OCCASIONAL PAPER NO 123

Economic Diplomacy Programme

December 2012

Can the BRICS Co-operate in the G-20? A View from Brazil

Oliver Stuenkel

South African Institute of International Affairs

African perspectives. Global insights.

ABOUT SAIIA

The South African Institute of International Affairs (SAIIA) has a long and proud record as South Africa's premier research institute on international issues. It is an independent, non-government think-tank whose key strategic objectives are to make effective input into public policy, and to encourage wider and more informed debate on international affairs with particular emphasis on African issues and concerns. It is both a centre for research excellence and a home for stimulating public engagement. SAIIA's occasional papers present topical, incisive analyses, offering a variety of perspectives on key policy issues in Africa and beyond. Core public policy research themes covered by SAIIA include good governance and democracy; economic policymaking; international security and peace; and new global challenges such as food security, global governance reform and the environment. Please consult our website www.saiia.org.za for further information about SAIIA's work.

ABOUT THE ECONOMIC DIPLOMACY PROGRAMME

SAIIA's Economic Diplomacy (EDIP) Programme focuses on the position of Africa in the global economy, primarily at regional, but also at continental and multilateral levels. Trade and investment policies are critical for addressing the development challenges of Africa and achieving sustainable economic growth for the region.

EDIP's work is broadly divided into three streams. (1) Research on global economic governance in order to understand the broader impact on the region and identifying options for Africa in its participation in the international financial system. (2) Issues analysis to unpack key multilateral (World Trade Organization), regional and bilateral trade negotiations. It also considers unilateral trade policy issues lying outside of the reciprocal trade negotiations arena as well as the implications of regional economic integration in Southern Africa and beyond. (3) Exploration of linkages between traditional trade policy debates and other sustainable development issues, such as climate change, investment, energy and food security.

SAIIA gratefully acknowledges the Swedish International Development Cooperation Agency, the Danish International Development Agency, the UK Department for International Development and the Swiss Development Corporation, which generously support the EDIP Programme.

Programme head: Catherine Grant, catherine.grant@saiia.org.za

Please note that all currencies are in US$ unless otherwise indicated.

ABSTRACT

The emergence of the Group of Twenty (G-20) has changed the structure of today's global economic governance substantially, providing a more inclusive and legitimate framework than the Group of Eight (G-8). The inclusion of Brazil, Turkey, South Africa and Saudi Arabia in the G-20 has assured that traditionally neglected regions of the world – such as South America, the Middle East, Africa and the Arab World – are now better represented in global forums. Faced with a growing presence of emerging powers, EU members are increasingly forging joint positions prior to G-20 Summits in order to increase their weight. It remains to be seen whether emerging powers can do the same, and what the scope for co-operation between the BRICS in the context of the G-20 negotiations on global economic governance will be. Although the BRICS have not been able to control the G-20 agenda, they have significantly influenced it in the past years. This capacity can be expected to increase in future summits in Russia (2013), Australia (2014) and Turkey (2015). At the same time, the BRICS members' individual interests continue to diverge on several issues, which keeps them from co-operating in a more institutionalised manner. Future collaboration will therefore be issue-based. There are two areas in which the BRICS can concentrate and influence the G-20 agenda. The first area of broad consensus is the continued reform of today's financial institutions such as the IMF. The second is a continued shift of focus of the G-20 towards developmental issues, thus responding to criticism that the G-20 communiqués to date have focused overwhelmingly on the problems and needs of the G-20 countries themselves.

ABOUT THE AUTHOR

Oliver Stuenkel is an Assistant Professor of International Relations at the Getúlio Vargas Foundation in São Paulo, where he co-ordinates the São Paulo branch of the School of History and Social Science and the executive programme in International Relations. His research focuses on the foreign policies of Brazil, India and China. In 2012 he was part of the Brazilian delegation at the Track II meetings in New Delhi and Chongqing in preparation for the fourth and fifth BRICS Summits. He holds a PhD in political science from the University of Duisburg-Essen in Germany.

ABBREVIATIONS AND ACRONYMS

BRICS	Brazil, Russia, India, China and South Africa
G-7	Group of Seven
G-8	Group of Eight
G-20	Group of Twenty
IBSA	India, Brazil and South Africa
IMF	International Monetary Fund
UNSC	UN Security Council

INTRODUCTION

Global governance has undergone profound structural changes over the past five years. Since November 2008, when 19 heads of government and a series of representatives of international organisations met in Washington, DC, the Group of Twenty (G-20) has become one of the pillars of global economic governance,[1] further fortifying this position after the 2009 Summit in Pittsburgh.[2] Patrick calls the emergence of the G-20 as premier steering group for multilateral co-ordination on global economic matters 'the most profound evolution in global economic governance since the creation of the (WTO)'.[3] In addition, the BRICS group (Brazil, Russia, India, China and South Africa), fully established since the first summit in 2009 in Yekaterinburg, is perhaps one of the most innovative and surprising new elements in today's governance structure. Together, these two bodies have led to a 'participatory revolution' in global governance that would have been unthinkable only a decade ago, when the Group of Eight (G-8) and the UN Security Council (UNSC) symbolised a distribution of institutional responsibility that no longer reflected power structures in the real world.[4]

With the G-20 and the BRICS firmly established in today's global governance structures, the number of countries represented has increased markedly. As a consequence, one of the global system's major weaknesses – its strong concentration of institutional power on just a few established powers – has been partially mitigated. Non-established emerging powers such as Brazil and India, part of both the G-20 and the BRICS, are now much more involved in global decision-making processes than ever before. The inclusion of Brazil, Turkey, South Africa and Saudi Arabia in the G-20 has assured that traditionally neglected regions of the world – such as South America, the Middle East, Africa and the Arab World – are now better represented in global forums.

However, this does not change the fact that global decision-making platforms remain club-based and exclusive. Although emerging powers have often used the idea of a 'democratisation of global governance' to justify their inclusion, some critics have argued that rather than democratising international institutions, the creation of the BRICS and the G-20 have merely expanded the oligarchy to some degree.[5] Countries such as Spain, Nigeria and Thailand have repeatedly accused the G-20 of being a random compilation of countries and question the body's legitimacy. Although the G-20 comprises almost three-quarters of all global output and more than half the quotas in the Bretton Woods Institutions, small and middle-sized countries are not part of it and enjoy no representation.[6] Turkey, Argentina, Indonesia and Mexico criticise the BRICS grouping on similar grounds. Both institutions' legitimacy remains contested. None of the BRICS members enjoys meaningful support from its neighbours, and none has a mandate to represent its respective region.[7] Quite to the contrary, their neighbours' suspicion of BRICS projects of regional hegemony is remarkably similar for all members.[8]

Despite these qualifications, the rise of the G-20 and the BRICS does, without a doubt, represent significant progress. Both the BRICS and the G-20 represent large shares of the human population, which is of particular importance when seeking to tackle global challenges such as climate change, poverty and nuclear proliferation. The G-20 is of particular importance, as it offers a platform for emerging powers and established powers, which are set to continue to play a key role in global governance for decades to come.[9]

At the same time, more inclusive global governance structures have made decision-making processes more difficult, exposing the tension between legitimacy and efficiency. Achieving consensus among 20 actors is far more difficult than among eight, especially because the G-20 members' interests diverge far more strongly than those of the G-8.[10] One of many fault lines becoming apparent is that between G-8 members and emerging powers, which offer a more revisionist stance on today's structures, particularly in the field of economic governance.[11]

Faced with the growing presence of emerging powers, EU members are increasingly forging joint positions prior to G-20 Summits to increase their weight. It is yet to be determined whether emerging powers can follow suit, and what the scope for co-operation between the BRICS in the context of the G-20 negotiations on global economic governance will be. This paper seeks to answer this question from a Brazilian perspective and to contemplate in particular South Africa's role in the BRICS and the G-20. It considers the opportunities for, and constraints on, alliance formation for emerging powers in the G-20. It explains these areas for which a 'BRICS caucus' is useful, and those for which an 'IBSA caucus' (India, Brazil and South Africa) makes more sense. Finally, the paper considers the validity of critics' arguments that the economic interests of the BRICS differ too much from each other to agree on anything.

BRAZIL, THE G-20 AND THE BRICS

Brazil's inclusion in the G-20 and the BRICS grouping has substantially altered its role in global affairs, as well as the perception of its own role in the world.[12] Brazil has traditionally seen itself as a rather insignificant actor far away from the global centres of power. Perhaps the strongest symbol of this world view is the book *Five Hundred Years on the Periphery* by Ambassador Samuel Pinheiro Guimarães, which is required reading for both young diplomats and international relations scholars in Brazil.[13] Although Brazil's ambition to play a greater role dates further back, it took Brazil until the late 1990s to clearly articulate its desire for a more prominent position.[14] Considering its dominant position on the South American continent, this was surprisingly late.[15] Yet recent economic growth has helped Brazil, especially under the leadership of President Lula da Silva (2003–10), to adopt a more assertive foreign policy and to seek a greater role in global institutions – as evidenced by its campaign to obtain a permanent seat on the UNSC.[16] Knowing that UNSC reform would be difficult, however, there was also a strong emphasis on gaining membership of the new formal and informal groupings that have emerged at the heart of the new global order. Brazil's inclusion in the G-20 and the BRICS has been an important achievement for a country that believes the global institutional structures are fundamentally unjust.[17] In its desire to reform today's institutions, it differs markedly from other BRICS members such as Russia and China, which are far more established in today's institutions. In this regard, Brazil's interests are more aligned with those of India and South Africa, which points to potentially stronger collaboration among IBSA members. This does not apply, however, to economic issues, where Brazil's ties to China are far stronger.[18]

As Hurrell argues:[19]

> For the (Brazil's) foreign minister the significance was clear: 'The G-8 is dead, of that there is not the slightest doubt'. Moreover, as the G-20 has sought to re-structure global financial management it has both created new institutions (with the transformation of the Financial Stability Forum into the Financial Stability Board in April 2009) and [insisted] on expanded membership (with Brazil and other BRICS as full members of both the FSB and other major standard setting bodies).

In addition, Brazil is perhaps most dependent on being included in multilateral outfits as it possesses no significant hard power. In fact, it is the only country in history to articulate an ambition for global power without any significant conventional military capacity or nuclear weapons. Without a strong presence in multilateral institutions, Brazil cannot fall back on traditional hard power. That is why Brazil is invested heavily in UNSC reform, and received a significant boost from being included in the BRICS Forum. Most of these characteristics are true for South Africa as well. Compared with Russia, India and China, the South African government has to rely on other means to project its power. Thus its participation in the G-20 and the BRICS is crucial for the strategies of both Brazil and South Africa to project power globally. As a consequence, Brazil and South Africa bring a mutual understanding of each other's negotiating position to the table. The emergence of the G-20 as a key element in global economic governance was hailed as a great success for Brazil, especially since the established powers are no longer capable of tackling the world's most complex global challenges alone. However, Brazil cannot be said to have consistently pursued a clear strategy in the G-20.[20] There was no evidence in 2010, for example, that Brazil was aligned with any particular bloc – neither the Group of Seven (G-7) nor the BRICS. This may partially be explained by the fact that Brazil's foreign policy strategy, its objectives and principles are changing. Its position on important issues such as the 'Responsibility to Protect' has recently been in flux as a result of its growing strategic and economic interests around the world.[21]

IS SOUTH AFRICA A CREDIBLE PARTNER FROM A BRAZILIAN PERSPECTIVE?

Contrary to the G-7 or the UNSC, the G-20 is large enough to allow for intricate coalition building, and the past years provide ample proof of such behaviour in this informal group. As Patrick argues, 'the very size and diversity of the G-20 – while not without drawbacks – may inject new dynamism into global governance, by facilitating the formation of shifting coalitions of interest.'[22] Emerging powers possess the potential to exert significant influence in the G-20, and established actors are attempting to avoid the emergence of a rising-powers block. One Western analyst warns that:[23]

> Some have suggested that Washington should promote a formal caucus of Western countries within the G-20. Although superficially appealing, this approach could well backfire, as others – perhaps G-77 members [Group of Seventy-Seven] or the BRICs or BASICs [Brazil, South Africa, India and China] – respond in kind.

Yet even without a formal 'established powers' caucus, the G-7, and European countries in particular, already exhibit a fair degree of co-ordination within the G-20.

From a Brazilian perspective, South Africa's inclusion in the BRICS is seen largely as positive, particularly by those in academia and government, which has long seen Africa in general as a strategic priority and a region in which Brazil could project its influence. In the private sector, where the BRICS membership is largely of symbolic value, South Africa's inclusion is not thought to have any tangible consequences for Brazil's national interest. According to most interviewees from the Brazilian private sector, South Africa was regarded as an interesting market but most ranked it behind other countries – such as Mozambique and Angola – when asked to list Africa's most promising growth stories. The South African government's strategy to project itself as the 'gateway to Africa' has had little effect on Brazilian companies, which have stronger historic and cultural ties to Portuguese-speaking Africa. No interviewee suggested South Africa's inclusion could 'dilute' the BRICS brand, a claim often heard in Europe and the US, including by Jim O'Neill himself.[24] South Africa's BRICS accession is thought to be positive for three reasons.

Firstly, it provides the group with a better legitimacy and representation, effectively 'globalising the BRICS'. The BRICS share a fundamental notion that as developing countries, they have a legitimate claim to prioritise domestic economic development. Established powers often describe rising powers as 'free-riders' that use the 'development country narrative' to avoid assuming international responsibilities. However, the BRICS have a unique opportunity to refute this argument, refashion the debate and challenge dominant global narratives about how to deal with global problems. The BRICS gain their weight from speaking with a common voice, and doing so – regardless of the topic – automatically turns them into global agenda setters.[25] Contesting dominant narratives (generally developed and articulated in the US or Europe) about global challenges has been one of Brazil's major goals.[26] South Africa's inclusion significantly boosted the BRICS legitimacy as a group that can speak on behalf of the 'Global South'.[27] It also ended Brazil's geographic isolation. Previously, the group consisted of three geographically connected Asian countries and a faraway member in South America. Relations between China, Russia and India, after all, are centuries old and marked by their proximity, unlike ties with Brazil, which were insignificant before the end of the Cold War. With South Africa's addition this changed, and the group's epicentre can no longer be said to lie in Asia.

Secondly, similarly to Brazil, South Africa is a liberal democracy, so the majority of the BRICS countries elect their representatives freely and fairly – reducing the negative image the group had suffered from previously. Brazil's generally benign view of South Africa can also be explained by the strong cultural ties between Brazil and Africa. Between the 16th and the 19th centuries, more African slaves were brought to Brazil than to any other country, including the US, creating irreversible and profound cultural ties.[28]

Thirdly, like Brazil, South Africa is an aspiring global power without any serious attempts to develop hard power. Both countries are BRICS members without nuclear power or permanent membership to the UNSC. As such, both lack today's principal currencies of power. Their approach and perspective on the global system and the current distribution of institutional power is thus bound to include many common elements. Finally, Brazil and South Africa face a range of common domestic challenges – such as inequality, crime, education and healthcare. The BRICS now provides an additional forum to consult each other on how to address these issues.[29]

In addition, it is worth remembering that South Africa owes its presence in the G-20 largely to its creators' efforts to provide this outfit with, above all, legitimacy. This seemed most urgent given a global discontent with the established powers' handling of the economic crisis. Legitimacy and representation were the priorities as the G-20 came into being, superseding other issues such as like-mindedness or effectiveness. Had effectiveness been a prime goal, the better solution would have been a G-13,[30] similar to the G-8's five members of the so-called 'out-reach group'.[31] One can therefore categorise the member countries of the G-20 not only in established (G-8) versus non-established powers (non-G-8), but also in those countries that participate in their own right (ie those which are among the leading 20 economies) and those which are included for legitimacy's sake. For this reason, the Netherlands and Switzerland (which are among the world's leading 20 economies) were replaced by Argentina (25th) and South Africa (27th) to represent Spanish-speaking South America and Africa, respectively.[32]

As discussed, that neither Argentina nor South Africa enjoys uncontested recognition as regional leaders or regional representatives can potentially undermine their weight in the debates.[33] This is particularly true for South Africa, whose capacity to become a regional power is challenged openly. As *The Economist* quoted Jim O'Neill prior to the 2012 G-20 Summit, South Africa can 'no longer be considered the continent's superpower'. According to the newspaper, 'the economy of Nigeria, with some 158m people to South Africa's 50m, has been roaring along at an annual rate of almost 7% for the past eight years – and may even become Africa's biggest by 2016', followed by Egypt.[34] Although there is extensive literature on the strategies of Brazil, India and China in the G-20, very little is written about South Africa's position, which has been generally described as passive from Brazilian policy makers and foreign policy analysts interviewed. In addition, Africa's presence at the 2012 Mexican Summit was negligible. The five 'informal' participants were Spain, Benin (for the African Union), Cambodia (for the Association of Southeast Asian Nations), Colombia and Chile. This means that there was only one 'informal' participant from Africa instead of the two places that the G-20 agreed to reserve. In short, the G-20 gives too much space to Europe and too little to Africa,[35] which remains peripheral to G-20 core interests and mandates.[36]

However, this does not mean that South Africa is not a credible partner in the G-20. It remains by far the largest African economy, and is seen by Brazil as a legitimate representative of the African continent in the context of the G-20. This may also have to do with the fact that Brazilian policy makers are acutely aware that Brazil's participation in the world economy is still very small.[37] Just like South Africa, Brazil is forced to rely on soft power. Yet in the context of Brazil's growing interest in Africa – symbolised, among other steps, by the creation of IBSA[38] – there is a general sense that South Africa's role in the G-20 is set to grow over the coming years as economic growth all across Africa continues.

A BRICS BLOC IN THE G-20?

In the Delhi Action Plan devised at the Fourth BRICS Summit in March 2012 in India, the BRICS members committed themselves to co-ordinating their positions at G-20 Summits.[39] In fact, the BRICS leaders convened at the G-20 in June 2012 in Los Cabos (Mexico) to align their positions. Despite this effort, the BRICS members' capacity to co-ordinate their positions during the G-20 Summits has been mixed since the first summit in 2008.

Emerging powers are keen on participating in the forum as equal members, but repeatedly their positions are too heterogeneous to speak with one voice. However, when comparing the G-20 final declaration with the positions of emerging powers, it becomes clear that the BRICS have, individually, become agenda setters, which provides them with considerable potential to influence the outcomes of G-20 Summits.[40] For example, Brazil strongly supports liberalising agricultural trade, Russia and India oppose the financial transaction tax, and China defends its monetary policy.

At the same time, there are several examples of co-operation between the BRICS. They have stood united in the G-20 on the necessity to increase their weight in international financial institutions. This has led to their greatest success: the remodelling, even if only an incremental one, of the Bretton Woods Institutions, which resulted in the emerging powers' presence in the Financial Stability Board and the Basel Committee.[41] In 2010 an agreement was reached that included a quota shift by more than 6% in favour of large emerging countries. China became the third-largest shareholder and overtook Germany, while Russia, India and Brazil entered the list of 10 most important shareholders. The G-20 agreed on reforming the composition of the IMF Executive Board. It must be noted, however, that South Africa was the only BRICS member whose share was reduced rather than increased as a consequence of the reform.

In 2010 in Toronto, the BRICS jointly rejected calls for further taxes on their banking systems, stressing that their banks had not been at the root of the financial crisis and should therefore not be 'punished'.[42] The BRICS regarded these proposals as a means for the heavily indebted EU countries to increase tax revenues, and they thus effectively blocked the issue from being discussed further. They also all agreed on the proposed regulations by the Basel Banking Committee, which found widespread support at the G-20 Summit. In addition, the BRICS succeeded in shifting the focus on global development, an issue of particular importance to South Africa, as well as to India and Brazil.

The positions of BRICS members have also clashed on several occasions. At the 2010 Summit in Seoul, for example, one of the major issues was the challenge of solving trade imbalances, namely the undervalued yuan and the lax American monetary policy leading to the 'currency wars'. This exposed significant friction between Brazil and China.[43] Yet both Brazil and China were aligned in their opposition to the US call for quantitative caps. As Gnath and Schmucker argue:[44]

> Whereas emerging countries were not able to shift the agenda to focus on uneven global development, they could successfully veto proposals by industrialized countries – in this case the US's call for quantitative caps – successfully in the context of the G-20, especially as G-8 members did not present a united front.

In Los Cabos, the BRICS demanded further changes to the institutional distribution of power in the IMF to obtain higher voting shares in the institution.[45]

CONCLUSION

The emergence of the G-20 has changed the structure of today's global economic governance substantially, providing a more inclusive and legitimate framework than the

G-8.[46] Although the BRICS have not been able to control the G-20 agenda, they have significantly influenced it in the past years. Considering their higher growth forecast, this capacity can be expected to increase in the future summits in Russia (2013), Australia (2014) and Turkey (2015). At the same time, the individual interests of the BRICS members continue to diverge on several issues, which keeps them from co-operating in a more institutionalised manner. Future collaboration will therefore be issue-based. There are two areas in which the BRICS can concentrate and influence the G-20 agenda. The first area of broad consensus is the continued reform of today's financial institutions such as the IMF. The second is a continued shift of focus of the G-20 towards developmental issues, thus responding to criticism that the G-20 communiqués to date have focused overwhelmingly on the problems and needs of the G-20 countries themselves.[47] This could include calling for the inclusion of a second African country in the G-20, a move that Brazil is likely to support. South Africa is set to be deeply involved in developments in both areas.

ENDNOTES

1 Cooper AF & CI Bradford Jr, 'The G-20 and the Post-Crisis Economic Order', CIGI G-20 Paper, 3. Waterloo: CIGI, 13 June 2010.

2 Dailami M & P Masson, 'The new multi-polar international monetary system', Policy Research Working Paper, 5147, December 2009.

3 Patrick S, 'The G-20: Shifting coalitions of consensus rather than blocs', in Bradford CI & L Wonhyuk (eds), *Global Leadership in Transition: Making the G-20 More Effective and Responsive*. Washington, DC: Brookings Institution, 2010.

4 Hoge Jr JF, 'A global power shift in the making: Is the United States ready?', *Foreign Affairs*, 83, 4, 2004, pp. 2–7.

5 For example, see Desai N, 'G-20: A new global oligarchy', *Rediff Business,* 19 November 2009.

6 Dailami M & P Masson, *op. cit*. See also Jolly R, 'Future directions for the G-20: Towards legitimacy and universality'. Bonn: DIE (German Development Institute), 2010.

7 Varas A, 'Brazil in South America: From indifference to hegemony', *FRIDE Comment*, May 2008.

8 In the case of Brazil, see Varas A, *ibid.* Regarding India, see Wagner C, 'From hard power to soft power? Ideas, interaction, institutions, and images in India's South Asia Policy', *Heidelberg Papers in South Asian and Comparative Politics*, 26, 2005, pp. 333–342. In the case of China, see Shambaugh D, 'China engages Asia: Reshaping the regional order', *International Security*, 29, 3, 2004/05, pp. 64–9. In the case of Russia, see Kubicek P, 'Regionalism, nationalism and realpolitik in central Asia', *Europe–Asia Studies,* 49, 4, 1997, pp. 637–55. In the case of South Africa, see Adebajo A & C Landsberg, 'South Africa and Nigeria as regional hegemons', in Baregu ML & C Landsberg (eds), From Cape to Congo: Southern Africa's Evolving Security Challenges. Boulder and London: Lynne Rienner Publishers, 2003.

9 Bradford C, Linn J & P Martin, 'Global Governance Breakthrough: The G-20 Summit and the Future Agenda', Brookings Policy Brief, 168. Washington, DC: Brookings Institution, 2009. See also Patrick S, *op. cit.*, pp. 257–65.

10 Cooper AF & CI Bradford Jr, *op. cit*.

11 Truman EM, 'Rearranging IMF chairs and shares: The sine qua non of IMF reform', in

Reforming the IMF for the 21st century, Special Report by the Peterson Institute, Washington, DC, 2006.

12 Schläger C, 'New Powers for Global Change? Challenges for International Development Cooperation: The Case of Brasil', Friedrich Ebert Stiftung Briefing Paper, 3. Berlin: FES, 2007.

13 Guimarães Neto SP, *Quinhentos* anos *de* periferia, Porto Alegre, RS: Universidade Federal do Rio Grande do Sul e Contraponto, 1999.

14 Hakim P, 'Two ways to go global', *Foreign Affairs*, 81, 1, 2002, pp. 148–63.

15 Spektor M, 'The underlying ideas of regional policies', in Flemens D (ed.), *Regional Leadership in the Global System: Ideas, Interests and Strategies of Regional Powers*. London: Ashgate, 2010.

16 Hunter W & T Power, 'Lula's Brazil at midterm', *Journal of Democracy,* 16, 3, 2005.

17 Hurrell A, 'Brazil and the new global order', *Current History*, January 2010, pp. 257–65.

18 Stuenkel O, 'Why IBSA and BRICS should not merge', *Foreign Policy Research Centre Journal – India and Latin America*, 3, 2012a.

19 Hurrell A, *op. cit*.

20 De Freitas Barbosa A & R Mendes, 'Is there a Brazilian Strategy for the G-20?', in Fues T & P Wolff (eds), *G-20 and Global Development: How Can the New Summit Architecture Promote Pro-Poor Growth and Sustainability?* Bonn: DIE, 2010.

21 Spektor M, 'Humanitarian interventionism Brazilian style?', *Americas Quarterly*, 6, 3, Summer 2012.

22 Patrick S, *op. cit*., pp. 257–65.

23 *Ibid.*

24 *The Economist,* 'The gateway to Africa? South Africa's business pre-eminence is being challenged', 2 June 2012.

25 Stuenkel O, 'BRICS and the Bridge to Brazil', in Asmal Z (ed.), *Reflections & Opportunities: Design, Cities and the World Cup.* Designing South Africa, 2012b.

26 Hurrell A, *op. cit*.

27 Stuenkel O, *op. cit*., 2012b.

28 Saraiva, JFS, *África parceria do Brasil Atlântico: Relações Internacionais do Brasil e da África no início do século XXI*. Belo Horizonte: Fino Traço Editora, 2011.

29 The same is true for South Africa's G-20 membership, but given the much larger size of the platform, bilateral ties between Brazil and South Africa are bound to matter much less in the G-20 than in the BRICS outfit.

30 Stuenkel O, 'G-8: Make it 13', *Today's Zaman,* 6 July 2009.

31 Alexandroff AS, 'Enhancing engagement' in Cooper AF & A Antkiewicz (eds), *Emerging Powers in Global Governance: Lessons from the Heiligendamm Process*. Waterloo: Wilfrid Laurier University Press, 2008.

32 It is important to keep in mind, however, that the G-20 emerged as a meeting of ministers of finance. One of the reasons why South Africa was allowed into the group (apart from its African credentials) was the quality of its financial system and its integration into the global financial system.

33 Adebajo A & C Landsberg, *op. cit*.

34 *The Economist*, *op. cit*.

35 Cooper AF, 'G-20 membership and process: the unspoken issues', The G-20 Agenda and Process: Analysis and Insight by CIGI Experts. Waterloo: CIGI, 2011.

36 Khadiagala GM, 'Africa in the G-20?', *G-20 and Global Development*. Bonn: DIE, 2010, pp. 75–77.

37 Lins MAT & LP Silva, 'Brazil and the G-20: Recent development strategy and strength among "new" emerging economies', in Hofmeister W & S Vogt (eds), *G-20 – Perceptions and Perspectives for Global Governance*. Singapore: Konrad Adenauer-Stiftung, 2011.
38 Draper P, Mills G & L White, *Much Ado About Something? Assessing the Potential of the India-Brazil-SA Forum*, SAIIA Reports, 46. Johannesburg: South African Institute of International Affairs, 2004.
39 *Fourth BRICS Summit: Delhi Declaration*, BRICS Information Centre, University of Toronto, 29 March 2012, http://www.brics.utoronto.ca/docs/120329-delhi-declaration.html.
40 Gnath K & C Schmucker, 'The Role of the emerging countries in the G-20: Agenda-setter: Veto player or spectator?', in *European Yearbook of International Economic Law*, 3, 3, pp. 667–81, 2012.
41 De Freitas Barbosa A & R Mendes, *op. cit*.
42 Gnath K & C Schmucker, *op. cit*.
43 Lins MAT & LP Silva, *op. cit*. See also Wheatley J & J Leahy, 'Trade war looming, warns Brazil', *Financial Times*, 9 January 2011.
44 Gnath K & C Schmucker, *op. cit*.
45 Colitt R, 'BRICS to announce IMF contribution at G-20 meeting, Brazil Says', *Bloomberg*, 18 June 2012.
46 Cooper AF, *op. cit*.
47 Jolly R, *op. cit*.

SAIIA'S FUNDING PROFILE

SAIIA raises funds from governments, charitable foundations, companies and individual donors. Our work is currently being funded by, among others, the Bradlow Foundation, the United Kingdom's Department for International Development, the European Commission, the British High Commission of South Africa, the Finnish Ministry for Foreign Affairs, the International Institute for Sustainable Development, INWENT, the Konrad Adenauer Foundation, the Royal Norwegian Ministry of Foreign Affairs, the Royal Danish Ministry of Foreign Affairs, the Royal Netherlands Ministry of Foreign Affairs, the Swedish International Development Cooperation Agency, the Canadian International Development Agency, the Organisation for Economic Co-operation and Development, the United Nations Conference on Trade and Development, the United Nations Economic Commission for Africa, the African Development Bank, and the Open Society Foundation for South Africa.

SAIIA's corporate membership is drawn from the South African private sector and international businesses with an interest in Africa. In addition, SAIIA has a substantial number of international diplomatic and mainly South African institutional members.

South African Institute of International Affairs
Jan Smuts House, East Campus, University of the Witwatersrand
PO Box 31596, Braamfontein 2017, Johannesburg, South Africa
Tel +27 (0)11 339-2021 • Fax +27 (0)11 339-2154
www.saiia.org.za • info@saiia.org.za

South African Institute of International Affairs

African perspectives. Global insights.

Brazilâ€“Russiaâ€“Indiaâ€“Chinaâ€“South Africa (BRICS) is a popular yet poorly conceptualized group. This article builds a parallel between BRICS and OPEC in order to assess the former using a weak cognitivist version of the regime theory. The five countries created an international regime whose members cooperate in view of acquiring, collectively and individually, increased influence in international [Show full abstract] financial and economic institutions. As they do not concern this domain, the diverging interests of the five members do not hamper the rather limited socialization process at wor Originally the first four were grouped as "BRIC" (or "the BRICs"), before the induction of South Africa in 2010.[1] The BRICS members are known for their significant influence on regional affairs; all are members of G20.[2] Since 2009, the BRICS nations have met annually at formal summits.Â four countries could better co-operate in the future.[14][15] There was further discussion of ways that developing countries, such as 3/4 of the BRIC members, could become more involved in global affairs.[15].Â The custodianship of the G20 belongs to all Member States equally and no one Member State can unilaterally determine its nature and character."Â On 15 July, the first day of the BRICS 6th summit in Fortaleza, Brazil, the group of emerging economies Brazilian industrial production continues to decline, a trend it has been struggling to reverse, yet capacity utilisation remains relatively high. Russian industrial production never rebounded as swiftly from the 2008 crisis, but has remained in positive territory for the last few years despite the geopolitical situation. Remembering that one of Russia's largest industries is arms manufacture - the country ranks third by military expenditure globally behind China and the US - this may not be entirely surprising.Â What caused the RUB to return from the brink was a recovery in the oil price and a slight improvement in the politics of Ukraine. The Minsk II Agreement, whilst only partially observed, has curtailed an escalation of the Ukrainian civil war.