Engaging BRICS as Emerging Global Governance Institution

Where did BRICS come from?

Less than ten years ago, a GLODMAN SACHS Report in 2003 coined the phrase BRIC in its report entitled ‘Dreaming with BRICs’. The thrust of the argument of this report was that the four BRICs (Brazil, Russia, India and China) countries would together account for 27 per cent of world economy and 40 per cent of its population by 2050. This projection made the policy-makers of the world take notice of a grouping which hitherto didn’t exist as a collective. It also began to interest bankers, investors and trade negotiators as they saw BRICs as engines of economic growth regionally and globally. However, the political dialogue amongst the four BRICs countries began only around September 2006 when the foreign ministers of these four countries met on the side lines of UN General Assembly. As a follow-up, finance ministers of four BRICs countries met in Sao Paulo (Brazil) on November 7, 2008 and in London on March 13, 2009 (mostly in the context of emerging G20 Heads of States gatherings then convened by the US President George Bush and the British Prime Minister Tony Blair). At the initiative of Russia, the first informal meeting of the four Heads of States from BRICs countries took place on the side lines of G8 summit in Japan on July 9, 2008. Russia invited to host the first BRICs summit in 2009, and the rest is history.

Since its first formal Summit in Yekaterinburg (Russia) in June 2009, the BRICs have had four Summits – second in Brasilia (Brazil) in April 2010, third in Sanya (China) in April 2011 and fourth in New Delhi (India) in March 2012. It was in late December 2010 that South Africa was formally invited to join the collective to make it BRICS.

The purpose of this note is to explore the relevance of this semi-formal grouping of the five very powerful economies of the world to the interests and concerns of civil society in these countries nationally, and to civil society globally. What does the collective BRICS represent in the emerging architecture of global governance? Should civil society take notice of its activities? Should civil society engage with BRICS? What should be the modalities and purposes of such engagements? In the next section, the emerging agendas and interests of BRICS are analysed before addressing the above questions.

What does BRICS do?

The Chinese phrase “Jinzhuan Guojia” pretty much sums up the underlying rationale of BRICS work – It means ‘financial bricks’; the financial building blocks constitute the basic foundations of BRICS. The then Russian President, while opening the first formal BRICS Summit in 2009 gave the clarion call: “the BRIC should create conditions for a more just world order”. And, the final declaration from the first summit called for ‘a multipolar world order’. In this sense, the primary focus of BRICS coalition has been to find ways to calibrate their collective strategies in matters related to global finance, trade and economy. Yet,
the political implications of BRICS as a countervailing force to American ‘unipolarism’ and G7 western capitalism was not lost sight of. When Russian President suggested that the sovereign funds of his country should be invested in other currencies (other than US Dollars), the US Dollars fell by nearly 1 per cent in value in global trading markets. The primary thrust of the first summit was to develop a shared perspective on issues facing global economy and its impacts on the national economies of the four BRICs countries. The declaration from the summit called for a ‘diversified, stable and predictable currency’ system.

By the time the second summit was held in Brasilia in April 2010, the global economy was in such turmoil that the summit was designed to strengthen financial cooperation amongst these four ‘emerging markets’. A major cooperation agreement was signed between the National Development Banks of the four countries. The declarations also included preparations for the forthcoming G20 meeting in South Korea in November 2010. The thrust of the declaration was to take such stands on global political economy issues and matters related to UN reforms that other formations and associations of countries from the developing world could find resonance.

By the time the third summit was hosted by China in April 2011 in Sanya, South Africa had formally joined the collective; by then it was BRICS. The focus of deliberations here was far more explicit on such issues as reforms of Bretton Woods Institutions, Doha Development round of WTO, international terrorism, climate change and achievements of MDGs. The summit declaration continues to call for support to ‘a multi-polar, equitable and democratic world order’. A major thrust of agreements in China summit was to strengthen cooperation amongst BRICS countries beyond the official government bodies. Specific cooperation focus was mentioned in areas of science, agriculture, health, sports, arts and culture; exchange of scholars, sports persons, youth and various other formations (like trade associations) was explicitly planned as joint programme of BRICS. It is useful to note that there was no reference to exchange or cooperation between NGOs or civil society amongst BRICS countries.

Both the articulation of the purposes and programmes of BRICS and its public communications improved during the third summit held in China. To reiterate its clear purposes:

- To arrive at a consensus on how to cope with global challenges and make contributions to resolving global problems.
- To enhance coordination and collaboration among BRICS countries in international affairs.
- To further deepen and expand BRICS pragmatic cooperation in all fields.
- To further strengthen the bilateral relations among BRICS countries.

The programme of work that evolved during this summit more clearly identified common domestic issues for cooperation – inequality, knowledge-intensive economic development, social security, inflation and flow of ‘hot’ money. Beyond economics, focus on inequality and social security broadens the scope of cooperation amongst BRICS. The summit issued 32 statements, one of which explicitly focuses on creating a network of ‘think tanks’ across BRICS (statement 9, part 1). In preparation for the fourth summit in India in March 2012, there has been a consultation of scholars and researchers prior to
the official BRICS summit in New Delhi, India, hosted and coordinated by Observer Research Foundation (ORF), Delhi. The set of recommendations emerging out of that consultation were an input into the India summit.

The fourth BRICS Summit in Delhi Declaration in March 2012 focused the discussions, under the overarching theme, “BRICS Partnership for Global Stability, Security and Prosperity. The complexity of Euro Zone crisis, the possibilities of UN Conference on Sustainable Development (Rio+20) and the Conference of Parties to the Convention on Biological Diversity being hosted in Brazil and India respectively later this year; the upcoming G20 Summit in Mexico, the 8th WTO Ministerial Conference in Geneva, the emerging political scenario in the Middle East and North provided the backdrop of this summit. The commitment to the norms of international law and multilateral decision making for maintaining macroeconomic stability was emphasized.

The summit called for a more representative international financial architecture, with an increase in the voice and representation of developing countries including quota and governance reforms in the IMF to protect the voice and representation of the IMF’s poorest members. The World Bank was urged to give greater priority to mobilising resources and meeting the needs of development finance while reducing lending costs and adopting innovative lending tools, while welcoming the candidatures from developing world for the position of the President of the World Bank. It was reiterated that the Heads of IMF and World Bank be selected through an open and merit-based process and the need for reforming the governance structure that reflects current economic and political reality. A significant articulation included a call to change the nature of the World Bank from an institution that essentially mediates North-South cooperation to an institution that promotes equal partnership with all countries as a way to deal with development issues and to overcome an outdated donor-recipient dichotomy. China and Russia reiterate the importance they attach to the status of Brazil, India and South Africa in international affairs and support their aspiration to play a greater role in the UN.

The Finance Ministers of the BRICS countries were directed to consider the possibility of setting up a new Development Bank for mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development. The recommendations are expected to be shared in the next summit in South Africa.

The summit called for resolution to settle the conflicts in the Middle East and North Africa, in particular the Arab-Israeli conflict on the basis of the universally recognized international legal framework including the relevant UN resolutions, the Madrid principles and the Arab Peace Initiative. Concerns were raised at the current situation in Syria and invited to end all violence and violations of human rights. The leadership of BRICS recognized Iran’s right to peaceful uses of nuclear energy consistent with its international obligations including the need for continuity of dialogue between IAEA and Iran and in accordance with the provisions of the relevant UN Security Council Resolutions. The summit shared its
commitment to Afghanistan for continued development assistance and cooperation, preferential access to world markets, foreign investment and a clear end-state strategy to attain lasting peace and stability.

The summit called for actions to address the issues related to economic development, eradicating poverty, combating hunger and malnutrition in many developing countries. It reiterated its support to the forthcoming UN Conference on Sustainable Development (Rio+20) with the principle of common but differentiated responsibilities, Agenda 21 and the Johannesburg Plan of Implementation. It affirmed that the concept of a ‘green economy’, still to be defined at Rio+20, must be understood in the larger framework of sustainable development and poverty eradication and is a means to achieve these fundamental and overriding priorities, not an end in itself. It resisted the introduction of trade and investment barriers in any form on the grounds of developing green economy.

The summit also viewed the Millennium Development Goals to remain as fundamental milestone in the development agenda. It recognized that there is a storehouse of knowledge, know-how, capacities and best practices available in the BRICS countries that can be shared and on which we can build meaningful cooperation for the benefit of peoples.

Recognizing the public health challenges, including universal access to health services, access to health technologies, including medicines, increasing costs and the growing burden of both communicable and non-communicable diseases, the BRICS Health Ministers were directed to take necessary actions. The summit also mentioned the challenges of rapid urbanization, faced by all developing societies including the BRICS countries and directed the respective authorities to coordinate efforts and learn from best practices and technologies available. A plan of action included organizing of the first meeting of the BRICS Urbanisation Forum and the second BRICS Friendship Cities and Local Governments Cooperation Forum in 2012 in India.

Why should civil society engage with BRICS?

Before strategising what should civil society do to engage with BRICS, it is useful to clarify the rationale, if any, for such an engagement. To begin with, it is useful to recognise that BRICS is emerging as a global influencing mechanism beyond the five BRICS countries. As previous analysis is showing, BRICS collective is taking positions on several global issues that affect other multi-lateral institutions (like UN, WTO, World Bank/IMF, etc.). They are also taking common stands with respect to issues such as climate change, MDGs and global terrorism. In essence, therefore, BRICS is emerging as a mechanism whose influence on economic, trade, development and security agenda is having an impact on countries and populations beyond those five of the BRICS.

At the same time, it is important to acknowledge that BRICS itself is a global governance mechanism of inter-governmental nature. As such a mechanism, it is evolving, maintains its structure in a rotating and multi-modal manner. The current practice in BRICS is that the host of the Summit acts as a coordinator of the activities for the following year till the next summit. So, India is expected to play such a coordinating and leadership roles after the New Delhi summit. However, BRICS is a ‘non-legitimate’
global governance mechanism; as many forums have been arguing, in its character, BRICS is similar to G7 or G8 of the previous era, or G20 of the contemporary context. These are groupings of countries with ‘club-like’ nature, where membership is by invitation only. Unlike UN system or even Bretton Woods institutions, such ‘clubs’ do not have democratic legitimacy; hence, they also lack democratic accountability. Other than their own internal processes, such global governance mechanisms (like G7/G8, G20, etc.) do not ‘owe’ any external accountability, even though their actions (or inactions) have global impacts on citizens, communities and nations.

Therefore, development organisations in particular, and civil society in general, needs to understand what BRICS is doing, and what impacts its programmes of cooperation are having, or likely to have, on development issues, policies and practices in these five countries, as well as globally. Since the agenda of BRICS cooperation is primarily to advance its own national economic development, first and foremost is the focus of its impacts on the populations of these five countries in general, and its poor and the excluded in particular. Such an understanding may create opportunities and spaces for more direct engagement of national/domestic civil society with the BRICS process in each of the five countries.

Therefore, the starting point for considerations of engagement is the review of programme of cooperation planned by BRICS summits in terms of its social and human development agendas. Environment, sustainability and equity concerns need to be kept in focus by civil society while reviewing such programmes of BRICS. Given the special thrust of civil society, it has to sharply focus on the concerns of the poor and the marginalised at the centre of its analysis of BRICS programme of cooperation. For example, all BRICS countries are facing the phenomenon of rapid urbanisation and growing urban poverty; how do they cooperate in addressing this set of issues within their broad concern for inequality?

In addition, as BRICS is taking collective positions on many global governance institutions and policies, it is also important that national/domestic civil society reviews these positions from those perspectives as well. For example, a part of New Delhi summit discussed the agenda for Rio Sustainability Conference in June 2012; BRICS tried to develop a common position to influence those negotiations. If civil society from BRICS countries have had concerns about Rio negotiations, and wanted to influence those processes, one channel of that influencing was through BRICS.

*How can civil society engage BRICS?*

This meeting is precisely aimed to explore this question from the vantage point of the development organisations in China.

First, it is useful to recognise that networks of civil society in each of these five BRICS countries should come together to explore these questions of why to engage, what to engage and how to engage BRICS form their own national/domestic perspective. Like this exploratory meeting here in China, similar processes are beginning to happen in other four BRICS countries. Once these country level consultations
create their own answers to these questions of engagement, then a shared exploration of potential for joint efforts by coalitions of civil society across the five BRICS countries can happen.

In so approaching this effort, two factors have to be kept in mind. First, the nature, scale and strength of civil society across these five BRICS countries vary greatly. While civil society is reasonably strong and visible in Brazil, India and South Africa, its nature and pattern is considerably different in China and Russia. In addition, the democratic space for civil society, though shifting constantly, is relatively open in the first three BRICS countries, as compared to China and Russia. Therefore, civil society’s engagements with national policy-makers, political leaders and senior officials are very different in character across the BRICS; much more active, constructive and critical engagements are taking place in Brazil and India, as well as South Africa, than in the other two at this stage.

Second, the formal political system of national governance also varies considerably in the BRICS countries. India, Brazil and South Africa follow forms of democratic political systems established in the 1950s, 1980s and 1990s. These can be said to be mature democracies. Russia has acquired democratic political system only in late 1990s, and is still evolving. China’s political system is characterised by a one party rule. As these historical political realities have evolved, each of these BRICS countries has other alliances and coalitions. India, Brazil and South Africa have IBSA axis (a coalition that is working regularly). Russia is part of G8 too. China hosts the Shanghai Cooperation (which brings many Asian countries together with Russia and India). Therefore, the spaces and models of civil society engagements across BRICS have to contend with these complex, evolving and multi-faceted realities.

In short, therefore, it seems that the larger social and human development agenda needs to be the thrust of civil society engagement with BRICS. It must have the vantage point of social inclusion and concerns for growing inequality and marginalisation. Its perspectives on social justice, environmental sustainability and gender equality may further inform its approaches. It is interesting to note that some of these issues have found a clear place in the recommendations made by the meeting of BRICS scholars hosted by ORF in New Delhi prior to the official BRICS summit in March 2012.

This meeting should be exploring the above and related issues with a view to identify areas of cooperation amongst civil society for engagement with BRICS. In particular, it can be explored if a separate Working Group on Social Inclusion and Development, with active participation of development NGOs, should not be proposed to the Chinese government for consideration of BRICS? Other ideas can be explored as well.