

BRICS as a New Constellation in International Relations?

Jyrki Käkönen

University of Tampere/Tallinn University

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Abstract

The aim of the paper is to evaluate the possible role of the BRICS as an organization in international relations. The major question is whether emerging states, fast economic growth and interest for a multipolar international system and antipathy against the US lead unipolar international system are factors enough to make BRICS a coherent and relevant international actor. It seems to be clear that all BRICS members have their own national interests and they have realized that BRICS is a useful idea for advancing those interests. On the other hand the five BRICS countries make a diverse combination of countries with different civilizational and cultural backgrounds. Therefore it is not easy to assume that BRICS would be an organization for changing the international system while BRICS members have different kind of expectations what comes to the future world order. In this respect the most important BRICS countries are China and India, which also have contradictory interest and expectations about the future Asian as well as world order.

1. Introduction

Originally BRIC (Brazil, Russia, India and China) is the creation of Goldman Sachs economist in 2002. The idea was to introduce for global investors four growing economies as promising objects for investments with good returns. These four countries gave also a fascinating acronym, BRIC¹. In 2009 BRIC changed from an fictive community into an institution in world politics. By Russian invitation the heads of those four countries came together for their first Summit in Yekaterinburg in Russia. In 2011 South Africa joined the group in the third Summit in Sanya, China, and the acronym changed into BRICS.

Originally BRIC was introduced as an economic or financial opportunity and all BRICS members have been understood as growing economies. Simultaneously after 2008 financial crises the traditional centers of the world economy in the West have experienced slow economic growth or even stagnated. Therefore the discourse around BRICS has been mainly economic. (Sharma 2012, 9). In a way BRICS themselves have given additional reasons for concentrating on economic aspects. The first BRICS report by experts from BRICS countries is basically about economy and economies of the member countries (see BRICS report 2012).

Although there is a disagreement on the sustainability of the growth of BRICS economies it seems to be clear that BRICS countries will occupy a leading if not even a dominant position in the world economy in the years to come (Wansleben 2012, 7). And already now it seems to be justified to say that at least individual BRICS countries if not BRICS as an institution are a “part of global geopolitical landscape” (Laidi 2011, 1). This is also how the BRICS members see themselves. They

¹ The acronym refers to construction of something new – new international order.

understand themselves as factors in the world what is “undergoing far-reaching, complex and profound changes” (Joint Statement by the 3rd Summit 2011).

It is possible to assume that getting together the BRICS countries would not be a meaningful issue without an understanding that the international order constructed by the West since the beginning of the 16 century is challenged by the so called rising powers. So while discussing the BRICS countries and BRICS as an institution the discussion is about changing international order and possible decline of the USA dominant position in international politics.

The idea of changing international order is supported for instance by the US National Intelligence Council global trends reports. The latest report does not predict how the international system looks in the future. But the report takes it given that in 2030 it won't be any more the same as we know it now (Global Trends 2030 2012). Scholars like Jacques (2012), Kupchan (2012) or Tharoor (2012) support the idea although from different perspectives.

The issue in this paper is to discuss whether BRICS has a role in this changing international order and what kind of a role it would have. Is BRICS a new kind of an organization? In any case it basically represents emerging states with an exception of Russia and in that sense it could be an agent of a change or maybe even an agent of power transition in the international order. In this case power would move from the traditional North to the South which traditionally has been the so called developing world. In this context the basic question in this paper is whether BRICS is an institution also capable for changing the rules of the functioning of the international system.

It is essential to find answers to the questions presented above since the problem is what can we expect from the future. The schools of International Relations (IR) like the world system analysis, the power transition theories, the theory of hegemonic war or the long cycle's theories predict that rising powers challenge the predominant order (Barma et al 2009, 257). Changing international order is closely connected to the issue of peace and war in international politics. Green and Kliman (2011, 33) have rightly pointed to the fact that scholars from Thucydides to current IR scholars like Robert Gilpin and A.F.K. Organski have painted a bleak picture of the prospects for peaceful change in the international system.

China's rise alone has produced a lot of studies trying to indicate whether China's rise can be peaceful or whether it will lead into major conflicts in the international system. Theories in international relations as well as history suggest that new powers, particularly if autocratic, do not rise peacefully (Green and Kliman 2011, 33). However, Green and Kliman (2011, 34) also remain us that there are also scholars like John Ikenberry according to whom power transition does not need to result in conflict. The probability of conflict depends on the type of the existing order.

In case the existing order is hegemonic, the rising power does not have many more options than war to secure its interests. But in case the order is rule-based and has well-developed functioning international institutions which will provide the ascendant power options to increase its voice and influence, war is not inevitable although the rising power has an interest to create a new order more conducive to its preferences. (Green and Kliman 2011, 34)

In the above presented context the research interest of this paper can be reformulated: Is the existing international order hegemonic or does it give enough space to increase the voice of rising powers from the BRICS perspective? In the first case BRICS most likely have an interest to change the existing order. And in the latter case they have a chance to adapt themselves into the existing order and to increase their role in international politics.

To be an effective organization either in changing the order or for increasing its voice in the existing order BRICS has to fulfill few criteria. As a first criterion BRICS already is an institution for some emerging states. But does it also indicate trust between the members so that they are capable for a collective action (Brütsch and Papa 2012, 6) is still to be seen. To survive as an institution BRICS should be also flexible enough to minimize intra coalitional frictions (Brütsch and Papa 2012, 5). Further Brütsch and Papa (2012, 6), by referring to Emmanuel Adler, have pointed out that the coalition should be transformed into an imagined community.

In the above presented context the aim in this paper is also to try to find out whether BRICS really is an organization for advancing the collective interests of the emerging states or whether it is more an institution used by its members for advancing their individual interests. In the latter case BRICS hardly is a new constellation in international relations.

2. BRICS as an international organization

As an introduction it is good to understand what BRICS represent. According to BRICS first own expert report (2012, ix) BRICS account for more than 40 percent of world population and around 25 percent of world GDP in 2010. In this sense it is more representative than G7 whose voice has been determining in world politics and economy. However, already at this occasion it is worth of pointing to the fact that it is often China what still accounts BRICS' statistical figures. For instance BRICS share in world output is 15 percent and China makes 61 one percent of it (Cameron 2011, 2).

In case current economic trends are sustainable BRICS will represent the major part of the world economy in the future. According to different estimations BRICS share of global GDP will surpass that of G7 already 2020 or latest 2032 (Goldman Sachs Group 2007, 157; Brütsch and Papa 2012, 1; Jacques 2012, 163). Again China's economy is still in a determining position. China is expected to be the largest national economy already 2017. Simultaneously BRICS is responsible for about 30 per cent of the global total CO2 emissions thanks to China (Goldman Sachs Group 2007, 106).

From the BRICS perspective BRICS already "is a platform for dialogue and cooperation amongst the member countries" (Joint Statement by 4th Summit 2012). But in order to be something more BRICS needs institutions (BRICS Report 2012, 177). So the idea is that BRICS would not just remain as an annual meeting for discussions. In the South African Summit the goal was settled to develop BRICS into a full-fledged mechanism of current and long-term coordination on wide range of key issues of the world economy and politics (Joint Statement by 5th Summit 2013).

2.1. The objectives of BRICS

The following analysis is basically based on BRICS Summit reports. The idea is to present how BRICS members see the role of their cooperation vis à vis the existing international order and where do they aim for while cooperating in the context of BRICS.

Indian think tank report *Nonalignment 2.0* (2012) enlightens the background for one essential goal of BRICS. According to the report central international institutions like the UN and the Bretton Woods institutions are creations of the post-Second World War political settlements, and are constricted by the circumstances of their origin. In this sense they are creatures of an era still dominated by the West, and therefore inappropriate for the world that has seen the end of European empires and the rise of Asia's economic dynamism. (Nonalignment 2.0 2012, 33)

The message above is that from the perspective of the rising powers existing international institutions are not necessarily capable to advance their interests. For instance in the IMF BRICS control 14.4 percent of the votes while the EU and the USA respectively control 29.3 and 16.5 percent of the votes (Brütsch and Papa 2012, 14). Brazil, China, India and Russia are already among the 10 largest shareholders in IMF (Jacques 2012, 483). Therefore, for instance China and India demand the democratization of international relations as well as support multilateralism and wants to give central role for the UN (A Shared vision 2008). The issue seems to be the reform of international regimes.

In the 4th BRICS summit in 2012 member states collectively claimed for a comprehensive reform of the UN, including its Security Council, with a view to make “it more effective, efficient and representative so that it can deal with today’s global challenges more successfully” (Joint Statement by 4th Summit 2012). BRICS see the UN as the center of global governance and multilateralism, and it enjoys universal membership (Joint Statement by 5th Summit 2013). Therefore making it more representative is important for BRICS. For instance for South Africa a reason to be in BRICS is to profile itself as a campaigner for the reform of the multilateral international institutions (SA in BRICS 2013, 2).

Since the 1st BRIC summit the reform of the international financial institutions has been on the agenda of the summits (Joint Statement by 1st Summit 2009). Without the reform the legitimacy of the IMF and World Bank is at least problematic since they weakly represent the growing weight of BRICS and other developing countries (Joint Statement by 2nd Summit 2010; 4th Summit 2012 and 5th Summit 2013). For the same reason BRICS want to give a central role for the G20 instead of G7 in global economic governance (Joint Statement by 2nd Summit 2010 and 3rd Summit 2011).

BRICS demand for the reform of the UN has to be understood in the context that for the BRICS the UN is the central institution for multilateral diplomacy and it should have a central role in dealing with global challenges (Joint Statement by 1st Summit 2009; 2nd Summit 2010 and 5th Summit 2013). From a Russian perspective there is no real alternative for the UN but UN reform is needed in order “it could gradually adapt itself to changing global political and economic realities” (Russian FP 2008, 5).

An interesting aspect in BRICS summit reports is although the UN reform is on the agenda very little is said about the UN Security Council. Simultaneously BRICS members demand a more equitable and democratic international order and they are committed to the promotion of international law (Joint Statement by 2nd Summit 2010 and 5th Summit 2013).

The reform of the international institutions seems to be the most important common goal for the BRICS. In addition to that it seems to be also in the interest of all the members to condemn terrorist acts in all forms and manifestations (Joint Statement by 1st Summit 2009; 2nd Summit 2010; 3rd Summit 2011; 4th Summit 2012 and 5th Summit 2013). BRICS countries also admit that climate change is a serious threat that requires strengthening global action (Joint Statement by 2nd Summit 2010). In this respect BRICS give their support to the development and use of renewable energy resources (Joint Statement by 3rd Summit 2011).

The traditional non-renewable energy is one basic source for the CO₂ emission and energy will be a vital resource for improving the living standards of people of BRICS. Therefore BRICS commit to expand the use of clean and renewable energy to meet the increasing demand of their economies and people and to respond to climate concerns (Joint Statement by 2nd Summit 2010 and 4th Summit 2012). Also for reducing the negative impact of climate change is important for BRICS for food

security (Joint Statement by 2nd Summit 2010). This is important also because BRICS are key importers and exporters of agricultural commodities (Goldman Sachs Group 2007, 265).

In most of the Summits ongoing conflicts have also been on the agenda. BRICS are concerned about ongoing conflicts but in solving the conflicts independence, territorial integrity and the sovereignty of the countries concerned has to be respected (Joint Statement by 4th Summit 2012). According to BRICS members every country has the right to choose its own path of social, economic and political development (A Shared vision 2008 and Russian FP 2008, 6). Further on BRICS are concerned about the poorest countries and they present themselves as a voice of all emerging nations (Joint Statement by 1st Summit 2009 and 3rd Summit 2011).

All in all BRICS summit reports tell that BRICS cooperation is closely connected to an understanding that the world is going through fundamental and dynamic changes as the Russian foreign policy report (2008) indicates. But BRICS does not seem to have any solutions to present for solving global problems. Neither BRICS seems to aim revolutionize the existing international order. What they claim is the reform of various international institutions for providing a rightful place and voice for emerging nations in defining the norms and rules of the international games.

However, it is easy to agree that the reform of international institutions challenge the dominant position of the USA and the whole West in international relations. At the same time in BRICS interest is to stick to traditional Westphalian values, first of all sovereignty of every country. Although that is in their national interest they simultaneously favor the stability of the existing international order (see for instance Russian FP Report 2008, 5). For advancing their goals BRICS aims to support and broaden the cooperation among the member countries (Joint Statement by 1st Summit 2009 and 2nd Summit 2010).

To expand and deepen economic, trade and investment cooperation among BRICS members is an essential goal. The idea is that building on synergies it could be possible to advance each member's industrial development and employment objectives (Joint Statement by 3rd Summit 2011 and 4th Summit 2012). BRICS' Academic forum (2012) emphasized also the promotion of cultural cooperation and connectivity between BRICS.

2.2. Diversity in BRICS

In the introduction it was already mentioned that one precondition for an organization to be effective is cohesion. On the other hand an organization can be useful for its members in case members somehow complement each other politically and economically. In the following the extent of diversity within the BRICS is briefly discussed. This is not supposed to be a thorough and detailed analysis of BRICS member countries. Instead some features of the member countries will be presented basically based on BRICS report from 2012 and Goldman Sachs report 2007 and additional aspects will be brought up from already existing studies.

Brazil is presented as a country specialized on agriculture (Cameron 2011, 3). Brazil has 60 million hectares of arable land and the potential cultivable land is over 400 million hectares (BRICS Report 2012, 3, 106). This means that among the BRICS Brazil is seen as an exporter of agricultural products especially to China (Harris 2005, 23). Connected to agriculture biofuel is also seen as an important Brazilian product. The Brazilian aviation enterprise Embraer is presented as an area of innovation where Brazil is ahead of other BRICS. On a global scale Embraer comes right after Boeing and Airbus (BRICS Report 2012, 117). Embraer has already a joint venture with China Aviation Industry Group (Harris 2005, 23). Further the growth of Brazilian economy is first of all based on domestic demand (BRICS Report 2012, 5).

China is presented as the manufacturing workshop (BRICS Report 2012, 3; Pieterse 2008, 708 and Cameron 2011, 3). This is supposed to tell that in industrialization China is much ahead of all other BRICS and China's economy is export oriented (BRICS Report 2012, 5). "China also has about 12 per cent of world's mineral resources" (BRICS Report 2012, 3). However, it is not enough for China's growing economy what is depending on resource import. An interesting aspect in introducing China is the reference to its aging population. "China will become an aged society in 2027" (Goldman Sachs Group 2007, 47) and it might limit China's future growth.

In the case of India its strong service sector is emphasized (BRICS Report 2012, 3 and Cameron 2011, 3). Among the BRICS India is also a software powerhouse (Pieterse 2008, 708). However, Goldman Sachs Group (2007, 13-4) present India also as a fast industrializing country in the way that industry is becoming a growth drive and by 2020 over 100 million new people will enter the labor force. Connected to industrialization there will be also a fast urbanization in India. By 2020 140 million people will move to urban areas (Goldman Sachs Group 2007, 19). Still compared to other BRICS India will remain as a low-income country for several decades (Goldman Sachs Group 2007, 25). India's growth is based on domestic demand (BRICS Report 2012, 3).

Among the BRICS Russia is presented as an energy resource base. Russia has about 20 per cent of world's gas and oil resources (BRICS Report 2012, 3). In addition to that Russia is specialized on commodities (Cameron 2011, 3). However, Russian prospects are not necessary as bright as those are for the other BRICS. Russia is supposed to face a dramatic population decline from the current 140 million to 109 million in 2050 (Goldman Sachs Group 2007, 37). Due to its energy resources Russia is export oriented (BRICS Report 2012, 3).

South Africa has a large mineral base and it is one of the leading rare mineral producers (BRICS Report 2012, 3, 5 and Pieterse 2008, 708). That makes it interesting to China as well as to industrializing India. In the case of China and India one special aspect is referred to. For both of them water scarcity will become a problem. Already now agriculture draws 68 per cent in China and 86 per cent in India of total water usage and irrigation increases further water withdraw (Goldman Sachs Group 2007, 105, 107).

Even in political and cultural sense emerging BRICS are diverse. China and Russia are authoritarian states. Brazil, India and South Africa are, at least formally, democratic states. Already this makes it problematic for the BRICS to rally around shared values (Cameron 2011, 3). China and India are rather civilizational states than nation states in the Wetphalian sense. Russia is somewhere between and Brazil and South Africa are nation states (Schwengel 2008, 768). China is pretty much a Confucian society and India is a Hindu society. Both are alien to the West although India sees itself to be "the most 'Western' and liberal among the non-Western powers" (Nonalignment 2.0 2012, 31).

Brazil, Russia and South Africa are Christian societies. Brazil is Roman Catholic, Russia is Orthodox and in South Africa there is no determining Christian sect. So even the Christian societies are diverse and represent in the Huntingtonian sense different civilizations. It might be really difficult to find a common value base for cohesive and identity constructing cooperation among the BRICS. Even the colonial past does not connect all the BRICS unless Russian history is not understood in the way that it has also been threatened by the West.

It seems to be hard to find a common nominator what would make BRICS a solid international organization. However, in the economic sense the diversity makes BRICS economies complementary and there is a great potential for increasing cooperation for the benefit of BRICS members. BRICS could develop into a trading block. Another thing what connect all the BRICS in spite of diversity is the point that their all have turned their back to Western way of modernization.

They all have chosen an indigenous path towards modern societies. (Kupchan 2012, 86-145) And BRICS, even the democratic ones, diverge from the liberal vision of Western countries (Laidi 2011, 2). But on the other hand BRICS members are distrustful of one another for various reasons (Sino-Russian and Sino-Indian rivalry) (Laidi 2011, 2).

2.3. What BRICS is for its members?

For Brazil being in BRICS is connected to its interest for increasing South – South trade especially with developing economies like India and South Africa (Kliman 2012, 58). From a Brazilian perspective it is also possible to understand the membership in BRICS as a channel to alternative financing. Although already before BRICS formally existed China and Brazil have agreed 4 billion USD investments for improvement and expand Brazilian railways, roads and ports (Harris 2005, 24). And in a wider sense for Brazil BRICS is an intermediary political installation between the West and particularly the United States and Latin America (Laidi 2011, 11).

For China BRICS allows a chance “to share its sovereignist approach” (Laidi 2011, 10). Otherwise China already has the capability to act on its own as a global power unlike other BRICS members. In the BRICS context India has joined the block of emerging powers what most likely increases India’s weight in global negotiations (Kliman 2012, 59). But India is not committed just to BRICS. India should simultaneously explore other avenues of strategic engagement like the Indian Ocean region (Nonalignment 2.0 2012, 35). For India it could also be feasible to establish multiple bilateral free trade areas with all the countries which currently contribute greatest amount to global growth; in addition to BRICS members also with Turkey, Indonesia and Nigeria (Nonalignment 2.0 2012, 26).

Although BRICS was established by Russian initiative, Russia is the least typical BRICS member. It is not an emerging power but a former superpower keen to maintain some of the political status it lost in the collapse of the Soviet Union. However, Russia still considers being one of the leading states in the world with the permanent seat in the UN Security Council (Russian FP 2008, 5). For Russia BRICS is a coalition what allows Russia to associate itself with a wider group “when interacting with the West” (Laidi 2011, 7). But on the other hand Russia has not received much support from other BRICS members beyond sovereignty issues.

Russia seems to think that BRICS will become “one of the key pieces on the global chessboard” (Lavrov 2012, 1). Therefore Russia supports BRICS as a new model of global relations overriding the old East-West and North-South divide and BRICS will be for Russia a key foreign policy priority (Lavrov 2012, 2). Russia also takes it more or less granted that all BRICS share the common interest in reforming international monetary and financial system (Lavrov 2012, 2-3). Therefore BRICS members should reach a new level of cooperation. But it is also possible to say that for Russia BRICS is just one mean to achieve a strong position in the world community and a channel for flexible participation in international structures (Russian FP 2008, 1, 3).

In enhancing its role in world politics BRICS is not the only mean for Russia. For Russia Asia-Pacific region has increasing significance due to the fact that geopolitically Russia is a part of that region (Russian FP 2008, 14). Therefore a trilateral format or Russia-India-China Troika is as well important for Russia (Russian FP 2008, 5-6, 14). Also the Shanghai Cooperation Organization has a special space in Russian Asian policy. It gives a chance to develop friendly relations with China and India after India received an observer status in SCO (Russian FP 2008, 14).

In Asia Russia also intends to build a strategic partnership with China. But it also wants to develop its relations with Turkey, Egypt, Algeria, Iran, Saudi Arabia, Syria, Libya, Pakistan and other leading regional states (Russian FP 2008, 14) Although in Latin America Russia seeks to establish a

strategic partnership with Brazil it also has an interest to “broaden its political and economic cooperation with Argentine, Mexico, Cuba and Venezuela” (Russian FP 2008, 15). All these interests support the argument that BRICS is more a strategic tool for Russia in maintaining and improving its position in global politics than to transform the whole international order.

For South Africa the BRICS is the continuation of the historic Bandung Conference (SA in BRICS 2013, 3). In this sense it represents the South – South cooperation against the domination of the West. Joining the BRICS increases the prestige of South Africa especially in the African context. And in the context of BRICS South Africa has defined its role to ensure that the rest of African continent will gain from its BRICS membership (SA in BRICS 2013, 1). This explains the fact that the theme of BRICS Durban summit was Africa and the summit gave its support for African integration process (Joint Statement by 5th Summit 2013).

While looking some specific interests of BRICS members it is possible to conclude that BRICS as an institution is used for advancing traditional national interests of the members. BRICS are more for “individual gains than for more equitable and fair global order” (Brütsch and Papa 2012, 2). And BRICS is not necessarily the main priority in the members external or global policies. However, BRICS cooperation promotes the relevance of each of its members but according to Cameron (2011, 2) “it is not a cohesive group in major political, security, economic or trade issues”. As Laidi (2011, 1) has said, BRICS form a heterogeneous coalition of often competing powers that share one common interest: “to erode the Western hegemonic claims”.

3. BRICS in changing international order

It is quite evident that the rise of China and India has already changed something in imagining the international system. “The rise of Brazil, South Africa or South East Asia is not presented as a second generation” of economic tigers “but as first generation of emerging powers” (Schwengel 2008, 770). The issue is not anymore of small or medium size capitalist success stories but about states which have also a potential for political or power political influence and which are not satisfied with their current roles in the international order.

For the emerging powers the existing international order with a set of rules and common practices is imposed by dominant states of the past (Barma et al 2009, 527). Above BRICS has been presented as an organization interested to reform the existing international order. But it is also possible that BRICS already construct an alternative international order while increasingly connecting themselves with each other (Barma et al 2009, 526).

The emerge of an alternative or shadow order will undermine the position of the dominant powers. This again might affect in the way that order and stability will diminish while the existing hegemon declines at least in the relative sense (Barma et al 2009, 540). And as already said above the history and theory suggest that the combination of rising powers and declining hegemony can have a crucial and sometime even violent effect on international politics (Barma et al 2009; 525)

3.1. Does BRICS challenge the existing order?

In the economic sense there is no doubt that the international order is already changing. China, India and Brazil are expected to continue to rise. Middle range powers like South Korea, Indonesia, Turkey, Egypt, Iran and South Africa are becoming increasingly important. And over the horizon Africa and Latin America might experience rapid growth while Japan and Europe will decline and the USA will have just sluggish growth. (Nonalignment 2.0 2012, 31; Kupchan 2012) For instance Turkey has moved recently “toward an ambitious regional and even global role” (Kliman 2012, 60).

In purchasing power parity (PPP) terms China is projected to take over the USA already in 2017 and in market exchange rate terms in 2027. India comes still behind but is expected to become the third 'global economic giant' latest by 2050 and sometime after that Brazil will move to the fourth place ahead of Japan. Simultaneously Russia could overtake Germany as largest European economy in PPP terms by 2020 and at market exchange rate by around 2035. Further emerging economies of "Mexico and Indonesia can be larger than UK and France by 2050, and Turkey larger than Italy". (PwC Report 2013, 1)

The changing ranking orders of national economies challenge the role and influence of currently leading powers but it does not necessarily change the system itself. But there already are signs about increasing South – South trade connections. Already more than "40 per cent of the South's global trade is accounted for intra-South trade" (Pieterse 2008, 709). According to Barma et al rising powers have found each other more and more important trading partners in the last 25 years. And China and India have become important partners for smaller rising powers. (Barma et al 2009, 532)

Brazil has trade pact with India and South Africa in order to reduce the influence of traditional industrial nations (Harris 2005, 22). For South Africa the trade with other BRICS has given a chance to diversify its export structure and decrease the negative trade balance (SA in BRICS 2013, 5). Simultaneously the role of US dollar as a reserve currency of central banks has been in decline. In 2002 still 73 per cent of reserve currencies were in dollars but in 2006 it was 60 per cent (Pieterse 2008, 709). According to Pieterse also the role of IMF has been in decline. Still in 2003 IMF lending was 70 billion USD and in 2006 it was only 20 billion USD (Pieterse 2008, 710).

The USA is not anymore self-evidently the dominant power in world economy. However, China is not ready to challenge the USA and it has not been ready to make renminbi into an alternative reserve currency (Brütsch and Papa 2012, 15-6). However, it is already possible that new global economic regime will be based on BRICS. And according to Jacques that potential regime will be inherently more democratic than the current regime (Jacques 2012, 510-1) still very much based on the Bretton Woods system. But it is still an open question whether growing South – South "linkages have the potential to transform also the global balance of power" (Harris 2005, 7).

One problem for BRICS is whether potentially antagonistic states are willing or even able to transform "their combined economic power into a collective geopolitical power" (Brütsch and Papa 2012, 1). According to Brütsch and Papa (2012, 4) BRICS "lack the strategic posture and depth for challenging the US leadership or entrench a new world order". And according to Cameron (2011, 2) Brussels does not consider the BRICS to be capable to act together in any major global issues. For instance BRICS has not acted as a coalition in official climate negotiations due to their diverse interests (Brütsch and Papa 2012, 19). However, the EU takes BRICS as an indicator of the changing balance of power although the EU has not seen it worth of negotiating with BRICS as an organization (Cameron 2011, 6).

On the other hand there are signs that emerging powers have found each other also politically beyond the sovereignty issue. In the last 20 years rising powers have found themselves in UN voting patterns (Barma et al 2009, 533). Laidi (2011, 5) is ready to see BRICS also as a political group what has two permanent seats in the UN Security Council and has three nuclear powers. In the Libya issue BRICS took a common stand (Brütsch and Papa 2012, 1) and expressed that NATO had overstepped the rights created by the resolution 1973 in Libya, and they feared that Libya operation will be repeated in Syria (Laidi 2011, 8).

Kliman is ready to say that emerging powers are challenging the traditional rules-based system. For instance according to Kliman current maritime order and US maritime hegemony is already under

pressure. Beijing's construction of blue water navy and its aggressive claims in the South China, East China and Yellow Seas threatens the existing stability. And for instance Brazil, India and Turkey have vitalized their maritime practices (Kliman 2012, 57).

After the WW II there have been rising powers like Germany, Japan and the four tigers. But their rise was still under the US hegemony and they could not be transforming powers in the same sense as for instance China and India might currently be (Schwengel 2008, 769). Current rising powers "can route around the existing order" and establish an alternative order coexisting with the still dominant order (Barma et al 2009, 537). The point here is that rise of Asia is codependent with neoliberal globalization but "unfolds outside the neoliberal model" (Pieterse 2008, 707).

An important point in this connection is to understand that the neoliberal globalization has been outer globalization heading towards of the world and universal modernization. However, according to Schwengel the world is now "moving towards a long period of inner globalization in which societies begin to identify, invent, and establish themselves in the connectivity of emerging powers" (Schwengel 2008, 774). This transferred globalization will increase the self-confidence of emerging powers and strengthen their interest to change the existing international order.

3.2. Does BRICS have a vision about alternative international order?

As said already above it is hard to find any signs about a preferable forthcoming international order in the BRICS summit Reports. They rather claim for the values of the Westphalian international order in demanding to respect independence, sovereignty, unity and territorial integrity of all nations (Joint Statement by 3rd Summit 2011). Therefore it is no wonder that Laidi (2011, 2) has said that BRICS is more a defensive than offensive coalition. It is possible to say that emerging powers of the South have done little to really challenge the Euro-North American domination of the international system. This task has been left for the states like Bolivia, Venezuela and Iran. (Palat 2008, 721)

According to Laidi (2011, 7) BRICS cannot agree in international power games although they do not have any "problem collectively contesting the western dominance" in world politics. It seems to be so that the rising powers do not want either conflict or assimilation although in the rhetoric of BRICS members it is possible to find "ideas about an order and governance that are not suited to liberal" international order (Barma et al 2009, 539).

BRICS members, excluding China, have neither "embraced the existing order, rejected it, nor offered any detailed alternative" (Kliman 2012, 53-4). They eagerly say no to Western states in different occasions without being able to propose any alternative solutions (Laidi 2011, 9). For instance Brazil, China, India and South Africa have been eager "to challenge the US-lead invasions of Afghanistan, and Iraq, or Israel invasion of Lebanon and continuing occupation of Palestine" (Palat 2008, 721-2). However, instead of any alternative proposals for solving the crises they give an impression that the order they support is supposed to operate according to the "principle of inviolable sovereignty, or neo-Westphalianism" (Barma et al 2009, 538).

Although it seems to be hard to find any clear BRICS vision about an alternative international order, BRICS members express their determination to translate their "vision into a concrete action" (Joint Statement by 3rd Summit 2011). The only concrete action until now is the decision to establish New Development Bank in the 5th BRICS Summit in South Africa in 2013. The basic goal of the Bank seems to be to finance infrastructure projects in the BRICS countries as well as in other developing countries (Joint Statement by 5th Summit 2013). This decision and its implementation do not necessarily change much. Chinese banks have already become more important institutions in financing the developing world than the World Bank (Jacques 2012, 480).

Instead of BRICS as organization China as one of its members already has a vision about the future world order. Chinese philosopher Zhao already 2005 provided the traditional Chinese tributary system (*Tianxia* system) as a model for reorganizing the international order (Zhao 2006; 2009). Since that the idea has received support as well as critic and it has developed into one base for a Chinese school in international relations. In the traditional system the Middle Kingdom was the center of the world and world was hierarchically organized. In India there is also raised a voice that when India grows more prominent it has to define a “vision of international norms and rules and decide what norms to throw its weight behind” (Nonalignment 2.0 2012, 35).

Lack of a vision is explicit for instance in the global climate issues although this is an area vital to BRICS countries. Current GDP growth projections for BRICS can easily see global warming of 6 Celsius degree or even more in the long run. Therefore the UN’s 2 Celsius degree “objective is increasingly out of reach” (PwC Report 2013, 3). Global warming will cause rising sea level what could affect some 600 million people living in the coastal areas (Shanghai, Mumbai, St. Petersburg and Rio de Janeiro for instance) in the BRICS countries (Goldman Sachs Group 2007, 111).

BRICS countries have clearly understood that climate change and environmental degradation are serious threats to their people and “for sustaining high levels of economic growth in BRICS” (BRICS Report 2012, 167). BRICS countries have “to play a key role in global efforts to combat climate change and it should be in their own interest” (Goldman Sachs Group 2007, 111). Although no precise proposals are not made BRICS are committed to play their part in the global fight against climate change and will contribute to global efforts in dealing with climate change (Joint Statement by 4th Summit 2012).

3.3. Reactions to maintaining the hegemony

Although it seems to be evident that the USA will remain the most powerful and still influential country for about two decennia the international order is changing (see for instance Kupchan 2012; Global Trends 2030 2012). Sole US hegemony is over and the world is becoming multipolar and more complex independently what is the role of BRICS in changing or challenging the existing international order. In any case it seems to be clear that the dominance of the West will diminish although it is less clear how rapid the change will be and what will be the relative degree of the decline (Kliman 2012, 63).

For the USA and for the whole West the issue is not just the rise of the rest or global South. The real problem according to Kupchan is that simultaneously European Union is in serious internal problems, lacking proper leadership and incapable for taking any kind of global role. And the USA is internally polarized and incapable for long term cohesive external policy. (Kupchan 2012, 146 – 181). In order to maintain an influential role in constructing the future international order the USA and the whole West have to adapt into the situation that the Western modernization model is not necessarily universal and the future world will be more pluralist than the West expected after the end of the Cold War and the collapse of the Soviet Union.

The West has also to accept that the rules-based international order reflects a balance of power that no longer exists. The West is over-represented in the international institutions and therefore the West has to step back and give more space for emerging powers. (Kliman 2012, 62). In order to be decisive actor in transforming the international order the USA needs partners especially from the group of emerging states (Kliman 2012, 53). This can be a factor threatening the fragile cohesion of the BRICS as an international organization. The fact that BRICS do not have much common and they have diverse interests can be used by the USA for maintaining its position as one of the leading powers still in the future.

For Kliman the most promising partners for the USA (West) are Brazil, India, Indonesia and Turkey which all are strategically located democratic countries (Kliman 2012, 57). An alliance with these four states may not be an option since two of them are in BRICS group and two others are interested to bandwagon with China (Kliman 2012, 62-3). The problem here is that currently China has much more to offer for those four states than the USA and on the other hand any kind of an alliance from a Chinese perspective would be seen as an attempt to block China's rightful rise. In Kliman's vision China is different from the West and an adversary state and the rest four are more like the West (Kliman 2012, 62-3).

In order to make partnership with the West attractive for those four states the West has to be ready to reform the international order. And Kliman's idea is that in partnership with at least those four countries it could be possible to renew a global order that would "safeguard international security and prosperity" (Kliman 2012, 58). In a wider sense the issue would be to safeguard wasted interests of the West as well as the Western model of modernization.

In India it has been understood that it is a natural US interest in the changing international reality to build partnership with countries like Brazil, India and Indonesia (Nonalignment 2.0 2012, 31; 32). But from an Indian perspective partnership with the USA is not at all that clear since India does not agree with some new international norms like Responsibility to Protect (Nonalignment 2.0 2012, 37) or the US policy towards Iran. India is interested to maintain flexibility in its foreign policy and this might be true even in its membership in BRICS. India wants to have maximum options in its external relations to enhance its "strategic space and capacity for independent agency" (Nonalignment 2.0 2012, 8)

From an Indian perspective China and the USA will be superpowers but along them there will be several relevant centers and hubs of power. India has to be in a position where no other state, not even the USA, is able to influence on India or make India act against its own interests and will. (Nonalignment 2.0 2012, 10) On the other hand India is engaged in competition with China in Asia and also globally but it does not have the interest to combat with the USA. Therefore the USA is a likely alliance partner for India. But India does not have any interest to become a casualty in Sino-American relations. And from an Indian perspective it is not at all clear how the USA would respond if China would pose a threat to India or Indian interests. (Nonalignment 2.0 2012, 32)

Finally, it is justified to ask how solidary Russia will be to BRICS. In its foreign policy strategy from 2008 Russia calls for building a truly unified Europe without any division lines. And in fact in the west Russia is looking even beyond Atlantic Ocean in emphasizing interaction between Russia, the EU and the USA. This cooperation could "strengthen the position of the Euro-Atlantic states in global competition". (Russian FP 2008, 12) This way Russia associate itself with the West. And for instance Cameron (2011, 4) has argued, "that Russia's natural place is with the mature Western economies rather than among aggressive and much poorer, emerging economies".

4. Is BRICS anything more than just China and India?

It seems to be already evident that the global economic order is first of all challenged by China and India which are not just nation-states but global regions and old civilizations. They are located between the traditional North and South creating the semi-central societies. These two powers have re-entered into global history. (Schwengel 2008, 767-8) As Pieterse (2008, 713) says after few hundred years of historical exception of Western hegemony China and India are back. This kind of argumentation means that when we talk about the global change the issue is not necessarily about BRICS but first of all about China and India.

4.1. China and India in BRICS

In addition to BRICS some institutions use the concept “E7” (Emerging 7): Brazil, China, India, Indonesia, Mexico, Russia and Turkey. It has been estimated that E7 will take over the G7 countries as early as 2017 in PPP terms. And by the end of 2050 E7 will be 75 per cent larger than G7 countries. However much of the growth in E7 will be driven by China and India. By 2050 China, India and the USA will be “the three largest economies in the world”. (PwC Report 2013, 8) China is becoming increasingly dominant in BRICS. Already now its role in the foreign trade of BRICS is determining. (Jacques 2012, 497)

For instance China is the primary trading partner for Brazil, India and South Africa (Laidi 2011, 10). In 2010 China was the biggest foreign investor in Brazil (basically in oil production) (Jacques 2012, 437). Large international corporations are first of all relocating their research and development facilities into China and India due to the “massive reservoir of cheap scientific and engineering talent” (Palat 2008, 725). China and India are also the countries which have been forced into agreements with governments in Africa, Latin America and Middle East to secure the needed resources of raw materials and fossil fuel for their growing economies (Palat 2008, 726). Close to 50 per cent of China’s foreign “investments have been in Latin America to obtain raw materials” (Palat 2008, 726).

The only area where India has a lead over China as well as other BRICS is the IT sector. For instance India’s IT export has been worth of 10 billion USD compared to China’s 1.5 billion USD. India’s strong IT sector and competence in the software has already drawn General Electrics, Intel, Cisco, IBM and Dell to invest in India. Other companies, like Nokia, have followed the example. (Harris 2005, 19)

China has already established itself as the largest exporting nation. China has more than 2.5 trillion surplus in its foreign trade. This has given an option for China to invest abroad. (Green and Kliman 2011, 37) On the other hand Chinese import has displaced local production in some African states. Or the Chinese companies prefer to “employ Chinese workers in Africa and provide poor working conditions when they employ African workers”. (Palat 2008, 728) In good or bad we talk first about Chinese present in different parts of the world. India comes after and the rest of BRICS seem to have a minor role in the global transition.

When emphasizing the growing role of China and India in the global order an interesting aspect is that a joint document of China and India (Shared Vision 2008) does not refer at all to other BRIC(S) countries. Instead it talks about promoting together peace and development in Asia and the whole world. Further it talks about promoting the building of harmonious world of durable peace and common prosperity. An interesting aspect here is that the concept “harmonious” refers to Confucian philosophy and is related to the Chinese understanding about the future global order, all under the heaven.

4.2. China-India rivalry in Asia and globally

Officially China and India are supposed to be good friends whose relation is based on the so called five principles of Peaceful Co-existence from the 1950s. And both states are committed for realizing peace and progress of human kind. They also support regional integration in Asia. (A Shared Vision 2008) However, an interesting aspect in China-India Shared Vision is that it admits India’s aspiration for the permanent seat in the UN Security Council, but it does not give China’s support for India (A Shared Vision 2008). In general China opposes the increase of the number of permanent members in the UNSC since the first potential beneficiary would be India (Laidi 2011, 10).

The USA has explicitly supported India for having the permanent seat in the UNSC. From the US perspective India has the potential what other states do not have in counterbalancing the increasing Chinese influence in the changing international order (Laidi 2011, 12). China's objection and the US support for Indian interest puts India into a difficult position. As already indicated India is not necessarily keen on partnership with the USA. A friendship would be enough for India since China is suspicious of India's partnerships, and sees improved Indian ties with the USA in zero-sum terms (Nonalignment 2.0 2012, 32).

According to Cameron (2011, 3) China and India are strategic competitors as much as they are friends or even allies. Especially India is worried about China's military rise and its obvious interest to encircle India with strategic ports in Myanmar, Bangladesh, Sri Lanka and Pakistan (Pant 2010, 55). China has also been active in India's back yard in Nepal and Mauritius (Jacques 2012, 440). China's military presence has increased in Tibet in the early 2000. China and India also share a disputed Himalayan border. All these factors mean at least from the Indian perspective that there is a tension in China-India relations.

It is also possible to talk about China-India rivalry for Russia's natural resource (Cameron 2011, 4). And they also compete for Central Asian influence and resources (Brütsch and Papa 2012, 2). Both countries are also eager in grabbing African resources. Therefore "Africa should be a major focus area for India in both economic and political terms" (Nonalignment 2.0 2012, 35). Increased dependence on external resources has made the Indian Ocean extremely important for Indian security. In order to secure the supply of vital resources and trade routes India "should be in a position to dominate the Indian Ocean region" (Nonalignment 2.0 2012, 38; 41).

Although China talks about peaceful rise it will be for the foreseeable future the major foreign policy and security challenge for India. From an Indian perspective it is the only major power directly in the India's geopolitical space (Nonalignment 2.0 2012, 13). Therefore it should be in Indian interest to get China preoccupied in its immediate geopolitical theatre. It is in the Indian interest to encourage the USA, Japan, Australia, Indonesia and even Vietnam to be more active in the Asia-Pacific theatre especially in the South China Sea region. This could reduce China's presence in the Indian Ocean and in the South Asia. (Nonalignment 2.0 2012, 13; 16; 32)

For India China appears to be a major challenger for the USA in the economic and later on also in the military terms. Therefore, India should watch carefully the Sino-US competition in Asia. Related to Sino-US competition India has understood that many Asian countries look for India to have more active role in Asia in balancing the Chinese influence. (Nonalignment 2.0 2012, 12; 32) India takes it given that Asia is likely to be a theatre for strategic rivalry and a theatre for great power competition not least because "China's economic and strategic footprint in Asia is enormous" already now (Nonalignment 2.0 2012, 12).

India does not expect to have an important role for itself in Asia in balancing Chinese influence. But it sees itself also as a global power on its own right. The scale and success of Indian "economy will leave an extraordinary footprint on the whole world and define future possibilities for the entire human kind" (Nonalignment 2.0 2012, 7). India also believes that the whole world is "increasingly looking to India to shape global norms" (Nonalignment 2.0 2012, 36). While China simultaneously sees itself as a renewed Middle Kingdom in the future global order it is more than likely that it is hard for the BRICS to function as a coherent international organization for shaping the new international order.

5. Conclusions

It is easy to agree with Schwengel (2008, 770) that the USA is not anymore the sole guarantor of the global market and as the Pacific and Atlantic power it is not anymore globally accepted hegemon, “neither by the elites nor by the common people”. Interesting aspect in the current situation is that the major dividing line is between two different kind of capitalism (Pieterse 2008, 716) overlapped with civilizational divide. But it is far from evident whether BRICS as an organization is the factor to challenge the US dominance and able to construct the future international order.

It is less likely that BRICS currently has much more common than the “size, growth prospects and mutual animosities” (Brütsch and Papa 2012, 3). And there are also scholars like Sharma (2012) who are skeptical about the continuous growth of BRICS. Sharma relies on the historical experience of Asian Tigers as well as to some other cases which were not able to sustain high growth more than just two decades. The ability of BRICS to change the international order is connected to economic prospects and diversity within the BRICS.

Common for all BRICS is fast growing economy, interest in multipolarity, antipathy against the US hegemony but that is not necessarily enough to make a coherent and influential institution. On the other hand Brazil, Russia and South Africa are more in the West than China and India. China and India represent a different civilization and therefore they can be challengers of the existing international order.

The diversity within BRICS makes it possible for the USA or the North Atlantic axis to divide the BRICS and continue to rule the world. For Brazil, Russia and South Africa a reform of the institutions vital in the governance of the current international order could be enough. This is one factor what undermines the potential power of BRICS as an international arrangement. The other factor is the Sino-Indian rivalry. This rivalry makes it possible for the USA to use India in the emerging Sino-US game for the leading position in the future international order.

It is still difficult to see the BRICS as an institution what would seriously challenge the existing international order. It is rather an institution for advancing diverse individual national interests of the member states. Part of the BRICS countries might be satisfied to increase their voice and role in the global politics and on the regional structures. This would democratize international regimes but not necessarily change the order and its value base even in the case that further modernization of rising powers would be more an indigenous process and therefore increase plurality in the global system.

Although BRICS as an institution does not necessarily challenge the existing international order there are elements in the BRICS which can be a base for an alternative world order. But it is even more likely that around China and India it is possible to intensify South-South cooperation and to replace the existing order with the one what would reflect better the international realities. China and India are the two BRICS members for whom the reform of the international regimes would not be enough. They both talk about changing the rules of the game although both lean on the growth oriented market economy.

Finally, how peaceful or violent the transition process will be depends first on how possible reforms will be accepted by rising and declining powers. First of all, are the declining powers ready to adapt into the new realities after the existing order has been understood as normal for some two hundred years. The other thing is does the reform accommodate the rising powers enough that they would be satisfied. Reforms might be enough for the USA, Brazil, Russia and South Africa but not necessarily for China and India.

More complicated the issue will be in case we talk about the hegemony change simultaneously with the change of the whole global order. In that case it is not the BRICS but China as the potential New Middle Kingdom we have to talk about. On the other hand there are currently many states in the global South which are ready to bandwagon with China but at the same time less interested on Chinese hegemony in the global system.

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