

BRICS: Growing and Strengthening in the New Decade

By SHEN YI

THE ninth BRICS Summit will soon take place in September in Xiamen. The concept of “BRIC” was formed 10 years ago. In reviewing the past and looking to the future, it is expected that BRICS will continue to grow and strengthen in the coming decade with more pragmatic cooperation.

Essential Basis: Unity

To make BRICS a major impetus for global governance reform, the BRICS nations must first improve themselves and unite.

In its first decade, BRICS saw the formation of its own unique mechanism, which evolved from a simple term raised by a financial institution into a substantial existence that has had a great impact on global governance.

As BRICS enters its second phase in a state of relatively mature and stable development, BRICS countries are facing even more daunting challenges, such as how to withstand deconstructive power from the outside world and sustain a steady impetus for substantial reform on global governance. To tackle these challenges, BRICS countries must strengthen their voice and bond together. Who will have a greater say in defining BRICS nations? This question concerns the existence of BRICS, and the mechanism’s development and representativeness.

Some media and research institutions from Europe and the U.S. undoubtedly hope to play a decisive role in the future of BRICS. For BRICS countries, having a greater say hinges on their own development as well as cooperation and coordination between themselves.

Cohesion among BRICS countries can be achieved by overcoming any disparities, divergences, and friction among themselves, in a bid to effectively counter deconstructive power from the outside world. In this regard, a typical example would be the U.S. trying to draw countries from the South Asian Sub-continent over to its side. For the BRICS member countries, it is crucial to act with strategic wisdom and foresight – focusing on long-term interests, instead of small or short-term benefits. From a historical perspective, the emergence and development of BRICS is inevitable, corresponding with the trend of multi-polarization. As a cooperation mechanism, however, the founding of

BRICS is a happenstance. In the coming decade, self-development and cohesion will, to a large extent, decide the future of BRICS and its related mechanisms.

Strategic Goals: Making Substantial Contributions

BRICS countries need to find their own position in the global arena and make substantial contributions, so that they can raise their status and expand their influence in global governance. This is one of the strategic goals that BRICS must achieve for its future development.

Since 2008, when the global financial crisis broke out, globalization spear-headed by developed economies in Europe and the U.S. stalled. In 2016, anti-globalization even started to prevail. This trend showed that developed countries were no longer able to control the direction of globalization due to their internal structural problems (such as flaws in their distribution systems). Such waves of anti-globalization also signify that the current global governance framework has reached certain growth boundaries. The progress of globalization will neither stop nor reverse. What needs to be adjusted and changed is the superstructure, especially the distribution of decision-making power of relevant mechanisms and their operations. By this token, China and the other BRICS nations will have unprecedented opportunities.

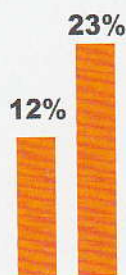
In the coming decade, BRICS countries should take the opportunity to make substantial contributions, so as to raise their status and expand their influence in global governance. Here, the substantial contributions include promoting the benign progress of globalization, driving the reform of global governance, and seeking new development models and paths that will meet diversified needs. In this process, BRICS countries should resist the pressure of the Western world and stick to their own development path, so as to better participate in building a new global governance framework.

Mission: Improving Global Governance

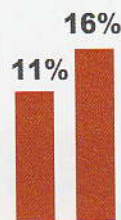
It is the mission of all BRICS countries to aid their future development by sharpening their capabilities and not only participating in, but also actively promoting the reform of the global governance and expanding the fields of pragmatic cooperation.

It is difficult to reconcile the conflict between the

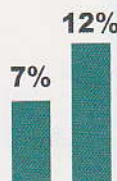
2006-2016
(% of world's total)



BRICS' contribution to global economy



BRICS' volume of trade



Overseas investment originating from BRICS

2017年6月18-19日 中国·北京
18-19 June 2017 Beijing, China



BRICS foreign ministers – Wang Yi of China, Sergei Lavrov of Russia, Maite Nkoana-Mashabane of South Africa, Aloysio Nunes of Brazil, and Vijay Kumar Singh of India – gather in Beijing for a meeting on June 19, 2017.

supply and demand of international public goods under the current global governance system, which resulted in the formation of the BRICS mechanism. The current global governance system that took shape after World War II was established by the U.S.-led Western bloc. Under this system, the global economic governance system operated using the Bretton Woods system and with the UN as the center of the global security governance system. Western developed countries have long played a dominant role in making rules and explaining the system. This meant that emerging economies and developing countries were labeled inferior in terms of their voice and influence, and as a result, their interests and demands have often been ignored.

The outbreak of the global financial crisis in 2008 exposed the drawbacks of the International Monetary Fund (IMF) – the core international financial institution – in terms of the insufficient supply of international public goods such as policy supervision and rescue programs. With these caveats, developed countries realized the importance of having developing countries participate in tackling issues like global policy coordination and crisis assistance. The G20, an informal dialogue mechanism that covers major developed and developing countries under the IMF framework, has become a key platform for developed and developing economies to converse on global economic governance. BRICS countries, which are all G20 members, often arranged side meetings during the G20 summits, as they shared similar standpoints on dealing with many issues and had common requirements for the reform of global governance. This helped propel the formation of the BRICS mechanism.

Key to Sustainable Development: Improvement

Since its formation, BRICS has always strived to branch out and seek better development. In this spirit, BRICS has evolved from a marketing concept at Goldman Sachs to a substantial mechanism, and has broadened its mission from one of global economic governance to reforming the global governance system. It has

also transformed itself from a policy coordinator into a comprehensive mechanism that focuses on pragmatic cooperation. In the coming decade, BRICS will continue to expand its fields of pragmatic cooperation related to national strategy and people's lives, which remains key for BRICS countries to achieve further development.

In my opinion, BRICS countries should try to make improvements in the following ways:

First, BRICS should deepen its cooperation on international politics and security, make its voice heard and advance the reform of the global governance system. Seeking pragmatic political and security cooperation is top of the agenda at this year's summit. Reviewing the development of the post-Cold War global system, it is clear that democratic reforms modeled after Western countries, military alliances inherited from the Cold War period, and military-centric approaches to counter terrorism, have not made the world safer. The current political and security systems, therefore, need to be repaired and improved to create a benign environment. In this way, the BRICS countries enjoy a particular advantage and are able to make new contributions.

Second, it is necessary to improve BRICS' credit rating agencies. Based on the experience of the New Development Bank and the Asian Infrastructure Investment Bank, we should make our own voice heard in global economic and credit rating systems, so as to meet the demand for global public goods.

Third, BRICS must establish and improve a new development model with inclusive growth at its core, and dovetail it with the UN 2030 Sustainable Development Goals. BRICS countries can, through their strategic cooperation framework, quicken the pace of establishing a community of a shared future for humankind.

As the Chinese saying goes, a man of virtue should continuously strive to strengthen himself, just like the unstoppable universe. After a decade of remarkable development, BRICS is sure to find a new path of development, and make its due contribution to the world. ■

SHEN YI is an associate professor and director of the Center for BRICS Studies at Fudan University.