

EuroHub4Sino

European Hub for Contemporary China

May 2024

A Few More BRICS in The Wall: How to Respond to China and Russia's Emerging Bloc of Nations

by Jeremy Garlick



KEY TAKEAWAYS

- In August 2023, it was announced that the BRICS cooperation platform had accepted six new members: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates. So far, four of these nations have joined original members Brazil, Russia, India, China and South Africa (Argentina withdrew its application in December while Saudi Arabia is still considering the offer).
- The expansion of BRICS appears to have been instigated by China and Russia.
- With this move, it has become clear that BRICS+ is a direct challenge to the G-7, based on cooperation between global South countries and under Sino-Russian leadership, since it clearly seeks to counter the "liberal international order" (LIO) set up by the world's wealthiest and most powerful countries.
- BRICS+ appears to be, from Beijing's point of view, part of efforts to build a "community of shared destiny/future" based on South-South cooperation and the Belt and Road Initiative (BRI).
- However, cooperation between BRICS nations seems to be based more on united opposition to the hegemony of the global North rather than a clear, shared vision of the future. No clear strategy for an alternative order has emerged from BRICS thus far and it is unclear whether the core members truly see eye-to-eye on a range of issues. For instance, India is not in the BRI but is in the China-countering Quadrilateral Security Dialogue (the Quad).
- ₩ Whether BRICS+ can become a genuine counter-hegemonic bloc to the G-7 remains to be seen. There is still time and opportunity for the West to counter it by seeking to include the nations of the global South in the LIO's decision-making processes rather than lecturing them about what they should do.

Keywords

South-South Cooperation

Community of shared future

Global South

Liberal International Order (LIO)

BRICS

Belt and Road Initiative (BRI)



BRICS takes centre stage

In August 2023, at the annual meeting of the BRICS group, it was announced – to general surprise – that the platform would be getting <u>six new members</u>: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates (although <u>Argentina</u> withdrew its membership application at the end of 2023, and at the time of writing <u>Saudi Arabia</u> is reportedly still considering whether to accept the offer). By all accounts, the new members were admitted at the behest of <u>China and Russia</u>. Henceforth, the organisation would be known as <u>BRICS+</u>.

This move <u>bewildered</u> many observers. Why, they wondered, would Iran and Saudi Arabia, entrenched regional rivals for decades, fighters of proxy wars against each other, be included in the same body? Was this a calculated move to undermine the so-called 'liberal international order' (<u>LIO</u>)? Or just a step towards rendering BRICS impotent and incoherent? Was the organisation now, as it appeared, intended to stand directly against the G-7 group of rich nations? Was this expansion of BRICS a threat to the West, or simply strategically confused?

The answers to these questions are complex and multifaceted. On the one hand, it is clear that Beijing is trying to build a network of sympathetic nations based on the rhetoric of <u>South-South cooperation</u> and opposition to the hegemony of the global North. At the same time, the Chinese government does not want to rock the boat too vigorously for fear of shaking out too much of the liberal international order (LIO) which has produced China's economic miracle over the last four decades. BRICS is based in ideological opposition to the West's dominance but still lacks a clear vision beyond the vague goal of establishing a 'community of shared future.' Hence, there is space for the G-7 nations

to counter the influence of BRICS by presenting a more coherent path forward than that emanating either from the tentative Sino-Russian-led coalition or from the US and the EU so far. The future LIO needs to be more inclusive of global South countries rather than making them feel they are being lectured and dominated by the richer half of the world.

The story of BRICS

The BRICS intergovernmental organisation — comprising Brazil, Russia, India, China and South Africa — <u>was founded in 2009</u>. It has met annually ever since. However, it is interesting that <u>the term 'BRIC'</u> originates in 2001 from a publication by the erstwhile chairman of Goldman Sachs Asset Management. In it, Jim O'Neill proposed the idea of a bloc of powerful global South nations including Brazil, Russia, India and China. The idea gained some traction in the global public sphere in the following years and was then acted upon by the countries themselves, with the addition of South Africa. Hence, this bloc formed by global South actors was conceived in the global North.

With this in mind, it initially appeared that even the BRICS nations themselves were unsure what to make of the grouping. Perhaps the arrangement would be short-lived. Yet in fact annual meetings continued. Even in the face of events which would seem to run counter to cooperation – such as clashes in the *Galwan Valley* between Chinese and Indian forces in 2020, not to mention complex issues arising from the COVID-19 pandemic – the group persisted. And it was clear that this was an arrangement that had begun to suit the members. Of course, it also excluded the world's most powerful nations: the G-7, consisting of the USA, the UK, Canada, Germany, France, Italy, and Japan (*plus the EU* as a "non-enumerated member").

In conception, it is clearer what BRICS stands against, rather than what it intends to do. Based in the rhetoric of South-South cooperation emanating from discussions in the UN, the organisation is intended (at least as far as China and Russia are concerned) to foster unity among leading emerging economies with the aim of countering the dominance of North America and Europe. Officially, BRICS is supposed to assist in resolving regional conflicts, reforming global financial and economic structures (such as the World Bank and the International Monetary Fund), and establishing the BRICS Interbank Cooperation Mechanism. On the other hand, since BRICS countries still use the US dollar for transactions and the World Bank and IMF are still dominated by the US, there have been limited results so far in attempting to transform global finance. Regarding regional conflicts, Beijing points to its role as a peace-broker between Iran and Saudi Arabia. The Chinese government also promotes Belt and Road (BRI) investments as a sign of success.

Introduced in 2013, the BRI is intended to connect primarily developing countries across Asia, the Middle East, Africa and Europe in a multi-regional network of states, using Chinese infrastructure construction as the building-block. Later came other linked ideas such

as the <u>Global Development Initiative</u>, the <u>Global Civilisation Initiative</u>, and the rhetorical slogan "community of shared destiny" (later changed to "<u>community of shared future</u> for mankind"). But it is not clear what role – if any – BRICS itself played in these developments. All these Chinese initiatives point to one thing: President Xi had in mind an idea of constructing a bloc of non-Western nations as an alternative to the existing order predicated upon the dominance of the global North countries. And this is the origin of the idea for adding members to the BRICS platform. For the Chinese government, it is an ideational merging of the agendas of BRI and BRICS.

However, this does not necessarily mean that the other members see it this way, or that all potential members will be excited to join. It is clear from Argentina's withdrawal (after <u>an election</u> producing a change of leadership) and Saudi Arabia's hesitation that the expansion of the platform will not necessarily be plain sailing. This is especially the case since <u>India and Brazil</u> have resisted expanding BRICS membership too rapidly and – unlike China – tend to favour the inclusion of <u>democracies over autocracies</u>. Brazil and India have also <u>rejected</u> the idea of BRICS as an anti-Western bloc and <u>refuse</u> to join the BRI. Clearly, BRICS has a long way to go if it is to promote a unified vision of global South development.

BRICS+: added value or watering down?

Probably the most surprising aspect of the August 2023 announcement for many observers was that Iran and Saudi Arabia were to be admitted to BRICS together (although, as already stated, Saudi Arabia had not yet accepted the invitation at the time of writing). Regional rivals since the Islamic revolution of 1979, Shia Iran and Sunni Saudi Arabia have been competing for influence in the Persian Gulf for decades. Both are major oil exporters and dominate the region geopolitically. Saudi Arabia has traditionally been an ally of the US (although it has been hedging its bets in recent years), while Iran has stood against the West since the Islamic revolution. Iran controls the Strait of Hormuz, through which pass about 21 per cent of the world's liquid petroleum. Recently, they have been backing opposing factions in proxy wars in Syria and Yemen. Relations between them would appear to be impossibly bad, making the prospect of their representatives sitting around a table at a BRICS summit unlikely. Yet both were invited, presumably at China's behest.

This is a puzzle if one considers the possible downsides of trying to cooperate with bitter rivals within a multilateral organisation such as BRICS. The more members the platform gains and the more diverse their interests, the more difficult it is likely to be to achieve consensus. This is especially the case when countries which have had long-term security arrangements with the US – such as Saudi Arabia and Egypt – are admitted. Expansion appears to contain significant downsides for the organisation in terms of taking practical steps to counter Western hegemony – if that is what BRICS is for.

The explanation is relatively straightforward. From China and Russia's point of view, at this stage the mere fact of appearing to co-opt erstwhile Western allies – and doing it in a peaceful fashion – is more important than achieving consensus. For instance, as already noted, in March 2023, Chinese Foreign Minister Wang Yi announced that Beijing had brokered a <u>peace deal</u> between the two rivals – even if in private some who were in the know noted that China had stepped into the long-term negotiations quite late in the day. The announcement of the deal was an attempt to send three clear messages. First, that China was capable of achieving results that Western countries could not. Second, that China was presenting itself as an agent of <u>peaceful global development</u> rather than conflict (in contrast with common perceptions of the US in many countries, not least in the Middle East). And third, that this was part of a long-term attempt to create the appearance that China was capable of constructing an alternative international order based on building cooperation with and between global South countries. Of course, since the outline of this alternative order remains vague, it is the attempt to blunt the power of the global North by constructing an alternative bloc of states that it is the key point. Thus, attracting countries to BRICS – and increasing China's influence at the expense of the West – is, at this stage, more important than the missing details of exactly what the new, BRICS-led global order is supposed to look like – or what exactly it is supposed to do.

Thus, the move to bring in Saudi Arabia and Iran, with two other Middle East and North Africa (MENA) nations – Egypt and the United Arab Emirates (UAE) – also included, is meant to send a signal. China wants to be seen as a broker capable of bringing peace to regions where Western initiatives – often based on violent interventions – have failed. US-led actions such as the <u>invasion of Iraq</u> and attacks on Houthi rebels in <u>Yemen</u> have set an example of the West as an aggressor in the MENA region. Beijing means to demonstrate that it is a different type of actor: a peaceful one. The Xi administration, continuing China's long-term policy of <u>non-interference</u> and <u>respect for sovereignty</u>, wants to show the global South that it is not like that and can be a trusted partner which will not intervene militarily in local conflicts.

In a <u>Gramscian</u> sense, BRICS+ could be interpreted as a <u>counter-hegemonic historic bloc</u>, set up as an alternative to G-7 and the dominant hegemonic bloc set up by global North countries. A Gramscian interpretation suggests that ideational factors are at play at least as much as material ones, presenting this novel organisational structure as a contender for normative recognition, especially in the <u>global South</u>. It can be understood as a China- and Russia-led move to present the developing world, most of which was colonised by Europeans, as capable of standing up to the power of the wealthiest nations and creating a viable alternative order.

At the same time, a key aim of BRICS is to play on grievances in the global South about the global North's dominance of the architecture of international institutions and the unequal distribution of power rather than seeking to completely disrupt the existing order. Many global South countries resent the fact that they are under-represented in global power structures

such as the UN Security Council or the G7. This is why the 2023 BRICS <u>Johannesburg Summit Declaration</u> contains a laundry list of concerns about the current order, while at the same time reaffirming the importance of the traditional global governance institutions. What remains to be seen, at this stage, is how much the idea of BRICS+ will gain credibility in Africa, Latin America, Asia and other developing regions, and whether there will be a steady drip of new members into it or not.

Policy recommendations: responding to China's role in BRICS+

As far as the EU and other countries in the global North are concerned, the implications of the August 2023 membership expansion are clear. The potentially expanding China- and Russia-led challenge to the LIO needs to be faced. It would not be wise to ignore such a development at this stage, especially since there are points of weakness in BRICS which, quite frankly, can be exploited. Given the signs of contestation within BRICS itself, it is the Sino-Russian axis which is the core of the challenge to the Western-led global order and, from the point of view of the US and the EU. The way to counter the challenge is to react to China and Russia's leading roles in the organisation by looking to improve relations with other members and potential members of BRICS+.

In order to do this, it is essential to understand and address the grievances of global South countries. In the main, these revolve around their perception that they are being excluded from the main decision-making structures in the global international institutions which make up the LIO. Thus, there needs to be more emphasis on joint problem-solving and reform to institutional structures which allow more space for diplomatic cooperation with countries which are current or potential members of BRICS. If this is not done, countries are likely to pursue their interests through BRICS instead of the LIO, taking their lead from China and Russia – even if they would perhaps prefer to avoid this solution.

In particular, India is an obvious potential target of diplomatic attention. It is both a founding member of BRICS, and the world's most populous nation. The Modi administration in New Delhi has also consistently refused to join the BRI, Xi Jinping's flagship foreign policy initiative. India fears increasing Chinese influence in its backyard (the Indian Ocean) and the two countries have ongoing territorial disputes at their Himalayan borders. India is a participant in the Quadrilateral Security Dialogue, a security organisation including the US, Japan and Australia which aims to counter China. Given all these circumstances, it is far from likely that India will be a solid supporter of Chinese attempts to set agendas in BRICS+. All that is really needed at this stage is increased diplomatic engagement with Indian officials to evaluate where they stand and what is the potential for enhancing ties. In the future, it may be possible to offer India greater participation in the LIO, possibly even as a full member of the G-7.

It could also be worth exploring Brazil's position. Brazil has never portrayed itself as a

supporter of China and, like India, has <u>not yet joined</u> the BRI. On the other hand, it has become a key oil supplier to China, which is its main customer. China receives 63 percent of total Brazilian crude exports since a deal was struck between Petrobras, Brazil's state oil company, and Sinopec, the Chinese equivalent, <u>in 2006</u>. However, there are no other major economic or political ties between the two countries. Thus, while it is not likely that the Brazilian government will seek to antagonise China, there is room for manoeuvre.

Clearly, it must also be worth talking to Saudi Arabia and Argentina. The Saudis appear to be employing delaying tactics or a hedging strategy on possible membership of BRICS+. The Kingdom's foreign relations appear to be in flux under Mohammed bin Salman as Saudi Arabia seeks to change its international <u>image</u> and reframe itself as a modern state. The Saudi leader is therefore likely to be amenable to discussions about his country's participation in the LIO rather than BRICS and the BRI. Meanwhile, Argentina has already rejected BRICS, and it would be interesting to find out more about the present government's position on China. The opportunity for increased diplomatic activity to explore avenues for cooperation in both these cases is obvious.

Of course, China is building relations with large numbers of global South countries through the BRI and other initiatives, including <u>regional cooperation platforms</u> such as the China-Arab States Cooperation Forum (<u>CASCF</u>). This is seen in the steadily reducing number of nations – now just twelve – still maintaining official <u>ties with Taiwan</u>. It is possible that more developing nations may be offered BRICS membership in the future, perhaps as soon as this year's annual summit. Some are more committed to China than others. It would therefore be a good idea to identify countries which are wavering on cooperation and try to cultivate ties with them. Offering increased investment in carefully selected countries via the EU's budding <u>Global Gateway</u> scheme would not go amiss.

In short, there is still time to present a clear counter-offer to selected global South countries. This should be tailored to individual countries as far as possible, seeking to find a more participatory role for them in existing global governance institutions. The emphasis needs to be on solving problems together, finding routes into the future which actively include the countries of the global South rather than merely telling nations to follow the rules of the LIO. As a recent <u>BBC interview</u> with the president of Guyana demonstrated, many countries feel they are being lectured rather than listened to on issues such as oil and climate change. The time is here not just to listen, but to learn from the global South – and to seek mutual solutions rather than being seen as imposing ones which favour the rich half of the world.

The task is to formulate the counter-offer to BRICS and the Sino-Russian alliance in a way that is attractive to as many nations as possible, and especially those with clout in BRICS. It should not be difficult to separate those nations which will stand steadfastly with China

and Russia from those who are wavering. But it will take some time and work through diplomatic channels, as well as a clearly-formulated plan for cooperation with the EU and the rest of the global North. Above all, it is important to earn the respect of countries in the global South rather than talking down to them — and to encourage these nations to feel that they can participate in the LIO instead of being made to feel that they are its victims.



This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. The terms on which these article have been published allow the posting of the Accepted Manuscript in a repository by the author(s) or with their consent.

This EuroHub4Sino Policy Paper contains links to external third-party websites. These links to third-party sites do not imply approval of their contents. EuroHub4Sino has no influence on the current or future contents of these sites. We therefore accept no liability for the accessibility or contents of such websites and no liability for damages that may arise as a result of the use of such content.



The project "European Hub for Contemporary China (EuroHub4Sino)" has received funding from the European Union's Horizon Europe research and innovation programme under grant agreement number 101131737.

Funded by the European Union. Views and opinions expressed are however those of the authors) only and do not necessarily reflect those of the European Union or European Research Executive Agency (REA). Neither the European Union nor the granting authority can be held responsible for them.