

Theme

BRICS and Outside World: Perception and Opportunities for Managing BRICS Image. BRICS Academic Community In Search Of Identity, Independent Agenda and Outreach

Title

Democratising the BRICS image through inclusive global agendas

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ABSTRACT

The BRICS are positioning themselves as a new, alternative force in global politics. As a new power configuration that is made up of key (re-)emerging powers, representing a significant economic and demographic proportion of the world, the BRICS nevertheless may be viewed by other states, especially other developing and low-income economies, as simply replacing one set of dominant powers with another. This paper argues that if the BRICS intend to posit themselves as a positive alternative to the existing dominant actors, and to be respected as such, the BRICS forum should embrace an inclusive developmental agenda in its global engagements. Specifically, the paper identifies tackling four global challenges that would reflect such an inclusive agenda: addressing inequality, advancing sustainable development, minimizing identity's radicalist manifestations, and navigating the nexus between sovereignty and global public goods. The paper presents some options for the BRICS to lead the way in addressing some of these global challenges.

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1. INTRODUCTION

Delinking themselves from the Jim O' Neill 'branding committee' of the early 2000s, the BRICS are shaping an identity that goes beyond their importance as emerging markets (the point that O'Neill emphasised) to address aspects of the current fluid geopolitical and geo-economic configurations.

Since 2009 when the first summit was held, the 'BRICS image' has become a well-known brand among the chattering classes. But it is still often, surprisingly, confused with the Jim O' Neill construct in terms of purpose. It has however galvanised interest, even if many, especially in the west, decry it for its seeming incoherence – a mix of different political and economic systems and variable power, influence and core interests. Some see the BRICS as replacing one form of dominance with another – after all, these five states can be defined as the 'new' powerful (with China as *primus inter pares*) – while others (including the BRICS themselves) consider this group as a force for positive global change.

A brand's image is a series of associations that customers hold about particular 'products'. It is a set of beliefs held about a specific brand (which may or may not be true). A brand has emotional value, and it is an accumulation of contact and observation by people external to an organisation or grouping. Importantly it is developed over time. In the international relations domain, the image and reputation of a country may also form part of its soft power. Soft power is the ability of states to achieve desired outcomes without the use of hard force because as Joseph Nye says, other countries admire a country's (or grouping's) values, emulate its example, and aspire to its level of prosperity and openness. Such power helps to shape the preferences of others and set agendas. Nye also emphasises though that soft power is not normative, but purely descriptive, and can be used for good or bad purposes.

Thus understanding the BRICS' soft power contributes to the external image/perception of the grouping. What might their soft power be? Their soft power as a collective may emanate at this point largely from their particular individual characteristics. China and India for example, have made tremendous strides in reducing poverty in their countries over the last two decades. Brazil's social transfers system has also won it many kudos, while South Africa's peaceful

political transformation and its international engagements since 1994 have endowed it with significant soft power.²

All the BRICS face substantial socio-economic disparities. Four of them are developing economies with a solid Southern base, while Russia (and the Soviet Union before it) was perceived among many in the developing world as an anti-imperialist power and supporter of national-liberation movements fighting colonialism. From a soft power perspective, these can be attractive characteristics in that they imbue these five countries with the potential for empathy with others in the developing world who face similar challenges.

However, to graduate these individual attributes to the collective requires the grouping's agenda to project attractiveness through inclusivity.

If we assume that the image of the BRICS should be branded around that of positive global change, these countries both collectively and individually should be perceived as responding to key global challenges in a way that is not driven by narrow self-interest alone.

For aspiring global leaders or agenda setters, as the BRICS see themselves, the target audience is quite broad. It ranges from the traditional powers (the US, G7) to regional and middle powers, and low income countries. This audience has very divergent interests – some are diametrically opposed to new power formations, others might be highly cynical of them. If the BRICS is positing itself as a positive force for change - an alternative to some of the less benign experiences of the 20th and early 21st century - its message must be focused on advancing the instruments for a more peaceful, fairer world. In this clearly there is a long road to travel, both in the BRICS' individual practices domestically as well as in their international interactions.

Since the founding summit in 2009, the communiqués of the BRICS have encompassed an increasingly broader agenda. In 2009, the communiqué began by highlighting that the four members had 'discussed the current situation in the global economy and other pressing issues of global development'. At just under 1,000 words in length it understandably focused on the global financial crisis and the imperative of a reformed financial and economic architecture. By 2012 the communiqué was four times longer and its focus spanned economic and financial

² See Sidiropoulos E, 'South Africa's soft power', *Current History*, May 2014.

issues, Afghanistan, terrorism and the conflict in the Middle East. Even broader and longer was the 2014 Fortaleza communique (at some 8,500 words), which expressed concern for the various conflicts in Africa, support for a nuclear-free Middle East, the world's drug problems, cybercrime and internet governance, and climate change and the sustainable development goals. There is very little that is being discussed globally that has been excluded from the communiqués. What is often difficult, however, is to carry forward key aspects of a wide-ranging agenda in a systematic and outcomes-oriented way.

In this paper I identify four global challenges which are already defining the global landscape, and which states will have to deal with over the next decade domestically and internationally. Clearly, systemically important states cannot solve them (or manage them) on their own, but they nevertheless are indispensable players in addressing them. None of the challenges I outline is foreign to the BRICS discussions or indeed the communiqués, but I argue for a more strongly articulated position on these issues in the fora where these are discussed and decided upon.

I will then move on to what that might mean for the BRICS agenda, and lastly set out some recommendations for an academic agenda.

2. MAJOR GLOBAL CHALLENGES FACING THE 21ST CENTURY

2.1. Challenge one: Rising inequality.

In his seminal book on *The Idea of Justice*, Amartya Sen argues that '[w]hat moves us [...] is not the realization that the world falls short of being completely just – which few of us expect – but that there are clearly remediable injustices around us which we want to eliminate'.³ The gross unfairness of the inequality that characterises the world today is one such 'remediable injustice'. Writing about the violence against immigrants South Africa experienced in 2008, Stephen Gelb argues that it was not poverty but inequality that led to the violence: "It is surely not simply that people are poor that leads them to attack other poor people, but instead the sense of unfairness engendered by inequality, of being discriminated

³ Sen A, *The Idea of Justice*, Penguin, 2010

against, which creates resentments and hostility towards those perceived, rightly or wrongly, to be better off or to have received preferential treatment.”⁴

The significant gains made by the world in the last several decades in reducing extreme poverty have been paralleled by the rise of inequality. In its report 2014 *Even it up*, Oxfam stated that 7 out of 10 people live in countries where the gap between rich and poor is greater than it was 30 years ago. Women are also the prime victims of heightened inequality. In South Africa inequality has grown since the end of the apartheid.⁵ In Sub-Saharan Africa, income inequality is 44.2 on the Gini coefficient in 2008, ranking it second to Latin America and the Caribbean, while 72% of youth in SSA live on less than \$2 a day.⁶

The World Economic Forum’s 2014 Outlook on the Global Agenda, considered deepening inequality as the top trend, followed by persistent jobless growth. Addressing it requires action from the local all the way to the global. Some of the top solutions to income inequality were identified as tax policy, redistribution and improved education.

Inequality has accelerated social exclusion while retarding social justice. It is the result at the same time of some of the more egregious aspects of market fundamentalism as well as corrupt elites and state capture.⁷

The possible solutions are very much part of the global public debate, but they often need great political clout for the prescriptions to be enforced globally and nationally. These range from tackling illicit financial flows and international tax loopholes (which have seen the phenomenon of Base Erosion and Profit Sharing), to greater transparency across the economic value chain and to encourage requisite social safety systems to minimize the worst consequences of poverty and inequality. One of the major challenges in Africa is that of limited fiscal resources, which is exacerbated by illicit financial flows in which state elites and multinationals are often complicit, and where other states’ jurisdictions turn a blind eye or encourage such activities where they are the beneficiaries.

⁴ Gelb S, ‘Resentment at inequality is a greater threat than poverty’, Business Day (Johannesburg), 25 April 2014.

⁵ Oxfam, *Even it Up*, 2014.

⁶ UNECA report on MDGs 2014, p.105.

⁷ Oxfam, *Even it Up*, 2014.

The Mbeki report on illicit financial flows (IFFs) published earlier this year, estimated that such flows Africa amounted to about \$50 billion annually. Trade mispricing between 2001 and 2010 amounted to some \$400 billion.⁸ Although already high, some argue that the actual volumes for Africa are much higher, especially if ‘bribery and theft by corrupt government officials’ is given more attention.⁹

Global Financial Integrity’s 2014 report found that worldwide illicit financial flows from the developing world reached \$991.2 billion in 2012, with sub-Saharan Africa contributing \$69 billion. BRICS themselves are among the top ten countries accounting for most of the total outflows.¹⁰

Coordinating efforts at the G20 and other forums to agree on public country-by-country reporting requirements for multinationals (under the BEPS initiative) and an automatic tax information exchange regime should be important elements that the BRICS collectively should push for in the relevant forums. The loopholes in the current international tax system sustain such practices. Strong advocacy (and where appropriate relevant action) from the BRICS would send important signals, even if on their own they would not be sufficient to effect change. BRICS support to stem the practice of IFFs in the developing world more broadly should be strongly advocated by South Africa in particular.

For Africa and the rest of the developing world to tackle IFFs requires coordinated global, systematic action, underpinned by a strong multi-stakeholder (state and non-state) mechanism. The global tax agenda also needs to have African voices. There should be a strong push for harmonisation of extractive revenue transparency standards and for mandatory revenue disclosure laws, hard as these might be. Many of the global challenges are rooted in opaqueness and secrecy of processes and systems. The BRICS should support a drive to make them less so.

⁸ Report of the High Level Panel on Illicit Financial Flows from Africa, *Illicit Financial Flows*, Commissioned by the AU/ECA Conference of Ministers of Finance, Planning and Economic Development, February 2015

⁹ Global Reporters, ‘Corruption need not be relegated in Mbeki’s IIFs report’, 24 February 2015. <http://globalreportersnews.com/2015/02/editorial-corruption-need-not-be-relegated-in-mbekis-iffs-report/>

¹⁰ Kar D and J Spanjers, *Illicit Financial Flows from Developing Countries: 2003-2012*. Global Financial Integrity, December 2014.

2.1.1. Aid, development and transparency

Fundamentally challenging inequality is also about the debate around aid and development partnerships, financing and South-South Cooperation. BRICS and other big developing economies can play an important role in shaping the global debates on post-2015 and financing for development, as well as ensuring that they too accept that their development support (not only that of the North) should be designed in such a way that its impact can be evaluated and monitored more effectively. Civil society across Africa emphasises that while SSC may have different historical origins to that of Northern aid, it nevertheless is becoming increasingly important to assess the effect that the technical support or other funding initiatives are having in poor communities – the overall developmental impact.

Brazil, China, India and South Africa have had substantive SSC initiatives over the years. At the level of Academic Forum and Civic Forum – as well as at the government level - there can be a greater commitment to working with other developing countries to develop metrics for effective monitoring and evaluation systems that factor in SSC characteristics.¹¹

BRICS are active players in all of these debates. Their annual communiqués include many of the above points, but how much of this is converted into actionable plans? What, for example, would a low-income-country-sensitive economic agenda look like? In what areas would BRICS economic cooperation be strongest in mitigating the effects of poverty and inequality in fragile and poor states?

2.2. Challenge two: The finite nature of the Anthropocene age.

While recognising the historical obligations of the industrialised countries, the pressing challenge of finite resources and excessive consumption is one that all major economies (including developing ones like the BRICS) need to engage more vigorously and boldly at the international level. After all, once the resources are up, the argument about who used them first won't matter much.

¹¹ See NeST initiative and website for work on M&E frameworks in South-South cooperation www.saiia.org.za/nest/

Many low-income developing countries and small island developing economies consider the impact of climate change on their survival as posing an existential crisis (if not in the short term, then certainly in the medium to longer term). While the threshold of vulnerability of more developed economies is quite high, it is very low in poor countries (and often in the developing middle income countries), whose ability to mitigate or adapt is severely constrained.

The challenge to all systemically important countries, including the BRICS, is showing the political will to tackle the transition to a lower-carbon future, to work towards developing global and national policies that reflect a common understanding of sustainable development and that bring their collective research capacity to bear not only for commercially viable purposes but also to help other developing countries.

Energy has featured in the communiqués of the BRICS since its inception, as has reference to the green economy and agriculture, and climate change. Individually there have been areas where the BRICS have become leaders in technologies such as solar. While Russia is a major fossil fuel producer and SA has vast deposits of coal, in the interests of preserving the environment for future generations a transition from the current economic development model is important. SA, for example, has over the last two years built 15 solar plants that are now contributing 503 MW to the country's electricity grid. Over the next few years this is intended to grow to some 3900MW with more projects coming on line. China is the leading producer and supplier of solar panels.

Nevertheless, their role in the global debates is equally if not more important. Globally, more effort and incentives need to go into shifting from fossil to non-fossil fuel economies in ways that don't undermine development and improved livelihoods but actually sustain and improve them. The current environmental framework and consumption trajectory in developed and developing countries has no place for the eradication of poverty or sustainable social dimension. This requires changing the business and wealth models of the last two centuries – the term blue economy is very much in vogue. Developed in the 1990s 'blue economy' refers to a more competitive business model that allows producers to offer the best at the lowest prices by introducing innovations that generate multiple benefits, not just increased profits. It is intended to go beyond the 'green economy' and argues

for example that some of the greatest job opportunities come from replicating the waste-free efficiencies of natural eco-systems.¹²

Within the BRICS South Africa is leading on the pillar on Sustainable Development, Social Justice and Quality of Life. Sustainable development means ensuring that all people have the needed resources – food, water, healthcare and energy. South Africa should lead on developing a common definition of sustainable development that will underpin a BRICS global agenda – not only one focusing on domestic initiatives. At the post-2015 summit in New York in September 2015 the BRICS should adopt positions that are also consistent with the concerns raised by other developing economies.¹³

Tackling climate change also requires serious attention to the balance between industry and environmental costs. With some of the world’s biggest multinationals, especially operating in the extractives space, BRICS and their companies should be committing to codes of conduct and ensuring the integrity of environmental regulations. In establishing the New Development Bank, BRICS should ensure that environmental and sustainable development criteria are entrenched in the governance frameworks of the bank.

Furthermore, the BRICS strong science and research sectors, where cooperation is already occurring could accelerate innovative science collaboration that includes participation of scientists from other developing countries as well as a low-income dimension. The Paris Summit later in 2015 should be an important platform for conveying a more inclusive strategy on climate change from the BRICS for a global compact.

2.3. Challenge three: Identity and ‘the other’

From the barbarity of ISIS in the Middle East to the xenophobia in KwaZulu-Natal and anti-immigration movements in Europe, ‘them’ and ‘us’ is rising as a narrative of violence around the world. These are sometimes about different ideologies, but they are also narratives of failed inclusion and integration into societies. Either way they are destructive. Radicalism driven by ideology is the more difficult to

¹² See <http://theblueeconomy.org/blue/Home.html>

¹³ See for example, the Common African Position on the Sustainable Development Goals

challenge as it speaks to often incompatible world views. The second one (of failed inclusion) is difficult but it can be addressed societally by countries working to attain social inclusion and justice. For the BRICS this provides an opportunity to change the global narrative and ways of dealing with ‘the other’. Whether in South Africa in March and April, or elsewhere in the world we are inundated by the prejudices surrounding ‘the other’ (racial, religious, sexual, ethnic, and gender). All BRICS face such challenges, but can we lead in condemning them and developing a paradigm that is inclusive rather than chauvinistic? Narrow identity politics undermine the imperative of cooperation that an interconnected, integrated world with transnational problems requires.

Yet, while diversity is the norm in states – whether we refer to ethnic, religious, language, or gender differences – the trend is to ascribe a ‘unique identity’ against which others who are not part of it may be castigated, excluded or even killed. These are largely domestic problems often an outcome of resource scarcity, but they can also cross borders with marginalization acting as a catalyst to join causes such as IS.

Addressing this form of extremism requires a long-term process of engagement on the social and economic issues – not just the hard power elements and through counter-terrorist measures. Both state and non-state actors have fuelled extreme identity politics. What mechanisms can we collectively draw on – given our own histories of division and conflict – to limit and remove this? Avoiding the outcomes of politics of humiliation require removing policies that engender a sense of marginalisation, promoting civic education and commitments to financial/economic policies that help to reduce poverty and inequality.

2.4. Challenge four: Sovereignty in a world of transnational problems.

Sovereignty, a European construct that emerged out of the Treaty of Westphalia in 1648, has had a remarkably long innings – as a regulating principle of international relations it has been willingly embraced (understandably) by newly independent states in the 20th century.

Nevertheless, the 20th century – for all its brutality and the burgeoning number of independent states – also made great strides in pooling sovereignty and creating a

global governance architecture intended to mitigate the worst excesses of states. The first (failed) effort was the creation of the League of Nations after the First World War. After the Second World War, the next attempt – the United Nations – was a more effective and resilient system (for all its weaknesses). As the apex body for a global community of nations, the UN (and the various agencies that make up the UN family) has created rules and instruments on matters that require global cooperation – from the nuclear non-proliferation treaty to the banning of land mines, peacekeeping and humanitarian relief. The UN’s vision was that it could through its collective actions avoid the worst excesses of power politics in relations among states that had brought the world close to destruction twice in the same century.

In the 1990s the Rome Statute establishing the International Criminal Court aimed to remove the impunity of leaders. The UN General Assembly’s adoption in 2005 of the ‘responsibility to protect’ doctrine was ground-breaking in its recognition that sovereignty was not absolute and that leaders had an obligation to protect civilians, failing which the international community could intervene in the internal affairs of a state. This has proved quite contentious, especially in the emphasis placed on the third pillar of R2P, of intervention. Against this has been a countervailing trend, that of a re-assertion of the classical sovereignty principle. Emerging powers, and the BRICS more specifically, have been strong proponents of this, believing that the erosion of sovereignty through these principles advantages Western (or US) interests to ensure their continued dominance of the international system.

Some of these critiques are well-founded, but others are not. The fact that the principle may be abused does not mean that it should be discarded; rather that we should work harder at ensuring that its intentions are honoured. The necessity of advancing global public goods as well as achieving the loftier ideals of a fairer, more just global society where people’s rights are placed above those of the state, require a stronger internationalist approach. Bigger players like the BRICS have a responsibility to underwrite global and regional public goods in the interests of establishing a more legitimate global compact. Such an approach is vital if the legitimacy of our global institutions is to be enhanced.

But what is the trade-off for BRICS between reforms that allow them to maintain their privileged status and more meaningful and inclusive changes in the international system? What answers can we find to the turbulence in parts of the world where civilians are the victims? If BRICS is to adopt a more activist inclusive agenda, then it is people's security that we need to have foremost.

The uncertainty engendered by a world in flux creates opportunities for more robust debate on the kind of global frameworks that would be more legitimate and more effective while not ignoring the ordering principle of 'power'. At the height of the Second World War, President Roosevelt, set out the Atlantic Charter – a set of principles for the world after the end of 'Nazi tyranny'. Those principles were the foundation for the post-World War II order, and they were ground-breaking for their time. In South Africa, the African National Congress responded to the Atlantic Charter by issuing an African Claims document which said:

"We urge that if fascism and fascist tendencies are to be uprooted from the face of the earth, and to open the way for peace, prosperity and racial good-will, the 'Atlantic Charter' must apply to the whole British Empire, the United States of America and to all the nations of the world and their subject peoples. And we urge that South Africa as a prelude to her participation at the Peace Conference in the final destruction of Nazism and Fascism in Europe, must grant the just claims of her non-European peoples to freedom, democracy and human decency... The Soldiers of all races Europeans, Americans, Asiatics and Africans have won their claim and the claims of their peoples to the four freedoms by having taken part in this war which can be converted into a war for human freedom if the settlement at the Peace Table is based on human justice, fair play and equality for opportunity for all races, colours and classes".

The demands of the ANC about human justice, fair play and equality ring true to this day and emphasise that ultimately states are there to protect and enable these rights. It is time now for another such Charter/Claim. What would a common BRICS vision adopt?

3. WHAT DOES THIS MEAN FOR THE BRICS AS A GROUPING?

For the BRICS to have wider resonance as an alternative grouping with an inclusive agenda, if not membership, greater effort in pushing on some of the aspects highlighted above, in proper consultation with other developing countries/RECs, would be symbolically and materially important. This kind of approach lends itself to building up BRICS soft power.

Taking on some of the major challenges of the 21st century in a manner that has wider resonance and addresses causes rather than symptoms – which sees the BRICS engaging on them for the long haul, would be developing some of these soft power attributes. This is a difficult path, especially given the domestic challenges the BRICS themselves face.

Can BRICS soft power be expressed collectively?

The BRICS image is not served by simply being a counterpoint to the West. If BRICS wish to convince the hearts and minds of others in the developing world then some of the real problems facing many poorer countries need to be internalised and their solutions promoted by BRICS. Being global players means they also need to constructively engage with the whole world, including the West with a positive agenda that in fact compels the West to make concessions. In Africa the difficult questions being asked about BRICS as a unit and individually is the seeming replication of North-South economic relations, resource extraction, close, un-transparent relations with elites, land dispossession in the interests of large farming interests, poor social and environmental considerations, insufficient civil society consultation. SA's initiative to create a BRICS-Africa outreach in 2013 was a positive contribution to knocking down barriers between 'them' and 'us', but more needs to be done.

4. AN AGENDA FOR THE ACADEMIC COMMUNITY?

This paper may come across as overly ambitious or idealistic. However, aspects of the four challenges I have highlighted can form useful components of collaborative research agendas. The academic community is not a praise singer but can serve the BRICS grouping in developing an identity and building a more inclusive outreach. I want to highlight two distinct ways for the academic community:

- First undertaking research in response to specific requests/questions by BRICS governments – preferably through collaboration rather than in national silos.
- Second, developing its own independent research agenda that identifies challenges or over-the-horizon issues that the academic community believes BRICS as a global actor should be focusing on.

The academic community is less encumbered than formal governmental processes from seeking collaboration with other academic communities in areas identified as relevant to the BRICS project. Cross-border academic communities - organically grown initiatives that often operate outside formal tracks as well as within them - illustrate the true essence of the achievement of an academic community. The BRICS academic community should emphasise independence in thinking and outcomes that reflect the pressing challenges of the world, not only primarily national perspectives or intra-BRICS cooperation.