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HOW COULD THE BRICS (AND THE BRICS+) ANSWER THE DEMAND OF A CHANGE IN GLOBAL INSTITUTIONS AND WHAT COULD BE THE CONSEQUENCES

The BRIC grouping's first formal summit was held in Yekaterinburg on 16 June 2009 nearly 15 years ago. Attended to this summit Luiz Inacio Lula da Silva for Brazil, Dmitry Medvedev for Russia, Manmohan Singh for India and Hu Jintao for China. Few were those who understood that this event was to be a pivotal one. The summit's focus was on improving the global economic governance², on reforming financial institution – remember we were then in the middle of a global financial crash, the “subprime crisis” and improving co-operation between the 4 countries.

The 16th summit will take place this October in Russia. Will gather then ten members and many more candidates. This is a proof that the BRIC, becoming the BRICS in 2011 and then the BRICS+ on January 1st this year, have become major a player in the global economy. But such a player is a collective one and it is attracting around it a large number of countries united by their dissatisfaction with the way global institutions, dating back from Bretton Woods or the Cold War, are run. Could the BRICS+ answer these demands and could set an improved or even a completely new set of rules? And, even more important how global institutions could and would be reshaped by BRICS+ influence or direct action?

The rise of the BRICS

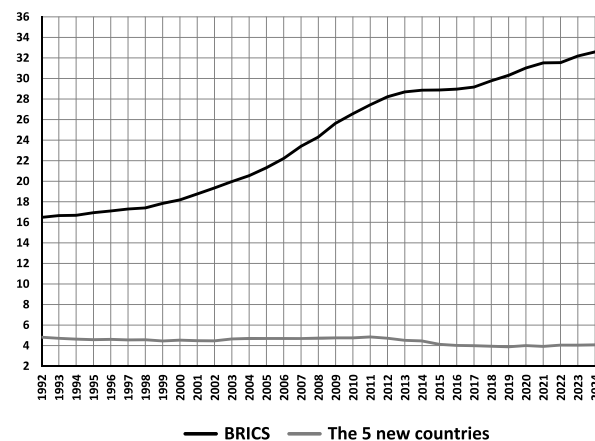
Two decades have passed since the acronym BRIC – Brazil, Russia, India, China – was brought into our popular vernacular by Jim O'Neill, an economist at Goldman Sachs. His influential paper, entitled ‘Building Better Global Economic BRICs’³, analyzed the spectacular economic growth this group of countries were set to experience, and the implications of these future trends for international political economy. The 2009 meeting was in fact the conclusion of a process that begun in 2006 alongside the UN General Assembly. During these fateful 3 years, the world had been confronted to major a financial crisis, one that neither the USA nor the IMF could tame and even control.⁴ Retrospective-

ly, it is clear that sparked the willingness of the four countries to try to organize a better governance system.⁵ In 2011, South Africa joined this country grouping as an economic outperformer in the Global South – an emerging economy and a young democracy – taking the BRICs to BRICS, where the ‘S’ now stood for its newest member.

With this addition, the BRICS countries accounted for 26% of the global landmass and a total of global GDP (in PPP) going from 25.6% in 2009 to 32.2% by end 2023.

Figure 1

Share of BRICS in world GDP (PPP) and of the 5 new countries adhering on January 1st, 2024



Source: IMF

While sceptics and cautious enthusiasts variously described the BRICS as a kind of ‘loose association,’ a ‘Potemkin village’⁶, or a ‘club of coincidence’⁷, this grouping has considerably grown in influence. It undoubtedly comprised of countries with common economic aspirations and similar ideas on the type of multilateralism and shifts in global political economy that would be required to achieve them. It is these underlying economic aspirations that have served to reinvigorate the flow of capital within and across BRICS countries amidst a financing vacuum within a post-financial crisis world. As a matter of fact, BRICS expanded, attracting more and more countries. In 2023, at the 15th summit, the organization decided to admit 6 new countries. Even if only five accepted (for political reasons, Argentina declined the invitation) BRICS transformed into BRICS+ by January 1st, 2024 with a common GDP (in PPP) of 36.2%. The BRICS became the equal of the G-7, and the BRICS+ closed the gap with the “collective West”.

Internationale Politik und Gesellschaft. 2009. № 1. P. 27–44.

⁵ Nayyar D. BRICS, developing countries and global governance // Third World Quarterly. 2016. № 37 (4). P. 575–591.

⁶ Pomeranz W. Why Russia needs the BRICS // Global Public Square. 2013. URL: <https://globalpublicsquare.blogs.cnn.com/2013/09/03/why-russia-needs-the-brics>.

⁷ Saran S. India's contemporary plurilateralism // The Oxford Handbook of Indian Foreign Policy / eds: D. E. Malone, C. R. Mohan, S. Raghavan. Oxford: Oxford Univ. Press, 2015.

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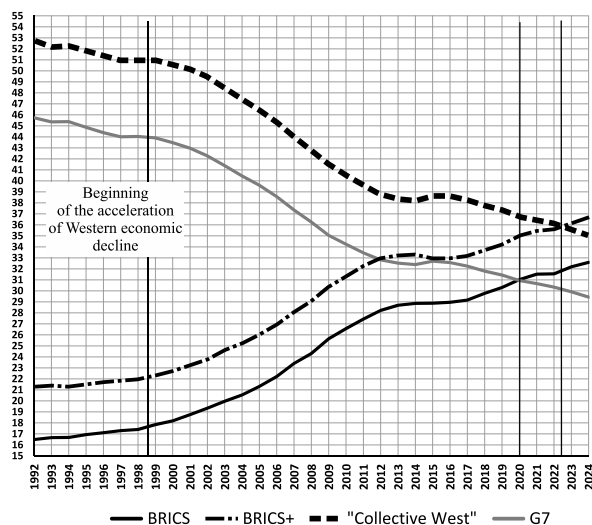
² Petropoulos S. The emergence of the BRICS – Implications for global governance // Journal of International and Global Studies. 2013. № 4 (2). P. 37–51.

³ O'Neill J. Building better global economic BRICs // Global Economics Paper Series. 2001. № 66. URL: <https://www.goldmansachs.com/insights/archive/building-better.html>.

Sapir J. From Financial Crisis to Turning Point. How the US ‘Subprime Crisis’ turned into a worldwide One and Will Change the World Economy //

Figure 2

Share of BRICS, BRICS+ vs ones of the G7 and "collective West" in world GDP (in PPP)



Source: IMF.

In the period that followed, it was clear that “globalization” was in deep crisis.¹ The BRICS became an aspirational bloc with its own internal dynamics: they held yearly summits, had diplomatic ambitions, made commitments to large-scale infrastructure projects within their national boundaries as well as transnational ones in their regions. They flexed their economic muscle by establishing a new lending institution – the New Development Bank that admitted countries not yet BRICS members² – and challenging the hegemony of European and North American countries in international finance. It is these underlying economic aspirations that have served to reinvigorate the flow of capital within and across BRICS countries amidst a financing vacuum within a post-financial crisis world. In 2017, nearly a decade after the 2008 financial crisis, the BRICS accounted for 19% of global investment inflows.³ Much of these financial flows have been channeled into capital-intensive infrastructure projects.

These countries, however, had been undergoing dramatic transformation in their political-economic structure since the 1990s. A common denominator across the heterogeneous economic development experiences of these countries to their position as high-performers has been how the state has actively made policy interventions for resource mobilization, trade policies, public procurement, the fostering of public demand and the provision of financial support.⁴ The developmental role of the state has taken different forms in the BRICS countries.

¹ Crisis of Globalization: The new context and challenges for national economies // Contemporary Global Challenges and National Interests: the 15th International Likhachov Scientific Conference, May 14–15, 2015 / ed. A. S. Zapesotsky. SPb.: SPbUHS, 2015. P. 142–145.

² New Development Bank (NDB). NDB admits Egypt as new member: Press Release on 29th December 2021. URL: https://www.ndb.int/press_release/ndb-admits-egypt-as-new-member.

³ Garcia A., Bond P. Amplifying the contradictions: The centrifugal BRICS // Social Register. 2019. № 55. P. 223–246.

⁴ Santiago F. The role of industrial policies in the BRICS economic integration process // Inclusive and Sustainable Development Working Paper Series. 2020. № 1. UNIDO, Research, Statistics and Industrial Policy Branch. URL: <https://www.unido.org/api/opentext/documents/download/16531301/unido-file-16531301>.

Are BRICS+ serious a source of contest of the Western domination on global governance?

The emergence of the BRICS as an alternative force to the West has ignited a debate within the discipline of international political economy on the nature of the group’s rise within global governance. There is no doubt that this emergence took place between 2011 and 2021⁵, and had been exacerbated first by the COVID-19 crisis and then by geopolitical events since February 2022. But problems leading to this situation clearly predated these crisis.⁶

The place of the BRICS within global governance has sparked two important group of research. One discusses the role of the BRICS in transforming the world order⁷ and argues that, through interaction, the BRICS members have developed layers of collective identity as emerging powers⁸, and examines how this identity affects the role of the BRICS in global governance.⁹ One important point is to understand why the creation of the G-20 has not prevented the BRICS development.¹⁰ In this group of research, one can find that the BRICS are operating now on an international level within a rules-based framework – that is, global governance – whereby states seek to achieve collective action through a common understanding of a set of rules, but an understanding which is not necessarily shared by Western countries.¹¹ Rather than focusing on which states are dominant nations within the international hierarchy or on the international dynamics that drive the growth in power of individual states, this group of research focuses on how the BRICS are progressively changing the rules and norms of the system.¹² Much of the literature focuses on how the rise of the BRICS challenges the dominant western concept of international organizations.

But there is too a second group of scholars that has examined the BRICS’s role in global governance. They usually consider their ascent as a direct challenge to the current international order. This group focuses on the domestic sources of the BRICS nations’ preferences regarding global governance, which allows for the assessment of the heterogeneity of and differences among the BRICS countries. It is clear that the BRICS push their common interests, such as improving bargaining power at the multilateral level or securing access to international markets.¹³ However,

⁵ Sapir J. La Démondialisation (new publishing, in an updated format). P.: Le Seuil, 2021.

⁶ Sapir J. Fin d’un cycle de mondialisation et nouveaux enjeux économiques // La Revue Internationale et Stratégique. 2008. № 72 (Hiver 2008/09). P. 92–107.

⁷ Van Noort C. The Construction of Power in the Strategic Narratives of the BRICS // Global Society. 2019. № 33 (4). P. 462–478.

⁸ Larionova M., Shelepov A. BRICS, G20 and Global Economic Governance Reform // International Political Science Review. 2021. Vol. 43 (4). URL: <https://journals.sagepub.com/doi/10.1177/01925121211048297#bibr24-01925121211048297>; Thakur R. How Representative are BRICS? // Third World Quarterly. 2014. № 35 (10). P. 1791–1808.

⁹ Mielniczuk F. BRICS in the Contemporary World: Changing identities, converging interests // Third World Quarterly. 2013. № 34 (6). P. 1075–1090.

¹⁰ Schirm S. A. Global Politics are Domestic Politics: A societal approach to divergence in the G20 // Review of International Studies. 2013. № 39 (3). P. 685–706.

¹¹ Luckhurst J. The Shifting Global Economic Architecture. Decentralizing Authority in Contemporary Global Governance. N. Y.: Palgrave Macmillan, 2018.

¹² Kirton J. Explaining the BRICS Summit Solid, Strengthening Success // International Organisations Research Journal. 2015. № 10 (2). P. 1–29.

¹³ Hopewell K. The BRICS – Merely a Fable? Emerging power alliances in global trade governance // International Affairs. 2017. № 93 (6). P. 1377–1396.

most importantly, they push for a multipolar world order – and they could do if we consider their economic weight¹ – and then oppose, either implicitly or explicitly the attempt of the US government and of the “collective West” to set the rules and to define what is to be the global governance.² If we agree with this second group of scholars, we then have to highlight the autonomy of each BRICS nation in developing coalitional behavior and a coherent strategy.³ However, the nation’s preferences approach to the BRICS does not fully develop an understanding of the BRICS as a group when limited to the formal frameworks offered by membership. And, quite clearly, the question of measuring the empowerment of international organizations, be they Western or BRICS produced arise.⁴ Still, the real capacity of the BRICS to reshape global institutions is a question mark.⁵

Disaffection with the current global institutions is quite clear.⁶ Even the World Bank doesn’t escape to critics.⁷ The Western bias in Bretton Woods institutions is still obvious and anger countries from the global South.⁸ The long story of badly designed interventions, of destructive conditionality since the end of the 1970’s till the 2000 is too much alive in countries of the global South to let them accept without more than a nod the domination of these institutions. Even some regional institutions, like the Inter-American Development bank⁹, because the US influence on them, are suspiciously seen by developing countries.

What is at stake clearly is a replacement of the Washington consensus¹⁰, and of the post-Washington consensus to allow for the development of emerging countries.

What would be the BRICS results?

In the end the first group of scholars here quoted focuses too much on the game itself and doesn’t take in consideration the possibility of a radical change coming from the collective BRICS action. In the same time the second group concentrates probably too much on states’ positions within the game and the areas of the game where they have increased their influence. However, there clearly is a missing view of the future situation. As a matter of fact, the concept of ‘changing the game’ has not been examined by either group.

This situation clearly leaves a gap in the analysis. If the BRICS really challenge the dominant rules and norms in international organizations, and we are seeing an evolution toward this direction, this should lead to a foundational change in the rules and norms that underpin the game. Could this change be accepted by the “collective West”? is another story and one quite important to be told. Could the BRICS, and now the BRICS+, be able to attract enough countries on this position to have in hands such a majority of countries that the “collective West” will have no other option than to agree with these changes is still to be seen.

If the BRICS are attempting to change the game itself, the BRICS, as a group in global governance must fight for a cultural hegemony on these matters. They should too be launching clear innovations – either through a restructuring of the rules and norms of current international organizations, or through the creation of new international organizations whose rules and norms reflect the identities of the BRICS. A new approach to structural power is required in order to fill this gap in the research.

But one can ask the question if the BRICS would not be the shielded space where a new dominant country could safely grow.

It is quite clear that securing regional leadership and increasing global standing are critical aspects of the rise of the BRICS. But, in the development of the BRICS one can have too an imperative of reciprocal caution. The BRICS can be seen as a group that prevents any single member of that group from becoming a dominant nation.¹¹ And this is quite understandable. Countries angered by the single country domination of the USA are to be wary of the replacement of this rule by another single country rule. To some extent we can say that the BRICS are potentially “Gaullist” in their approach as they are as opposed to a single country “hegemony” as was the late General de Gaulle in the 1960’s. But what has been a project of a lone country, France, transitioning from a “great power” to a middle-power status, is now achieved by an alliance of countries.

Will we end with a set of global institutions evolving from a Western domination to a more balanced situation, with countries from the “Global South” being able to make their voices and interests acknowledged, or will we end with the Western set of institution completely replaced by a new one originating from the BRICS or, will we end with two sets of non-global institutions with a radical division in two blocs?¹²

¹ Noelke A., Brink T., Claar S., May C. Domestic Structures, Foreign Economic Policies and Global Economic Order: Implications from the rise of large emerging economies // *European Journal of International Relations*. 2015. № 21 (3). P. 1–30 ; Stephen M. Rising Powers, Global Capitalism and Liberal Global Governance: A historical materialist account of the BRICS challenge // *European Journal of International Relations*. 2014. № 20 (4). P. 912–938.

² Lavenex S., Krizic I., Serrano O. EU and US Regulatory Power Under Strain? Emerging countries and the limits of external governance // *European Foreign Affairs Review*. 2017 № 22. P. 1–17 ; Stephen M. Emerging Powers and Emerging Trends in Global Governance // *Global Governance*. 2017. № 23 (3). P. 483–502.

³ Yang Xiao A. Theorizing the BRICS / ed. Xing Lin // *The International Political Economy of the BRICS*. Abingdon : Routledge, 2019. P. 37–56.

⁴ Heldt E., Schmidtke H. Measuring the Empowerment of International Organizations: The evolution of financial and staff capabilities // *Global Policy*. 2017. № 8. P. 51–61.

⁵ Hooijmaaijers B. China, the BRICS, and the Limitations of Reshaping Global Economic Governance // *Pacific Review*. 2019. № 34 (1). P. 29–55.

⁶ Harrigan J., Wang C., El-Said H. The Economic and Political Determinants of IMF and World Bank Lending in the Middle East and North Africa // *World Development*. 2006. № 34 (2). P. 247–270.

⁷ Humphrey C. The Politics of Loan Pricing in Multilateral Development Banks // *Review of International Political Economy*. 2014. № 21 (3). P. 611–639.

⁸ Humphrey C. Developmental Revolution or Bretton Woods Revisited? The prospects of the BRICS New Development Bank and the Asian Infrastructure Investment Bank. Overseas Development Institute Working Paper. 2015, Apr. № 448. URL: <https://cdn.odi.org/media/documents/9615.pdf>.

⁹ See: Inter-American Development Bank Report on the Ninth General Increase 2010 // Resources of the Inter-American Development Bank. Washington, D.C. : Board of Governors and Inter-American Development Bank. 2020. Capital Stock and Voting Power. URL: <https://www.iadb.org/en/about-us/capital-stock-and-voting-power>.

¹⁰ Sapir J. Le consensus de Washington et la transition en Russie: histoire d’un échec // *Revue Internationale de Sciences Sociales*. 2000. № 166, Déc. P. 541–553.

¹¹ Beeson M., Zeng J. The BRICS and Global Governance: China’s contradictory role // *Third World Quarterly*. 2018. № 39 (10). P. 1962–1978.

¹² The BRICS, Global Governance, and Challenges for South-South Cooperation in a Post Western World / N. Duggan, B. Hooijmaaijers, M. Rewizorski [et al.] // *International Political Science Review*. 2021. Dec. Vol. 43, iss. 4. URL: <https://journals.sagepub.com/doi/10.1177/01925121211052211>.