

BRICS: Prospects of Cooperation*

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In the present article BRICS is considered as a form of integration with peculiar geographical and functional characteristics which allows considering it as a new type of interstate cooperation. The main focus is on the interaction between the BRICS member countries and their role in the contemporary international relations.

Keywords: BRICS, integration, international organizations, international affairs, policy, new world order, globalization.

The current geopolitical trends indicate that today the center of decision-making on global issues is gradually shifting to some new inter-state associations. On the one hand, there emerge regional organizations which promote interests of their members and seek to offer a consolidated position in solving international issues. On the other hand, the former and new centers of power conduct a formal and informal dialogue on the controversial issues in their relations. BRICS represents a framework for a dialogue between countries with different social and economic models, and moreover, belonging to different civilizations. In this context it is essential to analyze both, the commonalities and contradictions between the BRICS member countries.

China

China considers BRICS-cooperation as instrument for the formation of a new, just, and rational world order which will provide favorable conditions for the country's further development. The PRC officials as well as the Chinese authoritative expert centers regularly confirm this point in their statements (Yuan 2007).

The Chinese urge the BRICS member countries 'to pay attention to security issues, to strengthen cooperation on major regional affairs and to deepen cooperation in all areas' (Zhen'min Zhibao 2012b). This is the evidence of China's concern with the political pillar of the association. The Chinese leaders consistently emphasize that cooperation and common development with the BRICS countries (alongside with the G20 and SCO) is the priority of the country's foreign policy (Zhen'min Zhibao 2012a). China promotes the institutional formation of BRICS as an informal dialogue, implying the creation of specialized areas of cooperation among member-states in all relevant spheres. China regularly emphasizes the essential economic complementarity between the BRICS countries. It is noteworthy that at the same time the PRC constantly highlights that it is the largest economy of the BRICS-cooperation; consequently, following the logic that 'economic power determines political influence', it strives to be the leading actor of the group.

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The establishment of cooperation within the BRICS format occurred during the period of China's search for and development of a new and more active political strategy in the international arena. It was triggered by the fact that in the context of a rapid economic growth and increasing political influence, the issue of more effective international political activity had acquired a particular urgency for China. Chinese experts and diplomats focused on the revision of Deng Xiaoping's foundations of China's foreign policy. 'Deng's legacy' was treated as a dialectical balance of two principles: the principle of traditional restrained statehood (*taoguang yanghui*) and the principle of worthy actions (*yousuo zuowei*) (Yuan 2007). In the 2000s, there were debates among the Chinese experts on the issue why the strategy implemented in the 1990s with its prevailing restraints and numerous tactical and subordinate actions turned into a failure. Finally, a new model of active participation was developed, involving worthy actions which are, nevertheless, in line with Deng Xiaoping strategies claiming that there is no need 'to lead' by all means and one should try to focus away from oneself (Yang 2011).

The new Chinese strategy fits well into the BRICS format, which promotes interests similar to the Chinese ones, and at the same time there is no emphasis on the role of the group leader. Moreover, it is claimed that the emergence of BRICS has made the Chinese economic and political growth less irritating for the rest of the world (Global Times 2012).

Russia

Similar to China, Russia's participation in BRICS meets the country's own national interests. However, Russia's claims to be one of the current global political poles conflict with a number of political and economic indices (The Comparative Characteristic of Economy of G-7... 2014) which are often applied to attribute Russia to the developing countries. The economic cooperation with partners in the association determines Russia's participation in the BRICS framework. However, the main objectives and tasks are primarily concerned with foreign policy. Russia considers the BRICS-cooperation as an effective tool to counteract the influence of the USA and its Western partners' policy in those regions of the world which are traditionally associated with the Russian sphere of interest.

The supporters of Russia's participation in the association proceed from the assumption that BRICS member-states will become centers of global economic growth in the nearest future. The economic influence will gradually transform into political one and promote the formation of a new polycentric world order, and BRICS will provide via its collective position more favorable conditions for its members in different spheres of global politics and economy. However, one should note that Russia is already among the actors that determine the agenda in international political arena. Thus, Russia plays a role of a responsible mediator within BRICS (Sergeev and Alexeenkova 2010: 27).

The sceptics of Russia's participation in the association proceed from the analysis of the same data on the resources and opportunities of economic development which are used by the supporters of Russia's participation. In spite of the overall economic potential, the statements on Russia's outsider position within BRICS are based on the fact that the economies of BRICS member-states are resource-exporting economies with some exceptions. In this context, the skeptics consider Russia's position to be rather weak. The major obstacles to investment opportunities are the lack of real innovation potential, a strong dependence on hydrocarbon exports and impossibility to efficiently increase the production facilities.

One should note that the skeptical conclusions on Russia's failure within the association are made based on economic indicators. However, the BRICS skeptics often ignore

Russia's military, social, cultural, and geopolitical potential. The Russian economic growth rates are inferior to those of China and India, but the real GDP growth, inflation, and economic dynamic make Russia comparable with the economies of Brazil and South Africa (Borisfen Intel 2013). Russian GDP per capita is much larger than of the other BRICS countries, and the index of human development (HDI) and the level of education far surpass similar indices of the other BRICS members (Human Development Report 2014).

Thus, in their assessments of Russia's position in BRICS, skeptics and optimists hold diametrical positions while proceeding from the same economic indicators. The optimists believe that Russia will become one of the political centers in the new polycentric world. The skeptics base their assertions on the outsider position of Russia in BRICS due to resource-based exports, the outflow of foreign investments and capital, a high level of state regulation, widespread corruption, poor production and transport infrastructure, and inefficient reforms towards modernization.

However, in 2014–2015, the exclusion of Russia from the G8, going hand in hand with Western economic sanctions, changed the global political landscape and Russia's place in it. The debate about the BRICS took a different character. The statements of Fortaleza Declaration (Fortaleza Declaration and Fortaleza Action Plan 15 June, 2014) and of the Ufa Declaration of the BRICS summit prove this (The Ufa Declaration and The Ufa Action Plan 2015).

The increasing pressure from the West indicates the strengthening of Russia's political position, which has been successfully following the path of creating alternative international institutions. Russia's participation in BRICS meets national interests of the country since it provides a wide range of opportunities in the international arena. Thus, Russia considers BRICS as an instrument of strengthening its position in the international system. The country has a vast experience in dealing with global issues and it possess necessary foreign policy concepts, behavior models and strategic culture, as well as the experience of creation, albeit mostly at the regional level, of a new system of international relations. China acknowledges that Russia is an experienced political player which is strategically important during the formation of the association as the world political agent.

Brazil

Brazil is the state with clear and thoroughly formulated foreign policy attitudes, which has a peculiar position in Latin America due to its largest territory, population and economy on the continent. Brazil is a vast market, which accounts 25 per cent of industrial and 32 per cent of agricultural production in the BRICS-area, more than 50 per cent of scientific and technological potential of Latin America. About 40 per cent of foreign direct investment in the region go to Brazil (64 bln dollars in 2013), which is inferior only to China and the United States (Sadovnichiy *et al.* 2014: 77). Brazil had been interested in BRICS long before the actual entering the association. In the late 1990s, a well-known Brazilian diplomat Helio Jaguaribe de Mattos, in *Politica Externa*, the official journal of the Brazilian Ministry of Foreign Affairs, suggested establishing a 'preferential cooperation of the Giants' referring to Brazil, Russia, India, and China, to which, in his opinion, Argentina, Turkey, Mexico, and Indonesia could join in the future (Martynov and Ivanovskiy *et al.* 2013: 85). The visit of Russian Prime Minister Evgeny Primakov to Brazil in November 1998 was an important step towards creating a new format of cooperation. Another event happened in December 2002, when Brazilian President Luíz Inácio Lula da Silva came forward with an initiative of preferential cooperation of the 'big four'. Thus, for Brazil the

participation in BRICS was a logical continuation of the country's foreign policy strategy aimed at strengthening its role in the world economy and politics to ensure favorable external conditions for development.

In the 2000s, following the country's GDP growth, as well as the solution of social problems, and development of large hydrocarbon deposits on the continental shelf, Brazil actively increased its participation in new forms of dialogue. Significant resource, economic, scientific and technological opportunities together with the leading position in the region created a necessary basis for a comprehensive economic development and political cooperation with BRICS countries in Latin America. One can say that Brazil and most Latin American countries take a common stance on major global problems, which, in turn, is similar to the position of the other BRICS member states. Thus, one can naturally expect some successful joint actions of the BRICS and Latin America leading countries (Sadovnichiy *et al.* 2014: 88).

It is worth noting that Brazil, as well as other BRICS nations has its own geopolitical projects. Thus, one can distinguish three main directions within the general strategy, namely: Latin American, South Atlantic and global, the latter today is mainly associated with obtaining a permanent UN Security Council member status. Brazil pays much attention to cooperation within the BRICS framework in all these three spheres.

We can assume that Brazil will prefer to maintain a long-term status of a regional leader representing Latin America within BRICS group. However, experts note that the geopolitical situation in Latin America will preserve an element of bipolarity due to the United States' influence on Mexico, the countries of Central America and the Caribbean (Sadovnichiy *et al.* 2014: 89).

Regarding Brazil's relationship within the group of BRICS partners, most part of common interests lies in the solution of global problems, in the reform of the global financial system to increase the quota of the emerging economies in the international financial institutions (IMF and the World Bank), as well as in the creation of a new reserve currency and transition to payments in national currency.

It is also appropriate to recall the idea of a 'South Atlantic community' (Martynov, Ivanovskiy *et al.* 2013: 91), consisting of Brazil, South Africa, and India (which form the IBSA), aiming at joint decision-making in foreign policy and strengthening economic relations between the member states, as well as at conducting regular political consultations in the framework of IBSA and joint maneuvers (IBSAMAR) in the South Atlantic and the Indian Oceans.

Brazil focuses on strategic cooperation within BRICS, which indicates its fundamental interest in further strengthening this format and in deepening mutual understanding to solve a number of important global issues. Brazil focuses on those security issues which should be common and indivisible in all spheres: military, political, financial, information, and environmental, *etc.* Brazil proposes to put the most contradictory tactical issues of cooperation to other levels (the UN, G20, WTO, and IBSA) (Martynov, Ivanovskiy *et al.* 2013: 94).

India

As for India, it is also one of the key players in modern geopolitics. The Indian economy is actively advancing in automobile, pharmaceutical, textile, and aerospace industries. Outsourcing has become a visiting card of India, as well as export of services in the field of

computer technology and programming. The state takes an active role in a number of international cooperation formats.

Speaking about the significance of BRICS for India, the Foreign Secretary Shivshankar Menon noted on the eve of the summit in Yekaterinburg that India attaches great importance to a regular exchange of views on global financial and economic issues with the leaders of the member-states. The preparatory work and meetings at the academic level are also considered important since they positively influence the agenda and open the way to a discussion on a wide range of issues and, therefore, to a more effective cooperation.

Within bilateral relations with BRICS partners, India is interested in relations with Russia in the spheres of trade energy, and space industry, *etc.* Together with China, India is actively pursuing infrastructure projects on the African continent, providing loans to African countries on reasonable terms. India is developing cooperation with Brazil in the fields of metallurgy, oil production, aircraft and automobile industry, conduct joint development in military and technical field. India's relations with South Africa are based on an active mutual trade. After the President of India, Pratibha Patil, visited South Africa in May 2012, the mutual trade turnover between both states increased from 10 bln dollars in 2012 to 15 billion dollars in 2014 (Xinhua 2012) which proves the success of activities within BRICS framework.

It is worth noting that local and regional perceptions of key problems of global politics are rather typical for India, which finds its expression in the interaction between India, Brazil and South Africa within the IBSA framework (Volodin 2013: 122).

South Africa

South Africa is one of the influential states in the world. On December 24, 2010 the Minister of International Relations and Cooperation of South Africa, Maite Nkoana-Mashabane, received a letter from the Minister of Foreign Affairs of China, Ya Jiechi, in which China, presiding the BRICs at that time, in coordination with other member states, invited the South African Republic to join the BRIC. And in the beginning of April 2011, Chinese President Hu Jintao invited Jacob Zuma, President of South Africa, to participate in the BRIC's summit in Sanya (Arkhangelskaya 2013: 142).

South Africa's ambitions in world politics do not accept the role of a satellite, thus, the country advocates for an equitable representation of the 'South' in all international institutions, while being the only representative of the African continent in the G20. South Africa does not seek to become a global power and positions itself as a regional political center. With regard to international financial institutions, South Africa tends to limit their interference; however, like other BRICS member-states, South Africa committed \$US 2 billion to International Monetary Fund from their foreign exchange reserves. The Republic actively strives to gain a permanent membership in the UN Security Council and it has been twice elected its non-permanent member.

Regarding the relations with other BRICS members, they are mainly based on the elaboration of economic cooperation. The South African relations with China acquired the greatest dynamics; thus, in 2009 China became even the largest South African trading partner. It is worth noting that in the trade balance between the countries, imports from China exceed exports from South Africa more than twice.

There is an obvious imbalance between political and economic components in the relations between Russia and South Africa. The reason is that trade and economic cooperation between Russia and South Africa were hardly developed the first ten years after the

government of 'black majority' had come to power. It was only in 1999 that Mandela visited Moscow and the return visit of the Russian President occurred in 2006.

In the area of economic and political relations one should point out the cooperation between South Africa and Brazil with 'Africa – South America' summits, talks on the ratification of the Agreement on preferential trade between MERCOSUR and the UTS (Yakovets 2012). South Africa is Brazil's major partner in Africa. In turn, Brazil accounts to 41 per cent of South Africa's turnover with Latin America (Sadovnichiy *et al.* 2014: 92). Both countries interact efficiently within the WTO, IMF, the World Bank and various international dialogue formats.

Thus, South Africa's participation in BRICS confirms the importance of the African constituent in the modern system of international relations. The involvement of the African state in the association enhances the power and status of BRICS, provides its engagement, influence and trade opportunities on three continents, which should also contribute to BRICS relationship with the African Union and other organizations on the continent. The advantage of South Africa lies in its excellent infrastructure which allows it to play the role of a 'gate' in the promotion of trade and investment to other countries in Africa; besides, South Africa itself is the largest supplier of mineral resources and has a considerable scientific and technical potential. According to Jacob Zuma, having entered BRICS in 2011, South Africa can adequately represent the entire African continent in the 'club' (SFRnews 2011).

In turn, BRICS allows South Africa to raise its international status and role in the emerging polycentric world order. It is an important factor for the country to have a potential opportunity to strengthen its position as a representative of the African continent in the international arena. South Africa looks forward towards developing sectorial networks within BRICS, as well as towards attracting investments and developing infrastructure both in the territory of the Republic of South Africa and on the whole continent.

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Thus, the interactive format of BRICS is a historically new model which accounts the diversity in contrast to uniformity, the model which is equally acceptable to both developing and developed countries. Within the general format, each member-state represents a large geopolitical area where it has leading positions. However, there can hardly be an undeniable leader within BRICS since leadership in BRICS is multifunctional and based on various aspects.

In addition, today, each of the BRICS members is also supported by large regional associations: China by the East Asian Summit (EAS); India by South Asian Association for Regional Cooperation (SAARC); Russia by the Customs Union and the Eurasian Economic Union (EEU); Brazil by the Union of South American Nations (UNASUR); and South Africa by the Southern African Development Community (SADC). One should also point out the existing multilateral organizations such as the Shanghai Cooperation Organization (SCO) and the Union of India, Brazil and South Africa (IBSA).

This implies that BRICS countries under the condition of further development of appropriate strategies will trigger a greater coordination among numerous regional and sub-regional organizations, and promote their gradually increasing role in the system of international regulation.

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