nascent civilization similar to another local civilization, the Russian one.¹⁵ V.G. Khoros and other authors are absolutely right in saying that against the backdrop of the rising civilizational self-affirmation of China, India, and Brazil (in the Latin American countries that process has taken the form of new values of social justice, the so-called Left Shift), Russia is undergoing a serious civilizational crisis. This, and nothing else (such as lower growth rates or bigger contraction of the economy during the crisis) is the real reason why Russia has until recently (i.e. until South Africa became a member) been considered the weakest link of the Magnificent Four. Because “without the assertion of values based on Russian traditions, Russia cannot cope with the current social, political and ideological disarray. Only a public consensus about the truly important goals and objectives, about the moral and spiritual foundations, can help to unite the creative potential of Russian society (scientists, engineers, qualified specialists, and farmers who want to work their land), which still does exist in Russia, but which is now in political and moral disarray, and which is gradually being eroded.”¹⁶ That could well be one of the real reasons why Russian big business, whose horizons are still limited to the West, is so very slow to realize its own interests in the East and in Latin America, whereas China (as well as Brazil and India) has made a rational choice in favor of preferential partnership with its partners in the new BRICS format.¹⁷

There is one other factor that is working in favor of BRICS, and that factor is only going to strengthen over time. The emphasis of the world economy is gradually shifting from trade liberalization to issues related to public values, such as the planet’s energy and environmental resources. In the opinion of specialists, unlike private values, these public values “cannot be properly upheld by spontaneously forming markets.”¹⁸ The situation therefore favors BRICS, whose members, the giants of the global South plus Russia, have traditionally had a strong state. That has been a key feature of their civilizations, an integral part of their national history and culture. In that sense the civilizational synergy, the amalgam of the public and the private, of the pragmatic and the visionary, can, in the opinion of BRICS enthusiasts, foster a special creative global mood that will put the giant nations at the forefront of the long-overdue changes and help them take a more prominent place in the community of nations.¹⁹

Neither should we forget about the problems of security, which, apart from financial and energy security, have not been properly reflected for some reason in the discussions in New Delhi and Moscow. Meanwhile, it is these problems that are increasingly drawing the attention even in such far-flung countries as Russia and Brazil (which set up a common working group for security in 2008 and hold regular consultations). Could that be because from the very outset BRIC has never positioned itself as a counterbalance to anyone? Such an approach has repeatedly been stated by all the BRICS leaders and by all the proponents of the new organization.

The political correctness of that approach is understandable. But the reality is such that we cannot afford the luxury of illusions. What kind of harmony are we talking about when some countries are rising while others are in relative decline, and when Westernization is gradually giving way to Easternization and Southernization? I agree completely with V.M. Davydov, who argues that a transition to a multipolar world order “will inevitably entail certain risks, which has been demonstrated repeatedly by history during the rebalancing of power and influence on the world arena.”²⁰ Meanwhile, Igor Safranchuk assumes that BRICS will be complementary to the existing global institutions (because these institutions are undergoing an obvious crisis). But he argues that the BRICS countries should not join the exclusive Western club, “even if they are offered very favorable terms of entry,” and that they should “aim to propose their own alternatives to Western values.”²¹ It is therefore very likely that the laudable intention of not aiming our friendship against anyone will remain just that, a good intention. The alternatives will have to be proposed.

A. Sheel, a senior official in the economic department of the Indian government, pours more oil on the fire by reminding us that the roots of the ongoing crisis lie in an area “which is traditionally not questioned” (meaning, obviously, the area of civilizational values). The Indian author predicts a perfect storm in the world financial system (and not just the financial one) unless humankind finds a reasonable balance between state regulation and free market economy.²² Some argue that BRICS should set up its own independent currency system, an alternative to the Bretton Woods

system. Just imagine the wars of the spirit, to use the term coined by Francis Fukuyama, such attempts would probably trigger!

There is also the danger that the wars will not be limited to the spirit. All the rising giants, apart from South Africa, are ramping up their defense spending. To justify that spending these countries point at the growing uncertainty and imbalances in the world economy and politics. There are also unspoken worries that the new century will bring a fierce struggle for control of the remaining energy and natural resources.²³ The vast territories and rich natural resources of the BRICS countries (Russia and Brazil, for example, control almost half of the planet's reserves of fresh water) mean that these countries need to stay on their guard rather than hope for harmony in their relations with the current powers that be. Even Brazil, which has no potential adversaries and which had seldom spent more than 1.5 percent of its GDP on defense in the twentieth century, doubled its military spending in 2007 and adopted a radical program of rearmament. In this connection it is hard not to remind the program of avoiding any conflicts, which was used as a BRIC platform.

Nevertheless, let us set security aside for the moment—its time will probably come later on in the evolution of BRICS. Let us see instead what experts think should be the key areas of cooperation at the moment, apart from producing “an alternative to the American policy on financial issues.”²⁴ These are the areas where the BRICS nations are mutually complementary. They include the aerospace sector and pharmaceuticals, as well as joint programs to launch satellites to survey the vast territories of the five countries; in fact, those satellites “could be used later on for defense purposes [*sic*!].” Another potential area for cooperation is alternative energy (these and other areas are listed in an article by S. Kurginyanin).

Alternative energy deserves a special mention. In this area Brazil already has a very strong lead. The country began producing ethanol from sugar cane waste back in the 1970s. An article by D. Toledo (Institute of Advanced Studies, Sao Paulo University) details the prospects for cooperation between the BRICS nations in alternative energy research and joint efforts to win the potentially lucrative global market for ethanol and biodiesel.²⁵ Another promising area is cooperation on international law between the BRICS countries.²⁶

What, then, is the bottom line? Everyone involved in BRICS research realizes that this global structure is now facing a difficult choice: should it try to find an accommodation with the powers that be right now, or should it place its bets on deferred influence? The first option is the more likely one, in the opinion of I. Safranchuk. It would help BRICS partially to adapt the existing rules of the game to fit its own interests. Once that is achieved, the BRICS construct will have fulfilled its historical mission, and there will no longer be any need for it to exist. But the second option “should not be discounted, either,” especially “if the United States rejects the attempts to build a more pluralistic and multipolar world, and continues to lose its position leadership—or if the isolationist trends in America prevail once again, with the resulting retreat of the country from global politics leading to a global power vacuum.”²⁷

Such thinking is largely a consequence of Russia's ambivalence towards BRICS, which results from the country's special situation as a nuclear power and a permanent member of the Security Council. Russia sees itself as neither East nor West, and such ideas are especially obvious against the backdrop of lingering hopes among a certain part of the Russian ruling elite that a full-scale alliance with the United States is still a possibility, with Russia becoming part of the collective West (and then, goodbye, unloved BRICS!). This is a good illustration of the “mismatch between Russia's political ambitions and its economic capabilities,” which some experts mentioned at the meeting in Moscow.²⁸

But it would be a mistake to use BRICS as an instrument of blackmail against the United States and the collective West. Their leadership has long been declining, and *The Economist* newspaper first wrote about a global power vacuum back in 2007. Neither is it clear what the second delayed influence option would bring to the BRICS countries. But it is obvious that the second option is preferred by the expert community, which is almost unanimous in warning the BRICS leaders against further bureaucratization, politicization, and formalization, with BRICS turning into yet another me-too structure. Most of the experts also speak against any unjustified expansion of the existing format by granting membership to new emerging countries that are not nation-civilizations. Such an expansion would dilute the civilizational message on which many are pinning their hopes for radical (rather than superficial) changes in the world economy and politics. But let us be realists. If ever the Dawn of the New Era comes, it will not happen before the BRICS



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countries fulfill the Goldman Sachs forecast, i.e. become the new world leaders, pushing the current ones down the global pecking order. Until then, we are going to need some patience.

We will surely see a lot of new expert analysis on the subject of BRICS in the months and years to come. That is hardly surprising, given the radical novelty of the format and the power vacuum considerations outlined above. It would not be right at this stage to point to the shortcomings of the two compilations reviewed in this article. The development of BRICS is still outpacing the expert community's ability to analyze the prospects of the new format from every possible point of view—and that is only natural. But the range of the issues discussed in these compilations, as well as the temperature of the discussion, will fully enable readers to form their own opinions on the future of BRICS. 

NOTES

¹ M. Azambuja, *Making the BRIC Project Work: Institutional Aspects. BRIC in the New World Order: Perspectives from Brazil, India and China*, ed. Nandan Unnikrishnan and Samir Saran (New Delhi, 2010), p. 5.

² V.M. Davydov, *BRIC: A Virtual Project or Reality? BRIC: Moving Towards Closer Cooperation* Moscow: ILA RAS/RUDN, 2010), p. 27.

³ A. Khatua, "Changing Scenario of World Trade: Potential of BRIC Countries," in *BRIC in the New World Order*, p. 180.

⁴ S. Kurginyan, "Strengthening BRIC through Cooperation in Industry and Trade," in *BRIC in the New World Order*, pp. 168–171.

⁵ J. Gonçalves, "BRIC—Cooperation in Trade and Industry," in *BRIC in the New World Order*, p. 165.

⁶ D. Mendes, "The Global Financial Crisis and the New Financial Architecture," in *BRIC in the New World Order*, p. 35.

⁷ L. Kadyshchev, "The BRIC Factor in Russian Foreign Policy," in *BRIC: Moving Towards Closer Cooperation*, p. 91.

⁸ Ibid., p. 109.

⁹ *International Trends*, No. 1 (2009), pp. 12–13.

¹⁰ Ibid.

¹¹ V.M. Davydov, "BRIC: a Virtual Project or Reality?," p. 34.

¹² A. Nafey, "India: Approaches to the Functions and Objectives of BRIC," in *BRIC: Moving Towards Closer Cooperation*, p. 110.

¹³ Z.V. Ivanovsky, "BRIK in the World Media," in *BRIC: Moving Towards Closer Cooperation*, pp. 114–123.

¹⁴ Ji Ping, "Some Observations on the BRIC Engagement," in *BRIC in the New World Order*, p. 22.

¹⁵ V.G. Khoros, "On Civilizational Compatibility in BRIC," in *BRIC: Moving Towards Closer Cooperation*, pp. 156–157.

¹⁶ Ibid., p. 158.

¹⁷ M.L. Titarenko, "BRIC: Reasons to Cooperate, Approaches and Assessments by the Participants," in *BRIC: Moving Towards Closer Cooperation*, pp. 114–123.

¹⁸ *Foreign Affairs en Espanol*, No. 3 (2007). p. 115.

¹⁹ Ibid.

²⁰ V.M. Davydov, "BRIC: a Virtual Project or Reality?," p. 35.

²¹ Igor Safranchuk, "BRIC: Agenda and Instruments," in *BRIC in the New World Order*, p. 9.

²² A. Sheel, "Looking Beyond the Global Financial Crisis," in *BRIC in the New World Order*, p. 49.

²³ Strategy of National Security of the Russian Federation until 2020.

²⁴ Y.N. Moseykin, "Factors of Emergence and Cooperation between BRIC Countries," in *BRIC: Moving Towards Closer Cooperation*, p. 126.

²⁵ D. Toledo, "Prospects of Scientific Cooperation Amongst BRIC: Energy, Development and S, T&I Collaboration in Biofuels," in *BRIC in the New World Order*, p. 111–117.

²⁶ B. Martynyuk, "BRIC: Potential for Cooperation in Formulating New World Order," in *BRIC: Moving Towards Closer Cooperation*, pp. 160–168.

²⁷ Igor Safranchuk, "BRIC: Agenda and Instruments," p. 8.

²⁸ Y.N. Moseykin, "Factors of Emergence and Cooperation between BRIC Countries," p. 127.



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