



NATIONAL OPEN UNIVERSITY OF NIGERIA

FACULTY OF ARTS AND SOCIAL SCIENCES

COURSE CODE: INR 371

COURSE TITLE: BRICS AND MULTILATERAL DIPLOMACY

COURSE GUIDE

Course Code:	INR 371
Course Title:	BRICS and Multilateral Diplomacy
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INTRODUCTION

INR 371: BRICS and Multilateral Diplomacy, is a one Semester Course in the third year of BSC (Hons) degree in International and Diplomatic Studies at the Faculty of Social Sciences. The 2 Units Course is designed to introduce you to the emergence of Brazil, Russia, India, China and South Africa (BRICS) as new players in the global stage and the debates on the formation of a New World Order, as well as the impact that the BRICS are having globally and in the sub-regions. The impacts and affluences is weaved around the BRICS approaches to global economic, political, development and financial policy relations with other countries, encapsulated in the concept of multilateral diplomacy.

The course begins with introductory modules on diplomacy and multilateral diplomacy, which discusses the history, characteristics and the practice of diplomacy and multilateral diplomacy, as well as the typology and application of the terms in practice. The introductory also includes the tools of multilateral diplomacy and the means by which states negotiate with the aim of achieving national interests through alliances within the international system and international organisations. The introduction to diplomacy and the practice of multilateral diplomacy is framed to lead to the basic understanding of the BRICS approach as individual country to international development, trade and South-South cooperation, for more specific insights to their relations with other BRICS countries and different Sub-regions. This understanding takes you to the evidence of the BRICS collective multilateral diplomacy as a bloc or club of emerging countries that is fast becoming important through specific actions, procedures and initiatives. Indeed, it is this dimensions that determines the global perception of the bloc as a driving force in international relations in the years to come.

Each module is structured into 4 units. A unit guide comprises of instructional material. It gives you a brief of the course content, course guidelines and suggestions and steps to take while studying. You can also find self-assessment exercises for your study.

COURSE AIMS

The aim of this course is to give the students of International and Diplomatic Studies a comprehensive knowledge of the BRICS (Brazil, Russia, India, China and South Africa) as new players in the global stage.

COURSE OBJECTIVES

The primary objective of this course is to enable you understand the role and place of the BRICS in international politics, trade, economic and diplomatic relations. The specific objectives of each study unit can be found at the beginning of each unit and you can make references to it while studying. It is necessary and helpful for you to check at the end of the unit, if your progress is consistent with the stated objectives and if you can conveniently answer the self-assessment exercises. The overall objectives of the course will be achieved if you diligently study and complete all the units in this course.

WORKING THROUGH THE COURSE

To complete the course, you are required to read the study units and other related materials. You will also need to undertake practical exercises for which you need a pen, a notebook, and other materials that will be listed in this guide. The exercises are to aid you in understanding the concepts being presented. At the end of each unit, you will be required to submit written assignment for assessment purposes. At the end of the course, you will be expected to write a final

THE COURSE MATERIAL

In this course, as in all other courses, the major components you will find are as follows:

1. Course Guide
2. Study Units
3. Textbooks
4. Assignments

STUDY UNITS

There are four modules made up of 16 units in this course. They are listed below:

MODULE 1: THE CONCEPTS OF DIPLOMACY AND MULTILATERAL DIPLOMACY

UNIT 1: What is Diplomacy?

UNIT 2: Scope and Functions of Diplomacy

UNIT 3: Contemporary Diplomatic Practice

UNIT 4: Bilateral Versus Multilateral Diplomacy

MODULE 2: MULTILATERAL DIPLOMACY IN PRACTICE

UNIT 1: Characteristics of Multilateral Diplomacy in International Organisations

UNIT 2: Multilateral Diplomacy and Groupings in the International System

UNIT 3: International Negotiation, the Theory of Clubs and Multilateralism Diplomacy

UNIT 4: Multilateral Diplomacy and the Concept of South-South Cooperation

MODULE 3: BRICS (BRAZIL, RUSSIA, INDIA, CHINA AND SOUTH AFRICA)

UNIT 1: What is Brics?

UNIT 2: Knowing the BRICS Countries: Brazil, Russia and India

UNIT 3: Knowing the BRICS Countries: China and South Africa

UNIT 4: Unity in Diversity? An Overview of the Five BRICS States' Approach to Diplomacy, Trade and Development

MODULE 4: EVIDENCE OF BRICS MULTILATERAL DIPLOMACY

UNIT 1: The BRICS: From an Acronym to an Institution

UNIT 2: The BRICS New Development Bank and Currency Policy

UNIT 3: The BRICS Summits

UNIT 4: The Future of the BRICS

As you can see, the course begins with the basics and expands into a more elaborate, complex and detailed discussions. All you need to do is to follow the instructions as provided in each unit. In addition, some self-assessment exercises have been provided with which you can test your progress with the text and determine if your study is fulfilling the stated objectives. Tutor-marked assignments have also been provided to aid your study. All these will assist you to be able to fully grasp the spirit and letters of the BRICS State' role and place in international politics.

TEXTBOOKS AND REFERENCES

At the end of each unit, you will find a list of relevant reference materials which you may yourself wish to consult as the need arises, even though I have made efforts to provide you with the most important information you need to pass this course. However, I would encourage you, as a third year student to cultivate the habit of consulting as many relevant materials as possible, within the duration of the course. Indeed, it is advisable to consult all the materials you are instructed to consult before attempting any exercise.

ASSESSMENT EXERCISE

Two types of assessment are involved in the course: the Self-Assessment Exercises (SAEs), and the Tutor-Marked Assessment (TMA) questions. Your answers to the SAEs are not meant to be submitted, but they are also important since they give you an opportunity to assess your own understanding of the course content. Tutor-Marked Assignments (TMAs) on the other hand are to be carefully answered and kept in your assignment file for submission and marking. This will count for 30% of your total score in the course.

TUTOR-MARKED ASSIGNMENT

At the end of each unit, you will find tutor-marked assignments. There is an average of two tutor-marked assignments per unit. This will allow you to engage the course as robustly as possible. You need to submit at least four assignments of which the three with the highest marks will be recorded as part of your total course grade. This will account for 10 percent each, making a total of 30 percent. When you complete your assignments, send them including your form to your tutor for formal assessment on/or before the deadline. Self-assessment exercises are also provided in each unit. The exercises should help you to evaluate your understanding of the material so far. These are not to be submitted. You will find all answers to these within the units they are intended for.

FINAL EXAMINATION AND GRADING

There will be a final examination at the end of the course. The examination carries a total of 70 percent of the total course grade. The examination will reflect the contents of what you have learnt and the self-assessments and tutor-marked assignments. You therefore need to revise your course materials beforehand.

COURSE MARKING SCHEME

The following table sets out how the actual course marking is broken down.

ASSESSMENT	MARKS
Four assignments (the best four of all the assignments submitted for marking)	Four assignments, each marked out of 10%, but highest scoring three selected,

	thus totaling 30%
Final Examination	70% of overall course score
Total	100% of course score

COURSE OVERVIEW PRESENTATION SCHEME

Units	Title of Work	Week Activity	Assignment (End of Unit)
Course Guide			
MODULE 1	THE CONCEPTS OF DIPLOMACY AND MULTILATERAL DIPLOMACY		
UNIT 1	What is Diplomacy?	Week 1	Assignment 1
UNIT 2	Scope and Functions of Diplomacy	Week 2	Assignment 1
UNIT 3	Contemporary Diplomatic Practice	Week 3	Assignment 1
UNIT 4	Bilateral Versus Multilateral Diplomacy	Week 4	Assignment 1
MODULE 2	MULTILATERAL DIPLOMACY IN PRACTICE		
UNIT 1	Characteristics of Multilateral Diplomacy in International Organisations	Week 5	Assignment 1
UNIT 2:	Multilateral Diplomacy and Groupings in the International System	Week 6	Assignment 1
UNIT 3	International Negotiation, the Theory of Clubs and Multilateralism Diplomacy	Week 7	Assignment 1
UNIT 4	Multilateral Diplomacy and the Concept of South-South Cooperation	Week 8	Assignment 1
MODULE 3	BRICS (BRAZIL, RUSSIA, INDIA, CHINA AND SOUTH AFRICA)		
UNIT 1	What is Brics?	Week 9	Assignment 1
UNIT 2	Knowing the BRICS Countries: Brazil, Russia and India	Week 10	Assignment 1
UNIT 3	Knowing the BRICS Countries: China and South Africa	Week 11	Assignment 1
UNIT 4	Unity in Diversity? An Overview of the Five BRICS States' Approach to Diplomacy, trade and Development	Week 12	Assignment 1
MODULE 4	EVIDENCE OF BRICS MULTILATERAL DIPLOMACY		
UNIT 1	The BRICS: From an Acronym to an Institution	Week 13	Assignment 1
UNIT 2	The BRICS New Development Bank and Currency Policy	Week 14	Assignment 1
UNIT 3	The BRICS Summits	Week 15	Assignment 1
UNIT 4	The Future of the BRICS	Week 16	Assignment 1
Revision		Week 17	
Examination		Week 17	
Total		17 Weeks	

WHAT YOU WILL NEED FOR THE COURSE

This course builds on what you have learnt in the 100 and 200 Levels. It will be helpful if you try to review what you studied earlier. Second, you may need to purchase one or two texts recommended as important for your mastery of the course content. You need quality time in a study-friendly environment every week. If you are computer literate (which ideally you should be), be prepared to visit recommended websites. You should also cultivate the habit of visiting libraries accessible around you.

TUTORS AND TUTORIALS

There are 15 hours of tutorials provided in support of the course. You will be notified of the dates and location of these tutorials, together with the name and phone number of your tutor - as soon as you are allocated a tutorial group. Your tutor will mark and comment on your assignments, and keep a close watch on your progress. Be sure to send in your tutor-marked assignments promptly, and feel free to contact your tutor in case of any difficulty with your self-assessment exercise, tutor-marked assignment or the grading of an assignment. In any case, you are advised to attend the tutorials regularly and punctually. Always take a list of such prepared questions to the tutorials and participate actively in the discussions.

ASSESSMENT EXERCISES

There are two aspects to the assessment of this course. First is the Tutor-Marked Assignments; second is a written examination. In handling these assignments, you are expected to apply the information, knowledge and experience acquired during the course. The tutor-marked assignments are now being done online. Ensure that you register all your courses so that you can have easy access to the online assignments. Your score in the online assignments will account for 30 per cent of your total coursework. At the end of the course, you will need to sit for a final examination. This examination will account for the other 70 per cent of your total course mark.

TUTOR-MARKED ASSIGNMENTS (TMAs)

Usually, you will be asked to take four online tutor-marked assignments in this course. Each assignment will be marked over ten percent. The best three (that is the highest three of the 10 marks) will be counted. This implies that the total mark for the best three

assignments will constitute 30% of your total course work. You will be able to complete your online assignments successfully from the information and materials contained in your references, reading and study units.

FINAL EXAMINATION AND GRADING

The final examination for INR 371: *BRICS and Multilateral Diplomacy* will be of two hours duration and have a value of 70% of the total course grade. The examination will consist of multiple choice and fill-in-the-gaps questions which will reflect the practice exercises and tutor-marked assignments you have previously encountered. All areas of the course will be assessed. It is important that you use adequate time to revise the entire course. You may find it useful to review your tutor-marked assignments before the examination. The final examination covers information from all aspects of the course.

HOW TO GET THE MOST FROM THIS COURSE

1. There are 16 units in this course. You are to spend one week in each unit. In distance learning, the study units replace the university lecture. This is one of the great advantages of distance learning; you can read and work through specially designed study materials at your own pace, and at a time and place that suites you best. Think of it as reading the lecture instead of listening to the lecturer. In the same way a lecturer might give you some reading to do. The study units tell you when to read and which are your text materials or recommended books. You are provided exercises to do at appropriate points, just as a lecturer might give you in a class exercise.
2. Each of the study units follows a common format. The first item is an introduction to the subject matter of the unit, and how a particular unit is integrated with other units and the course as a whole. Next to this is a set of learning objectives. These objectives let you know what you should be able to do, by the time you have completed the unit. These learning objectives are meant to guide your study. The moment a unit is finished, you must go back and check whether you have achieved the objectives. If this is made a habit, then you will significantly improve your chance of passing the course.
3. The main body of the unit guides you through the required reading from other sources. This will usually be either from your reference or from a reading section.
4. The following is a practical strategy for working through the course. If you run into any trouble, telephone your tutor or visit the study centre nearest to you. Remember that your tutor's job is to help you. When you need assistance, do not hesitate to call and ask your tutor to provide it.
5. Read this course guide thoroughly. It is your first assignment.

6. Organise a study schedule – Design a ‘Course Overview’ to guide you through the course. Note the time you are expected to spend on each unit and how the assignments relate to the units. Important information; e.g. details of your tutorials and the date of the first day of the semester is available at the study centre. You need to be mentally alert to all these by reminding yourself either through your diary or a calendar. Whatever method you choose to use, you should decide on and write in your own dates and schedule of work for each unit.
7. Once you have created your own study schedule, do everything to stay faithful to it.
8. The major reason that students fail is that they get behind in their coursework. If you get into difficulties with your schedule, please let your tutor or course coordinator know before it is too late for help.
9. Turn to Unit 1, and read the introduction and the objectives for the unit.
10. Assemble the study materials. You will need your references for the unit you are studying at any point in time.
11. As you work through the unit, you will know what sources to consult for further information.
12. Visit your study centre whenever you need up-to-date information.
13. Well before the relevant online TMA due dates, visit your study centre for relevant information and updates. Keep in mind that you will learn a lot by doing the assignment carefully. They have been designed to help you meet the objectives of the course and, therefore, will help you pass the examination.
14. Review the objectives for each study unit to confirm that you have achieved them. If you feel unsure about any of the objectives, review the study materials or consult your tutor. When you are confident that you have achieved a unit’s objectives, you can start on the next unit. Proceed unit by unit through the course and try to space your study so that you can keep yourself on schedule.
15. After completing the last unit, review the course and prepare yourself for the final examination. Check that you have achieved the unit objectives (listed at the beginning of each unit) and the course objectives (listed in the course guide).

CONCLUSION

BRICS and Multilateral Diplomacy is both a theory and contemporary/current affairs course. You will get the best out of it if you cultivate the habit of relating the issues to political and economic trends in domestic and international arenas.

SUMMARY

BRICS and Multilateral Diplomacy introduces you to the emergence of Brazil, Russia, India, China and South Africa (BRICS), as new players in global diplomatic relations. It discusses the role and place of the BRICS in international politics, trade, economic and diplomatic interactions as well as their influence as emerging economies and future economic powers. All the basic course materials that you need to successfully complete the course are provided. At the end, you will be able to:

- understand the interplay of multilateral diplomacy within the context of economic, financial, trade, development and South-South Cooperation;
- familiarise yourself with the BRICS countries and their specific development trends, as well as the attributes that brought them together under the BRICS bloc;
- understand the role of associations of countries, clubs, alliances and their force in international negotiations;
- know the trends in diplomatic and international interactions as it pertains to BRICS and the world;
- acquaint yourself with the possibilities and challenges facing the BRICS bloc in the global system.

LIST OF ACRONYMS

AG -Africa Group
ACD- Asia Cooperation Dialogue
AFDB- African Development Bank
ASEM-Asia-Europe Meeting)
ASPAC-Asia-Pacific Group
BIMSTEC- Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation
G-CAP-Common Africa Position
COP 21-21st Conference of Parties
CRA- Currency Reserve Arrangement
DAC- Development Assistance Committee
ECOWAS- Economic Community of West African States
EU-European Union
G7-Group of Seven
G77 + China- Group of 77 and China
G-20- Group of 20
GRULAC-Latin American and Caribbean Group
GSP- Generalised System of Preference
IBSA-India, Brazil and South Africa
IGO-Inter Governmental Organisations
IMF-International Monetary Fund
IOR-ARC-Indian Ocean Rim Association for Regional Cooperation
MEA- Ministry of External Affairs
MINT-Mexico, Indonesia, Nigeria and Turkey
MFN- Most Favoured Nations
NAM- Non-Aligned Movement
NATO-North Atlantic Treaty Organisation
NDB- New Development Bank
NEPAD-New Partnership for Africa's Development
NGOs-Non-Governmental Organisations
OECD-Organization for Economic Cooperation and Development
OIF-International Organisation for Francophonie
PRC-People's Republic of China
RSA-Republic of South Africa
RSCA-UNDP Regional Service Centre for Africa
UNESCO-United Nations Educational Scientific and Cultural organisation
UNDP-United Nations Development Programme
UNGA-UN General Assembly
UNO- The United Nations Organisation
WEOG-Western European and Others Group
WTO-World Trade Organisation

MAIN COURSE

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MODULE 1: THE CONCEPTS OF DIPLOMACY AND MULTILATERAL DIPLOMACY

UNIT 1: What is Diplomacy?

UNIT 2: Scope and Functions of Diplomacy

UNIT 3: Contemporary Diplomatic Practice

UNIT 4: Bilateral Versus Multilateral Diplomacy

UNIT 1: WHAT IS DIPLOMACY?

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1.0 INTRODUCTION

In the preambles to this manual, you have been sufficiently introduced to your course, INR 371. You now know that we are examining multilateral diplomacy within the context of the BRICS States. Notwithstanding that you have acquired some basic understanding of the concept of diplomacy in your earlier level courses on the subject; I consider that you need to refresh your memory on the term and the background to it as a discipline and concept in international relations.

This unit will, therefore, focus on the definition, scope and functions, history, and the relationship between diplomacy, negotiation, national interest and alliances in the international system. The goal is invariably to facilitate a better comprehension of the fundamental principles of diplomacy in the light of geo-political or geo-economic regrouping of states with common identity, economy, development pace and interests in the international system as is the case of the BRICS states.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- define diplomacy;

- trace, briefly, the history and origin of diplomacy;
- discuss the scope and functions of diplomacy;
- identify the major types of diplomacy and the rationale for classifying them.

3.0 MAIN CONTENT

3.1: Definition of Diplomacy

As it is with every other concept, there is no single and generally acceptable definition of diplomacy. These variety of definitions by scholars and practitioners of diplomacy however create a basic understanding of the subjects as it concerns relationship between nations. For the purpose of this study, I consider it best to re-examine some of the definitions as advanced by authorities in the subject. You may refer to INR 221(History and Practice of Diplomacy), to see the various definitions of diplomacy as shown in Box 1 on page 18.

The *Vocabulary.com* Dictionary sees diplomacy as the art of helping groups to get along and even work together. One who has a gift for *diplomacy* can get bickering siblings to cooperate. The word *diplomacy* comes from the French word *diplomatie*, which means ‘diplomat’. A diplomat lives in a foreign country, fluent in its language and culture. The job of a diplomat is to apply tact in his dealings with others from another country, understanding their concerns and needs, if possible, guide them toward decisions that are mutually agreeable.

In his own view, Edward Marks (2015) states that “there is much confusion about the concept of diplomacy, not just among lay people, but among its practitioners as well”. Part of this derives from the fact that English is a tricky language, requiring a good deal of care to ensure that what is said is what is meant. Even at the level of single words, misunderstandings can occur, given that words often have multiple meanings. The word ‘diplomacy’, according to Mark, which in addition to its formal reference to a specialised activity of governments, has come to denote personal qualities involving pleasant manners. Confusion also arise, especially when some people erroneously see diplomacy as foreign affairs and foreign policy”.

In essence, foreign affairs means matters having to do with international relations and with the interests of the home country in foreign countries, while foreign policy is the diplomatic policy of a nation in its interactions with other countries. Diplomacy is, therefore, generally defined as “the art and practice of conducting negotiations between nations in order to implement those policies and pursue those interests. In relation to negotiation, diplomacy is the instrument of communication, not the message communicated.

Going by the above analogies, it is clear that diplomacy as a concept is not in any way an accidental occurrence or arrangements but a skill aimed at creating concrete and durable relations, especially among states in the international system.

Box 1: Different Definitions of Diplomacy	
	<ul style="list-style-type: none"> • Diplomacy is the profession or skill of preserving or creating friendly relationship between countries and the ability to deal with people in a sensitive way that does not upset or offend them (The Macmillan dictionary). • Diplomacy is the conduct by government officials of negotiations and other relations between nations; the art or science of conducting such negotiations, skills in managing negotiation, handling of people so that there is little or no ill-feeling (Random House Dictionary). • Diplomacy is the management of international relations by negotiations; the method by which these relations are adjusted and managed by Ambassadors and Envoys; the business or art of diplomacy (the Oxford English Dictionary). • Sir Earnest Satow described Diplomacy as the application of intelligence and tact to the conduct of official relations between the governments of independent state, extending sometimes also to their relations with vassal states; or briefly still, the conduct of business between states by peaceful means (Satow, 1962:1). • Adams Watson believes that the diplomatic dialogue is the instrument of international society: a civilised process based on awareness and respect for other people's point of view; and a civilising one also, because the continuous exchange of ideas, and the attempt to find mutually acceptable solutions to conflicts of interests increase that awareness and respect (Watson:1987: 20). • Some leading diplomats and scholars of international relations have used the word "diplomacy" to mean the practice of international legal principles and norms in international relations. In the words of E.J.J Johnson (Johnson: 1964:11). Although diplomacy might be described as a complex and delicate instrument that measures forces working at epicenters of international relations..., the subtle measures of diplomacy can be used to arrest, ameliorate or reduce, discard misunderstandings and disagreements which precipitate international crises.

You should note the term "communication" as an essential feature of diplomacy. Diplomacy as an instrument of communication, which seek to establish and maintain relationships, shed light on the central role of communication as an indispensable element in relationship as well as it determining factor in the way relationships are run and desired results are achieved, with consideration for the interest of all parties involved. While the interests in question may be of political, economic, environmental or sundry nature. Diplomacy as an instrument of communication helps to maintain this interest and establish harmony through deliberate means. Its major aim is to avoid conflict by all means for relationships to positively strive and last.

In addition, the multiplication of the subject of diplomacy has been a major feature of modern diplomacy. Today, there are multifaceted and multidimensional attributes of inter-state relations and issues like the environment, climate change, multinational business enterprise, globalisation, modern approach to peace and

conflict resolution, religious and violent extremism. This invariable has widened the scope of diplomacy to encompass all contemporary forms of developments in inter-state relations.

This development has expanded the scope of diplomacy – taking it out of the exclusive reserve of Foreign Service officers but government functionaries from other ministries and agencies that are involved in negotiations on technical issues such as environment, education, culture and trade etc.

SELF ASSESSMENT EXERCICE 1

Give your own functional definition of Diplomacy

3.2: History of Diplomacy

Accounts have it that diplomacy has existed since the time when States, empires or other centers of power dealt with each other on an official basis. Numerous diplomatic archives have been found in Egypt dating back to the 13th century BC. Permanent diplomatic missions, that is, representations set up by one country in the territory of another, date back to the Renaissance in the 15th century (FDFA: 2008: 3).

In the 6th century BC Asia, at a time when rival states were starting to pay less attention to traditional respects of tutelage to the Zhou Dynasty (c. 1050–256 BC) figurehead monarchs and each vied for power and total conquest, diplomatic practice in establishing allies, bartering land, and signing peace treaties was necessary for each warring state, and the idealised role of the "persuader/diplomat" developed (Loewe and Shaughnessy: 1999). Before the Tang and Song dynasties, the Chinese had sent envoys into Central Asia, India, and Persia, starting with Zhang Qian in the 2nd century BC. In the 13th century, a Chinese embassy mission of Zhou Daguan to the Khmer Empire of Cambodia was fielded. This Chinese diplomacy was a necessity in the distinctive period of Chinese exploration. Since the Tang Dynasty (618–907 AD), the Chinese also became heavily invested in sending diplomatic envoys abroad on maritime missions into the Indian Ocean, to India, Persia, Arabia, East Africa, and Egypt. Chinese maritime activity was increased dramatically during the commercialised period of the Song Dynasty, with new nautical technologies, many more private ship owners, and an increasing amount of economic investors in overseas ventures (Wang Zhenping: 2013). The Koreans and Japanese during the Chinese Tang Dynasty (618–907 AD) looked to the Chinese capital of Chang'an as the hub of civilisation and emulated its central bureaucracy as the model of governance. The Japanese sent frequent embassies to China in this period (Fahim: 2010).

The first city-states formed in ancient Greece were at the origin of European diplomacy. Diplomats were usually relatives of the ruling family or of very high

who were sent only for specific negotiations, and would return immediately after their mission concluded. The Greek City States also sent envoys to each other in order to negotiate specific issues, such as war and peace or commercial relations, but did not have diplomatic representatives regularly posted in each other's territory (Ruel:2017). However, some of the functions given to modern diplomatic representatives were in Classical Greece filled by a proxenos, who was a citizen of the host city having particular relations of friendship with another city – a relationship often hereditary in a particular family(Ruel:2017).

A unique characteristic of the history of diplomacy in Europe was the Byzantine's empire and its diplomacy. The Byzantine Empire sought to maintain a set of relations between itself and its sundry neighbours, including the Georgians, Iberians, the Germanic peoples, the Bulgars, the Slavs, the Armenians, the Huns, the Avars, the Franks, the Lombards, and the Arabs, that embodied and so maintained its imperial status. These neighbours lacked a formalised legal structure (Balard *et al*: 2005). Therefore, when they set about forging formal political institutions, they were dependent on the empire. At a time, writers are fond of making a sharp distinction between peace and war, for the Byzantines diplomacy was a form of war by other means. With a regular army of 120,000-140,000 men after the losses of the seventh century, the empire's security depended on activist diplomacy.

Byzantium's "Bureau of Barbarians" was the first foreign intelligence agency, gathering information on the empire's rivals from every imaginable source (Neumann: 2005). While on the surface a protocol office, its main duty was to ensure foreign envoys were properly cared for and received sufficient state funds for their maintenance, and it kept all the official translators, it clearly had a security function as well.

The states of Northern Italy in the early Renaissance were at the origin of "modern diplomacy" in Europe, with the first embassies being established in the 13th century. Milan played a leading role, especially under Francesco Sforza who established permanent embassies to the other city states of Northern Italy. Tuscany and Venice were also flourishing centres of diplomacy from the 14th century onwards. It was in the Italian Peninsula that many of the traditions of modern diplomacy began, such as the presentation of an ambassador's credentials to the head of state. From Italy the practice was spread to other European regions. Milan was the first to send a representative to the court of France in 1455. However, Milan refused to host French representatives fearing espionage and that the French representatives would intervene in its internal affairs. As foreign powers such as France and Spain became increasingly involved in Italian politics the need to accept emissaries was recognised. Soon the major European powers were exchanging representatives (Mattingly: 1937).

Diplomacy was a complex affair, even more so than now. The ambassadors from each state were ranked by complex levels of precedence that were much disputed. States were normally ranked by the title of the sovereign; for Catholic nations the

emissary from the Vatican was paramount, then those from the kingdoms, then those from duchies and principalities. Representatives from republics were ranked the lowest (which often angered the leaders of the numerous German, Scandinavian and Italian republics) (Fahin: 2010). Determining precedence between two kingdoms depended on a number of factors that often fluctuated, leading to near-constant squabbling.

The elements of modern diplomacy slowly spread to Eastern Europe and Russia, arriving by the early 18th century and was greatly disrupted afterwards by the French Revolution and the subsequent years of warfare. The revolution saw commoners take over the diplomacy of the French state, and of those conquered by revolutionary armies. Ranks of precedence were abolished. Napoleon also refused to acknowledge diplomatic immunity, imprisoning several British diplomats accused of scheming against France (Mattingly: 1937)..

The Congress of Vienna of 1815, after the fall of Napoleon, established an international system of diplomatic rank. Disputes on precedence among nations (and therefore the appropriate diplomatic ranks used) were first addressed at the Congress of Aix-la-Chapelle in 1818, but persisted for over a century until after World War II, when the rank of ambassador became the norm. In between that time, figures such as the German Chancellor Otto von Bismarck were renowned for international diplomacy (Kohler:1918).

As you will discover later in this study, the phase of diplomacy has changed considerably since the World Wars. The Establishment of the United Nations as a response to the Second World War, for example, introduced a new dimension of multilateralism, and so were the multiplication of various international conventions and treaties. A proliferation of regional and geo-political groupings in the international system is also a factor in this regard. All of these form part of the contemporary history and practice in diplomacy as in the case of the BRICS, on which our study is focused.

SELF ASSESSMENT EXERCISE 2

Describe the scenario in the Asian continent in 16th century diplomacy

3.2 Types of Diplomacy

This section is an attempt to classify diplomacy into different categories for a better understanding of its functions both within and outside of a state. Please note that there are diverse opinions on categorising diplomacy. Depending on individuals point of view, diplomacy could be categorised by subject, functions, aim and objectives. The fact that diplomacy is involved in many issues and subjects at all levels and facets of human relations has given birth to somewhat an 'unlimited' classification of the term (Box 2 shows an example of the listing of

the types of diplomacy that exist). You will be surprised to discover many more as you do your private study in this course. However, for interest of the course context, a classification of diplomacy based on objective, process and outcomes of action as formulated by Siddhant Satapathy (Sataphaty: 2013) are listed, further paraphrased and further explained as follows:

SHOPKEEPER VS WARRIOR DIPLOMACY: You may have noticed in some of the contemporary world’s events, the kind of inter-state relationship that is aggressive, intransigent, stubborn, rigid, impolite, and undiplomatic and usually is found among nations which share a tragic history of conflict and war like that of Democratic People’s Republic of Korea (North Korea) and the Republic of Korea (South Korea). This kind of diplomacy is referred to as the warrior diplomacy (Meerts: 2015). The “shopkeeper,” diplomacy, on the other hand, is open-minded, candid, and compromising. This characterisation was put forth by some scholars and diplomats who either observed or participated in North Korea/United States negotiations and in the inter-Korean summit. While the shopkeeper keeps a candid negotiation style, the warrior diplomat is often identified by its aggressiveness and threat approach (Sataphaty: 2013).

Box 2: Types of Diplomacy (Extended)	
Appeasement	Paradiplomacy
Checkbook diplomacy	Pilgrimage diplomacy
Citizen diplomacy	Ping-pong diplomacy
Coercive diplomacy	Public diplomacy
Commercial diplomacy	Public talks
Cricket diplomacy	Regional diplomacy
Cultural diplomacy	Science diplomacy
United States cyber-diplomacy	Shuttle diplomacy
Defence diplomacy	Stadium diplomacy
Deference	Team Canada Mission
Digital diplomacy	Track II diplomacy
Dollar diplomacy	Trade mission
Economic diplomacy	Transformational Diplomacy
Engagement diplomacy)	
Facebook diplomacy	
Freelance diplomacy	
Gift basket diplomacy	
Guerrilla diplomacy	
Gunboat diplomacy	

SECRET VS OPEN DIPLOMACY: At the Paris Peace Conference in January 1919, US President Woodrow Wilson stated that diplomacy should be “Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind but diplomacy shall proceed always frankly and in the public view” (Hamilton *et al*: 2011). Given the idea that the opaqueness of diplomatic and foreign policy had led to the Great War of 1914-18, the call for transparency seemed the ultimate solution. Since then, secret diplomacy has been the object of controversy and a contradiction to the principles of open negotiation. In the study of diplomacy, a secret treaty is a treaty between nations that is not revealed to other nations or interested observers. A secret

alliance between two nations to support each other in the event of war is a typical example. The opposing nations would be unaware of the treaty, therefore, unable to add it to their calculations, which could obviously result in a difficult situation for the party that declared war when suddenly confronted with the troops of two or even three nations. As you can see from the Statement of President Wilson at the Paris Conference quoted above, Secret treaties were common before the First World War, and many blamed them for helping spark the conflict in the first place. An open diplomacy is simply the absence of extra secrecy. Apart from the confidentiality that goes with state affairs, open diplomacy is not shredded in any form of high secrets but are played openly (Sataphaty: 2013).

DEMOCRATIC DIPLOMACY: Democratic diplomacy suggests the participation of people in the politics of state and the importance of public opinion in the democratisation of diplomacy. Democracy means that government is no longer the domain of Aristocrats and sole affairs of Diplomats or ministers, the day to day decision on state and foreign affairs are seen to be joint decision of citizens through institutionalised process (Stanzel: 2018). An example is the 2016 European Union Referendum in the United Kingdom. The exercise tagged 'Brexit' was a democratic process that took place whereby British citizens determined whether or not the United Kingdom should remain as a member state of the European Union. Democratic diplomacy is a type of diplomacy that gives people a say, not only in domestic policy, but in the foreign policy of a nation as well. It should be noted that as good as democracy is, a major shortcoming of democratic diplomacy is the failure of common people to understand the intricacies of foreign policy. By this, strong public opinion on a subject may pull down, delay or stock a diplomatic negotiation (Sataphaty: 2013).

TOTALITARIAN DIPLOMACY: This form of diplomacy, which is perceived as negative, was introduced by the rise of totalitarian states such as Germany, Italy and the Soviet Union after the First World War (EB:2019). The most prominent method in totalitarian diplomacy is the states using techniques such as military, political and psychological power to expand their spheres of influence. They "invoked doctrine of racial superiority, mysticism, materialism and militarism to further their national interest and use diplomacy as an instrument of national policy, thereby rendering traditional diplomacy methods useless (Sataphaty: 2013).

SUMMIT DIPLOMACY: This involves direct participation of Foreign Ministers, Heads of State and Heads of Governments in Diplomatic negotiations. This type of diplomacy has also been termed leader-to-leader diplomacy (Melissen: nd). The Atlantic Charter Summit of 1941 and the Yalta conference of 1941 are good examples of summit diplomacy. The Atlantic Charter is a broad statement on war aims, i.e. the ideal goals of the war: no territorial aggrandisement; no territorial changes made against the wishes of the people, self-determination; restoration of self-government to those deprived of it; reduction of trade restrictions; global cooperation to secure better economic and social conditions for all; freedom from fear and want; freedom of the seas; and abandonment of the use of force, as well

as disarmament of aggressor nations. Adherents of the Atlantic Charter also signed the Declaration by United Nations on the 1 January 1942, which became the basis for the modern United Nations. The Yalta Conference was the World War II meeting of the heads of government of the United States, the United Kingdom and the Soviet Union, which discussed Europe's post-war reorganisation. The conference was held in the Livadia Palace near Yalta in Crimea. Summit Diplomacy also operates through regional and geopolitical organisations (Sataphaty: 2013).

PERSONAL DIPLOMACY: Personal diplomacy is the type where heads of state, for example, use personal agents to settle delicate issues. This type of diplomacy is employed when the limitations of normal channels of diplomacy manifest. Although this approach has a measure of secrecy but it does not totally undermine openness of negotiations (Sataphaty: 2013).

DIPLOMACY BY CONFERENCE: This is closely related to Summit diplomacy, but the difference is that heads of states and governments are not necessarily present. International conferences are held to discuss joint interest (Berridge *et al*: 2003). It involves periodic meetings of regional and international organisations and are occasions for signing of treaties, agreements and international conventions by states on diverse issues (Sataphaty: 2013).

ECONOMIC DIPLOMACY: Trade diplomacy is perhaps the most traditional and developed type of diplomacy, apart from political or foreign policy oriented diplomacy. Globalisation and improvement on international or transnational trade, as well as the interdependence in the international system have made this form of diplomacy even more prominent among states (Stanzel: 2018). Economic diplomacy “not only promotes the state’s prosperity but also, as occasion demands and opportunity permits, manipulates its foreign commercial and financial relations in support of its foreign policy. Economic diplomacy has therefore become a major theme of the external relations of virtually all countries. Related to it are Trade and Aid Diplomacy and Carrot or stick theory Economic diplomacy was used and it evolved drastically during and in post-Cold war period. The USA economic sanction against Cuba is a vivid example of economic diplomacy deployed (Sataphaty: 2013).

NUCLEAR DIPLOMACY: Nuclear diplomacy, despite being described today as “amounting to little more than an outright political instrument of the global atomic powers, led by the U.S., exerting leverage through the United Nations Security Council and International Atomic Energy Agency (IAEA)”, it has Different form and meaning depending on the nuclear capability of the state (Boggs: 2014). When nuclear diplomacy is at play options like deterrence or compellance or coercive diplomacy are pointers (Sataphaty: 2013).

Most particularly, diplomacy can be classified by the extent and number of states involved. This classification into two forms (bilateral and multilateral diplomacy), however, will be discussed at length in subsequent section of the study.

4.0 CONCLUSION

Diplomacy is an instrument of foreign policy for states. It is not the content of foreign policy but the means methods and strategy for ensuring effective foreign and domestic policies. The concept is vast. Diplomacy is a channel for peaceful and harmonious co-existence in the international system. Diplomacy has expanded, for reason of globalisation, to include business entities, civil society groups, non-governmental organisations, sustenance of the environment, assuaging frayed nerves within the polity and anomie groups worldwide.

5.0 SUMMARY

This unit focused on the understanding of the basic definitions of diplomacy, its history, character and types. It is an exposé of the aspects of the basic knowledge of diplomacy and its characters which point to it as a continuous and deliberate process of facilitating the realisation of national political, economic, environmental and other interests and its interplay within the international system.

The unit emphasised diplomacy as dating back to the origin of human organisation and as a core practice in international relations and States interactions with deliberate attempts to achieve peace and draw dividends of globalisation and the evolving system in international management.

6.0 TUTOR-MARKED ASSIGNMENT

State and explain three types of diplomacy

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UNIT 2: SCOPE AND FUNCTIONS OF DIPLOMACY

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 The Scope of Diplomacy
 - 3.2 Functions of Diplomacy
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

Having refreshed your memory on the definition, history and background to diplomacy, we are moving to examining in this unit, the scope and functions, of diplomacy. The goal is to facilitate a better comprehension of the fundamental principles of diplomacy and the scope of its exercise in international system. It emphasises diplomacy as a technique for implementing foreign policy, while it functions as a tool of communication between governments

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- discuss the scope and function of diplomacy;
- identify the major use of diplomacy; and
- relate diplomacy to relations between two or more states.

3.0 MAIN CONTENT**3.1: The Scope of Diplomacy**

Diplomacy is used to complete a specific agenda. Therefore, without diplomacy, much of the world's affairs would be abolished, international organisations would not exist, and above all, the world would be in a state of flux. It is for diplomacy that many countries exist in harmony (Amascer: 2011). The foregoing asserts the scope of diplomacy in international relations as the motor and determining factor of relationships and alliances.

It could be said that diplomacy covers every aspect of international relations, as all its aspects require alliances and understanding to arrive at common grounds. The fact that a certain degree of contact is necessary for the co-existence of separate political entities also gave room to communication between governments to ensure smooth international process and the use of soft power instead of all-out

chaos. Lord Strang, a former British diplomat once said that “in a world where war is everybody’s tragedy and everybody’s nightmare, diplomacy is everybody’s business”.

As globalisation and transnational activities deepens, the states are obliged to interact with non-state actors, including business entities, non-governmental organisations and a variety of institutions with deliberate attempt to maximise their benefits in the cooperation. Box 3 shows some elements in the nature of diplomacy that could further help in determining its scope and functions.

By its very nature, the most fundamental of the functions of diplomacy, according to Siddhant Satapathy, are that it must:

- determine its objectives in the light of the power actually and potentially available for the pursuit of these objectives;
- assess the objectives of other nations and the power actually and potentially available for the pursuit of these objectives;
- determine to what extent these different objectives are compatible with each other; and
- employ the means suited to the pursuit of its objectives (Satapathy: 2013).

In this regard, we can sum up the functions and scope of diplomacy as a technique to implement foreign policy and not the substance of foreign policy. It involves direct government to government interactions so that a particular state can draw inference from such talks or negotiations while formulating its foreign policy. In the same vein, diplomacy leads to better cooperation and helps in resolution of conflict. It is involved in the use of economic measures and embargos and sanctions to influence the events or actions of an aggressor state.

Studies reflect that post-cold war diplomacy has become more complex and its basic nature has evolved during post globalisation. Contribution of non-state actors and privatisation of diplomacy are some characteristics of modern diplomacy and the practice of modern diplomacy has extended authority beyond the State. Regional co-operation and formation of regional alliance are now a common feature of diplomacy. In the face of globalisation and the influence of trade, interchange of influence and social and economic interdependence, the economic status of a country has a significant role in the ability to influence international diplomacy.

Diplomacy, therefore, covers a whole lot of activities stemming from, economic to social, cultural, political, trade and other crucial interactions going on in the community of states at the international level.

SELF ASSESSMENT EXERCISE 3

Discuss diplomacy as a technique in implementing foreign policy

3.2: Functions of Diplomacy

Diplomacy helps in arbitration and mediations and is fundamental in the use of soft power methods to ensure international peace. Diplomacy promotes universal brotherhood, helps in formulation of foreign policy taking into account various factors necessary for a successful relationship. In this age and time, diplomacy remains a strong instrument in dispute resolution.

Box 3: Nature of Diplomacy

- (1) Diplomacy is not Immoral: diplomacy is neither the art of deceit nor mere lies nor propaganda, and nor even something immoral.
- (2) Diplomacy is a means of International Relations: diplomacy is a normal means of conducting relations. It consists of techniques and procedures for conducting relations among nations.
- (3) Diplomacy is machinery for action: in itself diplomacy is recognised as official machinery for the conduct of relations among nations.
- (4) Diplomacy acts through settled procedures: diplomacy functions through a network of foreign offices, embassies, legations, consulates, and special missions all over the world. It always works according to definite and settled procedures and protocol.
- (5) Bilateral as well as multilateral in form: diplomacy is commonly bilateral in character. However, as a result of the growing importance of international conferences, international organisations, regional negotiations, it has now also developed a plural character. It is concerned with all issues and problems among nations.
- (6) Diplomacy handles all types of matters: diplomacy may embrace a multitude of interests—from the simplest issues to vital issues to that of war and peace.
- (7) Breakdown of diplomacy always leads to crisis: when diplomacy breaks down, the danger of war, or at least of a major crisis develops.
- (8) Diplomacy operates both in times of peace as well as war: some writers hold that diplomacy operates only in times of peace and when war breaks out diplomacy comes to an end. However, this is not a correct view. Diplomacy continues to operate even when war breaks out. Of course, during war its nature undergoes a change; from peace diplomacy it takes the form of war diplomacy.
- (9) Diplomacy works in an environment characterised both by conflict and cooperation: diplomacy works in a situation involving both cooperation and conflict. A certain degree of cooperation among nations is essential for the working of diplomacy because in its absence, diplomatic relations cannot be maintained. Similarly, when there is no conflict diplomacy becomes superfluous because there is no need for negotiations. Thus existence of cooperation as well as conflict is essential for the working of diplomacy.
- (10) Diplomacy always works for securing national interests of the nation it represents: the purpose of diplomacy is to secure the goals of national interest as defined and specified by the foreign policy of the nation. Diplomacy always works for the nation it represents.
- (11) Diplomacy is backed by national power: a strong diplomacy means a diplomacy backed by a strong national power. Diplomacy uses persuasion and influence as the means for exercising power in international relations. It cannot use force and violence. However, it can issue warnings, give ultimatums, promise rewards and threaten punishment, but beyond this it cannot directly exercise force. "Diplomacy is the promotion of national interest by peaceful means."

In the final analysis, as affirmed by George Kennan in 1961, "the classic function of diplomacy is effecting communications between one's own government and other governments or individuals abroad with maximum accuracy, imagination, tact and good sense" (AFSA: nd). This implies that effective diplomacy is not isolated from the channel, that is, people who are charged with its application to day to day reality of relationship in the international system.

Diplomacy represents many things to many people but the most central definition points to the fact that it is usually not something that happens by accident. It is a calculated attempt at building and maintaining relationships and a channel for countries to execute foreign policy in the friendliest way possible. Some authors have described war as failure of diplomacy – implying that diplomacy is essential in maintaining peace and navigation well in a conflict situation to prevent war by all positive means.

Diplomacy is an instrument of foreign policy for states. It is not the content of foreign policy but the means, methods and strategy for ensuring effective foreign and domestic policies. The concept is vast. The nature of diplomacy has rendered it a necessary channel for peaceful and harmonious co-existence in the international system and it can apply to every situation, subject and circumstances.

4.0 CONCLUSION

The business of diplomacy is not only an intergovernmental business; but it has become expansive, especially in the age of globalisation. In the face of globalisation, actors in diplomacy have expanded to include business, civil society and non-governmental organisations which governments have to accommodate in pursuing their national interests in the international system. This expansion explains the wider scope of the concept, its nature and function as an instrument of state interaction; maintenance of peace; and prevention of conflicts by every possible means.

5.0 SUMMARY

The unit emphasised diplomacy as a tool with varying degrees of functions and utility as the core practice in international relations and state interactions. The essence is to achieve peace and draw dividends of globalisation and the evolving system in international management.

6.0 TUTOR-MARKED ASSIGNMENT

What would you say are the functions of diplomacy as an instrument to promote peace?

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UNIT 3: CONTEMPORARY DIPLOMATIC PRACTICE**CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Traditional versus Modern Diplomacy
 - 3.2 Diplomacy and Negotiation
 - 3.3 Trends in Modern Diplomacy
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

This unit is dedicated to the trends in modern diplomacy. In units 1 and 2, you have learnt the history and various types of diplomacy as an art in international relations. We are now going to examine diplomacy as it is practiced in the contemporary time. We shall also examine the relationship between diplomacy and negotiation.

In comparing traditional and modern diplomacy, you will learn that at the inception, diplomacy is rooted in community or small group of leaders as in the Greek City States while modern diplomacy emerged in the attempt to ensure balance of power in the international system.

It should be noted that diplomacy has evolved from being fundamentally bilateral, in the ancient time, to becoming multilateral, especially after the second World War and the establishment of the United Nations. The proliferation of regional and geopolitical organisations and groupings in the international system also contributed to the evolving nature of diplomacy.

In this regard, you will also learn in this unit, the central role of diplomacy in international negotiations and the tracking of interest, which leads to regional and geopolitical groupings, the major essence of which is to form alliances in looking-out for common by individual states.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- discuss the evolution in diplomatic practice
- differentiate between traditional and modern trends in diplomacy

- determine the relationship between diplomacy and negotiation
- determine the relationship between diplomacy, national interest and grouping by States in the international system

3.0 MAIN CONTENT

3.1 Traditional versus Modern Diplomacy

The subjects of international relations are radically changing. It can no longer be described as dynastic and cabinet policies centered at territorial division of the world and markets and prewar coalitions. Today diplomacy is dealing with the fundamental issues of nations' lives ranging from security in its contemporary, global, interpretation to prosperity and new jobs (Levroy: 2009). The Pre-19th Century diplomacy is referred to as traditional diplomacy, while records from the 19th century onward, are saddled with developments caused by alterations in the international system with new and emerging forms of diplomacy.

We learn that traditional diplomacy is rooted in community of interest of a small group of leaders. It was basically a variant of secret diplomacy while traditional diplomacy is an open diplomacy.

Traditional diplomacy is Europecentric, emphasising a concert of Europe, monopoly of the aristocratic class, professional diplomats, bilateral forms of relationship and secrecy. Traditional diplomacy assumed that major European powers had special responsibility for maintaining world peace and the colonies had no more significant diplomatic role than that of satellites.

Modern diplomacy, however, emerged together with the balance of power system. The disappearance of the colonial system and a system of equal vote in the United Nations had infused a sense of balance and reinforce the sovereign rights of small nations in the international comity of states. The balance of power system and the secrecy in diplomatic practice gained distrust after the First World War - as they were identified as the major cause of the War. The transition into a modern form of diplomacy, vastly fuelled by multilateralism and democratisation of diplomacy is, therefore, influenced by the experience of the First World War.

In traditional diplomacy, diplomats were immersed in secrecy and espionage. However, as we already examined above, Presidents Woodrow Wilson's idea of diplomacy is thriving in public view rather than in private. International understanding spurred a new form of diplomacy. In the modern dispensation the consciousness to integrate public opinion into diplomacy and the formulation of foreign policy has been more pronounced. This of course is spurred by change in the structure of the international society, the rise of multilateral diplomacy and creation and the role of the United Nations Organisation. The latter being an essential factor in modern diplomacy.

The proliferation of actors in the international system is also a great influence in the transformation of diplomatic practice. Modern diplomacy includes non-state actors while traditional diplomacy is centered on the states and their influence in the international system. The essential feature of states involving the civil society and wide consultations of non-governmental organisations (NGOs) and associations in treating matters of national and international importance have come as a new reality. It should also be noted that that the agenda of new diplomacy also includes Economic, environment and social welfares, while the agenda of traditional diplomacy was “parochial and narrow in comparison”. It could be said now that the nature of diplomatic interactions, which, for example, has witnessed states’ advocacy for business enterprises, bred a new form of economic diplomacy, with both bilateral and multilateral nature. The fact that it is now more pronounced and economic missions has been fully integrated in the mission of ambassadors and foreign service officers, is a testimony of modern day diplomacy.

Another dimension of looking at traditional and modern diplomacy is the events of the post diplomacy also took a new turn in the post-cold-war era. Prior to this era, it is seen in the light of suspicion and doubt but that has changed in the new dispensation. Diplomacy in its current form helps not only in maintaining international peace and security but also promotes international cooperation and helps in maintaining global stability.

Traditional diplomacy was professional but secretive and relied on a limited cadre rather than extended diplomatic channels. Modern diplomacy is more open and democratic; it requires reciprocal bargains and compromises so it is not possible for diplomats to spell out a given stance in advance. Multilateralism is increasingly evident in the practice of modern diplomacy. It includes conference or summit diplomacy, with behind the scenes preparations by diplomatic officials.

SELF ASSESSMENT EXERCICE 4

Differentiate between traditional and new diplomacy

3.2 Diplomacy and Negotiation

From security, international development policy, and economic governance, etc, actors (states and non-states) engage diplomacy and negotiation to arrive at common grounds. There is indeed a correlation between diplomacy and negotiation. The key to understanding both concepts lies in the examination of such correlation. This section, therefore, deals with the relationship between diplomacy and negotiation and the characteristics that will help our understanding of how it is deployed in respect of the main theme of this course manual.

- **The Correlation between Diplomacy and Negotiation**

It should be noted that the words diplomacy and negotiation has been interchangeably used in international relations. This is basically because there is a little blurring in the lines of diplomacy and negotiation because of the frequent use of the latter in diplomatic process. However, it could be said that negotiation is an efficient motor for diplomatic settlements. Diplomacy most times explores negotiation and thus serves as a core process of diplomacy.

Diplomacy and negotiation are inter-related given the need to friendly relationship among different disputed parties or the promotion of various interest using diplomatic and negotiation process. One of the crucial tasks of diplomacy is managing of relations using variety of formal means which include diplomatic correspondence, statements, visits and negotiation through a wide range of informal means such as telephone contact; email; unofficial or semi-private visits (Barston:2006).

For Henry Kissinger, diplomacy is a negotiation process in a legitimate context, as he puts it: ‘Diplomacy in the classic sense is the adjustment of differences through negotiations and it is possible only in “legitimate” international orders. Legitimacy implies the acceptance of the framework of the international order by all major powers’ (Kissinger: 1957). René Albrecht-Carrié’s own view is that ‘Diplomacy in the recent period [...] may be given a narrower definition as the management of relations among sovereign entities through negotiations conducted by the appropriate agents’. He concurs that ‘sovereignty, by its very nature, means the denial of any higher authority’ (Albrecht-Carrié: 1970). Combining the views of Kissinger, Albrecht-Carrié, Zartman, Jönsson and Aggestam, this treatise’s preface defined *diplomatic negotiation as an exchange of concessions and compensations in a framework of international order accepted by sovereign entities*.

These examples are pointers to the fact that diplomatic negotiations actually define the relationship between diplomacy and negotiation. This also stresses the fact that there may be various types of negotiation, but diplomatic negotiation is the process by which the art of “diplomacy” is carried out through “negotiation”. For example, we can talk of the fact that there is a difference between what is called international negotiations (as with the form that happens through interstate diplomatic process), and national negotiations. In international negotiation, there is no overarching authority to correct negotiators who fail to reach a conclusion. There is more control in national negotiation, less control in international negotiation, while transnational negotiations such as those in the European Union are a hybrid of the two. Also, international negotiations can be conducted between private and public representatives (Meerts: 2015).

It is said that diplomatic negotiation is as old as the international system itself. As stated in the aspect of the history of diplomacy, since the birth of the first sovereign units in China, the Indian subcontinent and the Middle East, the desire

to establish official relations has existed. Representatives were sent back and forth to establish international hierarchy and to spy on one another. Yet it was only during the Renaissance that a system was established in which representatives were accredited to another country and stayed there for some time (Berridge, 1995: 32–55). The resident ambassador were the first-level negotiator, a role that lessened somewhat during the last century with the development of large international conferences and increased ability to communicate between capitals, made possible by advances in transportation and communication. Negotiation is therefore increasingly seen as a process in diplomacy.

- **Negotiation as a Diplomatic Process**

Earlier, we concluded that negotiation serves as the most important tool to diplomacy with the idea of communicating, interacting, maintaining contact and negotiating with states and other international actors as core concepts. We have been able to establish the correlation between diplomacy and negotiation. Let us now see negotiation as a diplomatic process.

Diplomacy uses negotiation as its effective tool for achieving its aim. Negotiation is therefore a process in which proposals are put forward ostensibly for the purpose of reaching agreement on an exchange or on the realisation of a common interest where conflicting interests are present. Negotiation, in this wise, is differentiated from tacit bargaining and other forms of conflict behavior by the absence of confrontation of explicit proposals. When seen as a process, negotiation is said to be a concept of diplomatic style, which is a useful means of thinking about the characteristics ways in which states and other actors approach and handle their external policy (Feilleux: 2009).

As Zartman puts it, process ‘refers most precisely to the parties’ exchange of concessions and compensations in an effort to reach a point of agreement that is favourable and acceptable to each’ (Zartman: 2002).

Modern diplomacy with wider multilateral perspectives deploys negotiation process to achieve its aims. This is mostly the case with the United Nations system and other multilateral international organisations, where round tables are necessary to negotiate treaties, conventions, accords and international agreements. According to Meerts, depending on their interests, states can have contacts with each other in three different ways. If their interests overlap completely, all that is necessary is to sit around a table together to discuss how business should be conducted, based on mutual interests. After the common interests have been established, common strategy can be determined. Negotiation is not necessary, as there are no conflicts of interest. Conferring is sufficient. In this situation, the representatives of the states need to ask how the parallel interests can be maintained. Indeed, if both states have identical interests on certain issues, it is possible that after achieving the common goal, the interests of the countries involved may then become diametrically opposed.

This kind of scenario of negotiation as a diplomatic process is more likely to be seen in summit diplomacy or negotiation within the framework of international conferences. However, in any scenario effective planning is most important in meeting various laid down negotiation objectives in a diplomatic process. That is, if parties are to reach an amicable agreement specific actions must take place before they are engaged in a round table discussion. Some of the actions as identified by Maiese Michelle, are listed as follows:

- both parties must outline the said conflict or dispute and both agree to share an interest in solving the said problem;
- parties must stipulate their goals, anticipate achievements and prepare adequately for the negotiation process;
- it is said that negotiators often exchange the list of negotiable issues to be discussed in advance;
- the need for negotiators to priorities possible goals and evaluate possible trade-offs between the said goals;
- the order in which the issues to be discussed should be stipulated by both parties after determining the relative importance of the various issues itemised;
- the next step for negotiators is to define specific target in respect to the issue and parties should come to the best possible means of resolution that's acceptable to both parties;
- the need for negotiators to create suitable means of packaging issues because in most cases negotiation usually involve more than one issue. Parties can balance issues that both parties see as important and be more flexible about items that seem less important;
- the development of supporting argument is crucial to negotiation planning. Negotiators must be well informed about the subject matter so as to provide supporting facts to an argument and anticipate the desired outcome;
- planning during negotiation involves understanding the disputed party priorities and interests and getting a clear picture on what the disputed party wants.

A typical example of diplomatic negotiation process is the United Nations Climate Change Conference (COP 21) held in Paris in November/December 2015. In most cases, there are usually preliminary rounds of negotiation at the technical levels and some basic outcome texts of the negotiation are prepared ahead. This is made possible in view of the points listed above, where parties are aware of each other's expectations and there are pre-determined elements of accord and disaccords, which needs to further be redressed in subsequent levels of negotiation. Oftentimes, the final rounds of negotiation are on a political level where points of divergence are further negotiated to create a final common ground. In the case of COP 21, a 16-paged agreement, referred to as the Paris Agreement, formed the basis for negotiation. The 29 Articles of the Agreements

were the objects of many smaller meetings before it was finally negotiated at the level of heads of States during the Conference in Paris. As mentioned earlier, these kinds of process are common in bilateral diplomacy, and at the core of summit and conference diplomacy.

SELF ASSESMENT EXERCICE 5

Explain negotiation as a diplomatic process

3.3 Trends in Modern Diplomacy

The aim of this brief overview of trends in modern diplomacy is to touch on the subject of value of diplomats and diplomacy in the modern, open and information-rich world. Diplomacy today has been greatly affected by the information revolution, the gradual exchange between the balance of power system and value-base diplomacy, proliferation of issues and interests in the global level and the existence of multiple independent and non-state actors, most of them beyond the control of states, through which the international landscape has been altered. This has given rise to a different understanding of diplomacy and the domain in which it is restricted.

In the modern diplomatic era, diplomats no longer hold the monopoly on knowledge of overseas issues, and of analysis of international affairs. “The speeds with which events in one place impacted on many others were a daily fact of life; and the international merged with the domestic in ways which made traditional government structures look out of date. Political leaders were now involved with events and with each other in a way which constantly caught the headlines; and the instruments of power themselves had taken on a different relative strength, with persuasion and legitimacy requiring as much attention as military, economic and political weight.

The subject matter of diplomacy also has vastly expanded. For centuries, diplomacy was primarily concerned with matters of war and peace—the use of force—encompassing high politics and strategic interests. These matters are of course still prominent, and now include questions of international security, but a vast variety of other matters have been added to the diplomatic agenda, pertaining to the economy, technology, scientific developments, education, the arts, law, and so much more. There is virtually no aspect of life in society that has not, at one time or another, been on the diplomatic agenda. Interdependence and globalisation have greatly contributed to this development. Many issues that once were primarily domestic, such as human rights, are now of international concern and of relevance to diplomacy (Leguey – Feilleux: 2009).

The functions served by diplomacy are expanding, and this, too, helps to explain the broadening of the concept. Aside from representation, communication,

negotiation, observation of the political situation abroad, and reporting, diplomatic personnel in our age of mass communication must engage in a good deal of public relations. On the other hand, a greater portion of international relations is bureaucratized, which creates a greater amount of administrative work for members of diplomatic missions. Embassies must serve the needs of an expanding contingent of their fellow citizens traveling and working abroad. There is also a growing amount of legal work in the interpretation and application of international regulations, the processing of legal claims, and much more. The diplomatic process in international organisations has created even more functions to be served by diplomats. Some of these functions are somewhat unconventional, such as serving in non-national capacities in certain international offices. All of these developments have brought diplomacy far from the confines of traditional embassies in national capitals. Diplomacy retains many of its basic characteristics, but it has undergone significant changes.

The fact that states are no longer the only actors in the international political process is diversifying diplomacy and broadening the concept. International organisations are now significant participants in international relations. Their agents are diplomats who work with the representatives of nation-states and other organisations. The Secretary-General of the United Nations and his envoys are examples of this new category of diplomats. They do not serve the interests of any particular nation-state; they are international public servants subject only to their own organisation's chain of command. Some engage in specialised wings of the United Nations Organisation — for example, many representatives of the World Bank are financial professionals, and many agents of the World Health Organisation are physicians or public health administrators. It is interesting to note that the directors of these organisations are chief executive officers who participate in a considerable amount of diplomatic work.

Tracking within international organisations and the multiplication of multilateral arrangements on ranging subjects and issue also constitute some new trends in mother diplomacy. It should be noted that ad hoc alliances has been part of diplomatic practice through history. However, the spread of this as a response by small powers to unite and break common grounds, within the UN system, for example, started only after the establishment of the United Nations and subsequent creation of other intergovernmental and regional organisations throughout the globe.

4.0 CONCLUSION

Diplomacy will ever remain an instrument of foreign policy. In fact, it is at the core of it. However, the approach to deploying diplomacy and the changing environment in its applicability have changed within the last century. Globalisation the information revolution, the engaging role of negotiation as a

diplomatic process especially in the multilateral context, all contributed to the appearance of contemporary diplomatic practice.

5.0 SUMMARY

The main lesson to retain in this unit is that contemporary diplomatic practice takes cognisance of the difference between traditional and modern diplomacy. Diplomacy has changed form, content and approach since its inception in history to date. While traditional diplomacy is Eurocentric, modern diplomacy remains a dynamic state of international affairs. Modern diplomacy emerged together with the balance of power system, the disappearance of the colonial system and a system of equal vote in the United Nations, which had infused a sense of balance and reinforce the sovereign rights of small nations in the international comity of states. The after effect of the Second World War, Globalisation, information revolution and the notion of the world as a “global village” has rendered interstates’ interaction more flexible, while the involvement of non-state actors in international relations has reduced the landscape of global governance. Multilateralism as a growing form of diplomacy also constitutes an element in contemporary diplomatic practice. It is a breeding ground for conference and summit diplomacy which in the actual fact is a bye product of the proliferation of international and regional intergovernmental organisations.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss traditional versus modern diplomacy and give examples of factors that constitute the trends in modern diplomacy

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UNIT 4: BILATERAL VERSUS MULTILATERAL DIPLOMACY**CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 The difference between bilateral and multilateral diplomacy
 - 3.2 Contexts and Methods in bilateral and multilateral diplomacy
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

Our aim in this unit is to establish the difference between bilateral and multilateral diplomacy, in order to make a good grasp on the terms “bilateral” and “multilateral”. At your level, it is important to know the instances where the two forms of diplomacy are practiced and what methods and who is involved in both. In the end, it is expected that you will be able to know the rudiments of bilateral diplomacy as compared to multilateral diplomacy.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- master the differences between bilateral and multilateral diplomacy;
- determine the methods and context by which the two forms of diplomacy is carried out;
- acquire knowledge of who is involved in bilateral and multilateral diplomacy and;
- understand the context in which the two forms of diplomacy take place.

3.0 MAIN CONTENT**3.1 The Difference between Bilateral and Multilateral Diplomacy**

Both bilateral and multilateral diplomacy are similar in a sense that in both cases states act in their national interests, but they diverge on function of parties involved. Simply put, bilateral diplomacy involve two countries while multilateral diplomacy comprises of three or more at a specific and arranged

interaction and relationship. In the words of Mahbubani, multilateral diplomacy is defined as the practice of involving more than two nations or parties in achieving diplomatic solutions to supranational problems” (Mahbubani, 2013). Parties engage in multilateral diplomacy to resolve a given problem or to advance the interests of those involved in one issue or a common objective to be achieved. Note that the issue or issues to be resolved are often supranational in character, hence, the importance of having a multinational approach.

In essence, bilateral diplomacy is conducted between two governments, but multilateral diplomacy is conducted on a more complex environment. In this case, one government deal with several other governments and those other governments in their turn must deal with all the other governments simultaneously (Walker: 2004).

It should be noted that the employment of multilateral and bilateral diplomacy may intertwine in the sense that an issue, for example, may be a bilateral issue (that is between two countries), but needs a multilateral solution. A good example is the Israeli-Palestine crisis. Since 1948, states have come together with a view of finding a lasting solution to the conflict in a multilateral setting. However, although, the issue has produced alliances and differences in states supporting one side, or the other, the conflict remain primarily between Israel and Palestine (a bilateral issue), but attempts to resolve this has involved the getting together of many states to negotiate a way forward (multilaterally, diplomacy).

Finally, while bilateral diplomacy was historically at the origin of the concept of diplomacy itself, bilateral diplomacy has been more attributed to the modern diplomacy and it owes this identity to the emergence of the United Nations system and the proliferation of regional organisations and alliances in the international system.

It is essential to draw a conclusion that there exists multilateral and bilateral issues and so do multilateral and bilateral diplomatic process. When an issue involves only two countries then we have a bilateral issue. When the same issue is being resolved through the gathering of two or more countries then a multilateral diplomatic process takes place. The same goes for multilateralism. When an issue involves more than two nations then it is a multilateral issue and the question of whether a multilateral diplomatic process is used or not will depend on how many countries are involved at any particular time.

SELF ASSESMENT EXERCICE 6

How do you think multilateral and bilateral diplomacy diverge and converge?

3.2 Contexts and Methods in bilateral and multilateral diplomacy

In order to place the concepts in their rightful places, I consider the need to ask the question on what are the context and methods of the two forms of diplomacy? In which contexts are they practiced and what are the means. To say that bilateral or multilateral diplomacy is practiced in a particular place will mean a little understanding of the context in which they are performed. For example, it is known that a diplomatic mission accredited to a country is bilateral. But does this mean that the functionaries in the embassy only deal with bilateral issues? The answer is no, as even though, a multilateral diplomatic mission is established in a place, diplomats could deal with issues together with two or more other diplomatic missions and once the number increases then a multilateral diplomatic process has begun. It is often said that bilateral diplomacy is a key building block of international relations, where a pair of countries deals with each other. Therefore, rather than looking out for the place and time, the main context is the number of countries involved in the process.

Methods in bilateral and multilateral diplomacy are similar. Methods can be interpreted as the tools required in any diplomatic process. You will recall that we have earlier examined the issue of negotiation as a process of diplomacy. In negotiating, either through bilateral or multilateral process, there are requirements for success. More so, in the era of multiplication intertwining of issues in international relations - where cyberwars, use of oceans and outer space, climate change, migration, trafficking in persons, etc. are joined with conventional ones, success in diplomatic practice calls for innovation on the part of diplomats and other professionals involved in the process.

Someone once asked the question, what skills and tools would you bring to the table during a negotiation? Among many, the two most important skills are a thorough understanding of one's own (country, organisation, region, alliance) perspective on the issue at hand and an appreciation of the culture and interests of others sitting across the table. This is true for both bilateral and multilateral diplomacy.

This said, diplomacy is not a do-or-die affair, but most times outcomes of negotiations could have a lasting effect (whether positive or negative) on the issues being treated and by extension, futures of relationships, wellbeing of a people and a peace or war situation. When we think about the conclusion that war is a failure of diplomacy, then we already know that when diplomacy fails, many things is at stake. Therefore, officials engaged in diplomatic tracking, process, or negotiation, so to say, carry huge load on the faith of countries, issues and people, so they need to be knowledgeable, skillful, and tactful, with strong negotiation skills in every context, whether in a bilateral or multilateral form.

- **The United Nations and the Settings of Bilateralism and Multilateralism**

It has been said that multilateral diplomacy as the most prominent system in modern day diplomacy is more pronounced within international organisations whether formalised. The United Nations as an entity through which multilateral diplomacy became prominent, has been pointed to as the haven of multilateral diplomacy? This is more so for the fact that the Organisation is the largest that comprise all the countries of the world and whose areas of mandates covers almost every issues. In fact, the United Nations is an assembly of states and a breeding ground for international policies for all the states' parties.

We saw earlier on how issues in an embassy or foreign missions, even though they are a bilateral establishment, are not only bilateral, but may be multilateral in nature. The same goes in multilateral establishments, which comprised or the UN, regional, geopolitical, economic and other organisations, whether formal or informal, where more than two member states interact on a frequent basis on given issues or mandates. This invariably means that bilateral alliances go on in multilateral organisations, while generally more than two states are involved in most.

Juan "Jed" E. Dayang, Jr. (2011) introduced an interesting debate in understanding the context of the two forms of diplomacy when he asked the question: which system is more rewarding between bilateral diplomacy and multilateral diplomacy? According to him, "many diplomats would say that bilateral diplomacy is more rewarding, as for the "bilateralists", multilateral or conference diplomacy is time-consuming and could be frustrating". He pursued further by saying that:

Arguably, the benefits and impact of bilateral diplomacy are easier to measure given that there are only two players with agenda items somewhat limited in scope. However, bilateral diplomacy is not a panacea. Due to the imbalance of power relations between strong and weak states, the latter may find it incapable of pushing for its national interests in a bilateral negotiation. Thus, some issues are best addressed among various states. Some of these issues include addressing international challenges in trade relations, climate change, migration, and transnational crimes. Multilateral diplomacy, which takes place when there are three or more states in a conference, could address the limitations of bilateral diplomacy and, in these circumstances, is likely to be more rewarding.

A more level playing field, facility of coalition-building, the provision of a venue to address transnational issues and harmonise policies of states, the window of promoting peace and security, representation through candidatures, and inclusion of non-state actors, using the United Nations system as an example, are the reasons why multilateral diplomacy may be more preferable by professionals. A good example is when two states are involved in an issue and discussions and negotiations are bilateral, there are more tendencies that the stronger state has more negotiating advantage. Whereas, in a multilateral tracking, the facility of coalition forming and one vote per state condition may create a sort of power balance.

The issue of whether one form of either bilateral or multilateral diplomacy is more rewarding than the others remains a question of appreciation. For example bilateral diplomacy, considered traditional and always involves two states in its activities, is momentary diplomacy and as a rule brings quick results and guarantees the interests of the two participants. Multilateral diplomacy, on the other hand, is said to be an instrument for long-term commitments, and represents a long-term and complex activity. This shows that the views may be varied depending on the points of view of the individual. However, the analogy by Juan “Jed” E. Dayang, Jr, for our studies, should provide a better insight into the context of both forms of diplomacy. It is hoped that such analogy helps your understanding of the contexts.

4.0 CONCLUSION

Bilateral and multilateral diplomacy are the two basic and major forms of diplomacy. While bilateral diplomacy involves only two states, multilateral diplomacy occurs when more than two states are involved in any diplomatic process. Both bilateralism and multilateralism are instruments by states for their national interests and both bilateral and multilateral negotiations go on whether in a bilateral diplomatic mission or a multilateral organisation – The identification of which form depends on the number of countries and issues involved.

5.0 SUMMARY

This unit focused on the comparison of bilateral and multilateral diplomacy as the basic and major forms of diplomacy. We have examined the difference between the two, the contexts in which they take place and the methods in the process of negotiation in the context of the two forms of diplomacy.

I have the conviction that you, as a student of diplomacy, will have grasped a deeper understanding of multilateral diplomacy as we move to the next section which deals with its actual practice and elements that constitutes it.

6.0 TUTOR-MARKED ASSIGNMENT

Compare and contrast bilateral and multilateral diplomacy.

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MODULE 2 MULTILATERAL DIPLOMACY IN PRACTICE

- UNIT 1: Characteristics of Multilateral Diplomacy in International Organisations
- UNIT 2: Multilateral Diplomacy and Groupings in the International System
- UNIT 3: International Negotiation, the Theory of Clubs and Multilateralism Diplomacy
- UNIT 4: Multilateral Diplomacy and the Concept of South-South Cooperation

UNIT 1: CHARACTERISTICS OF MULTILATERAL DIPLOMACY IN INTERNATIONAL ORGANISATIONS**CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Characteristics of Multilateral Diplomacy in International Organisations
 - 3.1 Multilateralism and Conference Diplomacy
 - 3.2 Multilateralism and Summit Diplomacy
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

Much has been said about multilateral diplomacy and the fact that it deals with multistate issues often in multistate settings. The practice of multilateral diplomacy is, therefore, more pronounced in the United Nations system and international organisations. This unit will particularly focus on the specific nature of multilateral diplomacy in international organisations and the import of conference and summit diplomacy.

As an instrument of international relations and foreign policy, diplomacy, in the multilateral setting of an international organisation is weaved around conferences, summits, high-level meetings and forums. The art of applying professional skills in the management of these forums, where multiple individual, technocrats and states actors come together to discuss issues of common interests has made conference and summit diplomacy a subject of study. This Unit also discusses the importance of conference and summit in multilateral diplomacy.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- have an ample knowledge of the characteristic of multilateral diplomacy in international organisations;
- define multilateral diplomacy as it relates to conference and summit diplomacy;
- identify the difference between conference and summit diplomacy.

3.1 Characteristics of Multilateral Diplomacy in International Organisations

The United Nations (UNO), the European Union (EU), African Union Commission (AU), the North Atlantic Treaty Organisation (NATO), the Economic Community of West African States (ECOWAS), the Commonwealth of Nations and the International Organisation for Francophonie (OIF), the International Monetary Fund (IMF), United Nations Educational Scientific and Cultural organisation (UNESCO) are examples of international organisations. There are other types of entities in the international system that are not full-blown organisations but are referred to as blocs, economic associations, global partnership forum or economic alliance group (Weiss *et al.*: 2017).

It should also be noted that there are two major types of international organisations: Intergovernmental Organisations (IGO) and International Non-Governmental Organisations. While the former comprised of association of governments and states political, economic and other alliances, the latter includes business enterprises, NGOs, international associations and others that are non-governmental in character (Weiss *et al.* : 2017).

The G7 and the BRICS are examples of blocs in the international system. Rather than being geopolitical or regional, they are rather “geo-economic” in nature, as they share common economic features and are aimed at promoting identical policy both in terms of interstate trade within themselves or in relationship with other countries, but with an ambition to promote common interests that benefits all the parties involved.

In the context of the practice of multilateral diplomacy, it is evident that summit and conference diplomacy, which are the actual process of multilateral diplomacy, are more associated to international organisations than elsewhere. As a new form of diplomacy, its practice is based on negotiation and tracking as each country or entity seek their own proper interests, while being mindful of those of others to achieve a win-win situation.

Furthermore, in the era of globalisation when emphasis is placed more on interdependence and peaceful development, there are global problems, which crucially need the united efforts of all international actors in order to solve them.

In this regard, multilateral diplomacy becomes one of the appropriate instruments for dealing with the processes of solving these global problems and of assuring global governance.

Although, multilateral diplomacy is a much disputed issue within the scientific and academic circles of international relations specialists, its place as a contemporary practice in international relations is confirmed by the prevailing practice within international organisations. Indeed, the current system of international relations can mostly be characterised by a multilateral model, which is composed of various groups of specific elements (Kishore: 2013). As demonstrated earlier, “majority of writers looks at it as an activity that takes place only within international governmental organisations. In this context multilateralism (the conduct of multilateral activities by three or more states in accordance with general shared principles) is considered a key instrument for contemporary statecraft in dealing with the consequences of both integration, and fragmentation and decentralisation”.

In practice, the United Nations is a form of central international government. It is the creation of Member States themselves and most issues on the agenda of the UN are created by the same member states for the benefit of global good governance and harmonised existence within the global community. The same goes for other regional organisations like the African Union and the European Union. They are a product of Member States with a regional character. Regional Organisations have their separate agendas but most operate in cooperation with the United Nations in what resembles an umbrella body system. This umbrella relationship is reinforced by the fact that, like member states, regional organisations most oftentimes send observers or permanent representatives to the United Nations and its specialised agencies (Kishore: 2013).

Other main characteristics of multilateral diplomacy are its parliamentary and open nature. The parliamentary nature bothers on the process through which decisions/agreements are reached, that is through “informal consultations” that could take place outside of official meetings, during lunches and etc. Voting system by member states is also an underlying factor. This also makes multilateral diplomacy in international organisations a democratic system of diplomacy

3.2 Multilateralism and Conference Diplomacy

Contrary to a popular view that multilateral diplomacy and conference diplomacy are the same because they are conducted with some similarities through meetings and voting, the two are different practice entirely. Remember, multilateral is defined as the practice in which three or more groups are taking part in negotiations. Heads of states or states officials arrange a meeting to negotiate about an issue that involves a group of countries, states which form a Union like the (EU), or states that are part of a coalition like (NATO). They do meet in

public and open to the media or conduct negotiation in secret in the corridors of the meeting venue, others during lunch breaks.

Conference diplomacy means a large number of officials meeting and not necessarily as in the multilateral diplomacy. The conference diplomacy meeting does not have to be between more than three states. It could involve only two states but with large number of officials. Conferences could last for few days continually (EB: nd). Officials with the same work interests come together, not to negotiate issues as in multilateral practice but they come together to discuss their views about important topics that they have in common. Therefore, the state officials meet to have a formal discussion in order to find better solutions, which will then be presented as advice to executives in the states involved in such meetings to achieve good outcomes when applied in all aspects.

Like multilateral diplomacy, conferences are also practiced openly in front of public and the media as well as in confidential manners. Many decisions are taken behind closed doors and the discussions may be less confessional but more bilateral or multilateral. In conference diplomacy, officials give their views to each other more clearly and they do the lobbying either to pass or to stop resolutions. Although Jeff Berridge, in view of the fact that if officials give concessions to the other parties, they do not get pressure from the public, affirms that officials cannot negotiate in the open and in public, evidence had shown that discretion has been applied in order to determine which decision are made public or confidential in conference diplomacy (Berridge: 2015).

SELF ASSESSMENT EXERCISE 7

Discuss the parliamentary nature of multilateral diplomacy

3.3 Multilateralism and Summit Diplomacy

Summit diplomacy involves direct participation of Heads of State and Heads of governments in the diplomatic negotiations. Summit diplomacy is also refers to the diplomatic meetings between the Heads of States, incumbent Heads of Governments, political leaders and highest representatives of an international organisations. Summit diplomacy is mostly multilateral in nature and a good example is the summit of Heads of States of the African Union.

Summit diplomacy is different from conference diplomacy because conference diplomacy could involve only senior officials, experts and functionaries, who will negotiate and recommend to the executives, whereas summit diplomacy is identified by the direct involvement of the executives themselves, or their representatives (Robertson : 2019).

International organisations, blocs and regional organisations employ summit diplomacy a lot. By so doing, decisions taken are placed in the right political perspectives and are more likely to enjoy each country's political will.

Another advantage of summit diplomacy is that the leaders or participants, who are also the chief policy makers, are involved in diplomacy directly rather than having to send someone to represent them. They are able to answer or solve problems which an ordinary diplomat or official may not be able to do so. Summits make package deals easier as they involve heads of governments with same level of authority who do not need to do a lot of consultation before making their final decision, and promotes a better relationship between leaders and therefore provide easy means to put an end to disputes (Robertson: 2019). They also break deadlock as all the heads of governments are present, speeding up and sustaining momentum due to its given deadlines for completion. A summit gives the government a good opportunity to gather information about their counterparts, breaking barriers of mistrust and suspicion. Summits also help participants to kill many birds with one stone, as they can be able to meet and interact with their counterparts from different countries.

Due to its many advantages, the number of international summits has increased considerably in the post-Cold War era and it is now presently a vivid expression of global governance. The UN earth Summits, the Millennium Summit, the G8 Summit, Arab League Summits are examples of such numerous meetings.

4.0 CONCLUSION

Bilateral and multilateral diplomacy are the two basic and major forms of diplomacy. While bilateral diplomacy involves only two states, multilateral diplomacy occurs when more than two states are involved in any diplomatic process. Both bilateralism and multilateralism are instruments by states for their national interests and both are operational whether in a bilateral diplomatic mission or a multilateral organisation. The identification of which form, therefore, depends on the number of countries and entities involved.

5.0 SUMMARY

This unit focused on the comparison of bilateral and multilateral diplomacy as the basic and major forms of diplomacy. We have examined the difference between the two, the contexts in which they take place and the methods in the process of negotiation in the context of the two forms of diplomacy.

I have the conviction that you, as a student of diplomacy, will have grasped the meaning and ramifications of multilateral diplomacy as we move to the next section which deals with its actual practice and elements that constitutes it.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss your views on summit diplomacy in the international system?

7.0 REFERENCES/FURTHER READING

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UNIT 2: MULTILATERAL DIPLOMACY AND GROUPINGS IN THE INTERNATIONAL SYSTEM

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Multilateral Diplomacy and Groupings in the International System
 - 3.1 Groupings in International Organisations and International Negotiation
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

This unit will examine the practice of multilateral diplomacy, using examples of coalitions, regional and geopolitical groupings as elements of extended multilateral diplomacy in the international systems and specifically in international organisations. It will also shed lights on the motives of states in forming or joining international organisation and clubs of multilateral nature.

In general, states are active in the international system in pursuit of national interest or common interest with other states or groups of states. The origin of forming alliances, association is, therefore, motivated by interest and the need to have an edge in negotiations. This justification will form the body of our study in this unit.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- understand the principles and dynamics of groupings in the international system;
- discuss the objectives of regional and other interest groupings in the international organisations, especially the United Nations;
- find examples of groupings and plausible justifications for them in the international system.

3. 0. MAIN CONTENT

3.1. Multilateral Diplomacy and Groupings in the International System

Forming alliances and groupings has been a norm in the international system, especially within the framework of multilateral diplomacy. As in every other activity where there are many countries with diverse interests and stake in issues, national interests are key factors.

There is a remarkable rapidity and formation of groupings in the international system, be it ad-hoc, semi-permanent or permanent basis, has been remarkable, especially at the multilateral level. The most viable explanation for grouping in the international system is the creation of alliance around common identity and certain features and common interest by parties involved – all aimed at promoting the national interests of those in the groupings (Moravcsik :2010).

Groupings may be regional, sub regional, geopolitical, geo-economic in nature. Some are just permanent or ad-hoc alliances on issues, or formed between countries because they have a common pattern of population, development or trends in certain area that they judge would be advantageous to tackle if they come together.

In the United Nations system alone, groupings have changed dimension and has multiplied overtime, we have the basic regional/electoral groups, which consist of the five major regions of the world. The United Nations Regional Groups are the geopolitical regional groups of member states. Originally, UN member states were unofficially grouped into five geopolitical regional groups as an informal means of sharing the distribution of posts for General Assembly committees but it has become more expansive in nature and role (UNO: nd). Regional groups control elections to UN-related positions, on the basis of geographic representation, as well as coordinate substantive policy, and form common fronts for negotiations and voting.

The groupings itself have changed overtime. Until 1966, the regional groups were: British Commonwealth, Eastern Europe and Asia, Latin America, Middle East and Western Europe. In 1966, in response to changes in the membership, decolonisation and strategic realignment, the groups were reorganised as: Asia, Eastern Europe, Africa, Latin America and Caribbean, and Western Europe and Others. In 2011, the Asia Group was renamed Asia-Pacific. Presently, the UN member states are divided into five regional groups, namely the:

- African Group (AG), with 54 member states;
- Asia-Pacific Group (ASPAC), with 53 member states;
- Eastern European Group, with 23 member states;
- Latin American and Caribbean Group (GRULAC), with 33 member states.

- Western European and Others Group (WEOG), with 28 member states, plus 1 member state as observer.

The dynamism of this grouping is different for UNESCO, as follows:

- Group I (Western European and others)
- Group II (Eastern European States)
- Group III (Latin-American and Caribbean States)
- Group IV (Asian and Pacific States)
- Group V (a) (African States)
- Group V (b) (Arab States)

There exists also Sub-Regional Groups, which further narrows discussions to the specific sub regions like the West Africa (ECOWAS) Group, the Central Africa Sub-Regional Group. In the third category are those that have a common colonial history like the Commonwealth Group, the Group of Francophonie etc. We also have the category of those with common demographic trends such as the E-9, which is the group of the 9 most populated countries in the world, the Group of 77 and China, comprising of most developing nations as well as the Group of Non-Aligned Member States, which is geostrategic in nature (Tripathi: 2010).

You should note that, regional organisations and other (geopolitical, geo-economic etc) organisation are sometimes offspring of the UN grouping system, or at least they are created to work in consonance with the respective groups within the international organisations. For example, the Africa Group in the United Nations system, work hand-in-hand with the Africa Union Commission and the coordination of international policies and activities are done in close relations with the International organisation's secretariat and the African Union Secretariat as partners in progress. In effect, most of the Regional Groups also maintain observer missions to the United Nations (Tripathi: 2010). The European Union and the African Union, for example, are no exceptions. As we will examine later, the BRICS is an offspring of a side even during the 61st UN General Assembly with a meeting of the BRIC foreign ministers. As with the BRICS which is now tending towards becoming an international organisation, many of the organisations that exist today are products of geopolitical, geo-economic, geostrategic grouping at one time or the other.

All of these are geared towards the regional groups being able to properly negotiate on issues to the advantage of concerned member states.

SELF ASSESMENT EXERCICE 8

Why do you think it is necessary for states to form alliances in the international system?

3.2 Groupings in International Organisation and International Negotiation

The general trend is that, groups in the international system have the objective of providing its members with forums to facilitate the achievement of common positions and mutual support on issues affecting their member states in the mandate of the organisation where they operate. The activities of these groups are designed to promote and ensure dialogue and cordiality with their member states and other regional groups on issues on the mandate of UNESCO and facilitate the adoption of decisions by consensus.

A good example of a success story in international negotiation and grouping in international system could be seen in the process that led to the adoption of the 17 Sustainable Development Goals by the United Nations in September, 2015. Since the beginning of the negotiations under the auspices of the United Nations, the Africa Union brought out a Common Africa Position towards the post-2015 Sustainable Development Agenda. Members of the Africa Group in all the United Nations concerned entities used the Common Africa Position (CAP) to negotiate the inclusion of the important elements for Africa as well as African proposals on the Goals, Targets, and Indicators, which were earlier not introduced.

For this to happen, a high level committee was set up to synthesise a common African position and building regional and intercontinental alliances around the post-2015 development agenda. According to *Stephen Chacha* (2016), this gave Africa an upper hand, and through the Common African Position on Post-2015 Development Agenda, Africa negotiated with one strong voice and managed to influence the outcome of the open working group on sustainable development goals by almost 70 percent.

You must have heard of the African Union Agenda (2063), a strategic vision of the Africa Union for the development of Africa between now and the year 2063. The same committee that prepared the CAP was retained to process the Agenda 2063 and a series (5 in total) of 10-year action plans. The action plans focus on targets and strategies as well as indicators and baseline data; the implementation arrangement; the Monitoring and Evaluation mechanism; and proposals on the financing options of Agenda 2063. They are also to facilitate the domestication and popularisation of Agenda 2063 and to facilitate implementation at the national level. The first in the series was adopted in July, 2015.

This Agenda 2063 is finally closely linked to the adopted UN 2030 Sustainable Development Goals. This was established in Paragraph 42 of the 2030 Agenda for Sustainable Development, which reaffirms the importance of supporting the African Union's Agenda 2063 and the programme of the New Partnership for Africa's Development (NEPAD), all of which are integral to the new global development agenda. This shows the synergy that while the African Union articulates Africa's specific aspirations (African cultural identity, common heritage, values and ethics; the African Renaissance) and responds to the

continent's specific development challenges (strong focus on the security agenda, including the common defense, foreign and security policy for the continent), its implementation is aligned with the global spirit and principles as laid out in Agenda 2030. The point of convergence, as shown in an assessment by the UNDP Regional Service Centre for Africa (RSCA) are on social development (people), inclusive economic development (prosperity), on peaceful and inclusive societies and responsive institutions (peace), and on a number of environmental sustainability issues (planet).

You should note from the sequence above the advantage of grouping in the international system to negotiation, which, in the real sense, constitutes the essence of setting up any group within the international system. However, what must follow this analysis is the fact that there are other sides to the negotiating advantage and favouring of national interests in multilateral diplomacy. The next unit about groupings, negotiation and the theory of club will focus on this.

4.0 CONCLUSION

Groupings in international systems happen as a result of self or collective interests of states in the international system. A group of states could come together because they share similar development paths, geographical proximity, population size, growth trends etc. Sometimes the alliance is due to common colonial history, like the Commonwealth and the Group of Francophonie, for example. This coming together normally facilitates their negotiation capacities and attracts the benefit of speaking with a common voice to the mutual advantage of the nations involved.

5.0 SUMMARY

In this unit, our focus has been on the nature of alliances, be it, geographic, geopolitical or economic. It is my believe that the practical examples will facilitate your future studies of the nature of alliances within the international system, even as I encourage you to pursue further readings from the references below.

6.0 TUTOR-MARKED ASSIGNMENT

Explain further the approach of the African states in the negotiations that led to the adoption of the UN Sustainable Development Goals.

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UNIT 3: INTERNATIONAL NEGOTIATION, THE THEORY OF CLUBS AND MULTILATERALISM

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 The Theory of Club and Negotiation
 - 3.1 Opportunity Cost for States
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

This unit examines the theory of clubs and advantage of facilitation states negotiation power. For the purpose of this study, the theory of clubs is to be seen as a synthesis of earlier units on the interaction and cooperation within an international organisation by nation states. This synthesis is meant to shed some lights on the fundamental underlying factors of states decisions to be part of a larger group of states and the trade-off between being part of an association and acquiring negotiation advantage as against some dependency within the system.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- understand the principles of club theory and negotiation as states interact within the international system
- take note of the fact that states membership of international organisation is not always a convenient arrangement
- build on this knowledge to make decisions as future policy and decision makers

3.0. MAIN CONTENT

3.1 The Theory of Club and Negotiation

Let me start here by recalling the popular saying that the G8 is the most exclusive club in the world. There are 190 nations in the UN, 54 in the Commonwealth, 19 in NATO, but only the United States, Russia, Japan, France, Germany, Great

Britain, Italy and Canada in the G8. The question is: is the G8 exclusive because it is a club? What determines the appellation of a group of state as a club or an international organisation? Is there any difference between the G8, the G20, the BRICS and NATO? Which of them are clubs and which of them are international organisations? Finally, apart from greater negotiating power what other consequences of coming together of states in the international system?

It should be noted that an international organisation is an entity formed and managed by many states and it is an association of states coming together for a common cause. An international organisation has an organised headquarters and examples of such could be seen in the United Nations, NATO, the European Union and the African Union. An international organisation differs from a club in respect of the structure, focus and political dimension.

For example, the G8 is a forum of 8 nations that identify with themselves in terms of democracy, respect for human rights and market economy. It could be compared to the G20, whose members include 19 individual countries—Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom and the United States—along with the European Union (EU) – and is an international forum for the governments and central bank governors from 20 major economies. The G8 and G20 are forums and clubs in the international system as they only come together under a common identity and economic similarities, to influence global affairs.

A study into the theory of clubs by *Faina Medin, Jose Andres, Garcia Lorenzo and Antonio Lopez-Rodriguez, Jesus* (2010) reveals that whether they become a member of a club or an international organisation, governments can make themselves better off by setting up or joining them. They may benefit from their international club memberships through three main channels: higher bargaining power at the international level; reductions in the negative externalities arising out of unconstrained threats and pressures among governments; and the opportunity of transferring domestic political costs to supranational jurisdictions (governmental collusion).

SELF ASSESSMENT EXERCISE 9

What is your view of the G8 as a Club?

3.1 Opportunity Cost for States

Microeconomic theory describes opportunity cost or alternative cost as the value of the cost of a best alternative lost while making a decision. In making choices of joining alliances, the analysis above outlined the benefits derived by states in

joining international organisations. However, there is the issue of tradeoff between state independence and club participation.

Medin *et al* concluded their analysis by affirming that “governments become members of international organisations in order to derive benefits from the membership of intergovernmental clubs in which there is a logical tradeoff between independency and participation. However, such engagement generates utility losses due to constraints derived from the membership of the club. The costs of these constraints can be interpreted through the marginal evaluations associated with governmental optimisation behaviour”.

The assessments of size and degree of commitment at the margin can be thought of as indexes of governmental willingness to enlarge the size of international organisations and to increase their degree of commitment. They are decreasing functions of the size of the organisation, degree of commitment of members, and national heterogeneity. In this regard, both the degree of commitment and the size of the organisation are positively linked to the generation of benefits for the member governments, but also involve an increase in costs; since the size of international organisations is not a continuous variable, the model of intergovernmental clubs cannot be solved purely on the basis of members’ optimising functions, weighting benefits and costs at the margin. Rather, marginal valuations are used to analyse the governments’ willingness to join international organisations.

In summary the reflection on involvement of states in international organisation or clubs is always two sided and involves trade-offs. The conclusion is that states lose part of their autonomy by joining an international forum, organisation or club. However, the higher negotiating advantage remains a major incentive for states coming together, as in the case of the BRICS.

4.0 CONCLUSION

Multilateral diplomacy is an act well propagated and practiced in international organisations. Groupings, forums and clubs as entities in the international system provide breeding grounds for multilateral diplomacy. Although, when done, they lose some of their autonomy as there is always need to subject to corporate rules and regulations, states are poised to create and adhere to in international organisations, forums and clubs – in the bid to acquire negotiation advantage.

5.0 SUMMARY

The unit dwelt on the rationale behind the club theory in diplomacy and negotiation as well as the incentives and opportunity cost for countries being part of organised settings, clubs and groupings in the international system. It is my believed that this knowledge will equip you with some preparatory knowledge of

the give-and-take situation that occurs when states come together for a common purpose, most especially, in relation to the BRICS as club of emerging economies in the international system.

6.0 TUTOR-MARKED ASSIGNMENT

Are states obliged to be part of international clubs?

7.0 REFERENCES/FURTHER READING

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UNIT 4: MULTILATERAL DIPLOMACY AND THE CONCEPT OF SOUTH-SOUTH COOPERATION

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Characteristics of Multilateral Diplomacy in International Organisations
 - 3.1 Multilateralism and Conference Diplomacy
 - 3.2 Multilateralism and Summit Diplomacy
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

Much has been said about multilateral diplomacy and the fact that it deals with multistate issues often in multistate settings. The practice of multilateral diplomacy is therefore more pronounced in the United Nations System and international organisations. This Unit will examine the practice of multilateral diplomacy, using examples of coalitions, regional and geopolitical groupings as elements of extended multilateral diplomacy in the international systems and specifically in international organisations. It will also shed lights on the motives of states in forming or joining international organisation and clubs of multilateral nature.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- understand how multilateral diplomacy is practiced within international organisations;
- define clearly multilateral diplomacy, as well as conference and summit diplomacy;
- discuss the objectives of regional and other interest groupings in the international organisations, especially the United Nations;
- identify the major types of diplomacy and the rational for classifying them.

3. 0. MAIN CONTENT

3.1 Multilateralism and South South Cooperation (SSC)

South-South Cooperation (SSC) is an initiative or a form of global cooperation invented to complement Official Development Assistance (ODA) and to compensate for the reduced supply of cooperation from habitual aid donors, who, due to global pressures, economic changes and political phenomena, which abruptly altered their aid priorities, in relation to geographic areas and the issues addressed (Fiocrus: 2008).

Santos and Cerqueira (2015), remarked that “the so-called South-South Cooperation (or technical cooperation between developing countries), a foreign policy instrument for promoting the international development of ‘non-aligned countries,’ created at the end of the 1970s, is becoming increasingly important. The political and economic setting in the 1990s, at both national and international level, represents a significant turning point for South-South Cooperation and more particularly for Brazilian foreign policy”.

The South-South Cooperation Special Unit of the United Nations Development Program (UNDP) also described the concept as complex and essentially a process through which two or more countries work together to develop their capacities through exchanges of knowledge, abilities, resources and technologies (UNDP, 2004). It primarily involves countries sharing their specialised capacities and successful experiences in a more horizontal, solidarity and integral relationship than the classic “North-South” cooperation with its one-way tendencies (Santos *et al*: 2015) . The Ibero-American General Secretariat defined South- South Cooperation by the following three basic principles:

***Horizontality:** South-South Cooperation requires that countries collaborate with each other as equal partners. This means that, irrespective of their different levels of development, collaboration is established voluntarily without any party linking its participation to the setting of conditions.*

***Consensus:** The execution of an action of South-South Cooperation must be submitted to consensus by those responsible from each country, within a common negotiation framework, through mixed commissions or their equivalent.*

***Equity:** South-South Cooperation should be realised so that its benefits (very often consisting of mutually potentialising capacities critical to development) are distributed equitably among all the participants. This same criterion should also be applied in the distribution of costs, which should be assumed in a shared form proportional to the real possibilities of each party (SEGIB: 2008).*

The foregoing corroborate the view of the United Nations Office for South-South Cooperation, which describe it as “a broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, sub regional or interregional basis. Developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts. Recent developments in South-South cooperation have taken the form of increased volume of South-South trade, South-South flows of foreign direct investment, movements towards regional integration, technology transfers, sharing of solutions and experts, and other forms of exchanges”.

SELF ASSESSMENT EXERCISE 9

What is your view of the G8 as a Club?

3.2 Objectives and Benefits of South-South Cooperation

The United Nations sees the “basic objectives of South-South cooperation are interdependent and mutually supportive, contributing to the broader objectives of international development cooperation. These objectives are to, coined from its platform, are as follows, i.e. to:

- foster the self reliance of developing countries by enhancing their creative capacity to find solutions to their development problems in keeping with their own aspirations, values and special needs;
- promote and strengthen collective self-reliance among developing countries through the exchange of experiences; the pooling, sharing and use of their technical and other resources; and the development of their complementary capacities;
- strengthen the capacity of developing countries to identify and analyse together their main development issues and formulate the requisite strategies to address them;
- increase the quantity and enhance the quality of international development cooperation through the pooling of capacities to improve the effectiveness of the resources devoted to such cooperation;
- create and strengthen existing technological capacities in the developing countries in order to improve the effectiveness with which such capacities are used and to improve the capacity of developing countries to absorb and adapt technology and skills to meet their specific developmental needs;
- increase and improve communications among developing countries, leading to a greater awareness of common problems and wider access to available knowledge and experience as well as the creation of new knowledge in tackling development problems;

- recognise and respond to the problems and requirements of the least developed countries, land-locked developing countries, small island developing states and the countries' most seriously affected by, for example, natural disasters and other crises and;
- enable developing countries to achieve a greater degree of participation in international economic activities and to expand international cooperation for development.

In the same vein, an OECD publication in 2011, while highlighting the benefits of South-South Cooperation, wrote that “the evolution of SSC leaves important lessons about its strategic role in enhancing ownership and strengthening national capacities. Nations that have successfully included South-South and triangular initiatives in their national cooperation strategies have also evolved their level of engagement to go from activities to projects and from projects to medium and long-term programmes in relative short periods. This trend demonstrates the transformative power of SSC and its contribution to institutional change and strengthening” (OECD: 2011). The publication provides evidence to support the claim by stating that:

- South-South Cooperation is an expression of the increasing collaboration and partnership among countries from the South, interested in sharing their development experiences and learn from each other.
- these new arrangements among Southern countries are conceived as horizontal partnerships, where activities are based on trust, mutual learning and equity and conceived to establish long-term relationships.
- through South-South cooperation, developing countries, particularly Middle Income Countries but increasingly Low Income Countries, are proactively engaging in the global development architecture, going beyond their traditional role as recipients and contributing their energy and successful development experiences in benefit of their own and their partners development.
- South-South Cooperation has certain characteristics that can enrich the aid effectiveness agenda:
 - due to similar development levels and experiences, developing countries can share good practices and development solutions that are highly adaptable to local economic and social conditions;
 - partners trust each other, and this trust increases as formal and informal peer linkages are built and strengthened.
- South-South Cooperation has demonstrated to achieve good development results when:
 - all partners have strong leadership and are willing to engage in horizontal partnerships. Political commitment from high-level authorities is essential to ensure sustainability of South-South co-operation;
 - partners can identify mutual benefit, learn from each other and clearly define responsibilities in the cooperation arrangement;

- cooperation is built upon long- term relations, and willingness to scale up and diversify partnerships;
- there are highly motivated change agents who can make a decisive difference in promoting endogenous capacity development
- their leadership can be decisive to boost reforms at the institutional and policy levels in the countries involved.

The study further highlighted many challenges that need to be addressed in giving the concept of South-South cooperation to be more effective. For example, South-South cooperation “still faces several challenges that in some cases are related to institutional and technical capacities of Southern countries – particularly those of Middle-Income Countries. They include: improving the quality of information (data, processes, cases, change agents) that would enable transparency and better quality and results; reinforcing results-orientation; better alignment to national systems and development.

It suffices to say that most of the challenges remain peculiar to developing countries and the most effective approach will be to take the good aspects of the North-South Cooperation models and combine these with the novelties of advantages that the SSC has to offer. Association’s like the BRICS are good avenues to exploring this prescribed remedy.

4.0 CONCLUSION

The nature, objectives and benefits of the South-South Cooperation, as highlighted above, perhaps explain the popularity it has gained as a concept in international relations and development cooperation strategies. The BRICS as an association of emerging nations is indeed built on as a South-South Cooperation platform. It is believed that the BRICS as an association of emerging economies stands the chance of drawing from the benefits of South-South Cooperation while leading the way in addressing the challenges that might be standing in the way of total effectiveness of a South-South development cooperation and equation.

5.0 SUMMARY

The study of the concept of South-South Cooperation has been built into this manual in order to provide you with the primary knowledge of the platform upon which the BRICS association is built as a club comprising mainly of developing and emerging economies (the South). This knowledge will come handy, as you move into the next module on the nature of development cooperation and diplomacy by the BRICS states

6.0 TUTOR-MARKED ASSIGNMENT

Why is South-South Cooperation now popular?

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MODULE 3: BRICS (BRAZIL, RUSSIA, INDIA, CHINA AND SOUTH AFRICA)

UNIT 1: What is Brics?

UNIT 2: Knowing the BRICS Countries: Brazil, Russia and India

UNIT 3: Knowing the BRICS Countries: China and South Africa

UNIT 4: Unity in Diversity? An Overview of the Five BRICS Member States' Approach to Diplomacy, Trade and Development Relations

UNIT 1: WHAT IS BRICS?

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 What is BRICS?

3.2 Historical Background of BRICS

3.3 The Objectives of the BRICS countries

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Reading

1.0 INTRODUCTION

In the preceding units, you have been able to learn more on diplomacy and multilateral diplomacy as well as the trend which multilateral diplomacy takes in the international system. The next two modules have been designed for you to relate your knowledge in modules 1 and 2 to the nature and functioning of the BRICS as an entity in the international system, as well as the interplay of multilateral diplomacy within and outside the BRICS countries.

BRICS (Brazil, Russia, India, China and South Africa) is an international forum of states with the potential of transforming into an international organisation. This module (3) is focused on what the BRICS represents, its historical background and objectives as well as characteristics as an emerging international forum or states or an international organisation.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- understand what the BRICS stands for;

- identify the common characteristics of the countries that made up the BRICS;
- discuss the historical background of the BRICS and;
- identify the major objectives of the BRICS forum.

3. 0. MAIN CONTENT

3.1 What is BRICS?

BRICS stands for Brazil, Russia, India, China and South Africa. It is an acronym for the combined economies of these five countries. By 2011, Brazil, Russia, India, China and South Africa were among the fastest growing/emerging economies in the world. This common identity and the quest to influence world economic affairs through their identical economic progress informed their coming together under the association now called BRICS. Like the G8, which has been tagged the “club of the rich”, the BRICS could be referred to as a “club” or “association” of emerging economies. In general terms, the BRICS members are all leading developing or newly industrialised countries, but they are distinguished by their large, sometimes fast-growing economies and significant influence on regional affairs; all five are G20 members. At the beginning, the last “S” in the acronym was not there and early references to the association have been “the BRIC”. The admission of South Africa into the club in 2011 changed the acronym to “BRICS” as it presently stands.

It is worthy of note that when the term BRIC began to emerge in 2001, the argument for their common identity was that the economic potentials of the emerging markets of Brazil, Russia, India, and China are immense in the decades to come. The BRIC countries cover 25 percent of the world’s land mass, 40 percent of the world’s population, and are increasingly run as global market economies. Between 2002 and 2007, annual GDP growth averaged 3.7 percent in Brazil, 6.9 percent in Russia, 7.9 percent in India, and 10.4 percent in China. Popular predictions have the combined economies of the four BRIC countries outstripping that of the G7 countries (Canada, France, Germany, Italy, Japan, UK, and the U.S.) within the next couple of decades (Hult: 2009).

The BRICS has, since its creation, constantly grown in nature. From what was first a kind of association or economic bloc, its exploits and ambitions in international cooperation in ever expanding areas, ranging from development, science and technology cooperation, strategy and common trade agreements, have attracted attention to it as having a high potential of transforming into an international organisation. There are also indications that, with its recent trade and monetary policy, the BRICS is poised to serve as an international coalition to counter the UN dominance in terms of currency and influence in Global Affairs. It is also being said in some quarters that the BRICS as an entity is set to stand as rival to the G8 (Hou *et al*: 2014).

So it is necessary to ask the question, what are the elements that make the BRICS an important states' cooperation entity or international club of nations or what makes the BRICS matter? The best approach would be that I summarise the historical background and a few points on the factors that make BRICS matter.

SELF ASSESMENT EXERCICE 10

Discuss BRICS as an economic bloc?

3.2 Historical Background of BRICS

BRIC, without South Africa, was originally coined in 2003 by Jim O'Neill, a global economist at Goldman Sachs, in his publication titled "*Building Better Global Economic BRICs*" which speculates that by 2050 these four economies will be the most dominant. South Africa was added to the list on April 13, 2011 creating "BRICS"(O'Neil : 2001).

At the origin of BRICS, the foreign ministers of the initial four BRIC states (Brazil, Russia, India, and China) met in New York City in September 2006 at the margins of the General Debate of the UN General Assembly, initiating a series of high-level meetings, while a full-scale diplomatic meeting was held in Yekaterinburg, Russia, on 16 June 2009. At this BRIC grouping's first formal summit of 2009, comprising of Luiz Inácio Lula da Silva, Dmitry Medvedev, Manmohan Singh, and Hu Jintao, the respective leaders of Brazil, Russia, India and China were all in attendance (O'Neil : 2001).

Similar to the formation of the G20 Heads of Government (G20 Leaders), which was established as a response to the 2008 global financial crisis, the focus of the first BRICS Summit gave an indication of what the association is built around including: improvement of the global economic situation and reforming financial institutions, as well as how the four countries could better co-operate in the future (Cooper *et al*: 2016). There were also discussions of ways that developing countries, such as the BRIC members, could become more involved in global affairs.

After the Yekaterinburg summit came the announcement by the BRIC nations of the need for a new global reserve currency. The reason projected for this initiative is that the world needs a diversified, stable and predictable currency.

Admission of South Africa

South Africa officially became a member nation of the BRICS on 24th December 2010. This followed a formal invitation from the Group, after the country entered a process of joining the group earlier in August of that year. The group was

therefore renamed BRICS – with the "S" standing for South Africa (Anuoluwapo *et al*: 2018). South Africa, in Person of its President, attended the 2nd BRICS Summit, held in April 2011, in Sanya, China, as a full member.

From 2009 to 2019, there have been a total of eleven summits. The 12th summit is being proposed for the summer of 2020 and will be hosted by the Russian Federation.

Table 1: Summary of the BRICS Profile

	Area (km ²)	Population (million)	Annual Population Growth Rate(%) (2005-11)	Unemployment Rate	Poverty Rate	Income Inequality (Gini Coeff.)	Life Expectancy	Literacy Rate	HDI ranking (2011)
Brazil	8,514,877	196.65	0.96	8.3	21.4	53.9	73	90	84
Russia	17,098,242	141.93	-0.2	7.5	11.1	42.3	69	100	66
India	3,287,263	1,241.5	1.43	9.3	29.8	36.8	65	63	134
China	9,596,961	1,344.13	0.52	4.1	2.8	41.5	73	94	101
South Africa	1,221,037	50.59	1.15	24.9	23	57.8	52	89	123

Source: World Bank data, <http://data.worldbank.org>; ILO statistics, <http://www.ilo.org/global/statistics-and-databases/lang-en/index.htm>; UNDP Human Development Indicators, <http://hdrstats.undp.org/en/indicators/default.html> (as accessed on 27/1/2013)

Why the BRICS Formation Matters

According to the BRICS website, the idea of establishing and running a dialogue mechanism between countries, that serve as major centers of economic growth and political influence, that have global interests and significant integration potential in their regions, was dictated by life itself. The first “Four” came up at a critical stage of world development in the emerging polycentric international system, which makes the mechanisms of multilateral diplomacy networking and collective leadership of the world’s leading countries (Majaski : 2019).

Nevertheless, one of the reasons why the establishment of the BRICS was important is that most of the influential states admitted that the group has a reason to exist. Also, the world powers were ready to involve the BRICS countries in global decision making. For Example, America's has constantly pushed for the inclusion of the BRICS countries into the G20 and has often referred to their forum as a “chief forum in dealing with international economic issues” (Anuoluwapo *et al*: 2018). The BRICs and the original group of seven rich countries (G7) form natural blocks within the G20 and, so far, the clearest expression of a coherent BRICS agenda—for reform of the international financial

system and more domestic stimulus programmes—came on the eve of a G20 meeting in 2008.

Second, it is evident that all five economic giant states have reasons for creating a new association of their own, even though the underlying reasons are still found in individual countries’ ambition. For example, while China is conscious of the fact that it must increase its affluence, it seems to hide the national demands under the group or multilateral façade. However, there is a balancing act in the joint actions of the BRICS countries as they share common grounds on issues and keeps China on equal grounds while at the same time putting efforts together to check the dominant factor of the USA in world affairs and trade and monetary matters. Table I shows the intensity of the GDP growth of the BRIC countries between 1995 and 2009 (Brütsch: 2013).

When the BRICS meet, they look like a combination of equals than do most gatherings involving China, though China's economy is still larger than those of the other four combined (Leonid: 2019). As we see in the example of climate change negotiation, China sees climate-change diplomacy as a way of boosting its soft power, and as part of its bilateral relationship with America. But it does not want to break with the rest of the developing world on climate issues. Co-ordination with other “emerging” polluters helps it to succeed on all these fronts, hence its calculated leadership posture within the BRICS states (Brütsch: 2013).

Chart 1: Why the BRICS mattered



Source: IMF, WTO, UNCTAD, EIA

Thomas Hult (2009) advanced that the BRICS countries represented major players in global affairs for three reasons, namely that, they were less impacted by an Economic Downturn as at 2009.; their level of organisation; and their economic and population changes.

Hult wrote that the positives in the economies of the BRICS far outweighed the negatives as they had large surpluses in international trade as well as reserves in foreign currency that create a buffer in economic Downturns, while their governments are likely to use the reserves to increase spending which should result in increased consumer confidence and demand. They are also organising in the sense that they are realising their unique potential and collective standing in the global marketplace. During the May 16, 2008, meeting of the foreign ministers of the BRIC countries in Yekaterinburg, Russia, the BRIC countries urged the creation of "a more democratic international system founded on the rule of law and multilateral diplomacy." "We are changing the way the world order is organised," said Brazil's Foreign Minister Celso Amorim. Our meeting signals "new quality cooperation" in the quadripartite format, said Russia's Foreign Minister Sergei Lavrov. India's External Affairs Minister Pranab Mukherjee hailed BRIC as a "unique combination of mutually complementary economies" which was also stressed by China's Foreign Minister Yang Jiechi who said that "our cooperation will not be aimed against other nations." However, for international business and trade purposes, the four countries are vastly different. On the third point, Hult stressed the economic and population changes which have been to the advantage of the four founding BRICS countries (Hult: 2009).

The BRICS states (combined) also want increase in multipolarity in the world, a system that is necessary given the state of development and need for competitiveness from the North-South and South-South cooperation perspectives (Noort: 2019). It could then be said that the determination by the BRICS states to form this club and the readiness of the big powers therefore made the establishment of the association a necessity and what the world was ready for by the time it was finally established.

Finally, the establishment of BRICS points to the growing influence of South-South Cooperation (SSC). The term South-South Cooperation qualifies cooperation between developing, least developed and emerging economies in the world. In international development, SSC is a geopolitical development strategy whereby countries with common development path and patterns cooperate to address common problems and it is widely believed that this kind of cooperation is effective, as countries with common development challenges will be able to help themselves better in solving their common problems (Khomyakov: 2019). You will be able to learn more on the SSC and their implications for the BRICS in later parts of the course.

SELF ASSESSMENT EXERCICE 11

State and explain two reasons why the BRICS was established

3.3. The Objectives of the BRICS

It has been said that the BRICS countries are not there to form a political alliance (like the European Union) or a formal trading association, but they have the potential to form a powerful economic bloc. This notwithstanding, the present state of the union is pointing to more than a powerful economic club in term of organisation and ambition. At inception however, a two-pillar objective was formulated as follows:

- coordination in multilateral fora, with a focus on economic and political governance; and
- cooperation between members.

In this regard, BRICS as an entity was set to deploy multilateral diplomacy to foster economic and governance tie between its associates, with a view to influencing global economic and governance affairs. The association is indeed a manifestation of the objective tendencies of development of the international political system. It is a young and intensively strengthening global partnership forum of dialogue and cooperation of the leading states that have dynamically developing economies, whose role in the world politics, economics and finance was increasing steadily.

In effect, the BRICS countries share similar objectives in:

- acting as one to promote a more legitimate international system, including advocating reform of the UN security council;
- upholding a South-South framework for cooperation;
- acting as a bridge between developed and developing countries. For example, in the WTO, the BRICS countries are trying to promote a fair order regarding agricultural policies. They are attempting to promote the liberalisation of the international economic order to diminish agricultural subsidies in the United States and the European Union, which would make developing countries' agricultural products more competitive;
- playing an increasingly important role in assisting developing countries in gaining an advantage in trade and climate change negotiations, as well as on issues related to the export of manufacturing products and;
- advocating for the interests of middle powers on global forum.

The BRICS association, since its inception and to date, has significantly pursue the two-pillar objectives and the common orientation listed above and it could be said affirmatively that they are set out to assist developing countries to increase

their bargaining power, most especially in global economic and monetary affairs. This is mostly manifested by the creation of a new development bank by the BRICS. In addition to this, the group established the BRICS business council, made up of 25 prominent entrepreneurs from the five countries and representing many industries and economic sectors. The BRICS also formed an information-sharing and exchange platform that expands beyond economic cooperation to also involve educational, cultural, and environmental engagements. They invariably have a shared interest in challenging the current governance of Western financial institutions like the International Monetary Fund and the World Bank.

4.0 CONCLUSION

BRICS is an association of emerging economies comprising of Brasil, Russia, India, China and South Africa. Its objectives of deploying multilateral diplomacy to influence world economic and governance are progressing. This expansion points to the seriousness of the group's ambition as an advocate for developing countries and the South-South voice in global affairs.

5.0 SUMMARY

The BRICS as a global association and economic bloc has not stopped to gain prominence. Its establishment, which was more of a necessity at the time it was established, points to the fact that its role in global economic and governance affairs is valued. I encourage you, as a student of international relations to note the specific objectives and the growing role of the BRICS as an actor in international economic development and global governance.

6.0 TUTOR-MARKED ASSIGNMENT

Why do you think it was necessary to create an association of states called the BRICS?

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UNIT 2: KNOWING THE BRICS COUNTRIES: BRAZIL, RUSSIA AND INDIA

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Brazil
 - 3.2 Russia
 - 3.3 India
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

The BRICS countries have similarities and disparities. However, what unites them most is the state of their economic development and elements in their outlooks to foreign policy, international economic, trade and development cooperation. As developing countries, which transitioned to emerging economies, they are from different regions and so their geopolitical realities differ.

With this hindsight, this unit and the next focus on examining the individual outlooks of the BRICS countries in international economic, governance and diplomacy. The main idea is to have a grasp of the economic, trade political, foreign policies and diplomatic identities of the countries, however brief. Given the scope of the study in multilateral diplomacy and presumed common identities, the approach I have devised will be to examine the general background, geographical, demographic and economic situations (as an introductory), as well as their outlooks on selected elements of multilateral diplomacy, namely, **international development, trade, and South-South Cooperation** in their individual rights within the group and with other countries. This knowledge is expected to facilitate a comparison of the similarities and differences, or in other words the points of convergence and divergence in these elements of multilateral diplomacy within the BRICS countries. It is also expected that you will be able to and draw useful conclusions, from the knowledge obtained, on the present state of the association and the future of the countries together.

Therefore, in the order of the BRICS acronym, we will devote this unit to information on B (Brazil), R (Russia), and I (India).

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- have a brief understanding of the economic situation of Brazil, Russia and China as emerging economies and as part of the BRICS family;
- identify the approaches of the countries to international development, trade and economics as well as South-South Cooperation and;
- relate the characteristics to the nature and objectives of the BRICS association.

3. 0. MAIN CONTENT

3.1. Brazil

Brazil represents the “B” in the BRICS acronym. It is the largest country in South and Latin America and the world's fifth-largest country by area and population. It is also the only Portuguese speaking country in the region. With a coastline of 7,491 km, Brazil is bounded by the Atlantic Ocean on the east.

The country has a total area of 8,515,767 km². In 2015, its population estimate was 205,338,000. Brazil's total GDP, in terms of Purchasing Power Parity (PPP) is \$3.101 trillion and a Per capita income of \$15,048, while its GDP (nominal) totals \$1.534 trillion and Per capita is \$7,447 (WDA: 2019).

In the past decade, Brazil became one of the world's fastest growing economies. It is the world's sixth-largest by nominal GDP and the seventh-largest by purchasing power parity. One major sign of Brazil's growing economic affluence was its selection as host of two major international sporting events: the 2014 World Cup and 2016 Olympics, for which the government invested tens of billions of dollars and implemented various economic acceleration packages aimed at infrastructure and communications in preparation for the events.

Brazil's growth has been attributed by economists to sound economic management, which has reduced inflation and attracted foreign investment, and the stabilisation of its currency, the real. Brazil was well-positioned to weather the economic downturn; its population of roughly 200 million has become a heaven of consumer market, and its banking system has largely escaped the credit crisis (Skidmore : 1978). After several banks failed in the mid-1990s, Brazil tightened bank regulations; some small distressed private banks were taken over by the government, and troubled state-owned banks were closed or purchased by foreign investors. A 2009 article published in the online business journal of the University of Pennsylvania's Wharton School affirmed that, as a result, Brazil's banks "are strengthening the economy and making it more resistant to fluctuations in local and international markets" (WUC: nd).

It should be noted that Brazil's economic growth is largely driven by both agricultural and industrial exports. It is the world's biggest exporter of sugar, chicken, beef, and coffee. "No other country has such a large untapped reserve of land, water, and farmers with the technology and expertise to add value to natural resources," writes *Juan de Onis* in a 2008 Foreign Affairs article (Hanson: 2012), therefore analysts agree that Brazil has the potential to produce even more agricultural exports.

Kellie Meiman (2009) also wrote that "Brazil is learning to balance meaningful commercial diplomacy with political diplomacy in an unprecedented way." This is due to the fact that it harbours a number of homegrown multinational corporations, such as Embraer, one of the world's largest aerospace companies. These companies have major investments overseas. In 2008, Sao Paulo's stock and commodity exchanges merged, which prompted a new inflow of foreign investment. Brazil has made great strides in increasing its total energy production, particularly oil and ethanol; nowadays Brazil is the largest producer of liquid fuels in South America in 2011, and offshore exploration efforts in the last decade have yielded massive discoveries of pre-salt oil fields (Hanson: 2012).

Given Brazil's strong economic position, the country is defining and cementing a new global leadership role, with significant influence on regional and global affairs.

International Development

Generally, the main characteristics of Brazilian foreign policy are in relation to its search for autonomy at international level; vigorous defense of the principles of multilateralism; the self determination of peoples; non-intervention in the domestic affairs of other States; respect for international law; peaceful conflict resolution; non-indifference; emphasis on economic roots related to questions of international security; democratic values, solidarity and the strengthening of multilateral mechanisms and institutions.

In international development, Brazil has a unique pose and is strongly assuming a leadership role in this regard. The "*Agência Brasileira de Cooperação*" (ABC) that is Brazilian Agency for Cooperation, which operates as a branch of the Ministry of Foreign Relations, is its pivotal international development institution. The Agency, established in 1987, organises international cooperation and coordinates internal development with foreign policy approaches (John de Sousa 2010: 3).

It has been observed that the main part of Brazil's bilateral development assistance is goes to neighbouring countries, especially Paraguay, Bolivia, and the Andean region. Brazil is also playing a crucial role in post-earthquake cooperation in Haiti and the Caribbean region, where programmes in education, health

(HIV/AIDS) and social development are supported. According to John de Sousa (2008), one third of bilateral official development assistance (ODA) is concentrated on lusophone African countries. Brazil is the biggest stakeholder of the regional organisation Mercosur, also known as the Southern Common Market (with Argentina, Brazil, Paraguay, Uruguay, Venezuela, as member countries), generating 80 % of Mercosur's GDP (2005). Brazil's foreign aid is concentrating on the social sector, education, health and poverty reduction. Above that, the country has experiences in emergency aid and, being one of the largest exporters of agricultural goods, is providing technical assistance and know-how regarding agricultural development. Here the country has comparative advantages in comparison to other donors.

The foreign policy of Brazil is characterised, since the Fernando Henrique Cardoso government of the 1990s, followed by the *Luis Inácio "Lula" da Silva* administration in 2002, by three important pillars:

- promotion of regional integration with the intention of achieving economic and social development. Peace and stability in its neighbourhood has also been an important objective for both the Cardoso government and the *Luis Inácio "Lula" da Silva* administration;
- support and promotion of multilateralism on a global level, being actively engaged in international organisations such as the UN and its different agencies, the WTO and participating in meetings and summits of the OECD as a so-called "outreach country" in the context of the Heiligendamm Process and;
- promotion of South-South cooperation, as reflected in initiatives like the Brazil-Africa Forum, regular meetings with Arab countries, increasing numbers of Brazilian embassies in African countries, and the launch of the dialogue forum IBSA, an alliance between the southern powers India, Brazil and South Africa.

In general, technical cooperation is much more noticeable than financial aid. Total amounts of foreign aid are difficult to obtain as estimates vary from USD 362 million up to USD 1 billion (2009). Multilateral aid is estimated as around USD 248 million, of which 50 % went to Mercosur and the Inter-American Development Bank (World Bank 2011: 20). Brazil's total development aid budget has been constantly increasing in recent years. However, Brazil is characterised by high economic disparity; therefore, social tensions and underdevelopment remain internal problems in the country itself. Brazil's regional engagement and foreign investments in infrastructure and the mining sector are not only to be seen as development cooperation but also as outcomes of economic self-interest. On a political level, Brazil wants to increase its visibility on the international floor, for instance by using partnerships to lobby for a permanent seat in the UN Security Council (John de Sousa: 2010).

Trade

On trade, Brazil takes a stance that aligns it with other developing nations and places it in opposition to developed countries. According to Matias Spektor Brazil's trade policy is "not merely about making the nation wealthier, but making the nation more powerful" (Spektor:2010). In Latin America, Brazil strongly opposed the Free Trade Agreement of the Americas and announced its intention to increase trade within the Mercosur bloc of countries. An April 2008 report from the Wilson Center's Brazil Institute said that Brazil is reluctant to expand its trade relations with the United States and the European Union because "it fears that this would conflict with its south-south foreign policy strategy and potentially alienate its developing world allies" (Wilson Centre: 2009).

Some analysts also believe that such a foreign policy goal runs counter to Brazil's economic best interests. For instance, the Mercosur bloc has not yielded concrete trade benefits for Brazil. A 2009 Congressional Research Service (CRS) report on U.S.-Brazil relations notes that "the Ministry of Foreign Relations continues to dominate trade policy, causing the country's commercial interests to be (at times) subsumed by a larger foreign policy goal, namely, enhancing Brazil's influence in Latin America and the world". The CRS report, also corroborated by *Clare Ribando Seelke and Peter J. Meyer (2009)*, suggests that Brazil's focus on "south-south" initiatives has "yielded few concrete results for the country."

On the international stage, Brazil broke with India at the Doha round of global trade talks, pushing for lowered subsidies because they would make Brazilian goods more competitive. "Brazil was peacemaker between India and the United States and Europe. Brazil was willing to cut a deal and wanted to bring India along but couldn't do it," says Thomas J. Trebat, executive director of Columbia University's Institute of Latin American Studies (Werner: 2012). Many analysts believe Brazil will continue to support global initiatives in South America, but in the end, it does want to trade more with the United States.

South-South Cooperation

Brazil's position in the global system is marked by different factors: Being aware of its hybrid position between the North and the South, and the external perceptions that identify Brazil as an important and crucial country for regional stability and development (it was dubbed an "anchor country" by the German Development Agency), Brazil projects its global identity as a "voice" for the developing world in crucial international debates (Milani: 2014). In this context, Brazil refuses to be seen as a donor, but identifies itself as a partner for development. This posture is consistent with the aforementioned South-South Cooperation principles.

A foreign policy approach that is focused on South-South Cooperation was initiated by former President Lula da Silva, thereby emphasizing Brazil's role as

advocate of the global south. Even though Brazil is regarded to comply with the European Union development concerns of human rights and democracy, political conditionalities are not attached to its foreign development projects. The principle of non-interference also explains Brazil's reluctance to supporting international donor agreements such as the Paris Declaration and the Accra Agenda for Action, which calls for greater partnership between different parties working on aid and development (John de Sousa 2010: 2).

The disposition of Brazil to South-South Cooperation is no doubt responsible for its role as a prominent member country of the BRICS.

SELF ASSESMENT EXERCICE 12

What in your opinion is Brazil's stance on South-South Cooperation?

3.2. Russia

Russia (officially called the Russian Federation) represents the "R" in the BRICS acronym. Russia is the largest country in the world. It covers more than one eighth of Earth's inhabited land area. With over 146.6 million people it is the ninth most populous country in the world. The country has a total area of 17,075,200 km², excluding Crimea. Russia's total GDP, in terms of Purchasing Power Parity (PPP) is \$3.685 trillion and a Per capita income of \$25,185, while its GDP (nominal) totals \$1.133 trillion and Per capita is \$7,742 (World Bank: 2018).

Speaking about the foreign policy of Russia, Alexander Sergunin, quoting Stephen Blank (2011) affirmed that "Moscow's foreign policy generally and in the BRICS context particularly, is a vexed question both in the media and expert community. Since President Putin's speech at the 2007 Munich Security Conference, the launch of a proactive arctic strategy in 2007-2008 and the "five-day war" with Georgia in August 2008 the Western experts have often described Russia's various foreign policies as expansionist, aggressive and even jingoistic or return to a "gunboat diplomacy" (Parla *et al*: 2020). Most remarkably is the fact that Russia tends to be assertive in its relations with the West.

There are other opinions that see Russia's foreign policy as "non-aggressive," "peaceful," and "purely defensive," and oriented to "protection of its legitimate interests," etc. While many "Russian and international literature offers quite a few works that draw on various theoretical approaches and attempt to balance otherwise competing perspectives", on the debate, the discussion of Russia and BRICS has become part of the subject.

A document titled "Concept of participation of the Russian Federation in BRICS" prepared by the Foreign Ministry prior to the BRICS' Durban summit in March 2013, spelled out Russia's interests and policy priorities in the case of

BRICS. The publication outlined that Moscow's interest in BRICS is of both geo-economic and geopolitical nature. Russia was keen on BRICS' creation and its further development because, along with other emerging economies, Russia was discontent with the global economic and financial system which, is believed to be established to the benefit of the 'club' of developed countries (RFM: 2013).

BRICS member states strongly believed that the West should be blamed for a 'short-sided' and 'reckless' financial policies that led to the financial crisis of 2008-2010 and that they should act together in the critical situation. Also, the BRICS countries share common economic and financial problems as well as "the need for a large-scale modernisation". For example, Brazil and India are permanently facing serious problems in stabilising their currencies, since they are hard-pressed to maintain growth by encouraging domestic demand because of the generally high poverty levels (Serguin:2016). The Russian ruble has also depreciated considerably since the beginning of 2013, i.e. much earlier than the oil prices dropped and the Western sanctions were introduced in 2014. As for China, before February 2014 the government had been able to ensure exchange rate stability through strict regulatory measures, but then the policy of gradual depreciation of the yuan has been started (Serguin:2016). Given the foregoing, the interest and active involvement of the Russian federation in the Affairs of the BRICS states cannot be overemphasised. Russia's involvement is also consistent with the theory of assertive foreign policy towards the western countries.

International Development

Russian approach to international development slightly varies from the rest of the BRICS countries. On the institutional level, a specialised governmental agency for international development assistance was announced by Russia in a 2007 white paper but has not been installed yet. The expenditures, priorities and implementation of international development assistance are therefore presently jointly coordinated by the Ministry of Foreign Affairs and the Ministry of Finance in consultation with federal executive authorities. The Ministry of Economic Development and Trade is also involved in respect to providing strategic information on economic and financial conditions in recipient countries (Government of Russia: 2007.).

Russia's position among the BRICS differs from that of the other countries, mainly due to its 20th century history. Russia is not a traditional development country but belongs to the so called transitional countries. Today's self-perception is still very much influenced by the former world power status, of which large military spending and personnel are still prevailing as burdens. The Russian Federation is a huge territorial and multinational state and a number of disputes within the Federation and in the whole of the conflict-prone Caucasus region remain unresolved. Main exports are energy sources, minerals and materials of low level of processing. The economy is not very diversified, the service sector is

somewhat underdeveloped and demography is predicting an ageing society. Russian politics at present do not assure macroeconomic stability, but include puzzling state involvement and security practices (Cooper: 2006).

According to a government report for the G8 meeting in Deauville, Russia's Official Development Assistance (ODA) disbursements increased from USD 100 million in 2004 to USD 472 million in 2010, which corresponds to 0,015 %, respectively 0,05 % of GNI (G8: 2011). Almost 50 % of development aid is concentrated on neighbouring Eurasian countries; another regional focal point is Sub-Saharan Africa. Key aspects are food security and health – within the last 10 years, Russia contributed USD 260 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria (G8: 2011) and the country is promoting research centres and cooperation in fighting HIV/AIDS and tropical diseases. Overall, the development policy is supposed to be a “reasonable balance” between the MDGs, the national foreign concept and the national security concept (Government of Russia: 2011).

On the other side, Russia is a re-emerging economy with growing efforts in the development arena. In opposition to other BRICS, Russia's aid is much more in line with traditional DAC donors. OECD principles on development cooperation, such as the 0.7 % target and the Paris Declaration, are accepted as guidelines of Russia's development strategy (Government of Russia:2011). Also, a considerable amount of financial aid is transmitted through multilateral organisations such as Eurasian Economic Community, World Bank and UN (Asmuz *et al*: 2017). Overall, the concept of economic cooperation and development seems to align much more too traditional donor-recipient mechanisms than to the idea of South South Cooperation as expressing solidarity among equals of the global south.

The late 20th to early 21st century witnessed some dramatic changes in the Russian Federation's trade policy. Alongside the country's economic set-up and business environment, the role and principles of its trade policy have changed. The two characteristic features of the Soviet Union's trade policy are known to have been rigid protectionism and state monopoly on foreign trade. Together with pegged domestic prices, the overvalued ruble, whose rate had hardly changed over the last three decades of the USSR, and strict prescriptions as to goods and capital to be imported/ex ported, it made Soviet economy virtually insusceptible to external influence, either negative or positive (Makeeva *et al* :2008). The function left to customs authorities was that of registering Trans border shipments. Only a few authorised foreign trade associations could engage in export/import activities, all calculations as to customs duties done by the central office (Makeeva *et al* :2008).

Many of state-owned Soviet foreign trade associations are still alive and well; they have switched to a different form of ownership but maintained their old-time contacts. Up till the beginning of Perestroika, practically the only channel of global market influence on Soviet economy was oil price, which determined the state's income from this mineral stock. In other respects, the Soviet republics' markets were hardly affected by global pricing environment due to the strictly observed isolation regime (Makeeva *et al* :2008).

After 1991, Russia's trade policy swung from rigid protectionism to the excessively liberal principles of free market. The 1990's witnessed a substantial change in Russia's export/import priorities, as well as those of all other CIS countries. Following the breakup of the Soviet Union and COMECON, Russia's foreign trade geography changed based on the redistribution of freight traffic among the former Soviet republics and East European countries. Developed Western countries were perceived as the most attractive markets because such contracts provided the inflow of convertible currency, which, till almost the end of the 1990's, remained a crucial factor for companies engaged in foreign trade activity (Pursiainen:2007) During that decade, the country's economic situation remained quite tight, with high, unstable inflation, stagnating production, problems with the balance of payments and monetary system as a whole, excessive external debt, and relatively low world average prices for key export items (Pursiainen:2007).

By the mid 1990's, Russia's geographical priorities in trade policy were formalised in the form of agreements on economic partnership and cooperation with most Western countries and an application for World Trade Organisation (WTO) membership (European Bank : 2007). The latter fact affected and still affects all aspects of Russian economy. Although the negotiations on Russia's WTO membership are still in progress, over the past 15 years Russian legislation was more or less harmonised with WTO requirements and regulations, which made it more transparent and predictable for the whole of the outside world. Thousands of amendments to various laws were adopted, and it is still an on-going process. Following the 1998 crisis, domestic production in Russia started to grow, which soon resulted in yet another transformation of the country's trade policy pattern, characterised by an increased role of the state and a growing trend towards import substitution. The main reason behind such changes was a sharp and considerable devaluation of the ruble against the U.S. Dollar, which increased the competitive power of Russian goods, in both domestic and outer markets (Idrisova *et. al.*: 2016) Since the early 2000's, this tendency was "encouraged" by the growth of global prices for key Russian export goods as well as the gradual strengthening of the national currency.

The general economic upturn gave a boost to the country's external economic activity that covered both goods and services; in a short period of

time, Russia merged into global economy, while the Government started to make use of the wide range of existing trade and political instruments. The adjustment of Russian laws to WTO standards played a great role in this process, which went on almost simultaneously with the sophistication of Russia's trade and political harmony and the integration of many WTO rules into national legislation (Anderson *et. al.*: 2018). Currently, the following essential steps towards the harmonisation of Russian law principles with those of WTO have been taken:

- the principle of free trade has been recognised, including the right of legal entities and individuals to close export/import deals;
- the Customs Tariff has been declared the main regulating instrument of foreign trade, suggesting the minimisation of the usage of all other regulation mechanisms;
- the most favoured nation principle in foreign trade has been recognised, which regime is now applied to over 120 partner states, including all major international trade players;
- the principle of national treatment of imported products has been recognised, providing a unified approach to domestic and imported goods as far as their certification (awarded on the basis of their conformity to Russian standards) and domestic taxation is concerned;
- the principle of national treatment in intellectual property rights has been recognised, referring to the country's legal obligation to equally protect residents' and non-residents' intellectual rights;
- a commitment to give up on export subsidisation has been declared;
- the generally recognised Customs Tariff Nomenclature based on the Harmonised Commodity Description and Coding System has been accepted and;
- a customs control system based largely on GATT principles has been accepted, including the procedure of declaration, control and customs clearance of goods, as well as that of establishing their customs value on the basis of actual values of corresponding foreign contracts.

The Russian Federation applies the common CU Scheme of Tariff Preferences for developing and least-developed countries (CU GSP Scheme), which is based on the Generalised System of Preference (GSP) scheme in force in the Russian Federation before 1 January 2010. Under the CU GSP Scheme, the import duties on products eligible for tariff preferences are at the level of 75 per cent of the Most Favoured Nations (MFN) duty rates for goods originating from developing countries and duty free from least developed countries(Anderson *et. al.*: 2018).

Russia's economic policy agenda within BRICS is linked closely to the G20 agenda. Russia places a high priority on interacting on issues of reforming the International monetary and financial systems, including completing the current stage of IMF reforms (on the terms and conditions agreed to in the framework of

the G20), as well as continuing reform of the international monetary and financial systems to create a more representative, stable and predictable system of international reserve currencies (IMF: 2017). These goals could be achieved through the G20 alone. However, Russia emphasises the importance of BRICS co-operation within the G20 to strengthen the latter as a financial and currency crisis resolution centre and as a main instrument to reform the global financial and economic architecture. Besides these points, Russia considers BRICS co-operation as an important means of accelerating the modernisation of members' own economies, to ensure food and energy security, and to provide solutions to social problems (Makarova: 2014). An important tool for achieving these goals could be the creation of a common information space for participating countries to improve peer learning processes.

South-South Cooperation

As earlier mentioned, "Russia is a re-emerging economy with growing efforts in the development arena, and contrary to other BRICS countries, Russia's aid is much more in line with traditional Development Assistance Committee (DAC) donors" (Asmus *et. al.*: 2017). Only of recent, due to its involvement with the BRICS, are discourse about South-South cooperation is gradually becoming appearing in the Country's international development efforts. In this regard, the OECD principles on development cooperation, such as the 0.7 % target and the Paris Declaration, are accepted as guidelines of Russia's development strategy. Also, a considerable amount of financial aid is transmitted through multilateral organisations such as Eurasian Economic Community, World Bank and UN (OECD: 2011) - thereby making it hard to clearly distinguish the extent of its South-South development cooperation Overall, the concept of economic cooperation and development seems to align much more too traditional donor-recipient mechanisms than to the idea of South South Cooperation as expressing solidarity among equals of the global south.

However, it should be noted that Russia's embrace of multilateral agreement such as the Paris Declaration and the application of the OECD principles, as well as the nation's role as taking side with the developing countries as far as trade policies and international cooperation is concerned, is a pointer to a clearer path to South-South Cooperation in the Russian Federation.

SELF ASSESSMENT EXERCISE 13

Using your existing knowledge, identify a few of Russia's unique dispositions to international development and South-South Cooperation within the BRICS family.

3.3 India

India, officially the Republic of India, represents the third letter, the “I” in the BRICS acronym. India is a country in South Asia and is the seventh-largest country by area. It is the second-most populous country in the world with over 1.2 billion people and the most populous democracy. India is surrounded by the Ocean on the south, the Arabian Sea on the south-west, and the Bay of Bengal on the south-east, it shares land borders with Pakistan to the west; China, Nepal, and Bhutan to the north-east; and Myanmar (Burma) and Bangladesh to the east. The country has a total area of 3,287,263km². India’s total GDP, in terms of Purchasing Power Parity (PPP) is \$8.727 trillion and a per capita income of \$6,664, while its GDP (nominal) totals \$2.384 trillion and per capita is \$1,820 (WDA: 2019).

India’s foreign policy, since the 1990’s, has gone through a metamorphosis in tune with the changing global scenario. The disintegration of USSR, demise of the bipolar world and domestic economic problems prompted India to reassess its foreign policy and adjust its foreign relations of the earlier decades. Serious domestic and international problems compelled India to reorganise its foreign policy based on more pragmatic considerations (Biswas: 2011). In today’s era of globalisation, it has improved its relations with United States and other western countries, established relations with Israel and embraced multilateralism, to solve its major problems on the economic front. This is in sharp contrast to the earlier era of rigid bipolarity and East-West rivalry, which was marked by ambiguity among Indian foreign policy makers with regard to transnational cooperative arrangements (Biswas :2011).

Multilateralism has gained renewed salience in international relations as well as in Indian foreign policy, since the end of the Cold War and collapse of the Soviet Union. According to international relations theory, multilateralism involves justice, obligations and a sort of international rule of law (Bouchars *et. al*: 2011). For El-Ghalayini, multilateralism is ‘the practice of coordinating national policies in groups of three or more states, through ad hoc arrangements or by means of institutions’ (El-Ghalayini: 2017). India, Since 1990’s, has actively engaged itself in several multilateral forum like ASEM (Asia-Europe Meeting), BIMSTEC (Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation), G-8-05, G-20, IBSA (India, Brazil and South Africa), IOR-ARC (Indian Ocean Rim Association for Regional Cooperation), ACD (Asia Cooperation Dialogue), etc. India’s active participation in the formation of Brazil, Russia, India and China (BRIC) forum with these emerging powers shows its willingness for multilateral cooperative arrangements to solve shared problems and challenges of globalisation(Biswas :2011).

International Development

India has been a provider of development assistance since its independence, but its role and contribution has gained momentum more recently as a result of its growing economic and political influence in the global community (Vijaya *et. al.*: 2009). However, unlike OECD/DAC countries, India does not have any publicly declared policy paper or standards on development assistance. The guiding principles for its foreign policy and its development cooperation are founded in the Panchsheel Bandung Principles. In this regard, India's development cooperation is implemented by various ministries and institutions with the Ministry of External Affairs (MEA) as the leading ministry. As India does not have a single agency for Indian Development Cooperation (IDC), estimates about the magnitude of India's development assistance have to be culled out of the budget outlays of the relevant Ministries, Departments and other sources (Vijaya *et. al.*: 2009). According to available data India's aid then focuses first on neighbouring countries, followed by African countries.

In recent years, India has become an important actor in promoting regional integration. Main instruments were trade relations and increased investment in regional infrastructure. India also played a significant role in the reconstruction of Afghanistan since the year 2002. In addition India is strengthening its ties with Africa through lines of credit, foreign direct investment (FDIs), and technical assistance. Considerably, India continues to be the largest contributor to peace keeping missions in Africa (Vinjaya *et. al.*: 2012) Besides the expected benefits from India's development cooperation for African countries there also remain some challenges and risks. India's development cooperation policy approach is clearly distinct from the OECD/DAC approach, the principles of non-interference and mutual respect for sovereignty remaining major features. However, there are also some rethinking and discussions going on about the need for improved databases and for aid indicators as well as dialogues with traditional donors, India's participation in the Heiligendamm Process being a case in point (Peral *et. al.*: 2012).

South - South Cooperation

India, one of the most prominent emerging economies that has attracted much recent global attention, is building its position as a leader in South-South co-operation, much like it played key role in the Non-Aligned Movement (Vieira *et. al.*: 2011). It could be affirmed that South-South co-operation has traditionally been an important pillar of India's foreign policy and diplomacy. Indeed, India has been sharing its expertise and development experience with other developing countries in the bilateral, regional or multilateral framework since its independence from Britain in 1947. Up till the mid-1990s, India increasingly relied on official development assistance (ODA) from OECD countries, at one point even becoming the world's largest aid recipient (Vieira *et. al.*: 2011).

However, today, as a consequence of its economic rise, foreign aid has become only a marginal feature in India's overall economic development, accounting for less than 0.3% of the country's GDP (Agrawal: 2007). India's economy is growing at 7-8% and the World Bank reclassified India from a low-income country to a middle-income in 2009. The increase in South-South co-operation means additional financial resources and a wider choice for developing countries to address their developmental needs. India, as a member of the developing world, has a good understanding of the challenges faced in other developing countries. It is particularly well placed to share experiences on good practice, and generally provides technical assistance to countries at the same or lower level of development in its neighbourhood, as well as increasingly in Africa, Asia and other regions (Agrawal: 2007). South-South co-operation is no longer an isolated mechanism of exchange with limited impacts. It is an effective means to equip developing countries to face the development challenges (especially given the current global financial crisis) and has become an important instrument for achieving the Millennium Development Goals (MDGs) and promoting global interdependence (OECD/WTO: 2011).

Even though economic growth and future perspectives are raising hopes for India's own development, in 2005 more than 40 % of the population were living on less than USD 1.25 / day. Within BRICS, India is by far the leading receiver of ODA which amounted to USD 2.5 billion in 2009 (Walz *et al*: 2011).

On the other hand, India is meeting the challenge of being a political heavyweight by supporting low income countries worldwide, but especially in its neighbourhood. Between 2005 and 2008, the main recipients of India's aid programmes were Bhutan (36 % in 2009/ including hydropower projects), Bangladesh and Nepal as well as Sri Lanka, Myanmar and the Maldives (Katti *et al*: 2009). An increasing amount of aid is spent within SSC, especially with Mauritius. India has contributed USD 200 million to the New Partnership for Africa's Development (NEPAD) initiative and is improving technology based know-how through the Pan-African E-Network Project and the TEAM-9 Initiative (Techno-Economic Approach for Africa-India Movement, a credit facility for the promotion of socio-economic development in eight African countries with the help of Indian technology). India contributed a lot to Afghanistan's reconstruction and is a key supporter of African peace keeping missions (Katti *et al*: 2009).

In 2009 and 2010, India's foreign development budget reached approximately USD 700 million per year. However, exact amounts are difficult to find because aid engagement is very often intertwined with bilateral trade and private sector involvement (World Bank: 2011). Foreign aid is primarily focusing on technical cooperation but includes debt relief and loans for infrastructure too. Main sectors are rural development, education and health (Walz and Ramachandran: 2010). About 80 % of India's aid is distributed through bilateral channels (World Bank: 2011).

4.0 CONCLUSION

The analysis of Brazil, Russia and India's approach to international development, trade and south-south cooperation, shows their commitment to the common objective of the BRICS in promoting bilateral relationships between emerging and developing countries.

5.0 SUMMARY

By and large, the existing economic, trade and international cooperation relationship between Brazil, Russia and India, representing the first three letter of the BRICS acronym depicts similar development trajectories and, except for the Russian Federation still at the formation stage, take a clear commitment to uphold south-south cooperation, in defense of the developing and emerging economies in the world. It is my belief that your study of this unit would have built your knowledge of the individual approach of these countries and get a grasp of the common attempt to promote the common course that unite them as a multilateral association under a multipolar global system.

6.0 TUTOR MARKED ASSIGNMENT

Did you see any similarities in the approaches of Brazil, Russia and China to international development and South-South Cooperation?

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UNIT 3: KNOWING THE BRICS COUNTRIES: CHINA AND SOUTH AFRICA

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1.0 INTRODUCTION

This unit is in continuation of our study of BRICS countries and elements in their outlooks to foreign policy, international economic, trade and development cooperation. Having examined Brazil, Russia and India in the order of the BRICS acronym in the last unit (2), we will devote this unit to C (China) and the S (South-Africa).

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- have a brief understanding of the general economic and political situation of China and South Africa as emerging economies and part of the BRICS family;
- identify the approaches of the countries to international development, trade and economics as well as South-South Cooperation and;
- relate the characteristics to the nature and objectives of the BRICS association

3.0. MAIN CONTENT

3.1. China

China represents the “C” in the BRICS acronym. Officially called the People's Republic of China (PRC), it is a state in East Asia and the most populous country in the world, with over 1.381 billion people. China is governed by the Communist Party of China based in the capital of Beijing. China has approximately 9.6 million square kilometers. It is, therefore, the world's second

largest state by land area and, depending on the method of measurement, either the third or fourth-largest by total area (BCC: 2018).

The country has a total area of 9,596,961 km². Its population estimate in 2015 was 1,376,049,000. China's total GDP, in terms of Purchasing Power Parity (PPP) is \$20.853 trillion in 2016 and a per capita income of \$15,095, while its GDP (nominal) totals \$11.383 trillion and nominal per capita is \$8,239 (Silver: 2019).

China has steadily stepped up its global engagement over the last two decades. It is now a member of basically all international organisations and institutions and a significant investor in virtually all regions of the world. While Deng Xiaoping's dictum for China's foreign policy – to “keep a low profile” – has not officially been given up, China's interests have become global overtime. Statistics as at 2014 show that China is the world's second-largest economy by nominal GDP and largest by purchasing power parity (PPP) (Wacker: 2014). China is also the world's largest exporter and second-largest importer of goods.

It is widely believed that without China, the BRICS are a toothless tiger. At the height of the BRICS formation, China was not only the second largest economy worldwide in terms of total GDP but also one of the fastest growing, having 8-12 % real growth rates for eleven consecutive years (Hult: 2009). Currently, China is also the biggest and most influential actor among BRICS concerning international development cooperation.

Christian Deseglise, stressed the fact that China is the engine of the BRICS, when he wrote in 2015 that the BRICS are not a club of equals and their balance of power has changed radically over time. China's GDP is now almost 60 per cent larger than the other four countries combined. In 2001, it was 10 per cent smaller. **It is also evident that, other than its usual refrain, China has decided to play a more assertive role in the pursuit of its global financial agenda and is leading this campaign with the ticket of the BRICS group of countries (Wacker: 2010).**

International Development

China is indeed a rising economic power around which focus are centered to deliver on both bilateral and multilateral international development cooperation. In China's institutional setting for international development, there are basically three ministries and two financial institutions involved in the administration of international development and Chinese Foreign Aid. Under the State Council, in the administration, there is an inter-agency coordination mechanism between the Ministry of Finance, the Ministry of Foreign Affairs and the Ministry of Commerce (Government of China: 2011). The Ministry of Commerce with its Department of Foreign Aid is the leading coordinator. In total, there are estimated

15-23 agencies involved in implementing development aid (Walz and Ramachandran: 2011). The China Development Bank and the Export-Import Bank together accounted for USD 110 billion of development related lending in 2009/10 which is more than the World Bank in the same period (Dyer and Anderlini: 2011). Geographically, China is more focused on Africa (46 % of foreign aid) and neighbouring Asia (33 %).

In this regard, China's development finance ranges well beyond its traditional official aid programme. As described and quantified in its two recent White Papers on Foreign Aid, this traditional aid programme includes grant aid, interest-free loans, and the concessional loans channelled through the ExIm Bank with interest rate subsidies funded from the budget for the Ministry of Commerce (MofCom), which has the role of convener of the inter-ministerial aid coordination system and country level supervisor (State Council 2011, 2014). This traditional Chinese foreign aid involves fiscal transfers allocated in its annual budget and corresponds with the Development Assistance Committee (DAC) definition of Official development assistance (ODA). Based on the MofCom budget allocation and adding in multi-lateral aid, China's traditional aid programme amounted in 2013 to some USD3bn.² Adding in aid programmes of ministries that are not funded via MofCom and who do not report their aid via MofCom, may increase this number to as much as USD7bn. The traditional programme has been growing fast, and capacity limits in terms of both modalities and staff are clear to those working inside the system.

The lending to developing countries from two key state-owned 'policy banks' established in 1994, the China ExIm Bank and the China Development Bank (CDB), funded on Chinese and global financial markets and enjoying sovereign status, is greater in scale. They both support large resource-backed loans and associated project financing and help to finance China's 'going out' policy by assisting Chinese companies to develop off-shore business and foreign subsidiaries, and capture market share in strategic global industries. The major fields for projects are agriculture, economic infrastructure, public facilities, education and health care (Government of China: 2011).

Chinese aid increased from USD 0.5 billion in 1999 to USD 1.9 billion in 2009 (World Bank: 2011). The government specifically emphasises SSC as well as trilateral and regional cooperation. In general, most foreign aid is based on bilateral agreements. Regarding development financing, resources are provided in the form of grants (41 %), 20-year interest-free loans (30 %) and concessional loans (29 %) (Government of China 2011). Concessional loans are mainly granted on economic infrastructure, followed by industry sector and development of energy and resources. Frequently, investments, development aid, and trade relations are intertwined, which makes it difficult to calculate exact amounts for each sector. Chinese FDI involves private and state actors and has increased tremendously over the last years, especially in Africa. In some countries, like Zambia and Nigeria, Chinese FDI can go up to 100 Million USD per year. Thereof, Chinese investment in the resource sector and infrastructure projects

constitutes the biggest proportion, followed by manufacturing and service industries. The number of private projects in other sectors is rising as well (IMF 2011a: 18). China has also signed debt relief contracts with 50 countries from Asia, Africa and Latin America amounting to 25.6 billion Yuan (USD 4 billion) (Government of China: 2011).

Trade

China is now the African continent's biggest trading partner. It is also involved in a wide range of development cooperation projects across the continent in fields ranging from health and social policy to agriculture.

A 2016 Trade Policy Review by the World Trade Organisation (WTO) on China revealed that although China remains the world's largest trader (excluding intra-EU trade), trade, in particularly imports, lost considerable momentum during the review period, contrasting with the developments highlighted in the previous review. In 2015, both exports and imports of goods declined, with exports totalling US\$2.28 trillion, down from US\$2.34 trillion in 2014, and imports amounting to US\$1.68 trillion, down from US\$1.96 trillion in 2014. Import contraction in value terms reflects, to a considerable extent, lower oil and other commodity prices. Imports of fuels fell by some US\$120 billion in 2015 with respect to the previous year, to around US\$200 billion; this decline accounted for over half of that year's contraction in imports. Manufactured products remained the dominant component of exports, accounting for slightly over 94% of the total. Among them, office machines and telecommunication equipment; and textiles and clothing continued to be China's main exports. Manufactured products accounted for 64.4% of imports in 2015. The main categories include office machines and telecommunications equipment; and chemicals. Fuels and other mining products accounted for some 21% of China's imports in 2015, while agricultural products accounted for 9.5% (WTO:2016).

In 2015, the main destinations for merchandise exports were the United States; the EU; Hong Kong, China; Japan; the Republic of Korea; and ASEAN countries, which combined represented about 70% of exports. The main sources of its imports were the EU, the Republic of Korea, the United States, Chinese Taipei, Japan, and Australia, and ASEAN countries. In 2015, services represented 12.3% of China's total exports and 22.9% of its imports. Exports of travel, construction, telecommunications, financial and business services were the most dynamic in the review period, while, among imports, travel services continued to gain a considerable market share, accounting for 62.3% of the total in 2015 (OEC:n.d.).

Most particularly, China's trade with emerging economies and developing countries is experiencing robust growth, with huge development potential. For instance, with the comprehensive implementation of the China-ASEAN Free Trade Agreement in 2010, tariffs have been cancelled for 90% of the commodities traded between them, vigorously promoting the rapid growth of bilateral trade

between China and ASEAN. The free entry of specialties and competitive products into each other's market suits the various needs of the two sides. Foreign trade between China and Republic of Korea keeps growing constantly and steadily. Bilateral investment and economic cooperation also present broad prospects. China's trade with the other BRIC countries has been enjoying rapid growth in recent years, which promotes the development of the member countries' respective advantageous industries and shows the broad development prospects of emerging markets. In recent years, China has seen relatively fast growth in its trade with other developing countries, further development of trade with its historical trading partners in the Arab world, broadening areas of economic and trade cooperation with Latin American countries, and bilateral trade with African countries, which gives full play to the complementary advantages of the two sides' resources and economic structures (SC, PRC: 2011).

China attaches great importance to the institutional set-up of bilateral and regional economic and trade cooperation. Currently over 150 countries and regions have signed agreements on bilateral trade or economic cooperation with China, which has established and maintains high-level economic dialogue mechanisms with the United States, Europe, Japan, Great Britain, Russia and other major economies. China proactively participates in the Asia-Pacific Economic Cooperation, ASEAN (10+3) meetings, which also include Japan and Republic of Korea, the East Asia Summit, Forum on China-Africa Cooperation, Greater Mekong Sub-region Economic Cooperation Committee, Central Asia Regional Economic Cooperation Committee, Greater Tumen Initiative, and other regional and sub-regional economic cooperation mechanisms. China adheres to the principle of "good neighbourly friendship and partnership" in establishing and developing various forms of border economic and trade cooperation (European Commission: 2019).

During the past decade, China's rapidly growing presence in Africa has increasingly become a topic for debate in the international media and among economists and policy analysts. While China's unique economic approach to Africa meets the African countries' need for funding and infrastructure projects, the model has been widely criticised. In particular, China's natural resource-backed loans raise questions about the continent's future and its capacity for sustainable development. Studies of China's Africa strategy (or lack thereof) have been overwhelmingly focused on China's economic interests in Africa, the role played by Chinese government and companies, and the economic and social impacts of such activities on the ground. With a few exceptions, there is a strong tendency to assert moral judgments in the assessment: China's activities in Africa are often characterised as "evil" when they are seen as representing China's selfish quest for natural resources and damaging Africa's fragile efforts to improve governance and build a sustainable future. However, they are characterised as "virtuous" when they are seen as contributing to a foundation for long-term economic development through infrastructure projects and revenue creation. While economic issues are important to the strategic positioning of Africa in China's overall foreign policy, Africa's broader role in China's international agenda is yet to be thoroughly explored (Yun Sun: 2014).

South-South Cooperation

As a key member of the BRICS and with recent experiences in rapid economic growth, China plays an increasingly important role, both as a development cooperation partner and as a source of development experiences, to many low-income countries.

In effect, as a rising power in international development, the world is looking at the growing role of China in the field of international development cooperation, and, indeed, the country has achieved remarkable success with its own development. Indeed, rather than join the OECD Development Assistance Committee (DAC) regime of traditional donors, it has instead chosen to construct ties of South-South cooperation with low-income countries, often through bilateral development partnership agreements.

In this regard, China is constantly increasing its development aid efforts in terms of total spending and institutionalisation of structures. At the same time, China up to now remains a recipient of western ODA and is very eager on keeping the “development country” status (Leal-Arcas:2008). According to the Chinese government, multilateral settings such as BRICS are seen as the second-best option, while the preference lies on bilateral South-South Cooperation. The signing of development related agreements with Asian, African or Latin American countries is often accompanied by great ceremonial symbolism of eye-to-eye level partnership, contrasting the donor-recipient relations to western countries (Lum *et al*: 2009).

To make an overview of China’s approach to South-South Cooperation, one needs to look vividly at China’s trade relations with developing countries. It appears that apart from providing development aid, China also uses bilateral trade relations as a window. As Yun Sun rightly puts it, China’s trade relations with Africa, for example, are characterised as “virtuous” when they are seen as contributing to a foundation for long-term economic development through infrastructure projects and revenue creation.

It could, therefore, be concluded that trade relations and the benefits accrued to developing countries therein is a major premise of China’s South-South Cooperation efforts as a member of the BRICS community.

SELF ASSESSMENT EXERCISE 14

Discuss the major anchor of China’s foreign relations with developing countries

3.2 South Africa

South Africa represents the “S”, i.e. the last alphabet in the BRICS acronym. Officially called the Republic of South Africa (RSA), its name was derived from the fact that it is the southernmost country in the continent of Africa. South Africa is politically run by a unitary parliamentary system of government. Pretoria, Bloemfontein and Capetown are its executive, judicial and legislative capital, respectively. It has an area of approximately 1.2 square kilometer and is the 25th-largest country in the world by land area, as well as the world's 24th-most populous nation. It is the southernmost country on the mainland of the Old World or the Eastern Hemisphere. It is the only country that borders both the Atlantic Ocean and the Indian Ocean (BBC: 2013).

The country has a total area of 1,221,037 km². Its population estimate in 2016 was 54,956,900. South Africa's total GDP, in terms of purchasing power parity (PPP) is \$742.461 billion in 2016 and a per capita income of \$13,321, while its GDP (nominal) totals \$326.541 billion, with nominal per capita of \$5,859 (World Bank: 2018).

South Africa's inclusion into the BRICS group is for a number of reasons, including it having the second largest economy in Sub-Saharan Africa and the fact that it accounts for about a third of the region's GDP. Other factors that worked in the country's favour include vast natural resources such as gold, diamonds and platinum, excellent infrastructure, established corporate footprints, a culture of innovation, easy access to finance for business, a stable macro and micro financial climate, an advanced banking system and functioning regulatory frameworks”.

Anthony *et al* (2015) argued that, at the political level, South African behaviour in the realm of international relations in recent years suggests a shift away from western norms. This shift has had costs and benefits both domestically and internationally. Conducting diplomacy has been characterised by Robert Putnam, specifically in relation to its economic dimension, as a ‘two-level game’ – one in which states act for reasons of domestic interests, and the other at the level of international negotiation; the aim is to achieve some sort of ‘general equilibrium’ between the two. Despite the criticism of the government's engagement with China, it has not had sufficient impact to alter the relationship in any substantial way. Such concerns are largely outweighed by the economic benefits which the engagement has ushered in. While it is difficult to measure a phenomenon such as ‘international reputation’, recent events will contribute toward the perception of South Africa as shifting in its foreign relations. This perception may have implications for the way South Africa builds coalitions and alliances as well as its ability to achieve international political objectives.

International Development

The Department of International Relations and Cooperation (DIRCO) is responsible for South Africa's foreign policy, including development assistance, which still is primarily Afro-centric. In a White Paper published in 2011 entitled "Building a Better World: The Diplomacy of Ubuntu" (DIRCO: 2011) the government restates the centrality of the African continent to South Africa's foreign policy objectives. One main focus of development assistance policy is regional security and stability, both of which are seen as central to Africa's socio-economic development. In 2008, over half of total aid was earmarked to defence and security efforts. In the 2011 White Paper, this commitment is reemphasised, stating that South Africa will play a leading role within the African Union (AU) in conflict prevention, peacekeeping, peace-building, and post-conflict reconstruction.

More specifically, in its Strategic Plan for 2011 to 2014, DIRCO makes particular commitments for aid to the DR Congo, Sudan and Comoros with post-conflict reconstruction and development and to continue working with the Southern African Development Community (SADC) and the AU to facilitate peace building efforts in Sudan, Zimbabwe, Madagascar and the Great Lakes Region. Another main component of regional integration is strengthening sub-regional initiatives, such as the SADC, the NEPAD and the AU. Other main foreign policy objectives are strengthening regional integration and increasing intra-African trade. One main vehicle for disbursement of foreign assistance funds is the African Renaissance and International Cooperation Fund (ARF). However, there are other directorates that liaise and manage policy towards particular world regions and countries, such as the Directorate Central Africa or the Directorate Western Europe. There are also directorates dedicated to South Africa's participation in multilateral forums, i.e. the Directorate African Union and the Directorate SADC. Notably, there is no central coordinating mechanism to manage development assistance. The effect is that development assistance policy often seems incoherent and diffused across various policymakers (DIRCO: 2011).

In response to these administrative challenges, the 2011 White Paper (DIRCO: 2011) discusses the creation of a South African Development Partnership Agency (SADPA). The SADPA agency would replace the ARF and provide a more centralised and organised mechanism to channel development assistance funds and would facilitate monitoring of the funds granted by different government departments and responding to new requests for assistance. Originally, it was hoped that the SADPA could be phased in and the ARF phased out by 1 April 2012 already. However, it is now expected that SADPA's implementation will be "around June 2012" (Gamede 2012). Instead of amending the ARF, the SADPA will be a different legal entity with a board of trustees making sure that funds are used properly and effectively, forming policy, exercising oversight and advising the Minister. In terms of content, the SADPA would focus on project and programme management, as well as monitoring and evaluation (Gamede 2012).

South Africa also lacks a systematic database to track the country's financial development efforts. Development assistance in recent years is estimated to amount to USD 100 million. Taking into account the relative share in percentage of GNI this figure compares to that of other BRICS (cf. table 1). Other estimates even go up to more than USD 450 million. While South Africa has yet to create the sustained levels of high economic growth, job creation and improvements in living standards that have characterised BRIC development, it can be expected that its role in international forums and SSC will continue to strengthen in the following decades. However slowly, the government is focusing on current strategies, official policies and multilateral participation both within and outside the UN to strengthen its role as a donor and leader in regional peace and integration.

Trade

As hinted by Onyekwena *et al* (2014) South Africa's external trade policy became more dynamic at the turn of the millennium, and intensified after South Africa's admission to the BRIC grouping, while exports to the other BRICS countries is playing an increasingly important role, as they have surpassed exports to the EU, which dominated the country's trade for decades.

Trade with India is the most intense in respect of both imports and exports, with China rapidly catching up in both categories. This pattern is also replicated by the trade complementarity indices, as India's import demands coincide most closely with South Africa exports. Trade with India has also been the most favourable with the balance of trade in respect of China switching from a deficit to a surplus, with South Africa's joining of the BRICS.

Furthermore, the structure of South Africa's trade with the rest of BRICS shows that exports are now less diversified than previously as a result of more intensive trade, with primary products dominating the former, and manufactured goods comprising most of the latter. However, the export of manufactured goods has shown some growth in recent years.

As a matter of fact, South Africa's exchange in exportation with the rest of the BRICS countries are in form of raw material, semi finished products and fruits. Coal related products, iron ores and concentrates and ferroalloys dominated the top export list to Brazil, India and China, while fruits in varying varieties including grapes dominated the exports to Russia, with trucks, motor vehicles and manganese ores also prevalent (ITC, 2015).

As far as import is concerned, household items, meat and edible offal, constitute South Africa's main importation from Brazil. From Russia are mineral fuels, oils and distillation products and agriculture commodities, including wheat and meslin; industrially manufactured commodities such as synthetic rubber, ferroalloys and coal related products. Importation of Cars, diamonds,

medicaments, petroleum oils and rice intensified with India after the formalisation of the BRICS, owing to relaxation of trade and import tariffs, while electrical equipment, data processing machines, motor spare parts, televisions and footwear are imported from China, in a more diversified context than with the other BRICS countries (Masenda:2016).

It could be concluded that South Africa's trade policy has evolved with its association with the BRICS group of countries. As mentioned earlier, the relaxation of trade and import tariff, which is one of the mainstay of the group has greatly facilitated bilateral trade and is a great influence on the changing face of trade between South Africa and the EU on one hand and South Africa and the BRICS member countries on the other.

South-South Cooperation

From the analysis of international development, trade and policy above, we could draw inferences on the fact that the BRICS Association was borne out of the need to strengthen South-South Cooperation. South Africa's involvement with the BRICS association, as the only African country, indicates a new geo-political involvement and intensity of promoting South-South Cooperation in its entirety.

Being a large economy in Africa and an active member State of the African Union, the pattern of international development, aid and involvement in development issues in the African continent as well as commitment to the BRICS association, has been perceived as a way of closing the ties between African Countries and the BRICS.

Already, having defined its socioeconomic and security interests as inextricably linked to conditions on the African continent, South Africa has not only championed the economic development of Africa, but has since 1994 also prioritised peacebuilding on the continent. The focus on peacebuilding is inspired by the belief that Africa's development cannot take place outside the framework of peace and stability on the continent, a notion that is succinctly articulated in the South African inspired New Partnership for Africa's Development (NEPAD).

According to Moore (2014), South Africa's membership of BRICS will clearly enhance the South-South cooperation agenda of BRICS? In South Africa's foreign policy documents, South-South cooperation is conceptualised through multilateralism and its committed membership of groupings such as the Non-Aligned Movement (NAM), and G77 plus China, and more recent groupings such as the India-Brazil-South Africa (IBSA) Trilateral Dialogue Forum, the BASIC climate change coalition, consisting of Brazil, South Africa, India and China, and the G20 group of the world's most influential economies. More specifically, as noted recently in a statement by the Deputy Minister of International Relations and Cooperation, "South Africa's South-South cooperation strategy is anchored on the BRICS partnership mechanism with China, India, Brazil and Russia." Its

membership of BRICS has three objectives: to boost job creation and the domestic economy; to support African infrastructure development and industrialisation; and to partner with key players of the South on issues related to global governance and its reform.”

South Africa, then, represents BRICS’ best opportunity to represent the interests of the least developed states, those in Africa, including the specific interests related to trade, debt relief, investment and climate change. This was best illustrated by the Joint Statement of the Sanya Summit of 2011 which for the first time included a commitment to NEPAD, and African infrastructure and industrialisation: a clear, new addition to the BRICS agenda. South-South cooperation for South Africa derives its meaning from Southern partnership, and from Southern solidarity in forming a rules-based multilateral international order.

Moreover, South Africa’s intra-African investment play a key role in spatial economic development. Between 2007 to 2013, South Africa is the biggest African investor in the rest of the continent, while its projects in other African countries have grown annually at 44.2% since 2007. Growing consumer markets remains the main driver of this intra-African investment. Improvements in the business environment and connectivity to markets is also a determining factor, while the key sectors include financial services, telecommunications, cement, food and retail, oil and energy.

4.0 CONCLUSION

The analysis of China and South Africa’s approach to international development, trade and south-south cooperation, shows their commitment to the common objective of the BRICS in promoting bilateral relationships between emerging and developing countries.

5.0 SUMMARY

By and large, the existing economic, trade and international cooperation relationship between China and South Africa, representing the first three letter of the BRICS acronym depicts similar development trajectories and a commitment to uphold south-south cooperation, in defense of the developing and emerging economies in the world. It is my belief that your study of this unit would have built your knowledge of the individual approach of these countries and get a grasp of the common attempt to promote the common course that unite them as a multilateral association under a multipolar global system.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the institutional mechanism of international development in South Africa vis-a-vis the objectives of the BRICS association.

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UNIT 4: UNITY IN DIVERSITY? AN OVERVIEW OF THE FIVE

BRICS STATES' APPROACH TO DIPLOMACY, TRADE AND DEVELOPMENT

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1.0 INTRODUCTION

In the last unit of this module, we considered the different approach of individual BRICS countries to foreign policy, international development, trade and South-South Cooperation. The Unit showed the extent in which the BRICS countries are committed to advancing and promoting the course of developing and emerging economies. As a follow-up to this, we are studying a synthesis of the features highlighted to further understand the disparities, similarities and commitment to the common diplomatic, economic and development cooperation objectives of the BRICS member states.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- have a grasp of the overview of strengths, similarity of purpose and disparities in the development standing of five BRICS countries;
- understand the dynamics and nature of members involvement and comparative advantage in the BRICS groups and;
- relate the characteristics to the nature and objectives of the BRICS association.

3. 0. MAIN CONTENT

3.1. BRICS Unity in Diversity: The Points of Divergence and Convergence in fulfilling the International Development Objectives of the BRICS Countries

Our analysis in the previous units of this study defines the BRICS countries individual approaches to international development, trade and South-South Cooperation. Stewart M. Patrick, Senior Fellow and Director of the International Institutions and Global Governance Programme, Council on Foreign Relations, stated three fundamental facts about the BRICS alliance and how the harmony of unity in their diversity contributes to the attainment of the objectives of the union. In his analysis, he recognised the fact that the BRICS countries differs in many respects but cooperative; the fact that they project a future global financial alternative; and their inclusive multilateralism, as the backbone of an organisation that will take important place in world affairs. His analysis goes as follows:

- **The BRICS is Diverse but Cooperative:** The BRICS countries vary tremendously in terms of their political systems and economic strength. Brasil, India, and South Africa are liberal democracies, while China and Russia are authoritarian. China's GDP is larger than that of the four other countries combined. However, "for all their differences, the BRICS find common ground in the principles of sovereignty and nonintervention," he says.
- **The BRICS provides Financial Alternatives:** Developing countries remain underrepresented at the Bretton Woods institutions (the World Bank and the International Monetary Fund, or IMF), and so the BRICS are launching their own financial organisations. The BRICS will seek to use their New Development Bank, funded at \$50 billion, and a Contingency Reserve Arrangement, funded at \$100 billion, to finance projects throughout the developing world. "New BRICS organisations offer an attractive alternative to U.S.-led institutions,".
- **The BRICS Reflect Inclusive Multilateralism;** The BRICS are central members of multilateral arrangements, like the G20 and the nuclear security summit process, that offer emerging economies a seat at the table. Like the BRICS, other rising powers such as Indonesia, Mexico, South Korea, and Turkey are eager to play a more prominent role in global governance.

In the light of the above, the table on page 114 showing an overview of BRICS development policies, buttress the fact that, though the countries differ in certain policies and strategies, they have a united front in the three fundamental elements.

For example, the table shows evidence that the five countries belong to different regional integration groups and strategic goals like non-interference regional

integration (Brazil), multilateral channels (Russia), technical cooperation (India), South-South cooperation, trilateral and regional cooperation (China) and regional security and stability (South Africa). The table also highlights the difference in sector concentration on trade and strategic partnership.

However, the fact remains that all the countries have the attribute of fast-growing economies, even though at different pace and are open to a new form of multilateralism and world order.

Table 2: Overview of BRICS Development Policies

	Brazil	Russia	India	China	South Africa
Development Institutions	Brazilian Agency for Cooperation, subordinated to the Ministry of Foreign Affairs	M. of Foreign Affairs and Ministry of Finance	Several ministries and governmental institutions, led by Ministry of Foreign Affairs	Ministry of Finance, Ministry of Foreign Affairs, Ministry of Commerce (lead)	Department for international Relations and Cooperation
Major Partners	Paraguay, Bolivia, the Andeans, Haiti, lusophone Africa	Former SU states, SSA	Bangladesh, Bhutan, Nepal, Sri Lanka, Myanmar, Mauritius	Angola, DR Congo, Sudan, Brazil, Venezuela, Asian and Europ. countries	DR Congo, Sudan, Comoros, Zimbabwe
Regional Integration	Mercosur	-	SAARC	SAARC (observer)	SADC, AU
Key Sectors	Agriculture, Education, health	Food security, health	Education, health, rural development,	Agriculture, Infrastructure, public facilities	Post-conflict reconstruction
Strategy/ Goals	Non-interference, regional integration	Multilateral channels	technical cooperation	SSC, trilateral and regional cooperation	Regional security and stability
Foreign aid in USD (World Bank 2011)	362 m – 1 bn (2009/2010)	472 m (2010)	700 m (2009)	1.9 bn (2009)	100 m
In % of GDP	0.02 – 0.05	0.03	0.05	0.04	0.04
other estimates USD (Walz/Ramachandran 2011)	356 m – 4 bn	785 m	488 m – 2.2 bn	1.5 bn – 25 bn	109 m - 475 m
Multi-/ bilateral aid (World Bank 2011 / Walz/ Ramachandran 2011)	68 % multilateral (Mercosur/ IADB)	large amounts multilateral	80 % bilateral	mainly bilateral	75 % multilateral
Others:					
2010 Population in million (UN)	195	143	1.225	1.341	50
2010 GDP per capita in USD (UN)	10.716	10.351	1.406	4.354	7.255
2010 GDP growth rate (UN)	7.5%	4%	8.8%	10.4%	2.8%
Gini-index (World Bank)	54,5 (2008)	42.3 (2008)	36.8 (2005)	41.5 (2005)	67.4 (2006)
HDI / rank (UN 2011)	0.718 / 84	0.755 / 66	0.547 / 134	0.687 / 101	0.619 / 123

Source: The European Parliament, Directorate-General for External Policies, Policy Department

SELF ASSESSMENT EXERCISE 15

Discuss the unique attributes of the BRICS association.

3.2 The Disparities with BRICS

As argued by Monica Das and Sandwip Kumar Das (2013), the development processes of BRIC countries (Brazil, Russia, India and China) has been triggered by their high growth performance, but their political and social backgrounds are entirely different. Even though these countries have had an expanded level of development opportunities, during the past few years, they have been studied together as they represent a significant change in the global markets after starting the liberalisation of their economies during the 1990s and this is where their strength lies.

Monica and Kumar Das further established that most observers are of the view that China's progress is disproportionately better than the rest of the members of BRIC and that the emergence of China as an economic superpower is largely responsible for the geopolitical imbalance that has long-term implications. However, there is no doubt that the economic transformation that is taking place in BRICS is one of the most interesting developments of the 21st century.

Paul Krugman, on the other hand, argued against the BRICS association, because, to him, they are similar only in achieving high growth rates in recent years. He argued particularly against the inclusion of Russia in the group, whose growth he said is based on energy resources.

Other opinions, such as from Beenish Sultan (2016) and Arturo Oropeza García (2014), on the disparities of the BRICS formation are as follows:

- the dominance of China in BRICS is problem for others. The Chinese economy is now not only the second largest in the world but also larger than the economies of all the BRICS together;
- China's political aspiration creates a challenge that has made it difficult for it to make consensus;
- China's manipulation of its currency has resulted in significant problems for the manufacturing sectors of other emerging powers. Central banks of other countries have registered protest against undervalued yuan;
- there is doubt if BRICS can emerge as a unified political force;
- BRICS is a loose grouping of countries that share interests in particular areas but that play by different rules. It is not a formal international alliance;
- it maintains a low profile on security issues. BRICS will never attempt to make the group into a traditional security framework;
- the BRICS framework has not proven very efficient or substantive, with the exception of the NDB and CRA;

- the BRICS have little in common. The Chinese economy is 28 times the size of South Africa’s. Income per person in India is one-tenth that in Russia;
- Brazil, India, South Africa are democratic countries while Russia, China are authoritarian regimes and;
- Russia, Brazil and South Africa export different commodities, while China exports manufactured goods and India exports services.

Furthermore, Table 3 below depicts some of the disparities in trade partnerships in import and exports of the BRICS countries within themselves and selected big economies around the world as at 2012.

Table 3: Statistics on the BRICS Import and Export situation

China					
Export destination	Share of exports	Rank among export destinations	Import from	Share of imports	Rank among importers
US	17.99%	1	Japan	12.66%	1
Hong Kong	13.84%	2	Korea	9.91%	2
Japan	7.67%	3	Other Asia, not elsewhere specified	8.29%	3
Korea	4.36%	4	US	7.36%	4
India	2.59%	7	Brazil	2.73%	9
Russia	1.88%	12	Russia	1.86%	12
Brazil	1.55%	15	India	1.49%	15
South Africa	0.68%	29	South Africa	1.07%	23
India					
Export destination	Share of exports	Rank among export destinations	Import from	Share of imports	Rank among importers
United Arab Emirates (UAE)	12.44%	1	China	11.78%	1
US	10.70%	2	UAE	8.83%	2
China	7.91%	3	Switzerland	6.34%	3
Hong Kong	4.31%	4	Saudi Arabia	5.82%	4
Brazil	1.66%	15	South Africa	1.97%	18
South Africa	1.66%	16	Russia	1.03%	29
Russia	0.63%	37	Brazil	0.92%	30

Russia					
Export destination	Share of exports	Rank among export destinations	Import from	Share of imports	Rank among importers
Netherlands	13.49%	1	China	15.69%	1
Italy	6.82%	2	Germany	10.74%	2
Germany	6.27%	3	Ukraine	5.69%	3
Ukraine	5.78%	4	Japan	4.90%	4
China	5.08%	6	Brazil	1.64%	17
India	1.60%	18	India	0.86%	26
Brazil	0.45%	35	South Africa	0.19%	49
South Africa	0.01%	104			
Brazil					
Export destination	Share of exports	Rank among export destinations	Import from	Share of imports	Rank among importers
China	15.58%	1	US	15.07%	1
US	9.75%	2	China	14.15%	2
Argentina	9.34%	3	Argentina	7.99%	3
Netherlands	5.18%	4	Germany	6.51%	4
Russia	2.10%	10	India	2.35%	10
India	1.76%	16	Russia	1.06%	21
South Africa	0.66%	35	South Africa	0.41%	38
South Africa					
Export destination	Share of exports	Rank among export destinations	Import from	Share of imports	Rank among importers
China	11.38%	1	China	14.35%	1
US	9.88%	2	Germany	11.29%	2
Japan	8.99%	3	US	7.28%	3
Germany	7.74%	4	Japan	5.30%	4
India	4.17%	6	India	3.54%	8
Brazil	1.00%	25	Brazil	1.69%	17
Russia	0.40%	41	Russia	0.13%	56

Source: UN Commodity Trade Statistics Database, Statistics Division, New York: UN, 2012.

Source: UN Commodity Trade Statistics database, UN 2012

SELF ASSESSMENT EXERCISE 16

How do you think China's global economic affluence would affect the development of the BRICS bloc in future?

3.3 A Synergy of Similarities and Disparities and the Future Impact of BRICS

Andrew Movchan (2015) wrote that the BRICS (Brazil, Russia, India, China, and South Africa), comprising 3 billion people and a combined GDP of 16 trillion dollars ('third giant' after the EU and the US), are too different, and have too few synergies, to represent a solid economic and political power. In that regard, he presented five factors limiting the impact of the BRICS as:

- the dominance of the Chinese economy and its role in trade relations makes the BRICS much more a China-with-partners group than a union of equal members;
- BRICS countries lack mutual economic interests. Trade between them is now less than 320 billion dollars a year and declining. Their trade with the US and EU is 6.5 times higher. China's trade with the rest of the world is 12.5 times higher. Bilateral trade between China and South Korea is almost as large as that between BRICS nations;
- members are too similar in some key areas. All members (apart from Russia) hold huge foreign reserves (15-35% of GDP) and have low external debt (15% to 37% of GDP.) Apart from Russia, they are heavily integrated into consumer goods production with the 'West';
- BRICS nations compete in third markets. In many areas, from clothing (China, India and Brazil), through economic influence in Africa (China, South Africa and India) to international aircraft and military equipment markets (China, Russia and Brazil) BRICS countries compete with one another. All are able to re-engineer and copy technologies, which means sharing R&D results and innovations and the development of cross-country scientific cooperation has limited potential;
- diversity of cultures. Phases of economic development, ideologies, definitions of poverty and other cultural differences mean BRICS members lack common understandings about priorities that are necessary for productive sharing of experiences.

The next module would dwell much on the influence of the BRICS in today's multilateral diplomacy and how the association is gradually transforming to an institution.

4.0 CONCLUSION

It is evident from the foregoing that the most uniting factor of the BRICS is the fast-growth in their economies in relatively different dimensions as well as the ambition to change the face of multilateralism and development cooperation. They differ in many aspects, such as actual growth in GDP, culture, regional affiliation as well as bilateral trade, import and export arrangement, which may sooner or later influence their impact.

5.0 SUMMARY

As a concluding part of this module, we examined in this unit the similarities and disparities of international development, trade and economic outlook of the five BRICS nations. It appears that the BRICS nations are a pure example of unity in diversity, as the objectives of providing an alternative multilateralism and economic cooperation seems to have motivated the countries to put their economic development, culture and regional differences aside, while relying mostly on the strength of their fast-growing economies, on different scales, to build a future alternative to global diplomacy for the benefit of developing and emerging economies.

6.0 TUTOR-MARKED ASSIGNMENT

Is the BRICS disparities a strength or a weakness?

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MODULE 4: EVIDENCE OF BRICS MULTILATERAL DIPLOMACY

UNIT 1: The Brics: From an Acronym to an Institution

UNIT 2: The BRICS New Development Bank and Currency Policy

UNIT 3: The BRICS Summits

UNIT 4: The Future of the BRICS

UNIT 1: THE BRICS: FROM AN ACRONYM TO AN INSTITUTION

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 From Acronyms to an Institution
 - 3.2 BRICS and Africa
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

The preceding units presented an overview of the BRICS nations and the fundamental characteristics through which the association tends to diverge and converge. It is recalled that our analysis in these last units defined the BRICS countries individual approaches to international development, trade and South-South Cooperation. Given this kind of background, we are going to study BRICS collective approach to multilateral diplomacy.

In this regard, this unit specifically focuses on the factors that tend to be driving the evolution of the BRICS from an association of states to an institution, as well as the BRICS disposition towards Africa in the multilateral diplomatic perspective.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Identify the major factors responsible for the drive of BRICS as a growing international institution ;
- recognise the purpose of the BRICS, from the point of view of its founders, as an alternative to established multilateralism and;
- understand the relationship between the BRICS organisation and Africa, in an objective manner .

3. 0. MAIN CONTENT

3.1. BRICS: From an Acronym to an Institution

One of the most prevailing questions at the formation of BRICS was centred on its ability to sustain the ambition of its members. The present state and activities of the institution gives an indication of the answer to this question.

The original aim of the BRICS was to overturn inequality in international relations. They have been associated with breakthroughs in development finance without political conditions, and with increased shares of world trade (Jing *et al*: 2016). Alisen Alisenov (2015) once stated that the BRICS countries have the opportunity of forming a powerful economic bloc, which with time will be very difficult to oppose, as the collective indicators of the five countries are even more impressive. To buttress his points Alisenov stated the following about the capabilities of the BRICS nations:

- according to the World Bank, BRICS's total GDP in 2014 was around \$16.5 trillion, or 18 percent of the world's GDP;
- the combined currency reserves of the grouping stand at about \$4 trillion, 75 percent of world's currency reserve and;
- the total population of the five countries is more than 3 billion. Other developing markets are also showing an increased interest in the BRICS countries. Argentina, Mexico and Indonesia could become members in the future.

He concluded by saying that in general the BRICS countries are maintaining their leading positions as the most dynamically developing markets in the world. Investors and creditors are particularly interested in China, Brazil and India. Furthermore, the agreements reached by leaders of the BRICS countries to create a joint pool of national currency reserves in the event of a possible deterioration of the financial crisis and the establishment of a new development bank with a charter capital of \$100 billion.

In the same manner, Samir Saran and Vivan Sharan (2013), wrote that the the BRICS nations represent over 43 percent of the global population that is likely to account for over 50 percent of global consumption by the middle class - those earning between \$16 and \$50 per day - by 2050. On the other hand, they also collectively account for around half of global poverty calculated at the World Bank's \$1.25 a day poverty line. Unlike NATO, BRICS is not posturing as a global security group; unlike ASEAN or MERCOSUR, BRICS is not an archetypal regional trading bloc; and unlike the G7, BRICS is not a conglomerate of Western economies laying bets at the global governance high table. BRICS is, instead, a 21st-century arrangement for the global managers of tomorrow, they

said (Gomes:2014). Other reasons they gave for the thickness of the BRICS alliance are that:

- at the end of World War II, the Atlantic countries rallied around ideological constructs in an attempt to create a peaceful global order. Now, with the shifts in economic weights, adherence to ideologies no longer determines interactions among nations;
- BRICS members are aware that they must collaborate on issues of common interest rather than common ideologies in what is now a near "G-0 world," to borrow Bremmer's own terminology;
- size does not matter and it never has. Interests do and they always will. Intriguingly, Bremmer expresses his concern over China being a dominant member within BRICS;
- third, BRICS is a flexible group in which cooperation is based on consensus. Issues of common concern include creating more efficient markets and generating sustained growth; generating employment; facilitating access to resources and services; addressing healthcare concerns and urbanisation pressures; and seeking a stable external environment not periodically punctuated with violence arising out of a whim of a country, like the United States, with means;
- the world is still in the middle of a serious recession emanating from the West. As Bremmer himself points out, systemic dependence on Western demand is a critical challenge for BRICS nations. Indeed, it is no surprise that they have begun to create hedges. The proposal to institute a BRICS-led Development Bank, instruments to incentivise trade and investments, as well as mechanisms to integrate financial markets and stock exchanges are a few examples;
- through the war on Iraq, some countries undermined the UN framework. The interventions in Libya reaffirmed that sovereignty is neither sacrosanct nor a universal right. While imposing significant economic costs on the world, they failed to produce the desired political outcome. By maintaining the centrality of the UN framework in international relations, BRICS is attempting to pose a counter-narrative;
- in the post-Washington Consensus era, financial institutions such as the IMF and the World Bank are struggling to articulate a coherent development discourse. BRICS nations are at a stage where they can collectively craft a viable alternative development agenda;
- in the fourth BRICS summit in New Delhi in March 2012, there was clear emphasis on sharing development knowledge and further democratising institutions of global financial governance within the cooperative framework;
- BRICS is a transcontinental grouping that seeks to shape the environment within which the member countries exist;
- while countries across the globe share a number of common interests, the order of priorities differs. Today, BRICS nations find that their order of

priorities on a number of external and internal issues which affect their domestic environments is relatively similar and;

- BRICS is pursuing an evolving and well thought out agenda based on this premise. (Gomes:2014).

It suffices to state that the BRICS as an emerging actor in the global order is pulling weight. The gradual transformation of the group from an economic cooperation association to a more serious institution that could pose as alternative to traditional institutions has also been glaring.

The reasons advanced above, which provide further comprehension of the likely simplicity of the BRICS formation as potentially strong institution, are an example of it's striving within the global system. They are also a vivid example of the BRICS influence on world diplomacy on a collective level, as well as actions of more than one state towards others. The trajectory and action are indeed proofs of the BRICS multilateral diplomacy.

SELF ASSESSMENT EXERCISE 17

Discuss the major factors responsible for the drive of BRICS as a growing international institution.

3.2: The BRICS and Africa

The African Development Bank Group recognised in 2013 that the BRICS are Africa's largest trading partners with trade expected to reach more than US \$500 billion by 2015, with 60 per cent from China. The BRICS are also becoming significant investors in Africa, especially in the manufacturing and service sectors. BRICS countries have strengthened their presence on the continent compared with traditional partners, such as the U.S. and Europe, especially on foreign direct investment (AfDB: 2013).

The BRICS presently are the major trade partners in Africa. Tatiana Deych in 2015 reaffirmed this when she said that Brazil, Russia, India, China and South Africa (BRICS) play a growing role in the world economy. This entity is deepening its engagement with African countries and has gained great success in their development in recent years. BRICS' attention to Africa is determined by the important role of African resource potential and also by the continent's growing influence in contemporary international relations. BRICS countries are now the largest trade partners of Africa (China has overtaken the US as Africa's first trade partner). Africa's trade with BRICS is growing faster than its trade with the traditional partners and Africa has become the main destination for BRICS' development aid (Deych (2015).

Factors like age-long historical ties and diaspora networks which have strengthened diplomatic ties between African countries and the BRICS have been advanced as one of the reasons why this is so. One must also look at the equation from the point of view of South-South Cooperation, which has root in the foreign policies of the BRICS nations as well as the determination to improve the lots of developing and emerging economies through the association.

However, and over and above this, an analysis by the African Development Bank Group further proved that the reasons behind BRICS countries' involvement in Africa include their appetite for the continent's natural resources, Africa's large and untapped agricultural sector as well as the opportunity for investments and transfer of technology and knowledge targeting the growing middle class which is estimated to include more than 300 million people (AFDB: 2013).

It is anticipated that BRICS involvement in Africa may turn out to be one of the most significant developments for the region. Yet, the involvement is based on strategic interest. According to Standard Bank of South Africa, BRICS member-states, and not the developed economies, are indeed redefining Africa's role in the global economy.

Furthermore, the involvement of BRICs in Africa is fast changing the dynamics of the continent's relationship with the rest of the world. According to an initial Goldman Sachs Report, "BRICs' engagement with Africa is not a unilateral act of goodwill; it makes perfect economic and strategic sense". Once branded as a marginalised and hopeless continent in the 1990's, African economies have recorded 5.16% rate of growth in 2009 (Aparajita: 2011). In this regard, it is interesting to note that the strong economic growth performance observed in the region between the second half of the 1990s and the onset of the financial crisis in 2008 was accompanied by a spectacular increase in trade. This is still the case. It sums up to the fact that BRICS multilateral diplomacy is a factor in Africa's growing economy.

4.0 CONCLUSION

The determination of the BRICS nations and their action in calling the popular world order into question remain the reasons why the future of the association seems to be sure. These actions also constitute a trajectory from an initial association for economic cooperation to the now engaging march towards becoming a multilateral institution in the international system. The multilateral diplomacy by a group of states in relation to other states within the global community is evident in the BRICS engagement with Africa and the rest of the developing world. There are indeed enough reasons to believe that Africa may benefit from the BRICS rising in the years to come.

5.0 SUMMARY

This unit focuses on the generally-talked-about actions of the BRICS as well as the features that make it a multilateral association that is tending to establishing itself as an alternative institution that will challenge conventional organisations and their approach to cooperating with the developing and emerging nations. A brief discussion on the relationship of the BRICS with Africa also shows the extent to which the formation is affecting the developing nations in a positive manner. We have gathered that these actions are also pointers to the practice of multilateral diplomacy by the BRICS at a collective level. To buttress this point, we are going to consider the issue of the BRICS New Development Bank as another evidence of the BRICS multilateral diplomacy.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss two reasons why the BRICS has developed interest in Africa with practical examples from your further readings.

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UNIT 2: THE BRICS NEW DEVELOPMENT BANK AND CURRENCY POLICY

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 The New Development Bank (NDB)

3.2 BRICS Currency Policy

3.3 NDB's Contingency Reserve Arrangement (CRA): De-dollarisation, or multicurrency Development Banking?

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Reading

1.0 INTRODUCTION

One of the major landmarks that has set the BRICS association aside as a growing organisation in global economy and multilateral diplomacy was the establishment of the BRICS New Development Bank (NDB) in 2014. The establishment of a bank of its unique statutes of being exclusively owned by five countries of the South and emerging economy is a very huge departure from the traditional diplomacy and global development finance, and it has spoked analyst on the revolution in South-South and South-West economic relations. In the same vein, the BRICS, in the effort to ameliorate trade relations and for lending purposes through the New Development Bank has some currency policy in place that tends to be different from what hitherto existed in the international economic arena.

This unit is devoted to examining the origin, purpose, nature, objectives, key focus and the state of the BRICS New Development Bank as well as analysis around the currency policy. Furthermore, for the purpose of advancing our understanding, the unit relays the establishment of the Bank as evidence of a new form of multilateral diplomacy.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- understand the origin, purpose and focus of the BRICS Development Bank;
- identify the major differences between the mode of operations of the New Development Bank and other international monetary institutions and development banking and;
- Have a good grasp of the BRICS currency policy and its implications for the operations of the New Development Bank vis-à-vis global development finance and trade cooperation among the BRICS nations.

3. 0. MAIN CONTENT

3.1. BRICS: From an Acronym to an Institution

On March 29, 2012, during the fourth BRICS summit, held in New Delhi, the idea of creating a New Development Bank was first raised. The purpose was to “meet the development funding requirements of the five founding nations and other emerging economies and developing countries. The agreement establishing the NDB as a multilateral financial institution was signed during the 6th BRICS Summit on July 15, 2014 in Fortaleza, Brazil.

According to the NDB factsheet, the inaugural meeting of the Board of Governors of the bank was held on July 7, 2015 on the eve of the BRICS Summit in Ufa, Russia, while the headquarters agreement with the Government of China was signed in February 2016. The Bank, therefore, has its headquarters in China with the first regional branch in South Africa.

Purpose of the NDB

The main purpose advanced for the establishment of the BRICS New Development Bank is to mobilise resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries. It is expected to complement the efforts of multilateral and regional financial institutions for global growth and development. With an initial authorised capital of USD 100 billion and initial subscribed capital of USD 50 billion of which USD 10 billion will be paid-in capital, the Bank intends to make a difference in providing fast, flexible and efficient development finance while maintaining a short loan processing time with the design, negotiation, review and approval of loans taking six months.

In doing this, the NDB maintains two areas, namely: infrastructure and sustainable development. In recognising that infrastructure development is the key driver of economic and social growth, the NDB purpose to “identify the gaps between ‘needs’ and ‘funding’ and to bridge these gaps and be a partner in bringing about truly holistic development”. The NDB will also focus on sustainable development by partnering with initiatives that drive growth and employment while ensuring environmental protection.

The BRICS NDB as Emerging force in Multilateral Diplomacy and Development Financing

Experts and analysts’ views of the rapidity of the establishment of the New Development Bank from the time the idea was conceived have focused on the dynamics of the BRICS multilateral diplomacy and how the club approach has assisted the group in achieving unconventional heights in its aspirations to change the status quo in development cooperation, development financing and diplomacy.

Andrew F. Cooper and Asif B. Farooq (2015), in examining the puzzle of how the BRICS members were able to overcome institutional constraints and establish the New Development Bank (NDB) in a short period after its conception, argued that the club dynamics among the members help them circumvent internal conflicts due to the embedded mutual common interest in status attribution. The dynamics, they said also create an informal institutional platform for them to manoeuvre through intra-BRICS competitive interests by taking a symbolic stake in the NDB's development. Furthermore, Club diplomacy downplays contentious issues while elevating and reinforcing issues of common interest, collective action and calls for reforming the global system notably through a more equitable distribution of voice and influence in the International Monetary Fund and the World Bank.

In essence, as mentioned earlier in our studies, the solidity of common interest in challenging the existing system and willingness to forge collective empowerment of the BRICS nations and other emerging and developing countries, has remained a driving force for the BRICS rise as a multilateral club and established institution.

The establishment of the NDB and the perceived prospect of the bank as an alternative to the existing development financing landscape has become a strong evidence of BRICS strong multilateral diplomacy. In effect, with the original aim of the BRICS to overturn inequality in international relations, the establishment of the NDB is now seen as achieving breakthroughs in development finance, especially in leveraging the inequalities status quo.

Apart from regional development banks such as the African Development Bank Group and the Asia Development bank, the so-called status quo in development financing have been seen by analyst through the lenses of the IMF and the World Bank and many agreed that there was need for the New Development Bank to exist for the following reasons:

- global financial institutions like IMF and World Bank are dominated by U.S and western countries;
- IMF and World Bank follow almost similar voting power systems based on quota system. Though China is second largest economy after U.S it has fewer voting rights;
- the financial institution created by BRICS will reduce the importance of US dollar as a global currency and will eventually increase the importance of Yuan;
- IMF cash assistance programme is conditional. If a country's foreign policy are perceived not satisfactory, then it may be difficult to obtain a loan;
- It will provide resources for infrastructure development of developing countries;

- one of the key issues that emerging economies, including the BRICS group, struggle with is the slow pace of reform in existing global financial institutions to better reflect the current political and economic realities (which in some cases deviate significantly from when these organisations were created in the post-Second World War era) and;
- emerging economies also suffer from serious infrastructure funding deficits, which can be addressed by drawing on the significant domestic savings across developing countries.

Other Issues that PMakes the NDB unique

Supriya Roychoudhury, Karin Costa Vazquez (2016), in further explaining what makes the NDB unique as a development financing institution stated south-south cooperation, equity in power-sharing and sustainable development as the major determining factors. First, they argued that “the creation of a Development Bank by countries of the “global south” for the global south is both unique and necessary. It has been created to meet the specific development needs of the global south, namely those of infrastructure. Based on their own experiences as recipients of foreign aid from the “global north,” the BRICS governments are keen to ensure that development funding provided by them is free of political conditionalities and is disbursed without delays”.

Second is that “each of the BRICS governments has ownership of one-fifth of the share of the Bank, which translates into an equal say in decision-making. This is unlike the World Bank or the IMF where decision-making power is heavily skewed in favour of a particular set of countries. The third is the commitment of the NDB to the principle of sustainable development. This, to Roychoudhury and Vazquez is a departure from a business-as-usual approach. While the fact that it will be linked to the financing of particular kinds of infrastructure projects, namely “green” or renewable energy projects. In this respect, the NDB could incentivise governments to design projects that are respectful toward the environment and local communities. It could offer differential interest rates and repayment terms on loans given to governments, depending on the latter's ability to meet certain criteria such as their consideration of potential socio-environmental impact of projects, project alignment with international best practice in sustainable development and integration of key components of the Sustainable Development Goals.

To buttress this point, in 2016, the NDB approved seven investment projects in all member countries for a total of over USD 1.5 billion. All projects are coherent with the Bank's mandate of supporting infrastructure projects, with more than 75% of projects dedicated to sustainable infrastructure, mainly renewable energy generation. The approved projects will support the creation of about 1500MW of renewable energy capacity and are estimated to result in the reduction of greenhouse gas emissions by over 4 million tons per year (NDB: 2016).

SELF ASSESSMENT EXERCISE 18

Is the BRICS New Development Bank a real alternative to traditional financial institutions like the World Bank and IMF?

3.2 BRICS Currency Policy

The BRICS currency policy is mostly linked to trade among its members, the nature of transaction through the New Development Bank and the general currency reserve. The third element that connects the two is the project that has mostly been referred to as “de-dollarisation” by the BRICS states.

At the BRICS Summit in Yekaterinburg (2009), the consensus on improving the global economic situation and reforming financial institutions and the need for a new global reserve currency, which would have to be "diversified, stable and predictable" was announced by Member States. This announcement has been concretised by the eventual establishment of the NDM and the currency reserve of USD 100 million

It could be said that the anti-dollar alliance among the BRICS has successfully created the NDB, which is being referred to as a so-called "mini-IMF". According to Tyler Durden (2014), the BRICS stance on the IMF, like that of many other developing countries, is linked to the inability by the Organisation to implement of a 2010 agreed reform, which is seen as negatively impacting on its legitimacy, credibility and effectiveness." Consequently, the financial media as well as segments of the alternative media are pointing to a possible weakening of the US dollar as a global trading currency resulting from the BRICS initiative.

Nasser H. Saidi (2014), refereed to the establishment of the BRICS New Development Bank as “marking the delayed shift of ‘soft power’ from the ‘West’, from the US and Europe to Asia and to emerging economies, confirming the shift in economic and financial weight”. According to him “The centre of global economic and financial geography has been progressively shifting “East” for the past three decades, with the epicentre now lying East of Mumbai. Measured at PPP rates, China will have surpassed the US by 2017 as the world’s largest economy, while India has already surpassed Japan to become the world’s third largest economy. This tectonic shift in economic fortunes and transformation of the global economy is already evident in changed patterns of production, trade, investment and capital markets: emerging markets already account for 48% of world trade, with Asia’s share alone at 31.5%. In line with positive growth prospects and higher returns to investment, some 52% of global FDI flows into emerging markets, with 30% into Asia. Non-OECD economies now account for 65% of energy markets, with demand from China dominant”.

The second building block of the new international financial architecture is the creation of a 'Yuan Zone'. Currently, global trade and investment flows and payments are mainly intermediated and settled through the use of the US\$ and the Euro. GCC oil sold to China is priced and settled in US\$ through US\$ regulated clearing banks, which increases transactions costs and involves exchange rate and payment risk. In addition, participants in the US\$-based payment system have also been subject to fines and penalties arising from politically motivated US sanctions. China is today the world's biggest trading nation and its bilateral trade can be more efficiently conducted using Renminbi (RMB). China's policy is to increase the internationalisation of the Renminbi: 'Renminbisation'. To date, there have been three main channels of Renminbisation: the introduction of the RMB as the settlement currency for cross-border trade transactions, the provision of RMB swap lines between the People's Bank of China (PBoC) and other central banks and the creation of an RMB offshore market. China now has 24 currency swap arrangements worth some US\$ 430bn including a RMB 35bn currency swap agreement with the UAE central bank. These swap facilities can provide liquidity to finance bilateral trade and investment flows and can form the basis of a multilateral RMB clearing system.

Saidi (2014) citing that the Great Financial Crisis and accompanying Great Recession are the final nails in the coffin of the post-World War II Bretton Woods world order, signalling the end of the American US Financial Empire, concluded that the world is tending towards a new Multi-Polar Financial Architecture for a New World Order. Michel Chossudovsky (2015) argued that competing World currencies hinges on the BRICS initiative to create a development bank which, according to analysts, challenges the hegemony of Wall Street and the Washington based Bretton Woods' institutions.

Indeed, as could be seen in the NDB's approach, as envisaged by the Bank's founding members, it is set to provide financing not only in hard currencies but also in local currencies. The Bank has issued its debut bond in China. It was the first time that an international financial institution issued a green financial bond in the China onshore interbank bond marketing July 2016. The size of the issue is RMB 3 billion (USD 449 million). The bond has a five - year term and nominal interest rate of 3.07%.

SELF ASSESSMENT EXERCISE 19

What do you think is the major driver of the BRICS common currency policy.

3.3: NDB's Contingency Reserve Arrangement (CRA): De-dollarisation, or multicurrency Development Banking?

Emphasis has been placed more recently on the role of China's new Asia Infrastructure Investment Bank (AIIB), which, according to media reports, threatens to “transfer global financial control from Wall Street and City of London to the new development banks and funds of Beijing and Shanghai”. While the creation of BRICS has significant geopolitical implications, the AIIB as well as the proposed BRICS Development Bank (NDB) and its Contingency Reserve Arrangement (CRA) are dollar denominated entities. Unless they are coupled with a multi-currency system of trade and credit, they do not threaten dollar hegemony. Quite the opposite, they tend to sustain and extend dollar denominated lending. Moreover, they replicate several features the Bretton Woods framework.

Although Peter Koenig, former World Bank economist affirms that the BRICS Bank marks a major step to de-dollarisation, and a new monetary system and, in his opinion, it should replace the Western-dominated “predatory casino scheme” that has contributed to world wars and “economic terrorism,” sceptics of an alternative currency to the dollar believe that the dollar will still remain the dominant international trade and banking medium of exchange monetary wise.

The reasons for Koenig submission is that “a ‘BRICS system’ would offer a healthy alternative to the highly indebted and defunct dollar system, where money is printed at will,” (Canadian Centre for Policy Alternatives: 2014).

“...it is high time that the currency of worldwide theft, abuse and exploitation – the US dollar – financial instrument for endless wars and economic terrorism, be replaced with a currency of peaceful endeavours that respects national sovereignty – a currency that works for the people, not for the elite few,” said Koenig adding that currently six US banks control more than 60 percent of all banking assets.

However, the CRA, defined as a “framework for provision of support through liquidity and precautionary instruments in response to actual or potential short-term balance of payments pressures, operates in a similar fashion to an IMF precautionary loan arrangement with a view to enabling highly indebted countries to maintain the parity of their exchange rate to the US dollar, by replenishing central bank reserves through borrowed money.” In this context, the CRA fund does not constitute a “safety net” for BRICS countries, it accepts the hegemony of the US dollar which is sustained by large scale speculative operations in the currency and commodity markets.

The CRA excludes the policy option of foreign exchange controls by BRICS member states. In the case of India, Brazil and South Africa, this option is largely foreclosed as a result of their agreements with the IMF. The dollar denominated \$100 billion CRA fund is a “silver platter” for Western “institutional speculators” including JP Morgan Chase, Deutsche Bank, HSBC, Goldman Sachs *et al*, which are involved in short selling operations on the Forex market. Ultimately the CRA

fund will finance the speculative onslaught in the currency market. The geopolitics behind the BRICS initiative is crucial. While the BRICS initiative from the very outset has accepted the dollar system, to Saidi (2014), this does not exclude the introduction, at a later stage of a multiple currency arrangement, which challenges dollar hegemony.

4.0 CONCLUSION

In view of the foregoing, It could be affirmatively concluded that the BRICS New Development Bank and the currency policy offer alternatives to traditional dominance of the dollar and the development financing system. At the moment, the dollar is still widely assumed to be dominant in the interaction by the NDB while the BRICS approach so far poses little threats to the hegemony of the dollar. However, experts and analyst foresee a multiple currency arrangement in the future.

5.0 SUMMARY

In this unit, we examined two important factors that testify to the BRICS collective multilateral diplomacy: The BRICS New Development Bank and its currency policy. The establishment of the New Development Bank since 2014 has remained a subject of intense debates and comments by the media, experts and analysts alike. As a multilateral development bank, the NDB has also become a major breakthrough in the BRICS attempt to take their association of nation states to an institution of international economic and development relations and multilateral diplomacy. In the same vein, the discourse about providing an alternative to the dominance of the dollar in international transactions, even though it is closely linked to the establishment and operations of the NDB, has remained another conspicuous instrument of multilateral diplomacy by the BRICS states.

6.0 TUTOR-MARKED ASSIGNMENT

What is your opinion on the BRICS New Development Bank and international development financing?

7.0 REFERENCES FOR FURTHER READING

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UNIT 3: THE BRICS SUMMITS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 The BRICS Summit and BRICS Multilateral Diplomacy
 - 3.2 From New York to Brasilia: BRICS Summits from 2006 to 2010
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1.0 INTRODUCTION

Earlier on in this manual, we have considered summit diplomacy and its importance in multilateralism. For the BRICS, the issue of summit diplomacy has been pertinent in its formation, existence and functioning to date. Furthermore, it is one of the instruments of multilateral diplomacy to date. While it could be said that there are many minor and other meetings that deal with programmes and policy questions, the BRICS has, since its formation has held summits annually. This unit will focus on the BRICS summit and how this has been a driving force and elements of multilateral diplomacy for the BRICS community. We shall examine the role of summits at the origin of the BRICS formation and the issues in the BRICS summits as they pertain to important decision for the growth of the association in multilateral diplomacy.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- relate summit diplomacy with the development of the BRICS;
- understand the importance of summit diplomacy vis-à-vis the participation of heads of governments of the BRICS states and rapidity of decision making and;
- have a good knowledge of the evolution of the BRICS association and the annual summits

3.0. MAIN CONTENT

3.1. The BRICS Summit and BRICS Multilateral Diplomacy

One important mark of the BRICS progress and the one that analyst often talk about is the rapidity by which decisions are taken and actions followed. The establishment of the BRICS New Development bank, for example, has been praised for its rapidity. The decision to establish the bank was taken at the BRICS summit in 2012 and by 2014, the Bank had already been established and was ready to take-off fully.

One of the major factors responsible for this is that the Heads of States of the BRICS nations meet regularly, and in fact, now annually, during the BRICS summit, where they take decisions directly. Here is the magic that summit diplomacy can perform and this is why it is important as an instrument of multilateral diplomacy.

It should be recalled that “summit diplomacy involves direct participation of foreign ministers, Heads of state and Heads of governments in diplomatic negotiations. This type of diplomacy has also been termed leader-to-leader diplomacy. Summit diplomacy is different from conference diplomacy because conference diplomacy could involve only senior officials, experts and functionaries, who will negotiate and recommend to the executives, whereas summit diplomacy is identified by the direct involvement of the executives themselves, or their representatives” (Melissen: n.d.).

International organisations, blocs and regional organisations employ summit diplomacy a lot. By so doing, decisions taken are placed in the right political perspectives and are more likely to enjoy each country’s political will. Another advantage of summit diplomacy is that the leaders or participants, who are also the chief policy makers, are involved in diplomacy directly rather than having to send someone to represent them. They are able to answer or solve problems which an ordinary diplomat or official may not be able to answer or solve. Summits make package deals easier as they involve Heads of Governments with same level of authority who do not need to do a lot of consultation before making their final decision, and promote a better relationship between leaders, therefore, provide easy means to put an end to disputes. They also break deadlock as all the Heads of Governments are present, speeding up and sustaining momentum due to its given deadlines for completion. A summit gives the government a good opportunity to gather information about their counter-part, breaking barriers of mistrust and suspicion. Summits also help participants to kill many birds with one stone, as they can be able to meet and interact with their counterparts from different countries.

Due to its many advantages, the number of international summits has increased considerably in the post-Cold War era and it is now a vivid expression of global governance. The UN earth Summits, the Millennium Summit, the G8 Summit, Arab League Summits are examples of such numerous meetings.

For the BRICS, apart from other conferences and meetings that focus on different aspects of development, thematic issues, the meeting of Heads of States and

Governments, known as the BRICS Summit, that has become an annual event since 2009 remains a major element in its rapid development.

It should be noted that between 2016 and 2016, there were scores of other meetings, fora, seminars of programmatic and thematic nature, held (See Box IV for a list of other BRICS meetings in 2015/2016). However, the highest level of political summit remains the BRICS Summit. However, an highlight of the BRICS Summit, as the highest governance body has been selected for study to better understand multilateral diplomacy within the organisation and nature of decision making that affect issues in international relations as far as the BRICS and the rest of the world is concerned.

Box IV: List of Selected Meetings Held by the BRICS in 2015/2016

1. VII BRICS Summit
2. Informal Meeting of the BRICS Leaders on the margin of the G20 Summit in Antalya
3. First BRICS Parliamentary Forum
4. Meeting of the BRICS National Security Advisors
5. Meeting of the BRICS Ministers of Foreign Affairs / International Relations on the margins of the UN General Assembly
6. Sherpas/Sous-Sherpas Meetings
7. BRICS Dialogue on Foreign Policy
8. Meeting of the BRICS Deputy Foreign Ministers on the situation in the Middle East and North Africa
9. BRICS Dialogue on Peacekeeping
10. Informal Meeting of Heads of Legal Departments of the BRICS Ministries of Foreign Affairs
11. BRICS Meeting on Security of Outer Space
12. Meeting of BRICS Senior Officials on Anti-Corruption Cooperation
13. Meeting of BRICS Finance Ministers and Central Bank Governors on the margin of G20 and WB/IMF Meetings
14. Meeting of the BRICS Finance Ministers and Central Bank Governors
15. Inaugural Meeting of the Board of Governors of the New Development Bank
16. Inaugural Meeting of the Board of Directors of the New Development Bank
17. Meeting of the Board of Directors of the New Development Bank
18. Meeting of the Interim Committee of the Contingent Reserve Arrangement
19. Meeting of the Standing Committee of the Contingent Reserve Arrangement
20. Meeting of the Governing Council of the Contingent Reserve Arrangement
21. Meeting of the BRICS Trade Ministers
22. Meetings of the BRICS Contact Group on Economic and Trade Issues
23. BRICS Expert Dialogue on e-commerce
24. Round table 'Support and development of BRICS MSMEs' _
25. BRICS Seminar on Single Window for Trade Facilitation
26. Meeting of the BRICS Communications Ministers
27. First BRICS Industry Ministers Meeting
28. First BRICS Energy Ministerial Meeting
29. First Meeting of the BRICS Environment Ministers
30. Meeting of the BRICS Agricultural Cooperation Working Group
31. Meeting of the BRICS Ministers of Agriculture and Agrarian Development_
32. Meeting of the BRICS Working Group on Education
33. Meeting of the BRICS Education Ministers preceded by the Meeting of the BRICS Education Senior Officials
34. Meeting of the BRICS Ministers on Science, Technology and Innovation preceded by the Meeting of the BRICS Senior Officials on Science, Technology and Innovation
35. The BRICS Seminar on Population Matters 'Demographic Challenges and Economic Development of BRICS Countries'
36. Meeting of the BRICS Ministers of Labour and Employment
37. First Meeting of the BRICS Ministers of Culture
38. Meeting of the BRICS Heads of Prosecution Services
39. BRICS Ministerial Meeting on Combating the Drug Threat
40. First Meeting of the BRICS Anti-Drug Working Group

41. Meeting of the BRICS Healthcare Ministers
42. Meeting of the BRICS Heads of National Standardization Bodies
43. Meeting of the BRICS Heads of tax administrations
44. Meeting of BRICS Experts on Customs Issues
45. Meeting of the BRICS Heads of Customs Agencies
46. Meetings of the BRICS Heads of Competition Authorities on the margin of the International Competition Network's Annual Competition Conference
47. Meeting of the BRICS Heads of Competition Authorities during the Russian Competition Week International Event
48. Meeting of the BRICS Heads of Competition Authorities during the fourth BRICS Competition Conference
49. Round Table 'Creation of Fair Rules of the Game in the Pharmaceutical Markets of the BRICS Countries'
50. Meeting of the BRICS Heads Responsible for National Statistics
51. First Meeting of the BRICS Heads of the Migration Authorities
52. Meetings of the Heads of Delegations of BRICS on the margin of the FATF
53. Meeting of the BRICS Council on AML/CFT54. Forum of the Heads of the BRICS Countries' Leading Media Outlets
55. BRICS Youth Summit and Meeting of BRICS Ministers and Heads of Departments for Youth
56. International Conference 'Common Threats, Joint Actions: The Response of the BRICS Countries to Dangerous Infectious Diseases'
57. Meeting of the BRICS Senior Officials Responsible for International Development Assistance
58. International Workshop 'Effective Regulation of Industrial Safety as an Element of Stability of the National Economy'
59. BRICS Working Group on Security in the Use of ICTs
60. BRICS Business Forum 'BRICS Economic Cooperation: Opportunities for Growth and Development'
61. BRICS Business Council Meeting preceded by the Working Groups Meetings
62. Meeting of Exhibition Companies of the BRICS Countries
63. BRICS Think Tank Council Meetings
64. VII BRICS Academic Forum
65. BRICS Civil Forum
66. BRICS Young Diplomats Forum
67. BRICS Global University Summit
68. BRICS Trade Union Forum

The following Section will focus on the major landmark of BRICS development in the light of the BRICS Summit from 2006 to 2016.

SELF ASSESSMENT EXERCISE 20

Of what use are Summits for the BRICS?

3.2 From New York to Brasilia: BRICS Summits (2006 to 2010)

Five years after Jim O'Neill's publication on Building Better Global Economic BRICs, the foreign ministers of the initial four BRIC states (Brazil, Russia, India, and China) met in New York City in September 2006 at the margin of the General Debate of the UN General Assembly. The formal meeting of the BRICS, therefore, started as a series of high-level meetings and informal diplomatic coordination, with the annual meetings of Foreign Ministers during that particular General Debate of the UN General Assembly (UNGA) in New York.

According to the Ministry of Foreign Affairs of India, “this successful interaction led to the decision that the dialogue was to be carried out at the level of Heads of State and Government in annual Summits”. This then paved the way for preliminary preparations toward the first Annual Summit, which eventually was held in 2009.

In-between, by 2008, the BRIC Foreign Ministers, Finance Ministers and other Government Officials started holding regular meetings to discuss common approaches to international problems, such as the global financial crisis and alternative solutions. It has been said earlier that the wake of the global financial crisis further reinforced the belief by the initial BRICS countries in the need to brainstorm on alternative global financial system from the point of view of the emerging economies.

It is useful to spell out at this juncture, how the BRICS Summit operates in terms of leadership. Like every other organisation or association of its nature, hosting of the summit is on a rotational basis and the host country for a particular year automatically assumes the presidency of the association for that year.

The first BRICS summit was held on 16th June 2009 in Yekaterinburg, the Russian Federation. The Summit, held in the midst of a global financial crisis, was intended to officially announce the creation of the BRIC bloc. Therefore, the core focus of the meeting was to call for a more diversified international monetary system, to improve the current global financial situation, to discuss how the four countries could collectively work better in the future and to reform the financial institutions.

This first summit was attended by President Dmitri Medvedev of Russia, the Indian Prime Minister Manmohan Singh, Chinese President Hu Jintao and Brazilian President Luis Inacio Lula da Silva. At the end of the summit, the BRIC nations suggested the need for a new global reserve currency that is ‘diversified, stable and predictable’. In general, the depth and scope of the dialogue among the Members of BRIC was further enhanced at this first Summit and the BRICS officially became a new and promising political-diplomatic entity, far beyond the original concept tailored for the financial markets (Sushovan: n.d.).

Given the fact that the first BRICS summit was organised at a critical time when the legitimacy of the advanced and industrial states, which also forms the core of the imperialist order or the G8, were under critics, with a total deregulation of the financial markets resulted in simultaneous crises from global financial collapse to worsening climate changes, one can draw inference that the core outcome of the 2009 Summit, apart from the official declaration of the association, were a:

- call for greater voice and representation of the emerging economies and developing countries in the international financial institutions and for a merit-based selection process of the heads of the international financial institutions and;

- for a more diversified international monetary system by moving away from the US dollar as the world's standard reserve currency (Sushovan: n.d.).

The second BRICS summit was held in Brazilia, Brazil on 15th April, 2010. According to Oliver Stuenkel (2014), this second summit was crucial, as it was a forum where the leaders agreed to increase 'intra-BRICS cooperation' in an attempt to strengthen ties on different levels of government and civil society. This was also the summit where South Africa was admitted as a member of the group.

In the same vein, the hosting by the Brazilian think - tank IPEA of the first institutionalised BRIC Academic Forum in Brasília a day before the summit, brought academics and policy analysts from the four member countries together for the first time, to develop joint ideas about how to strengthen cooperation. The first BRICS business forum also took place in the wings of this second Summit.

Luiz Inácio Lula da Silva, President of Brazil, Dmitry Medvedev, President of the Russian Federation, Manmohan Singh, Indian Prime Minister and China Hu Jintao, President of China, attended the Summit with two invited leaders: Jacob Zuma, President of South Africa and Riad Al-Malki, Foreign Minister of the Palestinian Authority (Stuenkel: 2014).

Also at that meeting, the BRIC leaders commended the changes in the landscape of global financial governance, especially the G20 being confirmed as the premier forum for international economic coordination and cooperation of all its member states, expressing that the G20 is broader, more inclusive, diverse, representative and effective (DIRCO: 2014). They also expressed their dissatisfaction with the lack of reform in the World Bank and the IMF.

In summary at the Second BRICS Summit:

- the Leaders discussed urgent issues, such as Iran's nuclear programme, BRIC development strategies and the future, the current economic situation, the reform of financial institutions and cooperation in global governance;
- a number of documents were signed on overcoming the aftermath of the 2008 global economic crisis, and creating a new financial order, including their right to have more influence in such international agencies as the World Bank and the IMF;
- a Memorandum on Cooperation was signed by the development banks of the BRIC countries for cooperation to fund high technology, innovation and energy conservation projects, among others and;
- the President of South Africa pleaded the case for South Africa's membership of the BRICS bloc, which was accepted(DIRCO: 2014).

It was observed that the period between 2006 and 2010 were rudimentary for the BRICS Summit, given the fact that the bloc was just gaining momentum and in the process of organising itself as a force in international relations and multilateral diplomacy. However, the summits from 2011 to date have further seen a rapid evolution of the BRICS as will be discussed in the succeeding Section.

SELF ASSESSMENT EXERCISE 21

What, in your opinion, is the most important outcomes of the BRICS summits between 2006 to 2010?

3.3 From Brasilia to Goa: BRICS Summits (2011 to 2016)

Six other annual Summits were held from 2010 - 2016, namely: Sanya, 2011; New Delhi, 2012; Durban, 2013; Fortaleza, 2014; Ufa, 2015; and Goa, 2016. There has been remarkable evolution in the BRICS within this period, especially in the aspect of consensus amongst its members and strengthening its two main pillars, which are:

- coordination in multilateral fora, with a focus on economic and political governance and;
- cooperation between members (BTTC:2015).

The first pillar focused on the efforts towards reforming the structures of global governance, especially in the economic and financial fields – Financial G-20, International Monetary Fund, World Bank. This and the reform of global political institutions, such as the United Nations, received the BRICS attention. Intra-BRICS cooperation has also gained attention, as a broad agenda has been developed, comprising areas such as finance, agriculture, economy and trade, combating transnational crime, science and technology, health, education, corporate and academic dialogue and security, among others.

Furthermore, the financial sector receives a special focus as a new front of cooperation. Most particularly, as earlier examined the BRICS, at its 6th Summit, established the New Development Bank, aimed at financing infrastructure and sustainable development projects in the BRICS and other developing countries (BTTC: 2015).

The rest of this section gives a chronological account of the main outcomes of the six BRICS summit from 2011 to 2016.

Third BRICS Summit in Sanya, China on April 14 2011: The third BRICS Summit was attended by Dmitry Medvedev (Russia), Dilma Rousseff (Brazil),

Manmohan Singh (India) and Hu Jintao (China). At that Summit South Africa officially joined BRIC. At this Summit, the reform of international financial institutions, promotion of cooperation within BRICS, development of dialogue on combating terrorism in collaboration with the UN, UN reform, economic cooperation based on national currencies, and the war in Libya, were the pertinent questions (Sekine: 2011). The major outcomes at the third BRICS summit are as follows:

- adoption of a Joint Declaration formulating the main areas of global policy and the BRICS Action Plan for 2012;
- agreement by the BRICS to support the reform and improvement of the international monetary system with a broad based international reserve currency system and welcoming of the current discussion about the role of the IMF Special Drawing Rights(SDR) in the existing international monetary system and;
- commitment to strengthen financial cooperation among the development banks of the BRICS.

Fourth BRICS Summit in New Delhi, India on March 29 2012: The 4th BRICS Summit was attended by Dmitry Medvedev (Russia), Dilma Rousseff (Brazil), Manmohan Singh (India), Hu Jintao (China) and Jacob Zuma (South Africa), where global economic issues, anti-crisis measures and settlement issues related to Syria and Iran were discussed by the leaders. They also reviewed the possibility of establishing a BRICS New Development Bank and mechanisms for drawing their markets closer together (MFA, Brazil: 2012). In this context finance ministers were instructed to study the viability of this initiative. The major outcomes are the following:

- agreement to explore the setting up of a BRICS led Development Bank to promote mutual investment and fund infrastructure projects in BRICS and developing countries;
- signing of two pacts by the development banks of the BRICS countries for boosting intra - BRICS trade, and BRICS to set up Exchange Alliance, a joint initiative by related BRICS securities exchanges and;
- signing of an agreement to extend credit facilities in their local currencies in order to reduce the role of the dollar in trade between them.

Fifth BRICS Summit in Durban, South Africa on March 26 - 27 2013: Attended by Vladimir Putin (Russia), Dilma Rousseff (Brazil), Manmohan Singh (India), Xi Jinping (China) and Jacob Zuma (South Africa), the fifth BRICS summit was an avenue for continued discussion on the proposed Development Bank, launched in 2012. One of the mainstays of this summit was the adoption of the “eTthekwini Declaration and Action Plan”, which gives an assessment of the current global political and economic situation and reflects common approaches

of the BRICS countries on urgent issues of multilateral cooperation, was adopted (Li: 2019). The Action Plan “reflected new areas of cooperation and specified BRICS activities in 2014, was signed. In addition:

- agreements on cooperation in the green economy and co-funding of infrastructure projects in Africa, was also signed. They also signed a declaration on establishing a BRICS Business Council and a declaration on setting up a consortium of expert centres of their countries;
- also signed, was the Agreement to enter formal negotiations to establish a BRICS-led Development Bank with an initial capital based on the infrastructure needs of around USD 4,5 trillion over the next five years, as well as;
- the Agreement to create a Contingent Reserve Arrangement (CRA) with a desirable initial size of USD 100 billion in order to establish a financial safety net by pooling foreign exchange reserves to protect themselves from financial crises and;
- the BRICS Business Council in order to drive private sector investments among the BRICS countries, was also launched at this Summit (Stuenkel: 2013).

The 6th BRICS Summit, Fortaleza and Brasilia, Brazil, July 15 - 16 2014:

The sixth BRICS summit was attended by Vladimir Putin (Russia), Dilma Rousseff (Brazil), Narendra Modi (India), Xi Jinping (China) and Jacob Zuma (South Africa), where, among other issues, the leaders signed an agreement on establishing a New Development Bank and a treaty on creating a Contingent Reserve Arrangement. They also established a ceiling of USD 100 billion on the Bank's charter capital, and agreed to distribute half of the sum among their countries.

The Fortaleza Declaration and Action Plan was adopted at this Summit, which, inter alia, reiterated the BRICS leaders' commitment to the UN General Assembly Open Working Group on Sustainable Development Goals (SDGs) and to working together to achieve a consensual and ambitious proposal on SDGs (MFA, Brazil: 2014). The leaders through the Declaration also emphasized the importance of the work by the Intergovernmental Committee of Experts on Sustainable Development Financing and highlight the need for an effective sustainable development financing strategy to facilitate the mobilisation of resources in achieving sustainable development objectives and supporting developing countries in the implementation efforts, with ODA as a major source of financing (MFA, Brazil: 2014).

The 7th BRICS Summit, Ufa, Bashkortostan, the Russian Federation, July 8–9 2015: The seventh BRICS summit was held in the Russian city of Ufa in Bashkortostan on 8–9 July 2015. Under the Theme: BRICS Partnership: A

Powerful Factor of Global Development, the summit was attended by Vladimir Putin (Russia), Dilma Rousseff (Brazil), Narendra Modi (India), Xi Jinping (China) and Jacob Zuma (South Africa).

The Ufa Declaration was signed which called for enhanced coordinated efforts in responding to the emerging challenges, ensuring peace and security and promoting development in a sustainable way among member nations. The Declaration, *inter alia*, expressed “the BRICS disappointment “with the prolonged failure by the United States to ratify the IMF 2010 reform package, which continues to undermine the credibility, legitimacy and effectiveness of the IMF” (Stuenkel: 2015). This refusal by the USA, they affirmed, “prevents the increase in the institution’s quota resources and the revision of quotas and voting power in favour of developing countries and emerging markets as agreed by an overwhelming majority of members, including the United States in 2010”. The declaration expressed the BRICS expectation from the United States “to ratify the 2010 reforms by mid-September 2015 as agreed in the IMF. They however reinstated BRICS preparedness to work on interim steps provided they deliver equivalent results to the levels agreed as a part of the 14th General Quota Review, and reaffirm commitment to maintaining a strong, well-resourced and quota-based IMF and, in this regard, urge other members to continue the reform process through the 15th General Quota Review without delay” (Stuenkel: 2015).

The BRICS leaders also held meeting with members of the Shanghai Cooperation Organisation (SCO) and the Euroasian Economic Union (EEU), during this Summit.

Eighth BRICS Summit, Goa, India, from October 15 – 16, 2016: The eighth BRICS summit, 2016 was held in Goa, India, from 15th – 16th October, 2016, under the Theme: Building Responsive, Inclusive and Collective Solutions. At the Summit, attended by the Prime Minister Narendra Modi, Chinese President Xi Jinping, Russian President Vladimir Putin, Brazilian President Michel Temer and South African President Jacob Zuma, the Goa Declaration was adopted which, *inter alia*, condemned terrorism in all its form, while stressing that there can be no justification for such acts, as international terrorism, especially the Islamic State (IS) is an unprecedented threat to international peace and security. The leaders declared the BRICS will take an active part in the global efforts to combat the menace (Dipanjan: 2018).

The Declaration also addressed the need to strike a balance between economic development and environmental protection, while welcoming the early entry into force of the Paris Climate agreement.

On the New Development Bank, the BRICS nations agreed that it should continue to focus on infrastructure, technology and renewable energy sectors, adding that “in order to further bridge the gap in the global financial architecture, the leaders agreed to fast track the setting up of a BRICS Rating Agency” (Nirmala: 2016). Other pertinent outcomes are as follows:

- reaffirmation of the commitment to increase effectiveness of the UN counter terrorism framework;
- need for adaptation of Comprehensive Convention on International Terrorism (CCIT) in the UN General Assembly was emphasised;
- reinstatement of the need to reform the United Nations, including UN Security Council, to increase representation of developing countries;
- there was a call for a resolution of the civil war in Syria, in accordance with the “legitimate aspirations of the people of Syria” and action against U.N.-designated terrorist groups like IS and Jabhat al-Nusra;
- agreement that all nations must counter radicalism and block sources of financing international terrorism, dismantling terrorist bases and countering misuse of the internet including social media;
- a collective appreciation of progress in the implementation of strategy for BRICS economic partnership and emphasise importance of BRICS roadmap for trade, economic and investment cooperation until 2020;
- the BRICS welcomed the adoption of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals and;
- leaders reiterated the BRICS’ determination to use all policy tools to achieve the goal of sustainable and inclusive growth.

4.0 CONCLUSION

The BRICS summit is the highest decision-making body of the BRICS association and it classically involves the direct participation of the BRICS Heads of States and Governments. It is largely an hallmark of BRICS multilateral diplomacy, as it not only attend to the issues bothering on relations between the BRICS member states but deal largely with the involvement, influence, thoughts and action plan of the BRICS as a multilateral entity vis-à-vis global governance, economic, political and environmental policies, as well as global financial management as it affects the entire world nations. As such, the BRICS, through the Summits has remained involved and continue to gain affluence in determining the future of international relations and multilateral diplomacy.

5.0 SUMMARY

This unit focused on the importance of the BRICS summits to the exercise of multilateral diplomacy. In highlighting the history, progression, issues and outcomes of the BRICS summits since 2006, we have captured the essence of the

summits as a forum where important decisions are made, which added to the rapidity of the progress made by the BRICS in transforming itself to a growing international organisation and a force to reckon with in the international system.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the highpoints of the major decisions in the BRICS summits between 2011 and 2016.

7.0 REFERENCES FOR FURTHER READING

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UNIT 4: THE FUTURE OF BRICS MULTILATERALISM

CONTENTS

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1.0 INTRODUCTION

We have learnt much about diplomacy, multilateral diplomacy, as well as the BRICS approach, organisation, progress and functioning within the sphere of multilateral diplomacy and international economic and political relations. It is therefore appropriate to devote this last unit to the future perspectives of the BRICS, possible challenges and the possibility of expansion. Using a comparative method, we are also going to be treating the question of whether or not Nigeria could be admitted into BRICS.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- understand the issues with the present composition, management, aspirations of the BRICS and future perspectives;
- explore the possible expansion of the association and;
- Focus on the possibility of Nigeria’s admission to the BRICS community in the future.

3.0. MAIN CONTENT

3.1. BRICS Nations and the BRICS Association: from Now to 2050

Anticipating the future of the BRICS association should begin with a cursory look at the future of the BRICS and its potentials for growth, both individually and collectively. It has been proved beyond doubt that a “country’s population and demographics, among other factors, directly affect the potential size of its economy and its capacity to function as an engine of global economic growth and development. As early as 2003, Goldman Sachs forecast that China and India would become the first and third largest economies by 2050, with Brazil and Russia capturing the fifth and sixth spots (Wilson *et al*: 2011). The chart below shows a more recent forecast of the world ranking of the biggest economies in the year 2050” (Global Sherpa: n.d.). Chart 2 shows a comparison of global ranking of the biggest economies in 2007 and 2050.

Chart 2: World ranking of the biggest economies in the year 2050



Source: Global Sherpa: <http://globalsherpa.org/bric-countries-brics/>

South Africa, which is the only country from Africa in the group, is presently the second largest economy in Africa.

The economic growth prospect of the BRICS member nations is indeed promising and so their rising affluence as emerging economic powers offers a glimpse into the promises and challenges of the BRICS states and the future wellbeing of the association.

Melissa Cyrill (2016), stating that many challenges lie ahead for the BRICS, as each of these emerging economies are presently on divergent growth paths, which in turn translate into differing priorities and the lack of a unified agenda, was also

positive that the future of the union could be ensured given the weight they owe in global economics and politics. Her words, which also contain a prescription for keeping the union, are thus:

....."since the five BRICS countries cumulatively hold considerable weight in global economics and politics, their continuing engagement serves well for stable growth prospects in the regions they encompass. This is why overcoming individual ambitions is a prerequisite if the trends toward deepening through institutionalisation (via the year-old New Development Bank and the proposed ratings agency) are to actually materialise. In that sense, it makes more sense for the BRICS quintet to subscribe to a well-defined economic scope to avoid getting caught in the quagmire of geopolitical rhetoric. Though such a mandate would be necessarily limited, seeking exclusively to promote investments and commercial collaboration, they would also invariably reflect the dynamism of these five powerful economies".

As reflected in our analysis of the similarities and disparities of the BRICS nations elsewhere in this manual, it appears that the statement, "unity in diversity", which has been the guiding principles of the BRICS association, in what Laetitia Mottet (2013) referred to as "cooperation and competition" will remain a point of convergence for the union. Although they have disparate pattern of growth, the fact that they all fall into the category of emerging economies and have similar vision of defending the interest of the south in global economics, political, trade, monetary, finance, development and diplomatic relations, should sustain the association as a force in the present development dispensation.

Moreover, the activities of the union so far, which tend to institutionalise the coalition, particularly through the creation of the New Development Bank and an alternative development financing and currency policy, are steps in the right direction for future of the BRICS association.

SELF ASSESSMENT EXERCISE 22

What do you think will be the next giant move of the BRICS in expanding its influence?

3.2 Scenarios of Opportunities and Challenges Facing the BRICS

Andrey Shapenko, Bulat Nureyev, Vladimir Korovkin and Dmitry Ontoev(2015) , in a research published in the BRICS Business Magazine of January 12 2015, examined the future of the BRICS association by using a scenario method.

It should be noted that in international development, scenarios are often employed to arrive at equations of possible futures of situations, events, programmes or organisation, where there are mixed indication of what the future of such situations could be. Scenarios are, therefore, the creation of postulated sequence or development of events, to “systematically and creatively think about plausible futures. Scenarios are plausible alternative futures - what might happen under particular assumptions. By focusing on key drivers, complex interactions, and irreducible uncertainties, scenario building generates the futures within which we can assess alternative mitigation strategies including the future without restoration. Scenario building generally involves eight key steps”, which are:

- identify focal issue or decision;
- identify driving forces;
- ranking importance & uncertainty;
- selecting scenario logics;
- flesh - out the scenarios;
- selecting indicators for monitoring;
- assessing impacts for different scenarios and;
- evaluate alternative strategies.

Shapenko *et al*, “taking into account the high degree of political and economic uncertainty in the world and the fact that the BRICS development context is anything but predetermined, used a scenario-based approach to address various degrees of political and economic integration of the BRICS countries in the face of global challenges. They chose a 15-year horizon, which is comparable to that used for investments in large infrastructure projects. It is this horizon that informs different development scenarios that they put forward for the future of the BRICS association”. While “presuming that the main international actors are very likely to change over the next 15 years, it is believed that the types of responses to global challenges that these actors could offer are unlikely to change compared to what we see today”.

It is against this background that the researchers predicted four most likely possible BRICS scenarios as follows:

- **Scenario 1:** maintain the status of a ‘club of emerging nations’ that exists to discuss a global agenda formulated by other countries and supranational alliances;
- **Scenario 2:** increase its ability to influence the global agenda using political integration tools such as expanding its membership and building a political alliance;
- **Scenario 3:** step up economic growth and trade between the BRICS countries by way of intensifying their economic integration and building a full-fledged economic union. Thanks to its growing economic power, this union will be able to find answers to the challenges faced by these countries;

- **Scenario 4:** pursue not only economic but also political and cultural integration. Economic integration, if boosted to a significant degree, will enable members to achieve sufficient global competitive edge to address global problems faced by all of humanity.

These four scenarios envisioned the BRICS association in the next fifteen years as a “Club”, an “alliance”, a “union” or a “corporation”. In effect, each scenario involves a different set of political and economic integration initiatives that would have to be implemented, such as “steps to introduce visa-free travel between these countries; the creation of supranational bodies that would take precedence over national ones; the development of joint solutions to security issues; the pursuit of a coordinated foreign policy; the creation of joint rapid response military forces; and the integration of adjacent regions”. Initiatives such as removing barriers to trade; ensuring greater connectivity between commodities, labour, and capital markets; or creating supranational bodies and free trade zones with other countries.

For ease of reference, see the following boxes for the full analysis of the scenario as compiled by Shapenko *et al* (2015).

The BRICS as a Club of Emerging Nations: This scenario (detailed in Box V) describes the BRICS at present and the plausible explanation for it retaining the status quo as a “club of emerging nations” is when it limits its activities to treating global agendas formulated by other countries or supranational alliances. If it remains unchanged, then the status quo of representing one of many voices in the international system, but a force to reckon with is still plausible in the next fifteen years.

Box V
Scenario 1: Club

Against the backdrop of global transformation, it turned out that further integration of the BRICS countries remained well out of their comfort zone, which is why the BRICS remained a club of emerging nations. Once a lofty and representative forum, today it is merely one of many voices in international politics. Each BRICS member nation prefers to pursue its own geopolitical and economic interests and take part in an ever-growing set of regional and international platforms, alliances, and clubs. At the same time, the deteriorating global economic situation pushes the BRICS countries to defend their national markets and resort to protectionism. Local economies remain resource-intensive and depend on borrowed innovations and institutions. The reluctance on the part of national governments to give up any part of their political and economic sovereignty, coupled with the entangled system of each country's external obligations, prevented them from forming supranational bodies. The BRICS continue to exist in the form of periodic meetings between their respective leaders. At the same time, the generation of the political elite that founded the club has already left the scene and their successors did not inherit sufficient political will to formulate a common vision. The expansion of BRICS never took place and many countries that 15 years ago were viewed as potential candidates to join the alliance created their own clubs (MINT, CIVETS, the Turkic Council, ALBA, and many others). Faced with the threat of long-term domestic instability caused by a number of institutional failings, each BRICS member decided to go it alone and entered into alliances with the G7 countries based on the calculation that influence within a specific region could be exchanged for a chance to influence the global agenda. The development of other more dynamic organisations caused the BRICS nations to focus more on alternate platforms, while experts predict that the BRICS Summit in 2030 will be the club's last. This scenario presupposes certain inertia and therefore may prove quite realistic; however, it does not allow for tapping into the entire political and economic potential of the 'Big Five.'

The BRICS as an Alliance: The second scenario (as detailed in Box VI) imagines the BRICS in reaction to lack of response to their call for the reforms of “world’s political and financial institutions”. It should be recalled that the BRICS establishment received a force of acceleration in the wake of the financial crisis, and the need to create a voice for developing and emerging economies. It is imagined that a lack of response will propel a desire for the BRICS association to increase its ability to influence the global agenda using political integration tools such as expanding its membership and building a political alliance. In this regard, BRICS will pursue expansion by admitting more member nations to the alliance, while strengthening their representation in the system of global governance institutions and communication platforms”.

Box VI
Scenario 2: Alliance

After Western countries continued to ignore calls to reform the world’s political and financial institutions, the BRICS countries focused their efforts on strengthening their political clout by way of creating a full-fledged international organisation. This organisation was called upon to convey to the developed community the agenda of the developing nations that are still struggling with economic problems and bearing the burden of structural reform. To increase their weight and ability to respond to key global agenda issues, the five countries preferred to put aside their historical disagreements and signed a breakthrough agreement on ways to ensure mutual security. At the same time, each country prefers to search for answers to common global economic challenges on its own or through existing international platforms. The BRICS Development Bank remains the only significant instrument of economic integration, which nevertheless, is predominantly used for financing politically motivated projects. The EU and the United States still remain the five countries’ main trading partners, which prevents them from discussing truly pressing issues. In an attempt to achieve this objective, the BRICS countries adopt a two-tiered strategy: strengthening their representation in the system of global governance institutions and communication platforms while simultaneously expanding their membership by opening doors to other countries. Argentina is the first country to join the alliance. Later, in an effort to boost the Eurasian agenda and contain China, Russia manages to bring Turkey into the fold, a move that is widely considered a major political success. A multi-tier membership system is formed in the alliance, with the result that Indonesia and Saudi Arabia are likely to be offered membership during the upcoming Summit of Emerging Nations in Ankara in 2030. Turkey, which had earlier withdrawn from NATO, and Vietnam have already been members of the alliance for over a decade, while individual members of MINT and CIVETS are going through various dialogue partnership stages. It took the founding countries of the Alliance a long time to complete an arduous negotiations process to determine the degree of sovereignty they were willing to give up in favour of the newly created organization. The agreement between the BRICS countries on ways to ensure mutual security has become a cornerstone document for building an Alliance of Developing Nations with its Secretariat in Mumbai, headquarters in Vladivostok, and Parliamentary Assembly in Istanbul.

Large-scale joint military exercises are held on a regular basis, while the Alliance's Collective Rapid Response Forces outperform regular armies of several developed nations, both in terms of personnel strength and military sophistication. The key challenge in this scenario is the need to overcome internal tensions, including competition in a number of regions, legacy border disputes (primarily between India and China), and reluctance to share even a part of these countries' sovereignty in favour of an alliance fully integrating all members. On the other hand, the fact that selected countries share certain problems does not mean that they perceive them as common. From this perspective, a positive case in point would be NATO, where countries with historical tensions dating back centuries manage to successfully co-exist in a single supranational military structure and jointly search for answers to political and economic challenges.

The BRICS as a Union: Scenario three (Box VII) is against the backdrop of the fact that the BRICS has been able to build in view of the fact that the BRICS nations have gone far in economic cooperation and a focus on building strong and sustainable economies in overcoming political challenges. Envisaging a future of a "Union" would mean "stepping up of the economic growth up economic growth and trade between the BRICS countries by way of intensifying their economic integration and building a full-fledged economic union". It is also possible that the BRICS will be able to find alternative answers to other countries challenges as a Union.

BOX VII

Scenario 3: Union

The deteriorating economic situation in the emerging markets, coupled with the launch of a third industrial revolution in the developed countries, prevented the BRICS from sustaining their previous economic growth. Against this backdrop, the leaders of the five countries opted for a strategy of national economic development by way of fostering integration. The BRICS' political agenda has become a mere function of its economic development, while the member nations follow a paradigm whereby a strong and sustainable economy may overcome political challenges of any magnitude. Over the last 15 years, the BRICS economic agenda has changed considerably. Having created numerous institutions to support business cooperation today, the 'Big Five' have become a powerful economic union. The BRICS countries are among each other's top 10 trading partners and have embarked upon the development of a common currency. However, this union is more than just another 'global free trade zone' – it is built on the concept of sustainable development and a new approach to innovation including technological development. What makes this approach unique is that the five countries are taking targeted and streamlined joint efforts to develop their innovation potential, factoring in the distinctive traits of their respective technological ecosystems and placing a greater emphasis on innovations for citizens at the 'bottom of the pyramid.' Pursuing their institutional development, the BRICS countries are not setting their sights on a technological race on the developed markets; rather, they are trying to find solutions to their most vital domestic problems: natural resources, the environment, and social issues. These solutions include 'precision land farming,' 'precision production,' and social business tools. The technologies they produce are highly sought after in the emerging markets, including the poorest countries, and stimulate sustainable social and economic development in the world. These technologies are already starting to penetrate the 'tip' of the pyramid, finding their way to the developed markets, which brings about the creation of a global technological ecosystem as an alternative to the existing one that is based on the concentration of research capabilities in Western countries and Japan. In this environment, the BRICS Economic Union narrows down its foreign policy agenda and focuses more on cooperation with other trade blocs and isolated countries (creating Free Trade zones, stepping up work in various regions of the world, and diversifying its projects portfolio). However, the union's primary objective remains the pursuit of deeper economic integration. The main supranational body of the BRICS nations is the Economic Commission based in Shanghai to which both the Development Bank and the Monetary Fund report. A single BRICS Merchant Fleet Directorate was also set up to deal with transportation issues inside the Union. The BRICS countries conduct a common foreign trade policy with thousands of common trading houses all over the world. Moreover, against the backdrop of persisting economic instability in foreign markets and disintegration of the eurozone, the BRICS Economic Union set up its own Ministry of Planning and Forecasts with the task of analysing the competencies and production capacities of the BRICS countries in long-term complex strategies. The BRICS economic integration initiative, if it is to become a reality, will have to overcome the following key challenges: low level of mutual trade, weak economic ties, and mutual competition in third markets.

The BRICS as a Corporation: This scenario would see the BRICS not only pursuing economic but also political and cultural integration in what the authors

called “a broader global agenda”, as, “ economic integration, if boosted to a significant degree, will enable members to achieve sufficient global competitive edge to address global problems faced by all of humanity”. Success towards this scenario coming through will be on function of the ability of the BRICS countries to project a common future in all the spheres of the aforementioned broader global agenda.

Box: IIX Scenario 4: Corporation
<p>The limited potential offered by initiatives to grow trade inside the ‘Big Five’ underscored the need to consolidate their economic and political tools to address broader global challenges. Given the primacy placed on economic integration, the global competitiveness of the BRICS became the key factor driving their further development. At the same time, it is also the BRICS that have become the main agent to solve the problems of the developing world. Representing key continents that act both as drivers of global growth and a source of key global problems, the BRICS countries have become the main agent to address universal challenges and are not forced to pursue objectives falling outside their political and economic interests. Economic, digital, cultural, and educational contacts between the BRICS countries are on the rise. Their societies are learning to plan the future of the entire world. Companies from Brasil, Russia, India, China, and South Africa are running development projects on a global scale, while the alliance’s political subsystem supports its economic power. A particularly illustrative example is a large-scale infrastructure project called ‘The African Crossroads’ to build transport communications between the largest countries of Central, East, South, and West Africa. More than 300 companies from the ‘Big Five’ countries joined their efforts to implement this project, while the BRICS Rapid Response Forces acting under a UN mandate provided security during the construction of the continental transport artery. These examples are constantly growing in number: Latin America has become a global hub for biotechnologies, China’s Northeast manufacturers more high tech products than the remaining countries in the Asia-Pacific region put together, while Russia has become the global hub of fundamental sciences. Deeper integration as a priority did not lead to its expansion; instead of being integrated, each member country became a political, technological, and economic leader in its own region assuming the responsibility for the development of its neighbouring countries. The BRICS nations now serve as role models in a broad range of key areas. Models of behaviour and public wealth distribution, education and public governance, business practices, healthcare, and sustainable development practices are implicitly integrated in any BRICS project. The BRICS system of governance is based on a corporate model where the Parliamentary Assembly acts as a ‘supervisory board,’ while the ‘corporation’s CEO’ and the ‘Board of Directors,’ consisting of these countries’ heads of government, exercise day-to-day management. They manage specific problem resolution functions – committees and commissions dealing with innovation, culture, defence, social issues, and business development. We realise that, apart from the domestic challenges characteristic of BRICS alone, such as the need to create a new model governing relations between states and an effective system of checks and balances on such a scale, this scenario does not factor in the challenges and opportunities offered by the previous scenarios. The contemplated evolution of events in and of itself does not provide any preconditions for the BRICS countries to emerge in that role, and whether this scenario could be successfully implemented depends on the ability of the BRICS countries to project a common future.</p>

The study concluded that any of the scenarios is possible for the BRICS in the future. However, it could not affirm the possibility of BRICS realising its full potential.

Indeed, “the success of the BRICS would depend on the ability to survive today’s global challenges while, within them, maintaining a consistent integrative strategy and using their available resources efficiently. It could also be deduced from the scenarios that “the future of BRICS will involve not only the five countries in question but also the rest of the world, which, more than ever, needs new international institutions capable of proposing alternative approach to addressing intertwining global economic, environmental, sociological, peace and governance challenges. It is expected that emerging international institutions must be able to

tackle global challenges in ways different from those of traditional institutions, such as the EU and NATO.

In the final analysis, it has been established that the creation the BRICS association was a necessity, given the trends in global affairs at the point of its creation. This, and the fact that it presently has the potentials to grow in stature is evident in the following assertion by Shapenko *et al* (2015):

“If the BRICS didn’t exist, a similar concept would have to be invented because the challenges faced by humanity require that we act outside of our customary parameters. Looking at the history of the European Union one could say with certainty that, if there is one lesson to be learned from the Western European experience, it is that the hope for a utopia starts with an attempt to institutionalise a common dream for the future”.

SELF ASSESSMENT EXERCISE 22

Compare and contrast the four scenario of the BRICS future outlook and analyse whether one or two are most likely to apply, than the others - in the next fifteen years.

3.3 Exploring the “Expansion” Scenario and the Debates on Nigeria’s Admission into BRICS.

In line with the expansion scenario as described above, there has been speculations in the last two years of the imminence of expanding the BRICS association with other emerging economies and developing nations being invited and accepted as members of the BRICS Nations.

The Russian Insider in May, 2015, while evoking the issue of an invitation to Greece by Russia, quoted Vadim Lukov, Russia’s deputy representative to BRICS, saying in an interview that “this might take a year or two, but this (the expansion of the BRICS to include other countries) is an absolutely unavoidable process”. “There are whole numbers of countries that want to join BRICS, major developing economies”, he pursued further.

Indeed, there have been speculations of the expansion theory for the BRICS, and which countries were the next likely members to join the bloc. The point about its expansion, having been ascertained by analyst as imminent in the development of the association, is more or less now focused on the likely candidate nations.

In this regard, countries like Indonesia, Greece, Turkey, Mexico..etc have been put forward as potential members of the BRICS, owing to certain trends in their development trajectories.

It should be recalled that when South Africa joined the BRICCS in 2011, it was Africa's largest economy and there were already debates at that time, on the likelihood of Nigeria becoming a member of the BRICS bloc. Now that Nigeria has overtaken South Africa as the number one Africa's economy, the possibility of it being admitted into the BRICS stands possible.

In December, 2011, during a BBC World Service's Business Daily programme brought together the finance ministers from, Nigeria and South Africa, the then Nigeria's Minister of Finance, Ngozi Okonjo-Iweala, gave a glimpse into Nigeria's interest and readiness to join the BRICS bloc when she said:

“Well, we don't like to feel left out because we know we are going to get there. I mean Nigeria has all the fundamentals to be one of the BRICS. And I think that I always have this one saying that 'if you are not in Nigeria, you are not in Africa because our fundamentals: that we are the largest country in terms of population; we are growing at a very respectable rate of 7% and better for the past couple of years; we have got both the natural resource base; but also the human resource base to be able to do better”. And I think that when we take care of several of the constraints that is holding our economy back, for instance we have constraints on power, which is holding our industry back. When we solve those problems, we are going to be in the low double digits and that will parachute Nigeria into the BRICS.

Although some of the challenges, like the constraints on power, still persist for Nigeria, a rebasing of the economy in 2014 has made the country the biggest economy in Africa. With the assumption that South Africa was considered for membership, given the size of its economy as at 2011, there is more reason to think that Nigeria is a potential member of the BRICS association (The Economist : 2013).

Apart from this fact, Nigeria has been named as part of the MINT countries. MINT is an acronym signifying the economies of Mexico, Indonesia, Nigeria, and Turkey. The MINT term was originally created by Fidelity Investments, a Boston-based asset management firm, and was popularised by Jim O'Neill of Goldman Sachs, who created the BRIC term in 2003. Primarily used in the economic and financial spheres as well as in academia, it has grown especially in the investment sector, to refer to the bonds issued by these governments. Nigeria is counted part of the MINT group as a middle-income mixed economy and emerging market with expanding financial, service, communications, and entertainment sectors, ranking 20th in the world in terms of Gross Domestic Product at purchasing power

parity as of 2015, and largest within Africa, on track to become one of the 20 largest economies in the world in terms of nominal GDP by 2020 (Wright, 2014)..

These attributes also made Nigeria one of “The Next Eleven” (also known as the numeronym N-11) countries, a larger group that comprises of the MINT and other emerging and promising economies. “The Next Eleven” are: Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, Turkey, South Korea and Vietnam (Oladele:2018). They were identified by Goldman Sachs and Jim O'Neill in a research paper as nations having a high potential of becoming, along with the BRICS countries, among the world's largest economies in the 21st century. Using the criteria of macroeconomic stability, political maturity, openness of trade and investment policies, and the quality of education, “The Next Eleven”, were selected based on promising outlooks for investment and future growth, on December 12, 2005. At the end of 2011, the four most prominent countries in “the Next Eleven”, Mexico, Indonesia, South Korea and Turkey, made up 73 percent of all Next Eleven GDP. BRIC GDP was \$13.5 trillion, while MINT GDP at almost 30 percent of that: \$3.9 trillion (Daziano: 2014).

Invariably, all the MINT countries have been identified as performing and emerging economies and side-by-side- with the BRICS economies. They are also countries susceptible of creating their own bloc or becoming part of the BRICS group. If any the countries so desire and is admitted, then BRICS would have to change its name to accommodate the initials of whichever and how many of them eventually joins the fold.

4.0 CONCLUSION

The four scenarios on the future of the BRICS association, painted a picture of the options available for BRICS in building the association. The options and outcome would however depend on how the global situation evolves and future decisions and orientations by the BRICS. The BRICS could remain a “Club of emerging economies”, “an Alliance”, a “Union” or a “Corporation”. Although it is early to state exactly how the association will evolve within the next fifteen years, it is believed that all the four scenario are possible, considering the variability of the desires by the BRICS member nations and external factors in the global arena. The “Expansion” Scenario, linked to the BRICS becoming an alliance, will call for admission of other emerging economies to become member states. Nigeria as part of the MINT and “The Next Eleven”, may become a member, but this also a matter of choice and decisions by both the BRICS and Nigeria.

5.0 SUMMARY

This unit focused on the future of the BRICS association and scenarios of possible posture in the next fifteen years. Even though a definite future of the BRICS could not be ascertained, there are already pointers to this in the pictures painted by the scenarios and debates on the expansion of the association to include new members. As one of the objectives of your course of study, B.Sc. International and Diplomatic Studies, is to acquire critical thinking, analytic and communication skills within an international context, being able to make meaningful contributions in the area of international and diplomatic studies, you are expected to continue to take interest in the events around the BRICS, which poise to continue to contribute to the shaping of international relations and multilateral diplomacy landscape of the future.

6.0 TUTOR-MARKED ASSIGNMENT

Make a case for Nigeria and Indonesia as a future Member of the BRICS

7.0 REFERENCES FOR FURTHER READING

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