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Содержание • 17(1) • 2024

ИССЛЕДОВАТЕЛЬСКИЕ СТАТЬИ

- 7 Назаров В.П. – Национальные интересы во внешней политике России

Тематический номер «БРИКС в меняющемся мировом порядке»

- 22 Апанович М.Ю., Фулуфело Нетсвера – Вступительная статья: Роль БРИКС в меняющемся мировом порядке

- БРИКС в глобальном управлении*
26 Габриэль Рашед, Рафаэла Мелло Родригес де Са – Пятнадцатилетие БРИКС: вызовы и возможности для развивающихся стран в изменяющемся институциональном ландшафте

- 46 Дилан Янано Мангани – На пути к альтернативному глобальному управлению: подходы стран БРИКС

- 65 Шэнь Ци, Цзоу Сяолун – Эволюция сотрудничества по глобальному климатическому управлению между странами БРИКС: от РКИК до Парижского соглашения

БРИКС и многосторонняя помощь развитию

- 86 Бруну де Конти, Сиру Фаччин – Препятствия и возможности для активизации деятельности Нового банка развития в Бразилии

- 113 Дмитриева В.А., Кузнецов Д.А. – Роль Фонда ИБСА в политике помощи развитию стран – членов ИБСА и БРИКС

КНИЖНЫЕ РЕЦЕНЗИИ

- 135 Зенкина Е.В. – Мировая экономика и международный бизнес для студентов, исследователей и практиков

Table of Contents • 17(1) • 2024

RESEARCH ARTICLES

- 7 Vladimir P. Nazarov – National Interests in Russia's Foreign Policy

Special Issue:

BRICS in an Evolving World Order

- 22 Maria Apanovich, Fulufhelo Netswera – Editorial: BRICS in an Evolving World Order

BRICS in Global Governance

- 26 Gabriel Rached, Rafaela Mello Rodrigues de Sá – BRICS 15 Years On: Challenges and Opportunities for Emerging Countries in the Shifting Global Institutional Landscape
- 46 Dylan Yanano Mangani – BRICS as a Catalyst for Global Governance Transformation: Beyond Western Perceptions
- 65 Qi Shen, Xiaolong Zou – Evolution of Cooperation among BRICS Countries in Global Climate Governance: From UNFCCC to the Paris Agreement

BRICS and Multilateral Development Assistance

- 86 Bruno De Conti, Cyro Faccin – Challenges and Opportunities for Maximizing the Utilization of the New Development Bank in Brazil
- 113 Valentina A. Dmitrieva, Denis A. Kuznetsov – The Role of the IBSA Fund in Foreign Aid Policies of IBSA and BRICS Member States

BOOK REVIEWS

- 135 Elena V. Zenkina – World Economy and International Business for Students, Researchers and Practitioners



Национальные интересы во внешней политике России

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В статье рассматривается категория «национального интереса», которая занимает центральное место в теории национальной безопасности, поскольку именно защита и реализация национальных интересов составляет суть государственной политики в области обеспечения национальной безопасности. На основе исторического анализа раскрываются истоки возникновения, становление и развитие данной категории. Особое внимание уделяется представителями американской школы политического реализма современной трактовке тех аспектов понятия «национальная безопасность», которые имеют существенное значение для практической политики – стратегического целеполагания, а также принятия решений в области внешней политики и политики безопасности. Подробно анализируются особенности российских подходов к проблеме национальных интересов в XIX — начале XX веков, в советский период. Предложена авторская хронология трансформации подходов к проблеме национальных интересов в Советской России и СССР. В статье рассматриваются вопросы роли и влияния национальных интересов на внешнюю политику современной России. На предмет соответствия реальным национальным интересам Российской Федерации анализируются действующие документы стратегического целеполагания, в которых задачи политики в области обеспечения национальной безопасности или внешней политики порой отождествляются с национальными интересами, в то время как они должны лишь обеспечивать их реализацию.

Делается вывод, что определение национальных интересов имеет исключительно важное не только научное, но и практическое значение, поскольку их ясное формулирование должно составлять основу любого политического целеполагания. Например, применительно к России, с учётом особенностей её географического положения, исторического опыта в отражении угроз безопасности, важнейшим национальным интересом является создание пояса безопасности и добрососедства по периметру наших границ и обеспечение свободного выхода в Мировой океан и безопасности транспортных коммуникаций. В целом подход к определению позиции по отношению к любой международной проблеме или постановке задач внешней политики должен начинаться с определения того, в чём заключаются национальные интересы страны применительно к конкретной рассматриваемой сегодня ситуации. Именно понимание национального интереса является ключом к принятию оптимального политического решения. Таким образом, проблематика национальных интересов, их определение и реализация, является весьма актуальной и важной научно-практической задачей.

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Цель статьи заключается в рассмотрении с позиций исторического и сравнительного анализа категории «национальные интересы», которая является центральной в теории национальной безопасности. Имеется в виду – проследить эволюцию данной категории в отечественной научной мысли и политической практике с XIX в. до настоящего времени и сопоставить её с подходами к национальным интересам, выработанными в рамках политического реализма.

Национальные интересы составляют основу национальной безопасности, поскольку сама деятельность по её обеспечению представляет собой не что иное, как защиту и реализацию национальных интересов. Как справедливо отмечает А.А. Кокошин, национальные интересы, наряду с понятием «национальная безопасность», – важнейший инструмент практики государственного управления (Кокошин 2015).

Главная сложность и внутренняя противоречивость понятия «национальные интересы» заключается в том, что, хотя эти интересы имеют *объективный* характер, они формулируются и трансформируются в практическую политику *субъектами* политики. Эта важная особенность рассматриваемой категории может сказываться на степени адекватности реального политического курса конкретного государства его национальным интересам.

Понятие «национальный интерес» производно от общей категории «интерес» (от лат. *interest* – имеет значение, важно). В словаре В.И. Даля интерес определён как «занимательность или значение, важность дела»¹. В словаре С.И. Ожегова интерес определяется как «внимание, возбуждаемое по отношению к кому(чему)-то значительному, важному, полезному или кажущемуся таким»². Таким образом, общий смысл понятия «интерес» одинаков – «иметь значение».

В социологии интерес есть причина социальных действий индивидов и социальных групп. В философии интерес понимается как категория, отражающая осознанную потребность – индивидом, социальной группой или обществом, выражение ценностных ориентаций³. В политологии интерес трактуется как

¹ Даль В.И. 2015. *Толковый словарь живого великорусского языка в 2-х томах*. Москва: Издательство РООССА. Том I. 720 с.

² Ожегов С.И. *Словарь русского языка*. Под ред. чл.-корр. АН СССР Н.Ю. Шведовой. 20-е изд., стереотип. М.: Рус. яз., 1989. 750 с.

³ Кикель П.В., Сороко Э.М. 2008. *Краткий энциклопедический словарь философских терминов*. Минск: БГПУ. 266 с.

совокупность духовно-нравственных, политических, социальных, экономических, других потребностей нации, имеющих приоритетное значение для её существования, развития и воспроизводства⁴.

В качестве рабочего определения можно принять следующее: интересы – это осознанные потребности, вытекающие из национальных ценностей и сформированные государством, обществом, социальной группой, индивидом в целях достижения благоприятных условий стабильного существования и устойчивого развития. Интерес имеет ценностную основу.

Краткая история вопроса

Понятие «интерес» коренится в традиции политического реализма, истоки которой традиционно возводят к трудам Фукидида. Наиболее ярко эта традиция представлена в его «Истории Пелопонесской войны», особенно в реконструированном им диалоге между афинянами, выступавшими с позиции силы, и мелийцами, апеллировавшими к морали и справедливости (Фукидид 1999: 90).

Идея государственного интереса получила распространение в позднее Средневековье (XIV–XV вв.) по мере отхода от концепции двойного (папского и имперского) универсализма, в соответствии с которой постулировалось единство христианской Европы, а отдельные государства рассматривались лишь как части единого целого. Отказ от универсализма вывел на первый план особое значение государства, благополучие которого объявлялось главной целью правителя и, собственно, составляло государственный интерес.

Итальянский мыслитель, философ и писатель Никколо Макиавелли в своих работах «Князь» (1532 г.) и «Рассуждения на тему первой декады Тита Ливия» (1531 г.) раскрывает роль государства и обосновывает идею объединения Италии и её освобождения от иноземного господства. По мнению Макиавелли, истинная миссия князя заключается в объединении земель. Говоря современным языком, это и есть национальный интерес.

Однако творцом доктрины государственного интереса считается французский премьер-министр и кардинал Ришелье, который, в отличие от Макиавелли, в силу своего положения, имел достаточно возможностей, чтобы реализовать свои идеи на практике. Доктрина Ришелье включает в себя три положения: правитель, тем более абсолютный монарх, господствует не в своих личных интересах, а в интересах государства; государственный интерес возвышается над всеми групповыми, в особенности сословными, интересами, которые должны быть ему подчинены; государственный интерес оправдывает любое действие, которое служит его реализации и в этом смысле находится выше идеологических, религиозных или моральных принципов.

⁴ Рогозин Д.О. 2004. *Война и мир в терминах и определениях. Военно-политический словарь*. Москва: ПоРог. 334 с.

Таким образом, западная политическая мысль приобрела открыто прагматический характер и освободилась от моральных ограничений. Это соответствовало реалиям эпохи, в которой централизованные государства становились основными субъектами международных отношений.

В XVII столетии в Англии идеи абсолютизма развил Томас Гоббс, в частности в своём труде «Левиафан» (1651 г.). В качестве политико-правовой доктрины абсолютизм порывал с типичным для феодализма пониманием монархической власти как отношений между сеньором и его вассалами. Такая власть неизбежно была ограничена традициями и правами вассалов. Абсолютный властитель вставал над всеми подданными, его власть ничем не ограничивалась.

Государственным интересом признавалось не обязательно то, что лучше для народа, а то, что считают таковым лица, принимающие политические решения.

Эти идеи создали основу для современного понимания «национального интереса», которое было сформулировано основателем школы политического реализма, американским политологом Гансом Моргентау. Закономерности международной политики он выводил из универсальных черт человеческой природы, в первую очередь стремления к господству. Национальные интересы он определяет в категориях силы. В таком понимании преследование государствами своих национальных интересов неизбежно должно приводить к конфликтам между ними. Каждое государство стремится, прежде всего, к самосохранению путём максимизации своей силы. Г. Моргентау определяет национальные интересы как долговременные, жизненно важные для всей нации выражения общности (Morgenthau 1951: 33–34).

Российские подходы к национальным интересам в XIX – начале XX вв.

Отечественные подходы к вопросам определения и трактовки национальных интересов нашей страны как в XIX, так и в XX вв. формировались преимущественно на волне оппозиции и резкой критики официальной внешней политики.

Так, идеологи славянофильства – И.В. Киреевский, К.С. Аксаков и А.С. Хомяков – в 30–40-е гг. XIX в. осуждали политику Николая I за её отчуждение от народной почвы, порождённое немецким культурным влиянием на русскую государственность. После Крымской войны, особенно в 1860–70-е гг., автор капитального труда «Россия и Европа» Н.Я. Данилевский указывал на ошибочность курса Николая I на поддержание статус-кво и противодействие «революционной заразе» в Европе. Он полагал, что первостепенным государственным интересом является установление контроля над черноморскими проливами и обеспечение политического и культурного лидерства России среди славянских народов. Это позволило бы России окончательно закрепить за собой статус законного и полноправного участника мировой истории в качестве сверхдержавы того времени. Данилевский и другие идеологи русского национализма, такие

как И.С. Аксаков, Н.П. Гиляров-Платонов, указывали на антагонизм не только культурно-религиозных, но и политических интересов России и Европы, призывали к обретению и укреплению национальной идентичности.

Представители русского консерватизма указывали, что Россия – православная страна, поэтому основным принципом российской политики, иными словами, её «национальным интересом», должно стать утверждение православной идеи в мировом масштабе. «Основной принцип, которого мы должны придерживаться при решении Восточного вопроса, есть православие, – писал идеолог позднего славянофильства генерал Киреев, – что ему вредно – вредно России, что ему на пользу, полезно и нам» (Межуев 1997).

В отечественной политико-философской мысли XIX в. категория «национальный интерес» отождествлялась, прежде всего, с идеями особого славянского культурно-исторического типа, православия, народности, имперского принципа, самодержавия, то есть базировалась на идейной, нематериальной основе. Наиболее заметными идеологами продвижения идеи национального интереса можно считать В.О. Ключевского и И.А. Ильина.

В частности, В.О. Ключевский в своих знаменитых лекциях о русской истории отмечал: «Вековыми усилиями и жертвами Россия образовала государство, подобного которому по составу, размерам и мировому положению не видим со времени падения Римской империи. Но народ, создавший это государство, по своим духовным и материальным средствам ещё не стоит в первом ряду среди других европейских народов». Таким образом, проводя исторические параллели, В.О. Ключевский формулирует одну из центральных задач при формировании национального интереса – необходимость выстраивания адекватного условиям времени и ситуации гражданского общества России, способного отвечать на угрозы и вызовы безопасности страны.

Для современной России, где в течение 30 последних лет гражданское общество формировалось под значительным влиянием западных ценностей, данный посыл представляется более чем актуальным.

И.А. Ильин отмечал, что Европа не знает нас, потому что ей чуждо славяно-русское созерцание мира, природы и человека. Западноевропейское человечество движется волею и рассудком. Русский человек живёт, прежде всего, сердцем и воображением, и лишь потом волею и умом. Поэтому средний европеец стыдится искренности, совести и доброты как «глупости»; русский человек, наоборот, ждёт от человека, прежде всего, доброты, совести и искренности. Европейское правосознание формально, чёрство и уравниательно; русское – бесформенно, добродушно и справедливо. Относительно сущности государства И.А. Ильин считал: «Государство есть не корпорация («всё снизу») и не учреждение («всё сверху»), но сочетание того и другого. Государство есть учреждение, которое ищет в корпоративном духе и в корпоративной форме – народного доверия и прочности и потому чтит свободу своих граждан и добивается их

сочувствия и содействия; и в то же время государство есть корпорация, которая ищет в учреждении силы и прочности, и потому чтит авторитет своей власти и не посягает на её свержение и поругание» (Ильин 1956: 56).

В советский период главной национальной идеей являлась коммунистическая идеология, иными словами, государственные (национальные) интересы, как и в царской России, базировались на идейной, нематериальной основе. Эта национальная идея, однако, подвергалась определённой корректировке в соответствии с меняющейся обстановкой. При этом само понятие «национальные интересы» отсутствовало. Национальные интересы отождествлялись с государственными и формулировались решениями партийных органов.

В этой связи автором предлагается следующая периодизация трансформации государственных и национальных интересов Советской России и СССР. Суть этой трансформации заключается в постепенном переходе от целей мировой социалистической революции, которые по существу означали интернационализацию государственных интересов, к задачам защиты и укрепления СССР, когда поддержка мирового рабочего и коммунистического, а также национально-освободительного движений всё в возрастающей степени становилась лишь инструментом обеспечения безопасности Советского Союза. С известным упрощением можно даже утверждать, что борьба с оппозиционными и антипартийными группами, которыми изобилует история КПСС в довоенный период, включая репрессии конца 30-х гг., во многом отражают именно борьбу этих двух подходов к определению национальных интересов.

Хронология смены парадигмы национального интереса Советской России и СССР

1. Период военного коммунизма (1917–1921). Цель Советской России в этот период состояла в мировой революции, т. е. в интернационализации национальных интересов. В.И. Ленин в письме Я. Свердлову и Л. Троцкому от 1 октября 1918 г. указывал: «Международная революция приблизилась... на такое расстояние, что с ней надо считаться как с событием дней ближайших». 6 марта 1919 г. он же в заключительной речи при закрытии I (учредительного) конгресса Коминтерна заявил: «Победа пролетарской революции во всём мире обеспечена. Грядёт основание международной Советской республики». Председатель Исполкома Коминтерна Г. Зиновьев в октябре 1919 г. объявил, что в течение года мировая революция распространится на всю Европу. На Втором конгрессе Коминтерна в 1920 г. представители Советской России пообещали, что не остановятся, пока федерация Советских республик не станет всемирной. Позднее вновь и вновь инспирировались восстания в Германии, предпринимались попытки поднять на борьбу рабочих в Эстонии, Болгарии и Польше, но безуспешно.

Задачи по осуществлению мировой революции включали в себя: а) мобилизацию отечественной промышленности в интересах обороны, установление государственного контроля над средствами производства, политику «военного коммунизма»; б) создание в 1919 г. Коммунистического Интернационала во главе с Зиновьевым для содействия зарубежным коммунистическим и рабочим партиям в деле победы мировой революции.

2. Переход к новой экономической политике (1921–1927). В этот период происходит временное тактическое отступление, которое знаменуют решения X съезда ВКП(б) и Декрет Совета Народных Комиссаров «О проведении в жизнь начал новой экономической политики».

Смерть вождя мировой революции в 1924 г. поставила большевиков в непростую ситуацию: им нужно было выбирать дальнейший путь развития советского государства. Радикальные интернационалисты, которых возглавлял Л. Троцкий, считали, что курс нельзя менять: Россия должна стать «топливом для разжигания пожара мировой революции», и поставленных целей не достичь без «вовлечения европейских пролетариев». С ним спорил и в итоге победил И. Сталин с непопулярной в то время идеей построения социализма в отдельно взятой стране. Однако при этом СССР, по взглядам И. Сталина, по-прежнему оставался плацдармом, «базой мирового революционного движения». В 1925 г. Сталин писал, что Рабоче-Крестьянская Красная Армия должна стать «оплотом освобождения капиталистических государств от ига буржуазии».

Задачи этого периода состояли в а) переходе к плановому руководству народным хозяйством, восстановлении народного хозяйства; б) активном содействии Коминтерну в деле укрепления и развития международного коммунистического и рабочего движения во имя победы мировой революции.

3. Первые пятилетки и коллективизация (1927–1941). Основной целью СССР в этот период становится построение социализма в одной отдельно взятой стране; мировая революция из ближайшей становится долгосрочной, стратегической целью. Зародившееся в те годы в европейских странах фашистское движение потому и называлось реакционным, что оно стало реакцией на коммунистическую угрозу. Фашизм закономерно стал идеальной мишенью международной политики СССР. В 1935 г. именно борьбу с фашизмом Коминтерн выводит на передний план своей деятельности, а идеи мировой революции отходят на второй план, уступая место антифашистской пропаганде. Так, Советский Союз помогал носителям «красной» идеологии в Испании. Когда левые республиканцы не смогли удержать власть и началась гражданская война, им на помощь пришли более 1800 советских военных специалистов. СССР выдал Испанской республике огромный кредит, снабжая её военной техникой и продовольствием. Одновременно по линии Коминтерна продолжалась поддержка зарубежных коммунистических и рабочих партий, усилия которых направлялись на борьбу с фашизмом.

Задачи СССР этого периода состояли в а) коллективизации и индустриализации – создании промышленной и производственной базы для развития страны и борьбы с внешним агрессором; б) Коминтерн продолжает играть важную роль, но уже как инструмент советской политики в деле организации внешней поддержки СССР как единственного государства, победившего социализма, а также борьбы с троцкизмом и фашистской угрозой.

4. Великая отечественная война (1941–1945). Основная цель СССР в этот период – отражение агрессии, победа над фашистской Германией и милитаристской Японией. Для достижения этой цели необходима была а) мобилизация всех сил и ресурсов страны; б) создание и укрепление антигитлеровской коалиции.

По требованию руководителей США и Великобритании, которые поставили это условием открытия второго фронта, Коминтерн был распущен в 1943 г. В том же году был создан Отдел международной политики ЦК ВКП(б) во главе с Георгием Димитровым, который в 1957 г. был преобразован в международный отдел ЦК КПСС. Фактически этот орган ЦК явился преемником упраздненного Исполкома Коминтерна, хотя параллельно некоторое время существовал образованный в 1947 г. Коминформ, который прекратил существование в 1956 г. вскоре после XX съезда КПСС.

5. Послевоенное строительство (1946 – конец 1970-х гг.). Основная цель данного этапа – создание во главе с СССР сильного социалистического лагеря стран народной демократии, активная поддержка деколонизации, национально-освободительных движений и государств социалистической ориентации; принцип мирного сосуществования и соревнования двух систем во внешней политике. Иллюстрацией целей СССР могла бы служить знаменитая фраза Н.С. Хрущева, адресованная западным послам на приёме в польском посольстве в Москве 18 ноября 1956 г.: «Нравится вам или нет, но история на нашей стороне. Мы вас похороним». Иными словами, социализм (и в последующем – коммунизм) представляет собой более эффективный экономический уклад и, следовательно, переживёт капитализм. Имелся в виду известный тезис Маркса о том, что пролетариат является могильщиком капитализма. Фраза, вырванная из контекста западными СМИ, звучала в обратном переводе с английского как «мы вас закопаем» и произвела ужасающее впечатление на Западе⁵.

Для достижения указанной выше цели необходимо было восстанавливать народное хозяйство – достичь довоенного уровня развития промышленности и сельского хозяйства, а затем превзойти его. XXII съезд КПСС в 1961 г., принявший программу построения коммунизма, поставил задачи выйти на первое место в мире по производительности труда, перейти к коммунистическому самоуправлению, воспитать нового всесторонне развитого человека. Коммунизм намечалось построить к 1980 г.

⁵ 'We Will Bury You'. 1956. *Time Magazine*. November 26.

6. Политика разрядки международной напряжённости (1973–1985). СССР в это время занят поисками договорённостей с ведущими странами Запада, подписываются соглашения в области контроля над стратегическими оборонительными и наступательными вооружениями, Хельсинский заключительный акт общеевропейского совещания. Поддержка коммунистических и рабочих партий, а также национально-освободительных движений в «третьем мире» (Ангола, Мозамбик, ЮАР и др.) продолжалась, хотя масштабы её значительно сократились, в том числе в связи с войной в Афганистане (1979–1989).

7. Политика перестройки (1985–1991). Целью СССР становится политика перестройки, демократизации, гласности, приоритет общечеловеческих ценностей как основа государственной политики в противовес идеологии КПСС о «классовом подходе» и «классовой морали». Сделанное под давлением Запада М.С. Горбачёвым в 1989 г. заявление об отказе от «доктрины Брежнева», которая предполагала поддержку социалистических стран, в том числе военными средствами в случае угрозы социалистическому строю, привело к развалу социаллагеря. Коммунистические режимы в странах Восточной Европы, располагавшие солидными силовыми возможностями, всеми средствами для обеспечения внутренней стабильности, но оставшиеся без поддержки СССР, просто капитулировали перед шумной, но разрозненной и достаточно слабой прозападной внутренней оппозицией.

Подмена интересов государства, национальных интересов абстрактными общечеловеческими ценностями привела нашу страну к упадку и деградации государственности. В итоге Россия в 1990-х гг. фактически попала под внешнее управление. В полной мере доказал справедливость вывод Г. Моргентау: «Внешняя политика, которая руководствуется моральными абстракциями, обречена на поражение» (Morgenthau 1951: 33–34).

Современная Россия

Что касается новой России, то для ситуации в начале – середине 1990-х гг. весьма характерной иллюстрацией можно считать содержание беседы министра иностранных дел России Андрея Козырева с экс-президентом США Ричардом Никсоном, в ходе которой А. Козырев заявил: «Одна из проблем Советского Союза состояла в том, что мы слишком как бы заиклись на национальных интересах. И теперь мы больше думаем об общечеловеческих ценностях. Но если у Вас есть какие-то идеи и Вы можете нам подсказать, как определить наши национальные интересы, то я буду Вам очень благодарен». Никсон был очень удивлён (Примаков 1999).

Таким образом, следует констатировать, что как в дореволюционной России, так и в некоторые периоды существования Советского Союза, а также и во время становления современной российской государственности в правящей элите нашей страны определению и реализации национальных (государ-

ственных) интересов не уделялось достаточного внимания. С конца же 1990-х гг. защита национальных интересов объявлена стержнем российской внешней политики и политики безопасности.

Проблема, однако, заключается в том, что хотя национальные интересы – объективная категория, процесс их осознания и претворения в практическую политику носит субъективный характер, и это может сказываться на степени соответствия реальной политики национальным интересам данного государства. Ошибки в их определении чреваты тем, что страна может проводить внешнюю политику, не полностью соответствующую национальным интересам или вообще обслуживающую чужие национальные интересы.

Примеров этому множество. Достаточно вспомнить, что на протяжении долгого времени вплоть до середины 2000-х годов проблематика Украины и Приднестровья, Закавказья и Средней Азии неизменно присутствовала в повестке дня российско-американского политического диалога, включая консультации по стратегической стабильности, в ходе которых шёл обмен конфиденциальной информацией об обстановке в самых чувствительных для интересов безопасности приграничных регионах России, но не, например, в Мексике, Канаде или странах Западной Европы. Последствия этого остро ощущаются страной сегодня.

Впервые национальные интересы России были отчётливо сформулированы в первой редакции Стратегии национальной безопасности Российской Федерации в 2009 г.: «Национальные интересы Российской Федерации на долгосрочную перспективу заключаются: в развитии демократии и гражданского общества, повышении конкурентоспособности национальной экономики; в обеспечении незыблемости конституционного строя, территориальной целостности и суверенитета Российской Федерации; в превращении Российской Федерации в мировую державу, деятельность которой направлена на поддержание стратегической стабильности и взаимовыгодных партнёрских отношений в условиях многополярного мира»⁶.

Тем самым в российской политической практике были не только определены национальные интересы, но и выстроена их иерархия – политического, социально-экономического, военного и международного характера, а также указаны важнейшие направления деятельности по обеспечению национальной безопасности и, следовательно, по защите национальных интересов – стратегические национальные приоритеты.

Однако впоследствии попытка расширить декларируемый перечень национальных интересов, предпринятая в Стратегии национальной безопасности РФ в редакции 2021 г., привела к тому, что национальные интересы и стратеги-

⁶ Указ Президента РФ от 12.05.2009 № 537 «О Стратегии национальной безопасности Российской Федерации до 2020 года» (в ред. от 01.07.2014) (утратил силу). СПС «КонсультантПлюс».

ческие национальные приоритеты, определённые в Стратегии, стали в значительной степени повторять друг друга. Понятие национальных интересов стало трактоваться не с точки зрения «защищённости» (как «совокупность сбалансированных интересов личности, общества и государства в экономической, внутриполитической, социальной, международной, информационной, военной, пограничной, экологической и других сферах» – Концепция национальной безопасности России в редакции 1997 г.), а как «объективно значимые потребности личности, общества и государства в безопасности и устойчивом развитии».

При этом национальные интересы Российской Федерации изложены следующим образом: сбережение народа России, развитие человеческого потенциала, повышение качества жизни и благосостояния граждан; защита конституционного строя, суверенитета, независимости, государственной и территориальной целостности Российской Федерации, укрепление обороны страны; поддержание гражданского мира и согласия в стране, укрепление законности, искоренение коррупции, защита граждан и всех форм собственности от противоправных посягательств, развитие механизмов взаимодействия государства и гражданского общества; развитие безопасного информационного пространства, защита российского общества от деструктивного информационно-психологического воздействия; устойчивое развитие российской экономики на новой технологической основе; охрана окружающей среды, сохранение природных ресурсов и рациональное природопользование, адаптация к изменениям климата; укрепление традиционных российских духовно-нравственных ценностей, сохранение культурного и исторического наследия народа России; поддержание стратегической стабильности, укрепление мира и безопасности, правовых основ международных отношений⁷.

При этом обеспечение национальной безопасности, иначе говоря, «защищённости национальных интересов», осуществляется посредством реализации стратегических национальных приоритетов, которые определяются в Стратегии 2021 г. как важнейшие направления обеспечения национальной безопасности и устойчивого развития Российской Федерации⁸.

Документ выделяет девять стратегических национальных приоритетов: сбережение народа России и развитие человеческого потенциала; оборона страны; государственная и общественная безопасность; информационная безопасность; экономическая безопасность; научно-технологическое развитие; экологическая безопасность и рациональное природопользование; защита традиционных российских духовно-нравственных ценностей, культуры и исторической памяти; стратегическая стабильность и взаимовыгодное международное сотрудничество.

⁷ Указ Президента РФ от 02.07.2021 «О Стратегии национальной безопасности РФ» (ст. 25). СПС «КонсультантПлюс».

⁸ Там же.

И среди интересов, и приоритетов присутствуют: сбережение народа России, развитие человеческого потенциала; укрепление обороны страны; развитие безопасного информационного пространства; охрана окружающей среды; укрепление традиционных российских духовно-нравственных ценностей; поддержание стратегической стабильности, укрепление мира и безопасности.

Налицо серьёзная методологическая ошибка, поскольку стратегические национальные приоритеты являются важнейшими направлениями обеспечения национальной безопасности и устойчивого развития Российской Федерации, то есть направлениями деятельности по обеспечению национальных интересов. Следовательно, национальные интересы и стратегические национальные приоритеты соотносятся как цели (интересы) и задачи (приоритеты), и они не должны повторять друг друга.

Аналогичным образом изложены национальные интересы России и в действующей редакции Концепции внешней политики Российской Федерации. Однако в данном документе обозначены также стратегические цели – обеспечение безопасности Российской Федерации, её суверенитета во всех сферах и территориальной целостности; создание благоприятных внешних условий для развития России; упрочение позиций Российской Федерации как одного из ответственных, влиятельных и самостоятельных центров современного мира⁹. Перечисленные цели, как представляется, скорее, могли бы быть отнесены к категории долговременных или постоянных национальных интересов.

* * *

Формирование научно обоснованного понимания национальных интересов, их роли и места в государственной политике обеспечения национальной безопасности является одной из ключевых задач современной политической науки. Определение имеет исключительно важное значение, не только научное, но и практическое, поскольку их ясное формулирование составляет основу любого политического целеполагания.

В этой связи хотелось бы отметить, что традиционным национальным интересом России, вытекающим из особенностей её географического положения, исторического опыта страны в отражении угроз безопасности, является *создание пояса безопасности и добрососедства по периметру национальных границ и обеспечение свободного выхода в Мировой океан и безопасности транспортных коммуникаций*. Представляется, что это жизненно важный для России национальный интерес. Однако об этом интересе сегодня, к сожалению, мы практически не слышим упоминаний, видимо, прежде всего, потому, что сегодня его реализация кажется недостижимой. Нужно иметь в виду, что стратегия при-

⁹ Указ Президента РФ от 31 марта 2023 г. № 229 «Об утверждении Концепции внешней политики Российской Федерации». СПС «КонсультантПлюс».

нимается именно для того, чтобы на основе долгосрочного поэтапного плана, предусматривающего целенаправленное задействование всех возможностей общества и государства, решать самые сложные и амбициозные задачи, важные для страны.

Хотелось бы отметить ещё одно очень существенное обстоятельство. В начале 1990-х в России во многом копировалась американская система обеспечения национальной безопасности. В настоящее время учёт зарубежного опыта решения практических задач обеспечения национальной безопасности остаётся серьёзным ресурсом совершенствования государственной политики на этом направлении. В этой связи уместно напомнить, что регламент Совета национальной безопасности США при подготовке политических решений предусматривает, прежде всего, определение того, в чём заключаются национальные интересы США в конкретной рассматриваемой сегодня проблеме. Именно понимание национального интереса является ключом к принятию оптимального политического решения.

Понятно, что на практике лицо, принимающее политическое решение, может руководствоваться иными соображениями, будь то обстоятельства предвыборной борьбы и общественное мнение, влияние групп интересов, характер личных отношений между лидерами, когда межгосударственные отношения отождествляются с межличностными (что очень часто имеет место), союзнические обязательства и прочее. Ориентирование на привходящие факторы в ущерб национальным интересам чревато негативными последствиями для национальной безопасности. Тем не менее сам принцип определения национального интереса в каждой из возникающих международных проблем очень важен и заслуживает самого серьёзного внимания.

Если последовательно внедрять этот принцип в российскую практику принятия внешнеполитических решений, то можно подвергнуть сомнению оправданность подходов к целому ряду международных проблем. Понятно, что многие сомнительные темы за последние два года потеряли актуальность: например, то, что касается сотрудничества России и НАТО, участия в Совете Европы и ОБСЕ и т. д. Вместе с тем позиция, отстаиваемая в течение уже очень многих лет по таким проблемам, как, например, ядерная и ракетная программы КНДР или Ирана, ближневосточное урегулирование или контроль над вооружениями, не кажется оптимальной с точки зрения интересов национальной безопасности России.

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National Interests in Russia's Foreign Policy

 V.P. Nazarov

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Abstract: The article explores the conceptual landscape surrounding national interests. It posits that the identification, safeguarding, and advancement of national interests serve as the bedrock upon which state policies in the domain of national security are formulated. The article traces the origins, evolution, and contemporary interpretations of national interests. Special emphasis is accorded to interpretations espoused by proponents of the political realism. The author conducts an in-depth examination of Russian perspectives on national interests during the 19th and early 20th centuries, as well as throughout the Soviet era, presenting an original periodization of conceptual approaches within Soviet Russia and the USSR.

In addition to its historical inquiry, the article critically assesses the implications of national interests of contemporary Russia's foreign policy. Through analysis of strategic policy documents, the author discerns instances where *policy objectives* are conflated with *the national interests*, diverging from their realization.

Given Russia's distinctive geopolitical position and security challenges, the author defines the paramount Russia's national interest – establishing a secure periphery characterized by cooperative relationships with neighboring states and ensuring unimpeded access to global maritime routes.

Keywords: national security, national interests, state interests, national security strategy, foreign policy concept, strategic national priorities, political realism

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Editorial: BRICS in an Evolving World Order

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Abstract: The editorial explores the evolution of the BRICS community, overviewing the articles included in the special issue. The authors emphasize various facets of ongoing and evolving cooperation, delineating how BRICS nations engage with climate change, development assistance and collaboration, global governance reform, and the progressive advancement of the New Development Bank (NDB).

Keywords: BRICS cooperation, BRICS enlargement, strategic cooperation, multilateral engagement, bilateral partnership

The BRICS countries (Brazil, Russia, India, China, and South Africa) are increasingly asserting their collective voice on the global stage. This heightened engagement is particularly evident during Russia's chairmanship in 2024, which places a special emphasis on the partnership's agenda. The substantial economic growth, human capital, and shared interests within the BRICS nations are reshaping the contemporary international political landscape significantly. Previously marginalized viewpoints, deemed insignificant by conventional wisdom, are now gaining consideration from alternative perspectives.

The process of BRICS enlargement and the decisions made by potential new members regarding adherence to existing commitments have sparked vigorous debates among scholars and policymakers. Despite encountering practical challenges in aligning their interests and defining joint objectives, initiatives such as science cooperation or science diplomacy present proactive avenues for collaboration. This MGIMO Review of International Relations special issue on BRICS exemplifies the scholarly research collaborations contributing to the understanding of the partnership. Various experts have provided diverse interpretations of the BRICS community's role and potential for further development, each offering insights into its evolving dynamics and future prospects.

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Gabriel Rached and Rafaela Mello Rodrigues de Sá explore the positioning of new institutions such as the New Development Bank and initiatives led by China within the context of coexistence with traditional structures, notably those led by the United States and Europe. Their analysis seeks to ascertain whether the current environment, marked by events ranging from the COVID-19 pandemic to the Russia-Ukraine conflict, aligns the BRICS countries' actions with their original reformist aspirations for a more equitable international order.

In his article, Dylan Yanano Mangani challenges skepticism regarding the BRICS' ability to transform contemporary global governance. He argues that institutional initiatives such as the New Development Bank illustrate BRICS' ability to deploy both hard and soft power tools, contributing to the emergence of a multipolar global governance architecture. Furthermore, BRICS' political responses to various crises, including turmoil in Zimbabwe, Libya, and Mali, as well as nuclear issues in Iran, highlight the group's approach to peace and security governance as an alternative to traditional Western policy.

Qi Shen and Xiaolong Zou bring attention to another significant issue for BRICS scholars: climate change. Despite their disparities, BRICS countries collectively contribute the largest share of greenhouse gas (GHG) emissions globally. Drawing from the perspective of neoliberal institutionalism, the authors investigate the origins of BRICS cooperation mechanisms and their implications for collaborative efforts on climate change within the BRICS framework. Their analysis evaluates the climate policies and positions of BRICS nations since the adoption of the United Nations Framework Convention on Climate Change in 1992. It identifies various factors influencing a country's stance and actions on climate change, including economic development level, environmental vulnerability, and the strategic environment. The authors contend that, although underlying competition among the BRICS nations also exists, overall, these factors push the group's countries towards cooperation on climate governance.

Scholars from Russia, Valentina Dmitrieva and Denis Kuznetsov, delve into the topic of development assistance. They analyze the role of IBSA Fund in the foreign aid policy of IBSA member states, as well as discuss possibilities for Russia's and China's involvement in the Fund's operations. Their analysis reveals that the IBSA Fund serves as an additional instrument for member states' development cooperation, driven by shared opportunities and responsibilities. The selection of project partners predominantly reflects the national interests of IBSA states. Regarding possible cooperation between the IBSA Fund and the New Development Bank, both institutions share a commitment to development principles and goals, underpinned by a narrative of equal partnership, standards, and sustainable development. Nonetheless, differences exist in terms of the focus on loans vs. grants, project geography, and priorities. As this makes the merger of the two entities unreasonable, given Russia and China's alignment with IBSA states' interests, their inclusion in the IBSA Fund activities is still feasible, especially if additional funding is required.

Finally, Bruno de Conti and Cyro Faccin delve into the pivotal issue surrounding the New Development Bank, probing its effectiveness against prevailing financial trends. Their inquiry focuses on Brazil as a primary case study, aiming to assess the trajectory of NDB loans to the country. This evaluation is deemed crucial as it offers insights into potential hindrances and opportunities for bolstering loan disbursement to Brazil. The authors argue that despite recent increases in operations, there remains ample scope for expanding the Bank's utilization, particularly in light of the political shifts that took place in Brazil in 2023.

Overall, it can be asserted that increased collaboration among BRICS economies and the inclusion of new members will yield various effects on both the BRICS economies and the global economy. Each newly admitted BRICS nation brings forth a host of strategic advantages for the organization. Nations such as Argentina, Egypt, and the United Arab Emirates possess abundant natural resources, including freshwater, rare earths, oil, gas, arable land, and fisheries. Additionally, these new members are affiliated with prominent political and economic organizations such as OPEC, the Arab Trade Zone, MERCOSUR, the Gulf Cooperation Council, the African Continental Free Trade Area, and ASEAN. Through these affiliations, existing BRICS countries stand to enhance their global influence and bolster their economic presence in various new markets.

The current momentum in science cooperation is evident, and this special journal issue serves as a prominent illustration of this trend.

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Вступительная статья: Роль БРИКС в меняющемся мировом порядке

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Во вступительной статье даётся обзор исследований об эволюции сотрудничества в рамках БРИКС, включённых в данный тематический номер. Авторы подчеркивают многоаспектный характер взаимодействия стран – членов объединения, рассматривая роль стран БРИКС в реформировании глобального управления, содействии развитию, международном сотрудничестве по борьбе с изменением климата, а также в становлении Нового банка развития.

Ключевые слов: БРИКС, расширение БРИКС, стратегическое сотрудничество, многостороннее взаимодействие, двустороннее партнёрство

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BRICS 15 Years On: Challenges and Opportunities for Emerging Countries in the Shifting Global Institutional Landscape

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Abstract: Since the onset of the 2008 financial crisis, the concept of multipolarity has regained prominence, driven by the persistent demands of emerging economies for increased representation and involvement within multilateral institutions. Since 2009, BRICS nations have orchestrated collaborative economic strategies to recalibrate their positions on the global stage. This article seeks to examine the positioning of new entities such as the New Development Bank (NDB) and China-led initiatives within a landscape characterized by the coexistence of traditional structures primarily led by the US and Europe. Against the backdrop of recent global developments, the research endeavors to elucidate the effective role of BRICS in the contemporary international arena, fifteen years since their inception. Specifically, it explores whether current international transformations align with BRICS' aspirations. The investigation employs theoretical frameworks from International Political Economy (IPE), particularly focusing on the dynamics of international multilateral frameworks.

Keywords: International Political Economy; BRICS; New Multilateral Institutions; Contemporary Challenges

The discourse surrounding the review of the Global Governance framework and the equitable representation of nations has been ongoing within the field of International Relations for quite some time. In recent decades, there has been a growing focus on multilateralism and the efficacy of international organizations in adequately representing countries worldwide, along with their impacts on economic, political, social, and institutional dimensions.

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Particularly since the 2008 crisis, a coalition of countries — often termed middle-income countries¹, semi-peripheral nations as per Arrighi (1996), emerging economies, or rising powers² — has brought this debate to the forefront. They have also highlighted the Global South³ and its demands, emerging as a significant force in the international economy.

Indeed, following the 2008 crisis, certain countries, notably those within the BRICS group, expressed grave concerns about the potential impacts on their economies. Consequently, they opted to bolster cooperation among themselves, recognizing that collective action would afford them greater bargaining power to advocate for increased representation and participation in multilateral organizations and international forums. Despite noticeable heterogeneity among these nations, several shared features and similarities exist (Scaffardi 2015). One prominent aspect that underscores this unity is the significant role of the state in their economies or the adoption of state-led development approaches, which are evident across these economies to varying degrees. Additionally, their shared perception of being underrepresented in the international arena has consistently served as a unifying factor, marking a process of convergence that commenced several decades earlier.

Furthermore, even during the 1980s and 1990s, except for Asian countries, almost all peripheral regions, including Latin America and Africa, experienced not only low growth rates but also significant external constraints due to debt crises and financial liberalization in the 1990s. These factors rendered these economies largely dependent on core economies (Stiglitz 2002). However, since the 2000s, peripheral countries have exhibited higher growth rates and made greater contributions to global GDP growth and world trade compared to the performance of the United States and Europe⁴.

Amidst their distinct and contrasting features, the BRICS nations – Brazil, Russia, India, China, and South Africa – witnessed substantial growth in foreign trade and economic expansion during the initial decade of the 21st century. This surge was propelled by the enlargement of their domestic markets and the surge in trade among themselves (Hurrell et al. 2009: 37). While idiosyncratic nuances may exist over this

¹ According to the World Bank definition: “Middle-Income Countries are a diverse group by size, population and income level, and are home to 75% of the world’s population and 62% of the world’s poor. MICs also represent about one-third of global GDP and are major engines of global growth”. The World Bank in Middle Income Countries. *The World Bank*. URL: <https://www.worldbank.org/en/country/mic/overview> (accessed 29.02.2024).

² For an approach of the rising powers towards multilateral institutions, see: (Arrighi 1996: 19–41).

³ The Global South term refers to countries seen as low and middle income in Asia, Africa, Latin America and the Caribbean by the World Bank. These nations are often described as newly industrialized or in the process of industrializing. Global South does not necessarily refer to the geographical south (as some Global South countries are in the geographical north). The Global South agenda emerged in part to aid countries in the southern hemisphere to work in collaboration on political, economic, social, environmental, cultural, and technical issues. This is called South–South cooperation (SSC), a political and economic term that refers to the long-term goal of pursuing world economic changes that mutually benefit countries in the Global South and lead to greater solidarity among the disadvantaged in the world system. (Gray and Gills 2016: 557).

⁴ For an approach on the subject and the European point of view on the emergent countries of BRICS, see the document formulated by the European Union (European Union 2012).

period, there is an overarching trend towards transformation in semi-peripheral countries, signaling a shift towards greater international integration of economies once deemed non-central. Consequently, within this evolving global economic landscape, autonomous growth poles have emerged alongside the traditional "core cyclical center" (Arrighi and Silver 2001: 161).

These transformations transcend mere economic dimensions, ushering in perspectives and possibilities that could potentially reshape the balance of power within the interstate system. From this vantage point, one may contend that the current juncture reflects a phase of changes within the inter-state system, still predominantly influenced by American hegemony but increasingly characterized by the ascent of so-called emerging economies. In such a scenario, competitive pressures among states intensify, hinting at a potential expansionary process or a novel form of imperialist rivalry (Fiori 2004).

This ongoing process signifies a protracted structural transformation of the interstate system, which commenced in the 1970s amidst the explicit expansion of US influence. Despite the ongoing global financial crisis, the US maintains considerable sway, owing to the dominance of the dollar as the primary reserve currency and its leadership in military capabilities, including possessing the world's largest arsenal of war and atomic weapons. Furthermore, the US retains control over information centralization and remains at the forefront of the technological race.

Despite its leadership position, the rivalry among major powers has not subsided; rather, it has intensified. This process of American expansion has, in fact, fueled nationalism and competition among the world's foremost nations (Foot, MacFarlane, Mastanduno 2003: 49–53). Signs of this competitive pressure are increasingly evident, with countries like China and Russia taking more active roles, especially in regions with territorial and energy interests, signaling a deepening of interstate competition.

Russia, for instance, has adopted a more assertive stance in the military and security domains, exemplified by the ongoing conflict with Ukraine, Western-imposed sanctions, and NATO's confrontational posture. Conversely, China is striving for economic and innovative preeminence, aiming to globalize its companies and products, expand investments worldwide, and promote the internationalization of its currency, the Renminbi.

These economic and political shifts are also reflected in other spheres, leading to new institutional configurations, alternative forms of social organization, and the formulation of international policy proposals designed to address contemporary dilemmas within the global system (Nye 2004). Against this backdrop, it is pertinent to conduct a comprehensive examination of the ongoing economic, social, and political transformations within the international arena (Ikenberry 2014). Furthermore, it is essential to reflect on the integration of BRICS countries' institutions, such as the New Development Bank (NBD), and China-led initiatives like the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative (BRI), into the evolving global order.

At this juncture, it is noteworthy that the BRICS initiatives seem to embody an unconventional constructive proposition, wherein the propagation of political measures and legal norms contributes to the formation of a novel and diverse model of regional institutionalization (Kingah and Quiliconi 2016: 13–24). Against the backdrop of recent global developments, this study seeks to explore the effective role of BRICS in the contemporary international landscape, fifteen years since its inception. While the BRICS grouping has rekindled the platform and demands of emerging countries, its endeavor to reform international multilateral institutions reflects a multifaceted process accommodating divergent interests simultaneously.

In line with the perspective of International Political Economy (IPE), the subsequent section endeavors to examine contemporary dynamics within the international multilateral framework. Section 3 will delineate the challenges to cooperation, accentuating the establishment and consolidation of the New Development Bank, thereby scrutinizing the BRICS group's role in this domain through a documentary analysis of its principal institutional endeavor. Subsequently, Section 4 will delve into the grouping's stance vis-à-vis major contemporary challenges and elucidate the actions undertaken by BRICS countries to address them within this framework. Finally, Section 5 will encapsulate some concluding remarks.

Who Benefits More from The International Multilateral Framework

Since the signing of the Westphalian Treaty in 1648, which delineated the sovereignty of independent states, the interstate system has undergone numerous transformations across different hegemonic epochs spanning centuries (Polanyi 2000). This evolution culminated in the establishment of the current order, dominated by the United States, following the conclusion of World War II (Arrighi 1996). Consequently, the process of shaping and expanding the modern interstate system gave rise to the primordial manifestation of global power, representing the genesis of the Westphalian system—a broader framework of nation-states.

Characterized by the Westphalian Treaty of 1648, the emergence of a novel world system of governance commenced, encapsulating three key tenets:

- Absence of a superior authority or organization above sovereign states;
- Inclusion of states within a unified global political system; and
- Foundation of this new system on principles of international law and a balance of power.

Discourse surrounding power dynamics, rooted in the International Political Economy paradigm (Gonçalves 2005: 10–21), has been inherent to the interstate system since its inception, intertwined with competitive pursuits for wealth and power accumulation. This theme gained prominence during the era of American hegemony, particularly evident during the Bretton Woods Agreements of 1944. At this juncture, the United States bolstered its agenda, fortifying the liberal order through the establishment of multilateral organizations ostensibly aimed at fostering system predictabil-

ity and ensuring equitable representation for member nations (Keohane 1990: 732). However, subsequent decades revealed that the actual trajectory did not entirely align with these objectives.

The strategy of guiding the international system through multilateral institutions (Griesgraber and Gunter 1995: 29–30) can be delineated into two primary dimensions: the rhetoric espoused, and the actions undertaken. While all nations ostensibly possessed equal rights and were anticipated to benefit from the envisaged predictability within the Bretton Woods Agreements (Ruggie 1992: 571), in practice, the strategy was crafted to predominantly advance the American agenda and reinforce its hegemonic position over time (Ikenberry 2001).

Economically, the 1970s marked a pivotal juncture for the international monetary system, with the abandonment of the dollar-gold convertibility in 1973–1974 signifying a watershed moment (Conceição Tavares and Fiori 1997). Following this transition, the United States gained the advantage of controlling international liquidity through its own interest rate, necessitating global economic adaptation to this new paradigm. While this shift could be interpreted as a crisis within the international monetary system, it concurrently facilitated an extension of US supremacy in the ensuing decades.

Against the backdrop of the 2008 crisis and its aftermath, the international system confronted novel challenges, catalyzing discussions regarding the transition from a unipolar order to a multipolar system (Sanahuja 2007). With China, Russia, and India recalibrating their positions on the global stage, these emerging economies sought avenues to shield their economies from the repercussions of the crisis. Shared apprehensions regarding the crisis's magnitude prompted a concerted effort to enhance cooperation as a defensive mechanism amid the volatile environment. Additionally, there was a collective endeavor to establish a platform for collaborative action, enabling them to collectively reassess their engagement within international organizations.

That served as the backdrop for the formalization of the platform by BRICS countries to bolster cooperation among member states, more as a response to shifting international dynamics than as a direct challenge to the existing world order. The primary concern revolved around emerging countries seeking greater decision-making power within the multilateral framework. While this demand had previously existed, the dynamics were evolving, with these countries opting for a partnership that could offer greater representation and efficacy compared to individual action.

From the perspective of the United States, the ascent of China introduced a degree of relative tension into the international system⁵, introducing a complex scenario. Despite friction with the hegemon, China also benefits from the current international

⁵ On this issue, Kiely (2015: 24–32) shares a different perspective, considering the rise of the developing world as an evidence of the triumph of the West leading order.

order, occupying a nuanced position that fluctuates between rivalry and partnership. Scholars like Rachel Salzman delve into why China (and to some extent, India) primarily perceive themselves as beneficiaries of the prevailing liberal order:

"All the other BRICS countries, but especially China and India, see themselves primarily as beneficiaries of the current system. They are integrated into global value chains, and they have seen their individual fortunes rise in both institutional representation and soft power projection. While they object to parts of the current system and the West's administration of it, they do not seek an entirely new order. Some of the changes they would prefer, especially tighter rules respecting national sovereignty, would constitute sea changes, but the BRICS countries apart from Russia are essentially evolutionary in their approach to the system. They sense that political and economic power is shifting in their direction, and they are content to wait for the inevitable " (Salzman 2019: 143).

This perspective sharply contrasts with the Russian viewpoint, as Russia does not significantly benefit from globalization, particularly in the aftermath of episodes such as the conflict in Ukraine, which led to sanctions and strained relations with the West. Consequently, Russia tends to be more critical of the existing global governance structures, adding another layer of complexity to the diverse array of perspectives within BRICS.

From the Chinese perspective, at least until the present juncture, China has shown no inclination to pursue a global hegemony akin to that of the United States; however, it does harbor ambitions of assuming a leading role within the international system (Salzman 2019: 131). Yet, the formidable costs associated with maintaining global supremacy dissuade China from actively seeking such a role at present, as its focus remains steadfastly directed towards external and domestic market development as well as regional leadership.

Conversely, the administration of US President Donald Trump grappled with the dilemma of balancing the imperative of reducing the costs associated with leading the international system against prioritizing domestic concerns. Consequently, at the international level, the question arose whether the United States should cede ground to China and other emerging powers or adhere to a "deep engagement" strategy, which advocates for three overlapping objectives: mitigating threats to US national security, promoting a liberal economic order, and bolstering international institutions (Brooks, Wohlforth 2016: 73–87).

These three objectives, intrinsic to the deep engagement strategy, have remained consistent goals for all US presidential administrations since World War II. Nonetheless, in contemporary discourse, domestic imperatives and the mounting US debt, including indebtedness to China, emerge as pertinent counterpoints.

With the inauguration of President John Biden in 2021, the United States embarked on a realignment process in its international strategy, seeking to reaffirm its position within international institutional frameworks and introducing initiatives that

can be perceived as counterpoints to China, such as the Partnership for Global Infrastructure and Investment within the scope of the G7, aimed at providing an alternative to China's Belt and Road Initiative⁶.

In light of the ongoing debate surrounding the rivalry between the United States and China, and considering the broader discourse on emerging countries, a pertinent question arises: Can emerging nations forge a collective platform to mutually shield their economies from the repercussions of crises and potential declines in US leadership? Alternatively, is the United States prepared to uphold its leading position through more assertive international actions, and if so, through what means? This question is pivotal for understanding the contemporary shifts in the global order and will be the focal point of discussion in the subsequent section.

BRICS Institutionalization and The New Initiatives for Cooperation Between Emerging Countries

In recent decades, the process of South-South cooperation has gained momentum, sparking discussions about the challenges of collaboration among heterogeneous partners with overlapping national priorities. Despite the complexities inherent in reconciling divergent agendas, the BRICS group has achieved a remarkable level of institutionalization within the landscape of emerging countries, notably through the establishment of a long-term strategy, as highlighted by Scaffardi (2012: 63), and the inception of the New Development Bank (NDB), which serves to foster development initiatives.

The acronym BRIC was coined in 2001 by Goldman Sachs economist Jim O'Neill to refer to Brazil, Russia, India, and China (Casella 2011: 17). The group convened its inaugural official Summit in 2009, and in April 2011, South Africa's inclusion prompted the addition of the letter 'S' to form BRICS. Despite their diverse characteristics, these emerging economies shared common attributes at the time, notably optimistic projections for medium and long-term economic growth (Lo and Hiscock 2014: 2–11).

In essence, the BRICS nations form a coalition aimed at bolstering their collective influence in the international political and economic arena, advocating for shared interests. They convene annually for summits to formalize agreements and initiatives with the explicit goal of consolidating into an economic bloc.

The convergence of these countries can be attributed to shared aversions, reflecting a desire to circumvent undesirable outcomes, decisions, and resolutions. For instance, there is a mutual inclination towards autonomy and protection against the structural

⁶ President Biden and G7 Leaders Formally Launch the Partnership for Global Infrastructure and Investment. 2022. *The White House*. URL: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/26/fact-sheet-president-biden-and-g7-leaders-formally-launch-the-partnership-for-global-infrastructure-and-investment/> (accessed 29.02.2024)

dominance of the United States, particularly through multilateral institutions, as they seek to counter hegemonic practices and influence exerted by the U.S. and its Western allies (Roberts, Armijo, and Katada 2018: 31).

In this context, the governance structure of multilateral financial institutions came under scrutiny, with emerging countries expressing criticism and pressing for reform. However, despite years of negotiations aimed at implementing these reforms, there is a growing frustration among these nations regarding the challenge of effecting meaningful changes within both the World Bank and the International Monetary Fund (IMF), leading to the observation that "the international order, however, proved slow to adapt to the new reality" (Stuenkel 2017: 21).

The establishment of the New Development Bank (NDB), also known as the BRICS Bank, emerged as an alternative source of development financing, reflecting the dissatisfaction of emerging economies with the sluggish pace of reform in traditional institutions (Batista Jr. 2019: 241). Conceived during the 6th BRICS Summit on July 15, 2014, the NDB was founded through an agreement among BRICS member countries, with an initial capital of US\$100 billion and an additional Contingent Reserves Arrangement (CRA) fund of another US\$100 billion (Vasconcelos 2020: 199).

The initial capital of the NDB was equally distributed among the five member countries (US\$20 billion each), ensuring equal voting power. The Bank's primary objective is to finance infrastructure and sustainable development projects not only within BRICS member nations but also, subsequently, in other developing countries lacking resources for infrastructure improvement (Roberts, Armijo and Katada 2018: 109–112). The NDB's establishment represents an additional funding avenue, distinct from traditional Bretton Woods institutions, with fewer conditionalities for resource access.

The fundamental organizational framework of the NDB is as follows: China hosts the headquarters in Shanghai; India holds the inaugural presidency of the bank; Brazil assumes the initial presidency of the board of directors; Russia takes on the inaugural presidency of the board of governors; and South Africa serves as the location for the NDB's African Regional Centre.

The establishment of the NDB, followed a year later by the creation of the AIIB (Asian Infrastructure Investment Bank) in 2015, marks the commencement of a phase characterized by the emergence of new multilateral development banks. This development can be interpreted as part of China's endeavor to construct an alternative financial order, epitomized by the establishment of two institutions headquartered in Chinese cities, affording the nation a more prominent leadership role (Stuenkel 2018). While these institutions share certain commonalities, they exhibit distinct approaches and operational dynamics.

On one hand, the AIIB was initiated under Chinese leadership but involved the participation of European countries from the outset to bolster its international legitimacy. Consequently, this European involvement introduced political and market pressures within the bank's governance structure, leading to the adoption of an operational

model oriented toward donor countries. This model, reminiscent of existing MDBs, grants donor countries greater influence over institutional decisions. Such dynamics also influence other decisions, including the adherence to international socio-environmental standards and the predominant use of the dollar in financing. Thus, the institution embodies an incremental change approach, incorporating similar operational models with minor adjustments to enhance efficiency (Zhu 2020: 75–76).

On the other hand, the NDB exhibits distinct institutional and governance characteristics. Quotas are equally shared among its members, possibly reflecting the power dynamics during the institution's establishment, particularly the competition for leadership between India and China, which spurred demands for greater equality in institutional design. Additionally, the NDB aims to foster stronger partnerships with local financial institutions, such as national development banks, rather than solely cooperating with existing MDBs. Moreover, the institution adopts the country system principle for environmental issues, reinforcing local legislation where projects are implemented, and advocates for greater use of local currencies in financing. Thus, according to Jiejun Zhu, the "NDB represents a new kind of South-South cooperation approach, and the AIIB represents a new kind of 'old' North-South cooperation approach" (Zhu 2020: 94).

Regarding China's position within the institution's structure, it is noteworthy that a significant portion of approved financing is conducted in the Renminbi, with many financial bonds launched in the market denominated in Chinese currency. Does this underscore China's leading role within the BRICS group?

Another significant consideration pertains to the scope of the bank's membership. India has advocated for restricting membership to BRICS countries, while China proposed a broader, global focus, encompassing developing countries as a whole, with the latter proposal ultimately prevailing (Zhu 2020: 84).

Five years following the institution's establishment and numerous debates within its internal governance, the bank approved the admission of four new members in 2021. The United Arab Emirates and Bangladesh have completed the formal entry process, whereas Uruguay and Egypt are in the process of doing so through domestic procedures⁷.

Despite opening up participation to United Nations members, BRICS countries will maintain a minimum of 55 percent of the total voting power, while developed countries will be capped at a maximum of 20%. No other country, apart from member states, will hold more than 7% of the vote.

⁷ NDB initiates membership expansion, extends global outreach. 2021. *New Development Bank*. URL: www.ndb.int/press_release/ndb-initiates-membership-expansion-extends-global-outreach-development-bank-established-by-brics-welcomes-the-admission-of-uae-uruguay-and-bangladesh-as-new-members/ (accessed 29.02.2024)

In the context of the institution's global expansion, regional offices play a pivotal role. These offices signify an expansion of new projects and closer engagement with new members worldwide, facilitating greater interaction with local characteristics and fostering ties with regional realities to ensure the viability of projects tailored to local needs. Presently, the NDB operates an office in South Africa, two offices in Brazil (one in São Paulo and another in Brasilia), and a regional office for Eurasia in Moscow⁸.

The NDB stands as a relatively recent institution, commencing its project financing activities only in December 2016. Despite the economic, political, and historical disparities among its founders, there exists a consensus on a long-term perspective among this heterogeneous group of countries.

With the establishment of the NDB, it became the first multilateral development bank exclusively constituted by emerging economies, marking a significant departure from the traditional involvement of developed countries in such endeavors (Batista Jr. 2019: 249).

At this juncture, it is imperative to ponder: does this emerging form of cooperation among developing nations signify an impending obsolescence of the traditional multilateral agency format in addressing twenty-first-century challenges? Or does it merely represent an additional avenue for financing development projects accessible to peripheral entities within the system?

Despite facing criticism, the NDB stands as the primary institutional initiative of the BRICS group, maintaining stability and continual expansion amidst global challenges and inter-member adversities. Against the backdrop of heterogeneous membership and divergent interests within the bloc, the NDB's steadfast position underscores the bloc's commitment to continuity. Hence, it is essential to explore strategies for reconciling ongoing cooperation with the convergence of national priorities and collective bloc interests⁹, a topic to be explored in the subsequent section.

Contemporary Global Challenges: BRICS Platform in a Changing World

Since the outset of 2020, the global landscape has witnessed notable and defining occurrences, particularly the emergence of the COVID-19 pandemic and the ongoing geopolitical tensions surrounding the Russia-Ukraine conflict. These events hold significant implications within the contemporary international milieu.

Given this context, it becomes imperative to delve into the nuanced dynamics governing cooperative endeavors amidst the intricate interplay of divergent national agendas and collective interests within the bloc. Furthermore, scholarly inquiry must

⁸ Country offices. 2021. *New Development Bank*. URL: www.ndb.int/about-us/contact-us/ (accessed 29.02.2024).

⁹ BRICS Plus platform, to the extent that the initiative is beneficial to China, is perceived by the other members with a certain degree of concern. For more information about this topic, see: Lissovolik Ya.D. 2017. BRICS-Plus: Alternative Globalization in the Making? *Russia in Global Affairs*. URL: <https://eng.globalaffairs.ru/articles/brics-plus-alternative-globalization-in-the-making/> (accessed 29.02.2024)

endeavor to scrutinize the extent to which recent developments within the BRICS grouping may herald a pronounced ascendancy of China and the corresponding reactions from other member states.

This perennial concern has been a focal point of deliberations among member nations, necessitating sustained efforts to negotiate the complexities of converging interests while upholding cohesion within the shared platform. In recent years, the BRICS consortium has grappled with challenges impeding multilateral coordination among its constituents. Notably, such challenges have been exacerbated by divergent foreign policy trajectories, exemplified by Brazilian President Jair Bolsonaro's electoral rhetoric critiquing China. Moreover, border disputes between India and China, alongside their competitive engagements across diverse domains, pose additional hurdles to intra-group solidarity. Of particular significance is the strain evident in Sino-Indian relations vis-à-vis the Belt and Road Initiative (BRI), especially following China's formal alignment of the New Development Bank with the BRI in May 2017¹⁰.

In an effort to reconcile individual national agendas with a common platform, the 10th BRICS Summit convened from July 25 to 27, 2018, in Johannesburg, South Africa. During this summit, the group reiterated their partnership stance, opposing any "unilateral" actions and measures. This gathering marked a pivotal moment to recalibrate and reaffirm commitments outlined in both the group's long-term strategy and short- and medium-term policies, with a view to subsequent agenda adoption and implementation.

However, the advent of the COVID-19 pandemic crisis in 2020 underscored the limitations of the BRICS multilateral coordination process, as the capacity of member countries to act collectively was diminished. Despite the potential for coordinated efforts to develop joint vaccines among BRICS nations, individual project developments predominated, revealing a lack of concerted cooperation in the health sector. This departure from past collaborative endeavors was noted (Vazquez 2021: 02).

Nevertheless, amidst this context, the BRICS countries maintained relevance during the global health crisis, with several COVID-19 vaccines developed or featuring active participation from member states. Notably, the launch of the BRICS Vaccine R&D Center in March 2022 aimed to surmount coordination obstacles and "enhance pragmatic cooperation on vaccine research and development, coordination of research efforts and collaborations between partner countries"¹¹.

¹⁰ A complete list with the partners of the New Development Bank since its foundation is available at: Partnerships. *New Development Bank*. URL: <https://www.ndb.int/partnerships/list-of-partnerships> (accessed 29.02.2024)

¹¹ The Initiative of the BRICS Vaccine R&D Center on Strengthening Vaccine Cooperation and Jointly Building a Defensive Line against Pandemic. 2022. *Embassy of the People's Republic of China in the Republic of South Africa*. URL: http://za.china-embassy.gov.cn/eng/znlj/202203/t20220324_10655210.htm (accessed 29.02.2024)

Furthermore, the New Development Bank (NDB) initiated a Fast Track program to finance projects addressing the pandemic's impacts, approving a \$9 billion financial assistance package. This support aided member countries in addressing emergency public health and social protection needs, as well as in endeavors toward economic recovery¹².

The stance of BRICS countries was also spotlighted amid the outbreak of the Russia-Ukraine war in February 2022. During this period, attention turned to signals of BRICS members' positions not only concerning the conflict's onset but also regarding Western efforts to isolate the Eurasian nation through economic and financial sanctions.

In this context, Brazil, China, India, and South Africa have exhibited a certain degree of neutrality towards the conflict. Although this stance does not constitute a collective strategy per se, the absence of a more assertive discourse against the conflict among BRICS members underscores this position of neutrality. Furthermore, the decision of BRICS countries to refrain from participating in Western efforts to isolate Russia, and in some instances, to increase economic ties with the country, underscores the strategic significance of BRICS-Russia relations in mitigating the impacts of Western sanctions.

Consequently, the BRICS grouping has reemerged at the forefront of the international agenda, as Western sanctions against Russia have fostered closer ties between Russian entities and other BRICS members to avert political and economic isolation.

Against this backdrop, Sino-Russian relations have grown increasingly robust across various spheres. A notable example is the significant surge in China and India's procurement of oil from Russia. Beyond bolstering Russia's capacity to finance the conflict, this trade arrangement also offers strategic advantages to China and India by diversifying their energy supply and capitalizing on reduced oil prices amid the Western sanctions regime¹³.

Moreover, the recent release of a joint statement entitled "Joint Statement on the International Relations Entering a New Era and the Global Sustainable Development" by China and Russia, twenty days preceding the onset of the conflict with Ukraine, suggests that the prospect of a peaceful transformation in the global order may be diminishing. The document highlights advancements in processes related to multipolarity, economic globalization, and the restructuring of global governance architecture, indicating a discernible trend towards power redistribution on the global stage¹⁴.

¹² New Development Bank Policy on Fast-track Emergency Response to COVID-19. 2020. *New Development Bank*. URL: www.ndb.int/wp-content/uploads/2020/07/Policy-on-Fast-track-Emergency-Response-to-COVID-19.pdf (accessed 29.02.2024)

¹³ Krauss C., Stevenson A., Schmall E. 2022. In Russia's War, China and India Emerge as Financiers. *New York Times*, June 24. URL: <https://www.nytimes.com/2022/06/24/business/russia-oil-china-india-ukraine-war.html> (accessed 29.02.2024)

¹⁴ Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development. 2022. *President of Russia*. URL: <http://en.kremlin.ru/supplement/5770> (accessed 29.02.2024)

However, the response from the NDB portrays a contrasting stance. The institution opted to halt the approval of new projects and disbursements for projects already sanctioned¹⁵, aligning with the collective action observed among other multilateral banks. This decision underscores the NDB's capacity to maintain stability despite internal challenges among its members.

Another significant development within this context is the ongoing expansion of the BRICS grouping, which garnered renewed attention at the 15th BRICS summit held in June 2022 in China. The BRICS Plus initiative, introduced by China in 2017, aimed to foster dialogue and collaboration with additional developing countries. After a five-year hiatus, this initiative has reemerged in discussions. Its primary objective is to "enhance dialogue and collaboration between BRICS and other emerging markets and developing countries, foster broader partnership relations, and promote joint development and prosperity through expanded formats" (Lukin & Xuesong, 2019, p. 8), reflecting a spirit of cooperation and the positive impact of such an approach.

While BRICS Plus offers a platform for developing nations to amplify their representation in global governance, this expansion may also serve China's economic and geopolitical interests. Although some BRICS members, such as Brazil and India, do not formally engage in China's Belt and Road Initiative (BRI), there is a correlation between the BRICS expansion and this global endeavor led by China. China's desire to broaden the coalition may aim to stabilize regions like Central Asia and the Middle East, strategically significant for the BRI's land routes. Consequently, the inclusion of countries from these regions, such as Iran, could potentially contribute to regional stability, facilitating BRI implementation. Additionally, Argentina's recent endorsement of the Belt and Road Initiative in February 2022 underscores the convergence of BRICS and China's global infrastructure initiative, particularly from China's perspective.

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¹⁵ A Statement by the New Development Bank. 2022. *New Development Bank*. URL: www.ndb.int/press_release/a-statement-by-the-new-development-bank/ (accessed 29.02.2024)

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However, the proposition to broaden the membership of BRICS may face impediments, presenting challenges to the initiative. India is concerned about the potential augmentation of Chinese influence within the group, Brazil apprehends the potential dilution of its regional significance by the inclusion of other South American members, and Russia seeks to forestall the admission of nations sympathetic to Ukraine. Conversely, all BRICS nations contend that the accession of new members could ameliorate internal frictions, such as the rivalry between China and India¹⁹, thereby fostering greater stability within the group.

The expansion of the BRICS grouping and the inclusion of additional nations from the Global South have sparked deliberations across multiple arenas, particularly concerning the evolving role of BRICS amidst these transformations. Given the diverse initiatives emanating from China, it is pertinent to inquire whether China aims to fortify mechanisms within BRICS and broaden its membership as part of a strategy to enhance Chinese legitimacy in global governance, given the nation's pivotal position in the global economy.

This phenomenon arises from the growing influence and expansion of China, which has resulted in the assimilation and absorption of BRICS institutions into those dominated by China. As initiatives within the BRICS framework have solidified, they have become integrated into a broader normative and institutional framework spear-

¹⁷ Ying L. 2022. O BRICS e a governança global. *CEBRI*. URL: <https://www.cebri.org/br/evento/564/o-brics-e-a-governanca-global> (accessed 29.02.2024)

¹⁸ Silva da. A.L.R. 2022. O BRICS e a governança global. *CEBRI*. URL: <https://www.cebri.org/br/evento/564/o-brics-e-a-governanca-global> (accessed 29.02.2024)

¹⁹ Huma S. 2022. Expansion of BRICS to boost China's influence? Here's What Expert Says. *Financial Express*. June 13. URL: <https://www.financialexpress.com/business/defence-expansion-of-brics-to-boost-chinas-influence-heres-what-expert-says-2558910/> (accessed 29.02.2024)

headed by the Asian nation (Vadell 2019: 414–419). Consequently, the process of strengthening and potential expansion of the BRICS grouping warrants examination in tandem with China's leadership role in multilateral dynamics (Vadell 2019: 403).

China views the BRICS grouping "not only as representing the interests of the non-Western world in the Global Governance system that is now dominated by the West, but also as promoting fair and effective South-South cooperation" (Lukin, Xuesong 2019: 10). Furthermore, the Chinese perspective underscores the significance of the arrangement not only in advancing Chinese leadership in global affairs but also in its endeavors to overhaul the international system, reflecting shared interests with other non-Western nations (Lukin, Xuesong 2019: 11).

BRICS serves a strategic purpose in China's global engagement strategy, providing a platform for enhancing legitimacy while challenging the Western-dominated international order through peaceful means. However, China increasingly advances its own initiatives, notably the Belt and Road Initiative and the Asian Infrastructure Investment Bank, which represent alternative multilateral institutions. These efforts underscore China's ambition to assert leadership across diverse global spheres (Hooijmaaijers 2019: 16).

Concerning the expansion of BRICS membership, various scenarios may unfold, each with implications for China's position within the international framework and its global projects. Such developments could signify a heightened Chinese influence within institutions, thereby bolstering the legitimacy and leadership of the nation on the global stage. Concurrently, the expansion of the grouping may enhance the prospect of a new international order predicated on the participation of Global South nations, wherein BRICS and its members operate in parallel with Western-led structures.

Final remarks

From the Westphalian Treaty of 1648 to the establishment of the contemporary multilateral Global Governance framework at Bretton Woods in 1944, the evolution of the International System prompts discourse on the evolving roles of emerging nations amidst shifts in power dynamics and representation within these global arenas. In this context, the BRICS grouping, since its inception, has been characterized by cooperative efforts based on consensus and a persistent quest for greater representation within multilateral structures.

Simultaneously, the world has been experiencing a rapidly evolving and dynamic process of transformation in recent decades. Commencing with the aftermath of the Cold War, when the United States ascended to a position of hegemonic power within a unipolar framework, to the 2008 financial crisis that saw hegemony transitioning into supremacy, and further compounded by the ramifications of the pandemic crisis and the Russia-Ukraine conflict, it is evident that the international community has borne witness to significant transformations over the past thirty years.

In light of ongoing global challenges, including the pandemic crisis, wars, conflicts, and escalating international military tensions, the BRICS countries have been compelled to broaden their agenda beyond their initial propositional non-aligned program. The Russia-Ukraine conflict, in particular, introduces a dimension of Realpolitik, accentuating the geopolitical and security concerns surrounding the grouping.

In this context, national agendas have taken precedence over collective agendas. It is crucial to contemplate how cooperation can progress amid the plethora of overlapping agendas between national priorities and the bloc's shared interests. In this regard, to what extent do the latest actions within the grouping indicate a heightened dominance by China?

In assessing the evolving dynamics of the multilateral reform process advocated by BRICS since 2009, it is imperative to evaluate the effective role of BRICS within the contemporary international landscape after 15 years. As articulated throughout the article, while the grouping has reintroduced the platform and demands of emerging nations onto the global stage, the reform endeavors concerning international multilateral institutions entail navigating a complex terrain of divergent interests.

The ongoing reform of international multilateral institutions and the conundrum regarding leadership of the global governance apparatus are subjects of contention, with uncertainty surrounding the peaceful nature of this process. Contemporary evidence, exemplified by events such as the US-China trade war and the Russia-Ukraine conflict, injects a dimension of Realpolitik into this tension, wherein the emerging world appears to be at a juncture where regression is not a viable option.

Regarding the impetus for the expansion of BRICS, China has spearheaded this initiative. This may lead, on one hand, to the establishment of a polycentric order in which BRICS and its members operate in a manner that challenges Western-led structures. On the other hand, it could pave the way for a new international order that serves China's domestic agenda within the Global South. This involves the reinforcement of various institutional mechanisms, wherein China assumes a leading role, exemplified by initiatives such as the Asian Infrastructure Investment Bank and the Belt and Road Initiative, or seeks to lead, as demonstrated by the New Development Bank.

In this context, it is noteworthy that the "Joint Statement" signed by Russia and China on February 4th, 2022, signifies their partnership and projection as global actors. Concurrently, India endeavors to fortify the BRICS grouping as a bulwark against China's maneuvers, while simultaneously forging alignments with the United States, aiming to leverage benefits from both platforms. These three nations constitute the core of BRICS, and despite their divergent stances, it is crucial to acknowledge the interdependence among them. Indeed, in numerous domains, one cannot exist without the other two, underscoring the intricate relationships within the group.

Furthermore, Xi Jinping's visit to Russia in March 2023—his first visit to the country since the onset of the conflict in Ukraine—serves as a clear indication that the alliance between these nations has been consolidating, with both countries aligning themselves in opposition to the stance of the West regarding the conflict.

In this context, several potential aspects concerning the evolution of BRICS within the current international landscape warrant consideration: a) Does the escalation of tension between the East and the West resulting from the Russia-Ukraine conflict herald new scenarios wherein the supremacy position of the United States gains further strength? b) Is the Sino-Russian alliance sustainable in the medium term, considering China's commercial interests and its desire to maintain ties with the West? c) Amidst escalating tension, can South Africa or Brazil, particularly within the context of its new government, contribute to shaping new agreements and strengthening the platform of the Global South?

Considering the aforementioned issues, notwithstanding considerable skepticism towards the bloc, it can be argued that the collective interests of the grouping in maintaining cohesion, alongside the inclination towards expansion by new entrants, suggest that, after 15 years of collaborative engagement, the BRICS countries remain relevant. This enduring relevance may stem from their role as an initiative, at least in institutional terms, aimed at providing an alternative perspective to the prevailing international liberal order—a perspective that addresses unresolved global demands within the existing framework of Global Governance. Whether this endeavor could revitalize a sense of hope and trust within the global community remains to be seen in the near future.

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Пятнадцатилетие БРИКС: вызовы и возможности для развивающихся стран в изменяющемся институциональном ландшафте

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С начала финансового кризиса 2008 г. концепция многополярности вновь приобрела актуальность, поддерживаемая настойчивыми требованиями развивающихся экономик о расширении их представительства и участия в многосторонних институтах. С 2009 г. страны БРИКС постарались переосмыслить своё положение на мировой арене, инициировав новые проекты, в частности Новый банк развития (НБР). Эти организации сосуществуют с традиционными структурами глобального управления, в которых доминируют США и страны Европы. В год пятнадцатилетия БРИКС в статье даётся оценка эффективности её деятельности. В частности, анализируется, насколько основные мировые политические процессы, происходящие в мире, соответствуют интересам БРИКС. В исследовании используются теоретические концепции Международной политической экономики (МПЭ) с особым вниманием к динамике международных многосторонних форумов.

Ключевые слов: международная политическая экономия; БРИКС; новые многосторонние институты

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BRICS as a Catalyst for Global Governance Transformation: Beyond Western Perceptions

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Abstract: Scholarship on global political economy and global peace and security governance often depicts BRICS members as emerging powers with relatively limited experience in international leadership. These depictions underscore their contested regional leadership and ambiguous institutional, political, ideological, and socio-economic capacities to influence and reshape the global governance system. However, this article challenges some of these characterizations of BRICS members as inaccurate and rooted in Western exceptionalism. Employing a qualitative secondary research approach, it aims to analyze the role of BRICS as a new model for global governance by examining key institutional and political initiatives undertaken by the bloc, as well as by each of its member states.

The analysis reveals that institutional initiatives such as the New Development Bank (NDB) demonstrate the BRICS' capacity to deploy a combination of hard and soft power tools, thereby contributing to the emergence of multipolarity in the global governance architecture. These initiatives have exposed the world's developing regions to new experiences, resources, and understandings of the priorities of emerging powers. Furthermore, political responses to crises, such as turmoil in Zimbabwe, Libya, and Mali, as well as nuclear issues in Iran, where BRICS members have assumed mediatory, supportive, or leading roles, have sparked renewed interest in understanding BRICS as an alternative to traditional conceptions of global peace and security governance.

Significantly, BRICS' soft power diplomacy plays a pivotal role in projecting the bloc as an advocate of alternative global governance architecture and in dispelling negative perceptions. This objective is achieved through the BRICS' transformative agenda, which offers alternative pathways for attaining international public goods in developing regions with shared historical and ideological affinities.

Keywords: BRICS, emerging powers, global governance architecture, security, international finance, soft power, multilateralism

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Since its inception in the early 2000s, the BRICS bloc has been examined through the lenses of two major International Relations theories: Realism and Liberalism. In some media and academic circles, there is a Realist emphasis on the BRICS' growing global influence, suggesting a new wave of global competition. In contrast, the Western liberal perspective tends to portray BRICS as lacking historical global leadership, economic prowess, and military capabilities, which precludes it becoming a full-fledged alternative and strategic competitor (Hopewell 2017). For example, Pant argued that "the narrative surrounding the rise of BRICS is as exaggerated as that of the decline of the United States ... BRICS will remain an artificial construct—merely an acronym coined by an investment banking analyst—for quite some time to come" (Pant 2013: 103). A sense of Western exceptionalism underpins the above observation, as well as some other academic studies on BRICS' alternative approach to global governance.

The emergence of BRICS may be attributed to a desire for a post-liberal governance framework and a determination to break free from the dominance of the Global North. Additionally, BRICS exhibits a distinct motivation for fostering greater South-South cooperation, particularly through its representation of key regions within the Global South - Africa, Asia, and Latin America (Sarkar 2014). In this context, BRICS signifies a departure from the traditional international financial system led by institutions like the International Monetary Fund (IMF) and the World Bank (WB), towards a novel mode of engagement that offers alternative avenues for accessing international public developmental financial resources. Consequently, institutional endeavours such as the New Development Bank showcase BRICS' ability to wield soft power instruments, thereby contributing to the advent of multipolarity in the global financial governance. This evolution highlights how developing regions across the globe have been exposed to novel experiences, resources, and perspectives on the priorities of emerging powers.

Recent statistics underscore the significant role played by BRICS on the global stage. Collectively, BRICS countries represent approximately 40% of the global population, contribute 25% to the world's GDP, engage in 15% of global trade, hold 40% of international foreign currency reserves, and possess 20% of the world's landmass (Duggan, Azalia, Rewizorski 2022; Viswanathan, Mathur 2021). Moreover, the inclusion of BRICS countries in the G20 augments their international influence and standing. Nevertheless, while these metrics suggest the potential for transformative changes within the global governance framework, they do not ensure such changes.

Therefore, this study focuses on the agency of two crucial BRICS members, Russia and China, as manifested in their call for reforming global decision-making architecture in line with contemporary geo-political realities. Both nations are portrayed as following a "developmental" trajectory that offers novel interpretations of global security and arbitration frameworks. Their approach to addressing crises in Africa is characterized by the discourse of "state sovereignty," "anti-colonialism," and "anti-imperialism." Moreover, BRICS, via China and Russia, have sought to achieve two pri-

mary objectives: (a) establishing themselves as strategically independent actors within the international community, and (b) cultivating a great power identity by actively engaging in African and Middle Eastern hotspots, thereby assuming roles such as “power broker,” “mediator,” and “stabilizer.” The interests of Russia and China in Africa, Asia, and the Middle East are complex, oscillating between promoting a non-interference agenda and pursuing a calculated geopolitical strategy to counter the influence of the North Atlantic Treaty Organization (NATO). BRICS’ inclinations towards a revisionist approach to global governance further underpin their preferences in interactions with the Global South. This political landscape may shape BRICS’ support for African agency in multilateral fora such as the United Nations, backing for African peacekeeping missions to regional conflicts, organizing China and Russia Africa Summits, and efforts to garner African support within the United Nations Security Council (UNSC).

Methods and Conceptual Arguments

This study employed a secondary qualitative methodology, specifically desktop research, to analyse secondary data from academic journals, books, online resources, and other archival materials concerning global governance architecture, BRICS, and multilateralism, in order to address the research problem (Taherdoost 2021). The concept of global governance became popular with the publication of the 1995 United Nations Commission on Global Governance report entitled *Our Global Neighbourhood*. This report highlights the roles of both state and non-state actors, including individuals and multilateral institutions, in managing common global affairs, marking a departure from traditional Cold War-era and statist notions of global governance (Qoraboyev 2021). Global governance is defined as the collective approach and process of addressing common problems in the international system, including the way of accommodating competing interests and decision-making frameworks. The term often refers to the activities, objectives and aims of international institutions and transnational businesses, as well as to internationally accepted norms and values (Finkelstein 1995). Following the Cold War, the global governance architecture shifted towards a predominantly neoliberal framework, characterized by a preference for capital markets, the emergence of new types of agencies and non-state actors, and the establishment of new institutions and mechanisms that often superseded the authority of the state. While global governance structures generally include intergovernmental organizations (IGOs), public-private partnerships (PPPs), tripartite governance mechanisms, and private governance initiatives, these have primarily operated under the proactive influence of the US and, to some extent, Western Europe. Consequently, this has resulted in an outdated distribution of military, economic, and political values that lacks meaningful and sustainable development outcomes.

Some scholars have equated the unipolar global governance paradigm with Americanisation (Brands 2016; Yurlov 2006). This suggests that the neoliberal agenda of the United States was imposed on the international political economy through the Bretton

Woods institutions. The resulting structural adjustment programs often failed to address the specific needs of the developing Global South. Since the end of the Cold War, many economies in the Global South have been shaped according to the international prescriptions advocated by the IMF and the World Bank. These policies, promising poverty alleviation, balance of payment corrections, and rapid economic growth, have instead led to unprecedented socioeconomic crises characterized by unemployment, reductions in government welfare and development program funding, and a breakdown in the social contract between the state and its citizens in countries such as Zimbabwe, India, the Philippines, and Mexico.

Politically and militarily, the global governance framework established after the Cold War was underpinned by the “Fukuyamian” perspective on the triumph of liberal democracy, famously dubbed the “end of history.” This narrative resulted in the creation of political and ideological divisions rooted in a fundamentalist approach to international relations. The United States antagonized nations in its geopolitical peripheries across Africa, Latin America, the Middle East, and Asia. During this period, the international actions of the United States were exemplified by military interventions in Afghanistan (2002), Iraq (2003), and Libya (2011), as well as the imposition of sanctions on countries such as Zimbabwe (2001), Russia (2014), and Iran (2018). These actions reflected a dismissive, intolerant, and insensitive international security architecture. While many states aligned themselves with the US-led unipolar global governance, the unique circumstances and needs of different geopolitical regions served as a catalyst for the emergence of alternatives, sometimes of radical nature. Examples include the rise and proliferation of Islamic extremism in the Middle East, nativism in certain parts of Africa, and the emergence of the BRICS bloc.

The BRICS and a reformed global governance framework

Scholarly research examining BRICS’ impact on the global governance architecture is growing and can be categorized into two main themes. One strand of literature focuses on BRICS’ transformative agenda (Duggan, Azalia, Rewizorski 2022; Van Noort 2019). This research is contextually cantered on BRICS’ capacity for cooperation through soft power strategies, which offer alternative pathways for achieving international public goods, such as collective security and identity—crucial elements for a sustainable global governance framework. Additionally, this scholarship employs the concept of multilateralism to elucidate BRICS’ preference for a cooperative global governance structure, wherein international fora and organizations serve as platforms for advancing the interests of diverse regions, including Africa, Latin America, and the Middle East. This departure from conventional notions of hegemonic states within the international hierarchy underscores BRICS’ commitment to mitigating the marginalization of weaker geopolitical regions and addressing their specific needs. Central to this perspective is the recognition of the importance of ‘agency’ in driving the transformative agenda of BRICS.

Conversely, another strand of scholarship examines the emergence and evolution of BRICS as a source of great power rivalry and global competition (Hopewell 2017; Allison 2017). These scholars analyse BRICS within the framework of international politics of recognition, whereby their international decisions are influenced by domestic preferences concerning global governance. For instance, South Africa's approach to global governance is shaped by its anti-colonial and apartheid history, as well as its discourse on human rights and multi-racialism. Its engagements in Africa aim to promote sustainable African 'agency,' enabling the region to assert itself proactively at forums such as the United Nations Security Council and within the global value chains (Chakraborty 2018). In turn, Chinese and Russian engagements with former colonial regions like Africa, Latin America, and the Middle East often emphasize a historical-ideological narrative rooted in non-interference in the domestic affairs of these regions. Consequently, BRICS' involvement in these areas is seen as projecting "spatial imaginaries," wherein geopolitical regions serve as symbolic and cognitive frames shaping political and foreign policy decisions (Lewis 2018).

This article advocates for the adoption of multilateralism as the preferred framework for reformed global governance, highlighting BRICS' inclination towards a cooperative international order that acknowledges the role of international fora and organizations in empowering various regions, including Africa, Latin America, the Middle East, and Asia. The preference for multilateralism stems from the recognition that the attacks of September 11, 2001 revealed the deficiencies of a unipolar US-led approach to global peace and security. While the US-led international order initially promoted values such as democracy, good governance, and human rights, it also contributed to global terrorism, financial crises, and anti-US sentiments in the Global South. These reactions to US unilateralism underscored the necessity for coordinated collective action encapsulated in multilateralism. In response to these global challenges, states joined forces to establish the BRICS bloc, aiming to provide an alternative to the prevailing US-led unipolar world order.

BRICS cooperation capacity and soft power

Since its inception in the 2000s, the BRICS has exemplified a capacity for cooperation characterized by strategic repertoires of engagement, including soft power diplomacy, multilateralism, and the promotion of "agency" among developing regions.

The concept of soft power diplomacy has been central to scholarly discussions on the projection of power in international relations. In a broad sense, power refers to one's ability to shape the behaviour of others in accordance with one's preferences. In the realm of international relations, power is often understood in terms of how states utilize their resources to influence others in order to achieve favourable outcomes. States may employ tactics such as coercion, economic incentives, and inducements to achieve their goals. However, according to Nye's perspective, emphasis is placed on the role of economic and cultural influence (Nye 2021; 2008). Scholarship has frequently

portrayed soft power diplomacy within the context of the United States' liberal democratic principles, which have characterized the post-Cold War era's unipolar global governance system (Duguri et al. 2021). The argument posits that soft power stands in contrast to Realist notions, which emphasize the inherently conflictual and competitive nature of states. In the absence of a centralized international authority and the consequent anarchic nature of the global system, states often prioritize opportunism over cooperation. Soft power, on the other hand, represents a departure from traditional notions of state interaction rooted in conflict, favouring instead an approach based on attractive resources such as policies, values, and cultures. Nye's arguments emphasize the elements of influence, attraction, and enticement (Nye 2021; 2008), suggesting a shift away from the limitations of hard and military power politics in an increasingly globalized world marked by non-military threats of ideological and economic nature. In the realm of international relations, the resources that contribute to soft power are derived from the values that a bloc, organization, or state embodies in its culture and its interactions with other states.

The soft power diplomacy of BRICS plays a significant role in its positioning as a proponent of alternative global governance architecture and in dispelling perceptions of being a rising imperialist bloc. This critical objective is achieved through the BRICS' transformative agenda, which offers alternative pathways for achieving international public goods in developing regions with shared historical and ideological affinities. The international and regional choices of all BRICS member states exhibit a consistent pattern of historical-ideological narrative rooted in anti-colonial, anti-imperialist, and anti-capitalist trajectories that trace back to the era of colonialism. None of the BRICS member states had colonies (Chakraborty 2018). With the exception of Russia, which was never colonized, Brazil, India, China, and South Africa were former colonies or semi-colonies of European great powers. These cultural and historical advantages lend credibility to BRICS activities in developing regions. This ideological continuity is evident in the exportation of these ideas to regions such as Africa and Southeast Asia, where China and Russia supported various national liberation movements in their struggles against colonialism. India, actively engaged in the Non-Aligned Movement since its inception in 1961, sought to advance the socio-economic and political interests of developing regions amidst the complexities of Cold War politics (Thampi 2017; Alden 2017; Khomyakov 2020). Additionally, as a former British colony, India provided material and ideological support to African independence movements through multilateral fora such as the Organisation of African Unity (OAU). While Brazil and South Africa lack a track record of providing anti-colonial assistance elsewhere, they have prioritized foreign policies aimed at expanding their influence within their respective regions. This has involved refraining from addressing political instability in South America and Africa through security-centric approaches, including military intervention, and instead favoring multilateralism and, in the case of South Africa, "African Solutions to African Problems" (Mammo et al. 2017).

Brazil

Chatin and Gallarotti (2018) examine Brazil's soft power projection, which arises from constraints on hard power, pacifism, and a regional foreign policy characterized by multilateralism. Similar to many regions worldwide, South America has experienced civil-military conflicts in countries such as Argentina, Bolivia, Colombia, Chile, and Peru. In these cases, armed conflicts have either led to a breakdown in the social contract between citizens and the state or demonstrated the ineffectiveness of military solutions to conflicts. Additionally, the ideological dynamics of the Cold War between the United States and the Soviet Union had a significant impact on South America, leading the region to become a theatre for great power politics. Therefore, in the case of Brazil, its soft power projection stems from a recognition of the limitations of addressing political instability in South America through military means. Brazil's commitment to multilateralism, peace, and sustainable security offers a fresh perspective on its conception of global governance architecture, rooted in soft power strategies. As a result, Brazil has actively participated in fifty United Nations peacekeeping missions, notably in Haiti, Mozambique, Southern Lebanon, the Central African Republic, and the Democratic Republic of Congo¹.

Brazil's condemnation of the US invasion of Iraq in 2003 exemplified its stance on security and arbitration architectures. Brazil's criticism of US unilateralism, which undermined institutional and multilateral approaches to resolving the Iraq issue, highlighted the limitations of military responses to global crises. Brazil joined the international coalition opposing the use of force and questioning its effectiveness in achieving desired political objectives. Instead, Brazil advocated for a broader discussion on Iraq within the framework of multilateralism, under the auspices of the United Nations. Furthermore, Brazil's position on the Iranian nuclear issue underscored its commitment to addressing significant international crises through UN mechanisms and the International Atomic Energy Agency (IAEA). Regarding Iran, Brazil emphasized the importance of global cooperation among states in addressing collective challenges, which allows for a better understanding of the specific needs and priorities of developing regions. Brazilian President Luiz Inácio Lula da Silva articulated Brazil's stance, stating that "Iran has the right to proceed with peaceful nuclear research. It should not be punished just because of Western suspicions it wants to make an atomic bomb," and emphasizing that "so far, Iran has committed no crime regarding United Nations guidelines on nuclear weapons."²

¹ Roy D. 2022. Brazil's Global Ambitions. *Council on Foreign Relations*. 19.09.2022. URL: <https://www.cfr.org/backgrounder/brazils-global-ambitions#chapter-title-0-3> (accessed 15.02.2024).

² Brandimarte W. 2007. Brazil's Lula defends Iran's nuclear rights. *Reuters*. 26.09.2007. URL: <https://www.reuters.com/article/us-iran-nuclear-lula-idUSN2536221720070925> (accessed 15.02.2024).

In this context, Brazil's international decisions are guided by a revisionist foreign policy aimed at reforming the United Nations to expand the number of permanent members to better reflect the global distribution of power. Brazil's revisionist stance on global governance is embraced and supported as a soft power strategy within the community of nations in the Global South.

Russia

While limited in scope, Russia maintains vested interests in Africa, particularly in sectors such as nuclear power technology, natural resources, hydropower technology, and railway construction. The inaugural 2019 Russia-Africa Summit held in Sochi served as a clear indication of Russia's efforts to incorporate soft power tools into its re-engagement strategies with Africa. Despite its great power status, Russia has yet to achieve advanced economic capabilities necessary to establish itself as a full-fledged strategic competitor of the West. This is evidenced by the relatively low volume of trade between sub-Saharan Africa and Russia, which amounts to US\$3 billion, compared to China's estimated US\$56 billion and the US' US\$27 billion. However, despite its constrained economic capacity, Russia's expanding presence in Africa reflects a significant trajectory in its foreign policy "spatial imaginaries." Lewis conceptualises spatial imaginaries as "cognitive frames that filter information and provide meaning for events while legitimising particular policy decisions. They play an essential role in asserting boundaries between 'them' and 'us,' thus constructing and shaping national identities constituted by differences" (Akchurina, Della Salla 2018).

In essence, Russia's perceptions of Africa are framed within a "developmental" trajectory characterized by themes of "anti-imperialism," "anti-colonialism," anti-Western sentiment, and sovereignty. In its engagement with Africa, Russia seeks to achieve two primary objectives: (a) to establish itself as a strategic independent actor in the international community and (b) to reclaim a historical great power identity by actively participating in African hotspots as a "power broker," "mediator," and "stabilizer." These objectives align with the social constructivist theoretical framework in international relations. As outlined by Tsygankov (2016), the quest for "identity" is a central tenet of social constructivism, whereby states engage with other members of the international community to forge connections that shape individual identities. Identity serves as a crucial component of collective ontological security, representing a stable recognition of a state's self-image derived from historical experiences and interactions with other states (Narozhna 2021). Consequently, Russia's self-identity hinges on how various regions of the world, including Africa, perceive Moscow.

India

The advent of globalization and the information age has facilitated India's projection of power through the dissemination of its culture, notably through the phenomenon of Bollywood cinema. Within Bollywood, Indian culture and ideas have successfully competed with the dominant Western entertainment structure, showcasing

India's cultural prowess on a global stage. Moreover, Bollywood has served as a platform to enhance India's credibility among audiences in the Global South, particularly in Latin America, Asia, and Africa. This phenomenon underscores the socio-political and cultural implications of soft power, which is concerned with shaping public opinions and framing specific issues in the global media landscape³. Soft power assumes increasing importance in shaping perceptions and attitudes toward cultures, especially in the post-US-led world order, where leadership involves influencing opinions on a global scale.

Through Bollywood, India has effectively influenced agenda setting and framing of pertinent non-Christian cultural issues in the Global South. Its portrayal of Islamic culture is particularly significant in dispelling political narratives that link Islam with radical militant ideologies. As highlighted by Los (2019), India's soft power diplomacy extends to its values and standards, anchored in its status as the cradle of two major global religions—Buddhism and Hinduism. These religions are characterized by principles of tolerance and diversity, which emphasize the accommodation of other belief systems and reject fundamentalism common in Western contexts. Another notable aspect of India's soft power is Gandhism, based on the pacifist political principles advocated by its founding leader, Mahatma Gandhi. Furthermore, India serves as a beacon of democracy and political stability in a region marked by militarized politics, extremism, and political turbulence.

China

Similar to Russia's soft power strategy, China aims to employ appealing global engagement strategies to alleviate suspicions of its rising hegemony, which might challenge the global leadership role of the United States. This perception is influenced by the concept of the "Thucydides trap" prevalent in Western media and academic discourse. Another objective of China's soft power approach is its aspiration for leadership in the Global South. This ambition drives China's soft power diplomacy, which includes cultivating its international image, offering economic incentives, and engaging in altruistic endeavours such as public health diplomacy (Zhu, Yang 2023). One of the most conspicuous manifestations of China's soft power efforts is through the establishment of Confucius Institutes, which promote Chinese culture and language. This culture, rooted in millennia-old texts and traditions, produces a veneer of legitimacy and moral authority on the global stage. China's internationalization of Confucian principles advocating for peaceful coexistence and prosperity among neighbours, as well as the concept of a "harmonious world," underscores its influence in East Asia

³ Zhou J. 2022. *The Developing Role of Cultural Diplomacy in Soft Power? A Case Study of Japanese Cultural Promotion*. Master's thesis, Linköping University, Sweden. URL: <https://www.diva-portal.org/smash/record.jsf?pid=diva2%3A1704816&dsid=2880> (accessed 15.02.2024).

and beyond⁴. Unlike the United States, which often promotes its values commercially, China refrains from imposing its values globally and instead respects cultural, political, and social pluralism on an international scale.

Another crucial aspect of China's soft power diplomacy lies in its economic-centric foreign policy. Economic incentives form the cornerstone of China's foreign policy, which is grounded in historical affinities and adherence to traditional Westphalian principles of respecting states' territorial integrity and sovereignty. In regions where China shares historical ties, there is often a heightened ideological alignment, granting Beijing legitimate moral authority as a leader in the Global South. Leveraging this trust and authority, China advocates for multilateralism on the global stage, framing and addressing concerns specific to developing regions. These historical affinities also drive China's altruistic provision of foreign aid, particularly in the realm of public health. According to Killeen et al. (2018), China's robust health foreign aid policy traces back to the First National Health Congress in 1950, which laid the ideological foundation for China's global health aid initiatives. Rooted in Maoist principles, this policy prioritized serving impoverished populations, the marginalized, and the working class. The African region holds an institutional memory of "barefoot doctors," illustrating the engagement of Chinese medical experts with African communities, where they sought to address endemic health system challenges. During the global COVID-19 pandemic, China emerged as a leader in combating the virus by supplying face masks and vaccines to the Global South. This proactive response showcased China's readiness to provide alternative global leadership in public health diplomacy.

South Africa

South Africa's soft power identity is epitomized by the concept of a "rainbow nation," coined by former President Nelson Mandela. This notion symbolizes the forging of a cross-ideological and cross-class alliance founded on principles of multi-racialism, democracy, liberal markets, and "big tent" ideas (Mangani, Breakfast 2022). Embracing a liberal perspective, South Africa endeavoured to promote a human rights agenda in its foreign policy, exemplified by its condemnation of the Sani Abacha regime in Nigeria, its commitment to multilateralism, and its use of cultural diplomacy during the hosting of the 1995 Rugby World Cup. These occasions served as platforms to reinforce its leadership role in fostering multiculturalism and racial harmony. At the regional level, particularly under the leadership of President Thabo Mbeki, South Africa sought to redefine itself as a champion of Pan-Africanism. This entailed advocating for the restructuring and transformation of the continental body, transitioning from the Organisation of African Unity (OAU) to the African Union (AU). Additionally, South

⁴ Ljuslin L. 2021. *China's Use of Soft- and Hard Power under the Leadership of Xi Jinping*. Master's thesis, Uppsala University, Sweden. URL: <https://www.diva-portal.org/smash/record.jsf?pid=diva2%3A1629476&dsid=9350> (accessed 15.02.2024).

Africa aimed to enhance African “agency” in international affairs through initiatives such as the New Partnership for Africa’s Development (NEPAD). These efforts underscored Africa’s readiness to assert itself on the global stage through non-military means, prioritizing economic considerations in its international engagements.

Similar to Russia and China, South Africa leveraged its historical ties shaped by colonialism to advocate for closer relations within the Global South and to advance African interests in multilateral fora. Notably, South Africa’s involvement in addressing socio-economic and political crises in Zimbabwe, Kenya, and the Sudan Peninsula has yielded tangible outcomes, including the formation of national unity governments. These cases highlight Africa’s capacity to devise homegrown solutions to its challenges, rooted in an understanding of the unique dynamics and needs of developing regions.

The BRICS in global financial and security governance

Through the New Development Bank (NDB), the BRICS bloc has leveraged its influence to provide international public goods in development and finance within an existing global governance framework. The NDB should be contextualized within the broader landscape of global economic governance, where the BRICS aim to forge alternative “conditions for ordered rule and collective action” (Stoker 1997, cited in Rewizorski 2018: 281). The evolution of the global economic governance architecture can be delineated into three distinct phases, with the NDB representing a pivotal development in the third phase. The initial phase of multilateral development banking emerged during the decolonization era, culminating in the establishment of the Asian and African Development Banks in the mid-1960s. These institutions were designed to address the specific economic needs of their respective regions, under the control of Asian and African stakeholders (Sato, Aboneaaj, Morris 2021). The second phase coincided with the post-Cold War era of unipolar dominance and neoliberal capitalism, marked by efforts to economically restructure former Eastern European communist economies. During this period, the European Bank for Reconstruction and Development (EBRD) was established to oversee the privatization of major state-owned enterprises across Eastern Europe. The third phase reflects a “revisionist” approach stemming from concerns over undemocratic representation within global financial institutions and governance structures. Despite contributing 32% of the global GDP, the BRICS countries hold less than 15% of the voting rights in the International Monetary Fund (IMF). In contrast, the European Union, with an 18% share of global economic output, commands 30.2% of the voting rights in the IMF (Rewizorski 2018).

Institutional initiatives such as the NDB, endowed with a capital base of US\$ 50 billion, exemplify the BRICS’ ability to wield a combination of hard and soft power tools, thus promoting multipolarity within the global financial governance framework. The NDB channels funding into infrastructural and sustainable development projects in the Global South, aiming to bridge the infrastructure investment gap and diminish

the dominance of Western powers in the global financial hierarchy⁵. For instance, the NDB allocated a US\$ 50 million loan to the Bank of Huzhou for the implementation of the “Bank of Huzhou Sustainable Infrastructure Project,” aligning with the objectives of the “2030 Agenda for Sustainable Development.” This initiative, cantered in Zhejiang Province, China, emphasizes low-carbon efforts, energy efficiency, and sustainable development, thereby contributing to the realization of UN Sustainable Development Goals 9 and 11, focused on fostering resilient infrastructure and safe human settlements. Similarly, in Brazil, the Banco de Desenvolvimento de Minas Gerais S.A (BDMG) secured a US\$ 200 million loan from the NDB for the BDMG Infrastructure and Sustainable Development Financing Project (Braga et al. 2022). This initiative, approved in March 2023, aims to bolster investments in smaller municipalities, reduce greenhouse gas emissions, and enhance social infrastructure sectors and clean energy endeavours.

In Russia, the Joint-Stock Company “Russia Housing and Urban Development Corporation” (JSC DOM.RF)’s Affordable Housing Program, amounting to US\$ 1.4 billion, received approval for a US\$300 million allocation from the NDB in March 2021. This social infrastructure initiative aims to enhance living conditions across Russia. In India, the NDB provided funding of US\$ 346.72 million for Corridor 4 of Phase II of the Chennai Metro Rail Project (Duggan et al. 2022). This project is designed to address the transportation infrastructure challenges that have led to increased reliance on private transportation in Chennai, resulting in pollution and congestion, thereby limiting Chennai’s potential as the commercial hub of South India. Consequently, the project aims to expand Chennai’s rail-based transport system. In South Africa, the NDB extended a US\$100 million loan to the Development Bank of Southern Africa in December 2022 for the DBSA Sustainable Infrastructure Project, which aims to finance projects focusing on digital, social, and energy infrastructure.

Albert O. Hirschman’s game theory outlined in *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States* helps understand the NDB creation (Hirschman 1970). Within the conceptual framework proposed by Hirschman, individuals or groups dissatisfied with organizational structures or cultures are presented with two options: exit or voice. Those who choose to exit forego their entitlement to the public goods provided by the organizations, whereas those who employ voice strategies remain within the organization, voicing their grievances and advocating for change from within. Cooper and Farooq elaborate on this latter option, arguing that the “privileging of new informal forums at the hub of global governance has allowed some significant degree of reform within the global system without huge disruption,” (Cooper, Farooq 2013: 431) resulting in a “growing multi-layered ‘thick’ international architecture of global governance” (Ibid: 429).

⁵ Annual Report 2021: Expanding our reach and impact. 2021. *Shanghai: New Development Bank*. URL: https://www.ndb.int/annual-report-2021/pdf/NDB_AR_2021_complete.pdf (accessed 15.02.2024).

Growing concerns regarding undemocratic representation patterns within global financial institutions and governance prompted the emergence of the third wave of multilateral development banking. The BRICS bloc responded to these challenges by establishing parallel structures within the global financial governance architecture, such as the NDB. Institutional initiatives like the NDB, alongside the BRICS Contingent Reserve Arrangement (CRA), provide valuable insights into the BRICS' reduced reliance on the US dollar as a reserve currency and on the Bretton Woods institutions⁶. The 2007-2008 global financial crisis had significant repercussions on capital flows in emerging markets and currency volatility. In response to these challenges, the BRICS bloc created the CRA during their sixth summit in Fortaleza, Brazil, on July 15, 2014. The preamble of the Treaty for the Establishment of a BRICS Contingent Reserve Arrangement outlines the mandate of the CRA: "to forestall short-term balance of payments pressures, provide mutual support and further strengthen financial stability" and to "contribute to enhancing the global financial safety net and complement existing international monetary and financial arrangements"⁷.

Hence, the CRA, comprising a US\$ 100 billion currency swap pool, functions as a mutual agreement among BRICS member states to address urgent currency crises. China has contributed US\$ 41 billion, while Russia, Brazil, and India have each committed US\$ 18 billion, with South Africa providing US\$ 5 billion to the arrangement.

BRICS' approach to international security

While the BRICS bloc has yet to emerge as a full-fledged strategic global economic competitor, its aspirations are evident in discernible security and diplomatic strategies that are closely linked to the Global South. BRICS countries have emphasized regional foreign policy objectives as a means to achieve this goal. Russia's Eurasianism, reflected in its security decisions in Eastern Europe and Asia, offers an opportunity to assess the BRICS as a driving force for broader international strategy. Similarly, China's interests in Southeast Asia are influenced by factors such as territorial disputes in the South China Sea, its interactions with the Association of Southeast Asian Nations (ASEAN), and its soft power diplomacy through initiatives like the Belt and Road Initiative (BRI). India, through its "Look East Policy" of the early 1990s and its subsequent global engagement, has strategically developed a security framework aimed at unifying and stabilizing the South Asian region, which lacks a common security architecture. This approach has led to India's efforts to recalibrate its relationship with Pakistan through historic agreements like the Simla Agreement and the Lahore Declaration. Since 2003,

⁶ Cattaneo N., Biziwick M., Fryer D. 2015. The BRICS Contingent Reserve Arrangement and its Position in the Emerging Global Financial Architecture. *South African Institute of International Affairs*. Policy Insights 10, March 2015. URL: <https://saiia.org.za/wp-content/uploads/2015/04/Policy-Insights-10.pdf> (accessed 15.02.2024).

⁷ Treaty for the Establishment of a BRICS Contingent Reserve Arrangement, July 15, 2014, Fortaleza, Brazil. URL: <http://www.brics.utoronto.ca/docs/140715-treaty.html> (accessed 15.02.2024).

Brazil's foreign policy has prioritized global power projection, leveraging its regional influence. Brazil's focus has been on fostering a democratic South American region and using this platform to enhance its competitive position in the global political economy. Meanwhile, South Africa has pursued an ideological security framework rooted in liberation ideology within the African region. It has worked to strengthen ties with former Southern African liberation movements and reshape its image as a collaborative African partner, moving away from the legacy of the apartheid era.

Despite the regional nature of many of those aspirations, visible mutually opposed interests exist within the BRICS bloc. A notable example is the strained relationship between India and China as they vie for influence in the Asian region (Troitskiy 2015). Additionally, Brazil and South Africa do not necessarily align on geopolitical issues with Russia, China, and India. Another dimension to consider is that Brazil, India, and South Africa, not being permanent members of the UNSC, have pursued agendas aimed at reforming the body. This stands in contrast to Russia and China, which benefit from the existing structure of the UNSC.

BRICS vs. the West

The alternative global governance architecture proposed by BRICS member countries, particularly Russia and China, is rooted in an anti-Western approach aimed at challenging the dominance of the US, European Union, and NATO, while bolstering the bloc's own power. This approach involves forming strategic security partnerships in regions such as Africa, Asia, Latin America, and the Middle East, as well as intervening in global hotspots. For instance, the cases of Mali, Sudan, Libya, and the Central African Republic highlight Russia's political strategy, which prioritizes understanding African states' needs such as non-interference, respect for state sovereignty, and a commitment to multilateralism in conflict resolution. This departure from Western interventionism, particularly by France, has fuelled anti-French sentiments in Francophone Africa, creating a political and security vacuum that Russia has sought to fill. Notably, there has been a shift away from traditional foreign policy tools, such as military deployment and economic incentives, towards a new form of engagement that leverages non-state actors and soft power tools, including media and information dissemination.

Russia's deployment of non-state actors, such as the Wagner Group, a Russian-owned private military company, introduces new perspectives on its security and arbitration frameworks. This has sparked discussions within certain Western media circles, which are concerned about Wagner's "asymmetrical" and "transactional" political-military activities. Consequently, Russia is portrayed as a global power leveraging its security tools, aligning with embattled incumbents to hinder meaningful political transitions in specific African states. However, the utilization of Wagner is cost-effective and mindful of the risks associated with direct involvement of foreign military forces, resonating across the African continent. In this context, Russia assumes the role

of Africa's provider of security and sovereignty. Russia's substantial influence in Africa is further evidenced by its position as the continent's largest arms supplier. Russian interests in the Maghreb and the Horn of Africa are multifaceted, oscillating between a policy of non-interference and a geopolitical strategy aimed at countering NATO in the Middle East and the Mediterranean. Moreover, a "revisionist" approach to global governance informs Russian and Chinese perspectives on Sub-Saharan Africa, reflecting their preference for a post-liberal governance model. This political reality may influence the preferences of South Africa, China, and Russia regarding African agency in multilateral fora such as the United Nations, their support for African peacekeeping missions, participation in Russia-Africa Summits, and efforts to secure African backing at the United Nations Security Council. The opposition of China and Russia to UN-sanctioned actions against the regimes of Robert Mugabe in Zimbabwe and Omar Al Bashir in Sudan serves as a notable example.

In the broader African context, South Africa has pursued a continental security approach centered on fostering continental unity, sustainable development, and African-oriented solutions to African problems. This approach emerged during a post-Cold War unipolar era, which often saw Africa's unique political and socio-economic circumstances being disregarded. As part of its African Renaissance agenda, South Africa has emphasized pragmatism in addressing African hotspots, often employing a strategy of "quiet diplomacy," as seen in its response to the political crisis in Zimbabwe, and advocating for African solutions to African problems in relation to political unrests in Eswatini and the Democratic Republic of Congo. Similar to other BRICS members, South Africa has embraced an African *realpolitik* approach, supporting incumbent African governments while opposing Western perspectives on regional political developments. In January 2019, South Africa aligned with China and Russia in endorsing the DRC elections, despite opposition from Western nations like the US and France, who criticized the elections as fraudulent⁸. By doing so, South Africa underscored the importance of political stability in the DRC, signalling a rejection of continued Western interference in African political affairs.

In these instances, South Africa has adopted an inclusive approach, taking into account the unique political and socioeconomic contexts of each country involved. For example, regarding Zimbabwe, South Africa acknowledged the complexities of global power dynamics and opted for a strategy of "quiet diplomacy." This approach sought to address the concerns of then-President Robert Mugabe's regime regarding land reform, while also recognizing the political grievances of the opposition. South Africa pursued regional solutions to the Zimbabwean crisis through the Southern Af-

⁸ Hamill J. 2019. The reality of South Africa's foreign policy under Ramaphosa. *International Institute for Strategic Studies*. 08.02.2019. URL: <https://www.iiss.org/online-analysis/online-analysis//2019/02/south-africa-foreign-policy-ramaphosa> (accessed 15.02.2024).

frican Development Community (SADC) and the African Union (AU), thereby mitigating the influence of external actors such as the US and Great Britain (Mangani, Breakfast 2022).

Conclusion

This article has examined a novel approach to global governance architecture, as exemplified by the multilateral initiatives of the BRICS countries. Scholarship on global political economy, governance, peace, and security architecture often portrays BRICS members as emerging powers with relatively limited international leadership experience. These portrayals highlight their contested regional leadership and ambiguous institutional, political, ideological, and socio-economic capacities to influence and reshape the global governance system. However, this article challenges some of these characterizations of BRICS members as inaccurate and rooted in the Western exceptionalism.

Since its establishment in the 2000s, BRICS cooperation has encompassed soft power diplomacy, multilateralism, and the promotion of the “agency” of developing regions. Institutional initiatives such as the NDB demonstrate the BRICS’ capacity to deploy a combination of hard and soft power tools, contributing to the emergence of a multipolar global governance architecture. By financing infrastructural and sustainable development projects in the Global South, the NDB aims to bridge the infrastructure investment gap in these regions, thereby reducing the influence of Western powers in the global financial hierarchy. Significantly, BRICS’ soft power diplomacy plays a pivotal role in projecting the bloc as an alternative guarantor of global governance architecture and dispelling perceptions of it as a rising imperialist bloc. This objective is achieved through the BRICS’ transformative agenda, which offers alternative pathways for attaining international public goods in developing regions with shared historical and ideological affinities.

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На пути к альтернативному глобальному управлению: подходы стран БРИКС

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В исследованиях глобального управления часто отмечается, что у стран – членов БРИКС нет большого опыта международного лидерства. Также утверждается, что даже их региональное лидерство оспаривается, а институциональный, политико-идеологический и социо-экономический потенциал влияния ограничен, что ставит под вопрос усилия данных стран по реформированию системы глобального управления. В настоящей статье обосновывается ошибочность подобных суждений, а также их связь с представлениями о западной исключительности. В результате метаанализа вторичной литературы, посвящённой основным институциональным и политическим проектам БРИКС как целого, а также отдельных стран-членов, объединение предстаёт прообразом новой модели глобального управления. Институциональные проекты, такие как Новый банк развития, демонстрируют способность стран БРИКС задействовать сочетание инструментов «жёсткой» и «мягкой силы» в целях формирования многополярной архитектуры глобального управления. В результате реализации этих проектов развивающиеся страны получают доступ к новым ресурсам, а также возможность развивать отношения с восходящими державами БРИКС. В свою очередь, политика стран БРИКС в отношении кризисов в Зимбабве, Ливии и Мали, а также в отношении иранской ядерной программы показывает, что они стремятся содействовать урегулированию на основе учёта интересов всех вовлечённых сторон и особенностей местного контекста, что представляет собой альтернативу традиционным западным концепциям глобального управления в области безопасности. Ключевую роль в продвижении БРИКС как прообраза альтернативной архитектуры глобального управления играет «мягкая сила» его стран-членов, которая, среди прочего, содействует преодолению негативных стереотипов восприятия. В основе этой «мягкой силы» лежит деятельность БРИКС по предоставлению альтернативных путей обеспечения глобальных общественных благ для развивающихся стран, в отдельных случаях опирающаяся также на историческую или идеологическую близость.

Ключевые слов: БРИКС, восходящие державы, глобальное управление, безопасность, международные финансы, «мягкая сила», многосторонность

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Evolution of Cooperation among BRICS Countries in Global Climate Governance: From UNFCCC to the Paris Agreement

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Abstract: In the complex world of international negotiations, nation-states often navigate a spectrum of political relationships, from alliances and partnerships to competition and rivalry. Despite their diverse backgrounds and interests, the BRICS countries collectively constitute a significant proportion of global greenhouse gas emissions. Drawing upon the principles of neoliberal institutionalism, this study delves into the origins of the BRICS cooperation mechanism and its impact on climate cooperation among its member states. Our analysis traces the climate policies of BRICS nations since the inception of the UNFCCC in 1992, taking into consideration factors such as their level of economic development, environmental vulnerability, and the broader international political context. We argue that these three factors primarily shape the dynamics of alliance and partnership within BRICS regarding climate governance, although underlying competition may also influence collaborative efforts. This study aims to stimulate further theoretical discourse on the formation of political alliances within the context of global climate governance.

Keywords: climate governance, international climate negotiation, BRICS, alliance formation

In less than a decade, the term “BRICS” has evolved from an investment concept to denoting a group of major powers playing pivotal roles in international affairs (Downie, Williams 2018). Conceptually, the BRICS mechanism can be construed as an international regime, defined as a set of principles, norms, rules, and decision-making procedures shaped by the collective preferences of involved actors within a specific domain of international relations (Krasner 1982). Such international regimes often facilitate cooperation, engendering a self-perpetuating dynamic and exerting in-

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fluence over the participating countries once established (Keohane 1984). The “regime” concept thus underscores both the presence of factors uniting the BRICS nations in the first place and the independent impact of the established BRICS mechanism in sustaining collaboration among its member-states.

The rise of the BRICS countries is fundamentally reshaping the global governance landscape in the field of climate change, given their status as the world’s largest emitters attributable to substantial production and consumption of fossil fuels. However, scant attention has been paid in scholarly discourse to the BRICS countries’ role in global climate governance, particularly their capacity to influence it post the 2015 Paris climate agreement. Despite being classified as emerging economies, the BRICS nations comprise both developing and developed countries, such as Russia, listed in Annex 1 of the United Nations Framework Convention on Climate Change (UNFCCC). Previously, climate negotiation stances tended to bifurcate along developed and developing country lines; however, the BRICS nations have progressively exhibited converging positions, underscoring their unique significance in this context. Consequently, there is considerable merit in studying and comprehending the cooperation and competition dynamics among BRICS countries within the domain of climate governance. Our investigation reveals that they share similar economic and environmental circumstances, alongside politically aligned objectives. While differences persist, potentially contributing to uncertainty regarding their future prospects, our emphasis remains on understanding the factors driving their cooperation, with the aforementioned elements serving as the foundation for BRICS collaboration within a defined timeframe.

The article examines the evolution of the relationships among the five BRICS countries within international climate negotiations, drawing upon their statements at significant climate conferences and their joint statements as primary sources. Moreover, the article conducts an analysis of the factors contributing to both cooperation and potential conflicts within the BRICS regarding climate issues. It posits that the climate stances of BRICS nations are increasingly converging due to shared objectives, leading them to endeavor to reconcile differences and prevent conflicts through the mechanisms provided by BRICS. Lastly, the article presents several viable recommendations as remedial measures to address identified challenges.

The evolution of climate negotiations among BRICS countries

When the BRIC concept initially surfaced, relevant interactions among its member countries were relatively limited. It was not until the onset of the global financial crisis in 2008 that the BRIC nations commenced formal engagements and first mentioned the topic of climate change in the declarations of the 2009 and 2010 summits. With the inclusion of South Africa into the bloc in 2011, the BRICS countries entered a phase marked by concerted efforts to address climate change. Subsequent leaders’ summits held from 2012 to 2015 played pivotal roles in facilitating the successful conclusion of the Paris Agreement.

“Embryonic” stage: From UNFCCC to Kyoto Protocol (1992–2005)

Since the signing of the UNFCCC, there has been heightened global focus on climate governance. During this period, although the formal establishment of the BRICS coalition had not yet occurred, five of the nations that would later form the grouping were already emerging as significant players in climate negotiations. Notably, the BASIC countries, comprising Brazil, China, India, and South Africa, engaged in frequent interactions and played a central role in laying the groundwork for subsequent climate change negotiations (Hallding et al. 2013). Additionally, Russia gradually adopted a more favorable stance on climate issues during this period.

As rapidly developing countries, Brazil, China, India, and South Africa have engaged in collaboration on global climate governance long before the establishment of the formal BRICS framework. As early as 1992, preceding the United Nations Conference on Environment and Development in Rio de Janeiro, these four countries endeavored to coordinate their positions to safeguard the common interests of developing nations (Zuo, Jiang 2017). Throughout subsequent climate conferences and negotiations, the bloc has frequently participated under the banner of G77+China and has been vocal in denouncing agendas perceived as detrimental to the interests of developing countries (Hallding et al. 2013).

Despite being classified as a “BRIC” country since 2001, Russia’s status as a developed country, particularly as an Annex 1 nation, warrants separate consideration. The shift in Russia’s stance on climate issues has been pivotal for enhancing the collective influence of the BRICS countries. Initially, Russia maintained the belief that global warming would confer benefits upon its distinctive natural economic geography. However, as the 21st century unfolded, the frequency of natural disasters and subsequent incidents in Russia markedly escalated each year, many attributable to rising temperatures. For instance, future climate model projections indicated an augmentation in both the frequency and magnitude of extreme hydrological events in Russia due to climate change (Shiklomanov et al. 2007). Additionally, Russia has frequently experienced extreme heat or cold weather conditions, significantly impacting agricultural production and livelihoods (Dronin, Kirilenko 2011; Mokhov, Semenov 2016). As a result, Russia gradually recognized the gravity of the climate issue and ratified the Kyoto Protocol in 2004, a critical step for the Protocol’s entry into force.

Engagement stage: implementation of the Kyoto Protocol (2005–2012)

Following the commencement of the first commitment period of the Kyoto Protocol (2008–2012)¹, subsequent climate conferences have failed to yield significant outcomes, particularly following the dampening of climate enthusiasm in developed

¹ There were two commitment periods under the Kyoto Protocol: the first commitment period, from 2008 to 2012; the second commitment period, from 2013 to 2020.

countries post the 2008 financial crisis. During this period, the BRICS countries initiated contacts, yet their positions remained divergent, undergoing a challenging phase of adjustment.

The discord between developing and developed nations reached a climax during the Copenhagen summit. Prior to the meeting, certain developed countries posited that if major developing nations were willing to compromise and assume greater obligations, other developing countries would no longer pose obstacles. Consequently, efforts were made to leverage those developing nations with the highest emissions, exerting pressure on China and India. However, during the summit, developing countries advocated for developed nations to lead by example through substantial emission reductions, yet the commitments made by developed countries fell short of the demands put forth by developing nations (Bailer, Weiler 2015). Progress on resolving this issue was sluggish during the conference, with developed nations failing to commit to significant emission reductions. Moreover, the issue of financial and technical assistance also remained unresolved. The resulting Copenhagen Accord of 2009, while not legally binding, was perceived as inequitable by developing nations due to its lack of emission reduction standards and quotas for developed countries, as well as its failure to address operational aspects such as the implementation of aid to developing nations. Additionally, Russia and certain developed nations announced their refusal to accept obligations under the second commitment period of the Kyoto Protocol, asserting that their participation in a post-2012 climate agreement hinged on the involvement of all major emitters, including the US and China (Andonova, Alexieva 2012). These countries looked towards a new bottom-up climate agreement inclusive of all parties. However, developing countries, led by China and India, favored an extension of the second commitment period of the Kyoto Protocol. So, while the climate issue featured prominently in the joint statement of the BRIC leaders' meeting in Yekaterinburg (2009)² and the second official BRIC leaders' meeting in Brasilia (2010)³, with emphasis on the Common but Differentiated Responsibility (CBDR) principle, discussions surrounding the Kyoto Protocol were notably absent.

Following South Africa's accession in 2011, the BRICS Summits began to place greater emphasis on climate-related issues. In the Sanya Declaration, the BRICS countries underscored the significance of the global challenge posed by climate change and expressed support for the Cancún Agreement, advocating for the enhancement of outcomes under both the UNFCCC and the Kyoto Protocol⁴. During their fourth meeting in New Delhi in 2012, BRICS leaders pledged to contribute to global efforts aimed at combating climate change. They emphasized that developed country parties to the

² Joint Statement of the BRIC Countries' Leaders. June 16, 2009. *BRICS*. URL: <http://www.brics.utoronto.ca/docs/090616-leaders.html> (accessed 10.02.2024).

³ 2nd BRIC Summit of Heads of State and Government: Joint Statement. April 15, 2010. *BRICS*. URL: <http://www.brics.utoronto.ca/docs/100415-leaders.html> (accessed 10.02.2024).

⁴ Sanya Declaration. April 14, 2011. *BRICS*. URL: <http://www.brics.utoronto.ca/docs/110414-leaders.html> (accessed 10.02.2024).

UNFCCC should provide increased financial, technical, and capacity-building assistance to developing countries to facilitate the implementation of mitigation measures tailored to the latter's national circumstances⁵.

“Honeymoon” stage: promoting the Paris Agreement (2012–today)

After 2012, the conclusion of the first commitment period of the Kyoto Protocol prompted the BRICS countries to collectively pursue a new international climate agreement to supplant the Protocol. Concurrently, their cooperation began to exhibit greater substance.

The declarations issued at the meetings held in Durban and Fortaleza in 2013 and 2014 respectively began advocating for the formulation of a new protocol or a legally binding agreed-upon outcome by 2015⁶. This push was intensified by Russia's decision not to renew the second commitment period of the Kyoto Protocol, thereby heightening the BRICS countries' anticipation for a new international climate standard. Subsequently, in 2016, the Goa Declaration explicitly urged nations to sign the Paris Agreement, welcomed its entry into force, and called upon developed countries to adhere to its provisions⁷.

In the months preceding the COP21 conference⁸ in Paris in 2015, the BRICS countries intensified their efforts and introduced substantial new mechanisms for climate and environmental cooperation, moving beyond mere declarations. In April of that year, the inaugural BRICS Environment Ministers' Meeting convened in Moscow, endorsing the establishment of an international platform for sharing environmentally sound technologies to bolster public-private collaboration among BRICS nations (Zuo, Jiang 2017). Subsequently, in July, BRICS leaders convened for their seventh meeting, during which they underscored in their declaration the readiness of BRICS countries to address climate change both globally and domestically. They also pledged to promote a comprehensive, effective, and equitable agreement under the UNFCCC⁹.

At COP21, the statements issued by the BRICS countries unequivocally underscored their collective commitment to shaping a fair and effective agreement amidst diverse political and economic contexts. China, Brazil, India, and South Africa all em-

⁵ Fourth BRICS Summit: Delhi Declaration. March 29, 2012. URL: <http://www.brics.utoronto.ca/docs/120329-delhi-declaration.html> (accessed 10.02.2024).

⁶ BRICS and Africa: Partnership for Development, Integration and Industrialization: eThekweni Declaration. March 27, 2013. BRICS. URL: <http://www.brics.utoronto.ca/docs/130327-statement.html> (accessed 10.02.2024); The 6th BRICS Summit: Fortaleza Declaration. July 15, 2014. URL: <http://www.brics.utoronto.ca/docs/140715-leaders.html> (accessed 10.02.2024).

⁷ 8th BRICS Summit: Goa Declaration. October 16, 2016. BRICS. URL: <http://www.brics.utoronto.ca/docs/161016-go.html> (accessed 10.02.2024).

⁸ After the UNFCCC, the parties to the treaty meet annually to discuss the further implementation of the treaty. COP21 was held in Paris, 2015. According to the agenda of climate negotiation, COP21 was another significant point after Copenhagen, for the parties had to agree on the institutional design, making a new agreement for 2020 and future climate actions.

⁹ VII BRICS Summit: 2015 Ufa Declaration. July 9, 2015. BRICS. URL: http://www.brics.utoronto.ca/docs/150709-ufa-declaration_en.html (accessed 10.02.2024).

phasized the significance of upholding the CBDR principle. Additionally, they highlighted the imperative of regulating financial and technical assistance from developed countries to developing nations within the framework of the new agreement, and urged developed countries to fulfill their commitment to provide \$100 billion per year in aid to developing countries before 2020¹⁰. From the perspective of developed nations, Russia actively advocated for supporting the endeavors of developing countries. It expressed intentions to utilize relevant mechanisms within the United Nations to furnish financial and other forms of assistance to these nations. Moreover, Russia unequivocally expressed its earnest desire to foster a new international climate agreement that would succeed the role of the Kyoto Protocol¹¹.

Broadly speaking, the BRICS countries demonstrated a remarkable level of coherence during COP21, transcending the traditional North-South divisions, and played a pivotal role in advancing the signing of the Paris Agreement. This collective effort stands as a significant contribution to international climate negotiations. Furthermore, in subsequent leaders' meetings, the BRICS countries continued to prioritize the implementation of the Agreement.

With the entry into force of the Paris Agreement, BRICS climate cooperation has transitioned into a phase of practical implementation characterized by a two-pronged approach. The first track involves annual leaders' meetings and high-level government gatherings aimed at providing overarching guidance for collaboration. Post-2016 BRICS declarations have addressed strategies for enhancing the implementation of the Paris Agreement and fostering climate cooperation within the BRICS framework. For instance, the Xiamen Declaration emphasized the need to bolster collaboration in clean and renewable energy, advocated for the establishment of the BRICS Energy Research Platform to sustain dialogue, and urged developed nations to honor their official development assistance commitments in a timely manner while increasing resources allocated to developing countries¹². Similarly, discussions during BRICS Environment Ministers' Meetings frequently revolve around the deepening of sharing, exchange, promotion, and application of green technologies among BRICS nations.

¹⁰ Remarks of President Dilma Rousseff, President of the Federative Republic of Brazil, COP21 Leaders Event. *United Nations Climate Change*. November 30, 2015. URL: https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/cop21cmp11_leaders_event_brazil.pdf (accessed 10.02.2024); Work Together to Build a Win-Win, Equitable and Balanced Governance Mechanism on Climate Change: Speech by H.E. Xi Jinping, President of the People's Republic of China, at the Opening Ceremony of The Paris Conference on Climate Change. *United Nations Climate Change*. November 30, 2015. URL: https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/cop21cmp11_leaders_event_china.pdf (accessed 10.02.2024); Statement by Prime Minister at COP21 Plenary. *United Nations Climate Change*. November 30, 2015. URL: https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/cop21cmp11_leaders_event_india.pdf (accessed 10.02.2024); Statement By H.E. President Jacob Zuma to the Opening Session of the Paris Climate Change Conference. *United Nations Climate Change*. November 30, 2015. URL: https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/cop21cmp11_leaders_event_south_africa.pdf (accessed 10.02.2024).

¹¹ H.E. Mr. Vladimir V. Putin, President of Russian Federation, Statement made during the Leaders Event at the Paris Climate Change Conference - COP 21 / CMP 11. *United Nations Climate Change*. URL: https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/cop21cmp11_leaders_event_russia.pdf (accessed 10.02.2024). (In Russian).

¹² BRICS Leaders Xiamen Declaration. September 4, 2017. *BRICS*. URL: <http://www.brics.utoronto.ca/docs/170904-xiamen.html> (accessed 10.02.2024).

The second track entails project-focused collaboration facilitated through the New Development Bank (NDB). Since its establishment, the NDB has allocated approximately \$32.8 billion towards project funding, including 13 clean energy projects, 4 environmental protection initiatives, and several sustainable infrastructure projects. Furthermore, additional 3 clean energy projects are currently under consideration¹³. Notably, in 2016, the NDB made its debut in the capital market by announcing the issuance of its inaugural green finance bond, valued at 3 billion RMB and with a maturity period of 5 years (Zuo, Jiang 2017). Moreover, in May 2022, the BRICS High-level Meeting on Climate Change convened, fostering comprehensive discussions among member countries. These deliberations resulted in a broad consensus on accelerating the transition toward low-carbon and climate-resilient economy, advancing the multilateral climate process, and bolstering solidarity and cooperation in addressing climate change.

In addition to multilateral endeavors, bilateral cooperation represents a significant avenue through which BRICS countries engage in climate collaboration, often yielding more targeted and feasible outcomes compared to multilateral initiatives (Ding 2014). Prior to the adoption of the Paris Agreement in 2015, China and India issued a joint statement on climate change in Beijing, reaffirming their staunch support for the Paris Conference and outlining plans to enhance bilateral cooperation and deepen technical exchanges¹⁴. China and Russia, through regular meetings between prime ministers, have reached numerous agreements on renewable energy, energy-saving technologies, and forest resource management. Bilateral cooperation is further advantageous as it allows for the utilization of specialized expertise tailored to each country's unique circumstances. For instance, a joint statement on climate change was issued between China and Brazil, with a particular focus on renewable energy, notably hydrogen electricity, and forest carbon sequestration¹⁵. Additionally, China and South Africa are collaborating on clean coal technologies, while Brazil and India have signed an environmental cooperation agreement. Furthermore, India is contemplating increased investment in renewable energy resource development in Russia and the Arctic region.

Contributing factors to climate cooperation among BRICS nations

Economically homogeneous member states within organizations are more inclined than heterogeneous counterparts to sustain a shared long-term focus and articulate more aligned positions. Moreover, concerning climate policy stances, countries

¹³ Projects. *New Development Bank*. URL: <https://www.ndb.int/projects/> (accessed 10.02.2024).

¹⁴ Joint Statement on Climate Change between the Government of the People's Republic of China and the Government of the Republic of India. May 15, 2015. *Food and Agriculture Organization of the United Nations*. URL: <https://faolex.fao.org/docs/pdf/chn144289.pdf> (accessed 10.02.2024).

¹⁵ Joint Statement on Climate Change between the Government of the People's Republic of China and the Government of the Federative Republic of Brazil. May 19, 2015. *Food and Agriculture Organization of the United Nations*. URL: <https://faolex.fao.org/docs/pdf/bi-144460.pdf> (accessed 10.02.2024).

sharing common environmental vulnerabilities are likely to express relatively similar viewpoints (Genovese et al. 2022). Additionally, political considerations exert significant influence on a country's negotiation strategies. In a sense, the formation of the BRICS bloc is rooted in the international acknowledgment of the similar economic circumstances among their member states, all of which are categorized as emerging economies. Consequently, as emerging nations, they share common political objectives and confront comparable climate challenges. According to neoliberal institutionalism, states commonly project their interests onto international organization agendas and seek to address challenges through collaborative international efforts (Keohane, Victor 2016). Thus, the aforementioned factors constitute the foundational elements upon which alliances and partnerships among countries are forged.

This section elucidates that the economies of the BRICS countries exhibit traits of high growth, elevated energy consumption, and substantial emissions, largely hovering around the peak of carbon emissions. Being emerging nations, they anticipate a new international order that better accommodates their developmental needs. Simultaneously, the BRICS countries exhibit a collective awareness of global warming and a shared imperative to mitigate the impacts of climate change. In contrast to other developing nations, the BRICS countries serve as regional economic leaders and are impacted by climate change, although they do not rank among the most vulnerable nations. Consequently, they are more predisposed to engage in cooperative efforts to address climate change.

Parallel economic development paradigms among BRICS nations

In terms of economic development, the GDP of the BRICS countries has generally exhibited a trend of growth since 2000, albeit with fluctuations and periods of deceleration (see Figure 1). Notably, China and India have significantly outpaced other member states in terms of GDP growth. The global economic crisis of 2008 had a pronounced impact on all five countries, particularly Brazil and Russia, which heavily rely on primary product or raw material exports. Consequently, their GDP growth slowed post-2008, with some instances of negative growth observed, notably in 2015. The COVID-19 pandemic in 2020 led to recessions across the BRICS nations, although signs of recovery are now evident. Despite not experiencing economic development as rapidly as other members, South Africa remains a leading economic force in the African region.

Nevertheless, the industrialization process and economic development of BRICS countries remain heavily reliant on fossil energy sources. From 2011 to 2021, the primary energy consumption of BRICS nations demonstrated a consistent upward trajectory, mirroring the growth trends in their economies (see Figure 2). Notably, China and India have continued to escalate their energy consumption levels, significantly surpassing the global average. Presently, China constitutes over 26% of the world's primary energy consumption, positioning it as the largest energy consumer globally, with India ranking as the second-largest energy consumer in Asia.

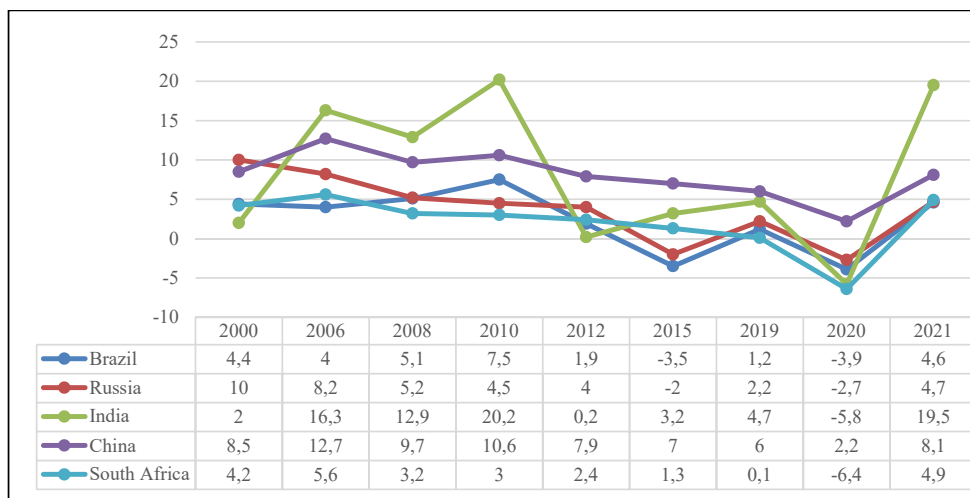


Figure 1. BRICS GDP growth rate 2000–2021 (growth over previous year, %)

Source: compiled by the authors based on: BRICS Joint Statistical Publication 2016. URL: https://rosstat.gov.ru/free_doc/doc_2016/BRICS_ENG.pdf (accessed 10.02.2024); BRICS Joint Statistical Publication 2022. URL: <https://rosstat.gov.ru/storage/mediabank/BRICS%20Joint%20Statistical%20Publication-2022.pdf> (accessed 10.02.2024).

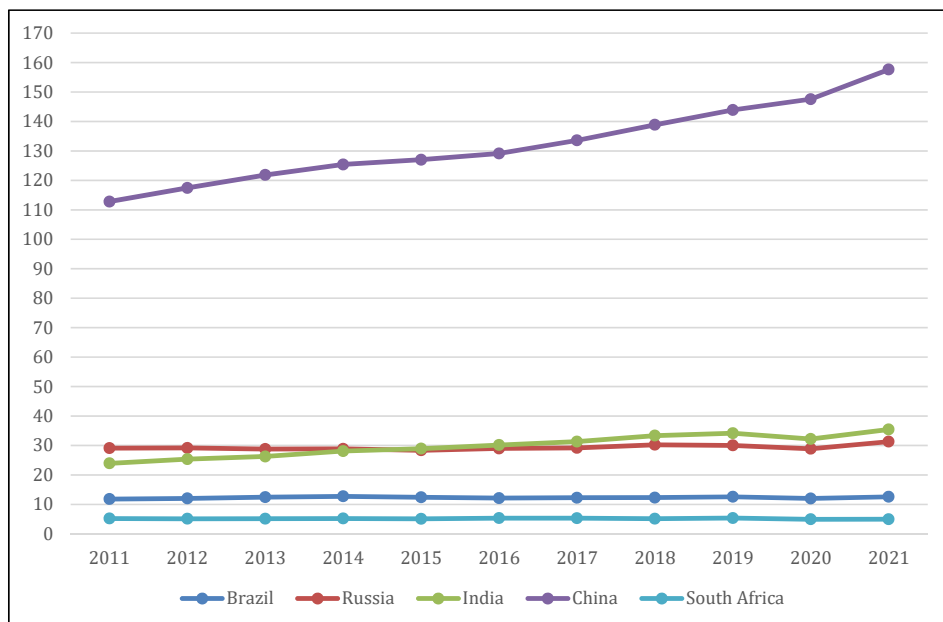


Figure 2. BRICS Primary Energy Consumption 2011–2021 (Exajoules)

Source: BP. 2022. BP Statistical Review of World Energy 2022, 71st edition. URL: <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf> (accessed 10.02.2024).

As energy consumption is reflected in emissions, it becomes evident that the BRICS countries collectively constitute a group of high-emission nations on a global scale. This phenomenon can be attributed in part to the international division of labor, whereby the BRICS countries have served as manufacturing centers for developed nations during certain periods. However, the development trajectories of the BRICS countries predominantly rely on fossil energy sources, consequently resulting in escalating emissions. According to statistics, emissions from BRICS countries in 2021 accounted for 45.9% of the world's total emissions¹⁶. Notably, emissions from China and India have shown a consistent upward trend over the years (see Figure 3), largely influenced by their Nationally Determined Contributions (NDC) targets. China is committed to achieving a peak in carbon emissions by 2030¹⁷, suggesting that emissions will likely continue to rise in the coming years. India has proposed a long-term goal of achieving net zero emissions by 2070¹⁸, implying that emissions may initially increase significantly before gradually declining later.

Compared to China and India, emissions growth in the other three BRICS countries has been slower. South Africa, for instance, has achieved negative emissions growth, aligning with its NDCs. However, fossil energy still accounts for more than 96% of its total energy consumption (Dai et al. 2016). South Africa aims to reach its Carbon Peak by 2025, with emission targets ranging from 398 to 510 Mt CO₂¹⁹, leaving considerable room for additional emissions. Brazil and Russia, having surpassed their carbon peaking phases, have maintained relatively stable emission levels. This trajectory bodes well for their respective targets of reducing emissions by 50% and 70% by 2030²⁰.

¹⁶ BP Statistical Review of World Energy 2022, 71st edition. 2022. *BP*. URL: <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf> (accessed 10.02.2024).

¹⁷ China's Achievements, New Goals and New Measures for Nationally Determined Contributions. 2021. *NDC Registry, United Nations Climate Change*. URL: <https://unfccc.int/sites/default/files/NDC/2022-06/China%E2%80%99s%20Achievements%2C%20New%20Goals%20and%20New%20Measures%20for%20Nationally%20Determined%20Contributions.pdf> (accessed 10.02.2024).

¹⁸ India's Updated First Nationally Determined Contribution Under Paris Agreement. 2022. *NDC Registry, United Nations Climate Change*. URL: <https://unfccc.int/sites/default/files/NDC/2022-08/India%20Updated%20First%20Nationally%20Determined%20Contrib.pdf> (accessed 10.02.2024).

¹⁹ South Africa First Nationally Determined Contributions under the Paris Agreement. 2021. *NDC Registry, United Nations Climate Change*. URL: <https://unfccc.int/sites/default/files/NDC/2022-06/South%20Africa%20updated%20first%20NDC%20September%202021.pdf> (accessed 10.02.2024).

²⁰ The Federative Republic of Brazil Paris Agreement Nationally Determined Contribution. 2022. *NDC Registry, United Nations Climate Change*. URL: <https://unfccc.int/sites/default/files/NDC/2022-06/Updated%20-%20First%20NDC%20-%20%20FINAL%20-%20PDF.pdf> (accessed 10.02.2024); Nationally Determined Contribution of the Russia Federation. 2020. *NDC Registry, United Nations Climate Change*. URL: https://unfccc.int/sites/default/files/NDC/2022-06/NDC_RF_eng.pdf (accessed 10.02.2024).

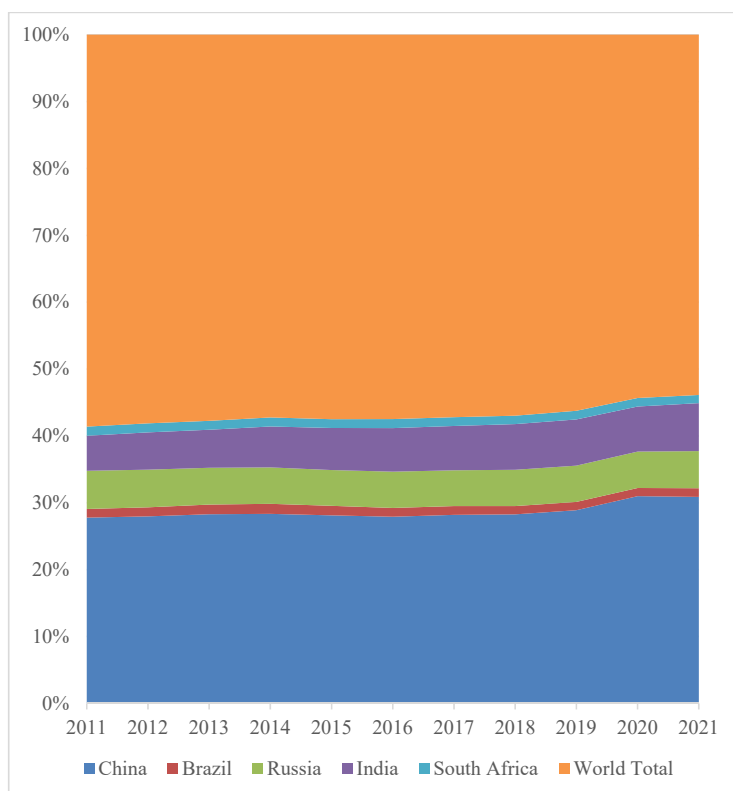


Figure 3. BRICS CO2 Emissions Compared to the World Total 2011-2021 (%)

Source: BP. 2022. BP Statistical Review of World Energy 2022, 71st edition. URL: <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf> (accessed 10.02.2024).

Aligning strategic and political objectives

Despite numerous transformations, international relations continue to be significantly shaped by great power politics, underscoring the pressing need for emerging powers to assert greater influence on the international stage to sustain developmental trajectories. The shared identity of the BRICS nations as emerging powers informs their policy paradigms and discourse, aimed at delineating a model that resonates with the requirements of the developing world (Kiprizl, Köstem 2022). The BRICS mechanism serves as a crucial strategic foundation for Russia. Positioned as newcomers within the global geopolitical landscape, the BRICS countries, particularly China and India, assume pivotal roles in advancing the transition towards a new international order.

As a rising global power, China is often perceived as a challenger to the prevailing Western-centric international order, thus engendering perceptions of competition among certain Western nations. Faced with such competition, China recognizes the importance of forging alliances with a broad spectrum of developing countries, particularly other emerging economies. The BRICS bloc comprises five nations with

the greatest developmental potential within their respective regions. Collaborative efforts among these nations can bolster China's influence in the international arena and expand its developmental opportunities. Conversely, the other four BRICS countries stand to benefit from aligning with China's economic trajectory under the BRICS mechanism. Notably, China's economy dwarfs that of the other four nations, with its GDP nearly doubling the collective GDP of the rest of the BRICS countries²¹. Despite the challenges posed by the COVID-19 pandemic, China's economic momentum has remained robust, reinforcing its role as a key driver of global economic growth.

Russian case is more special. The nation aims to reclaim its status as a great power by actively engaging in global politics. In the 21st century, climate governance has assumed heightened significance globally, particularly as the United States has consistently displayed unsatisfactory and negative attitudes toward this issue. Russia's proactive involvement in climate governance serves as a crucial strategy to offset its strategic disadvantages relative to the West. While disparities in development levels and models lead to divergent views on climate governance among Russia and other BRICS countries, adherence to the Common but Differentiated Responsibilities (CBDR) principle can serve as a bridge for these differences. The BRICS mechanism holds strategic importance for Russia, serving as a cornerstone for the nation's reintegration into international affairs and amplification of its voice. Managing relations with China and India, core members of BRICS, necessitates a dual approach: regional engagement with the two countries, and global engagement within the BRICS framework. Russia expresses enthusiasm for participating in BRICS cooperation, yet potential impediments stemming from diverse identities may arise. Addressing this requires other BRICS nations to comprehend Russia's position and actively foster its enhanced involvement within the mechanism.

Moreover, India aspires to bolster its overall national prowess through BRICS collaboration, while Brazil and South Africa aim to transition gradually from regional powers to global players through cooperative efforts.

Escalating threat of climate change

In addition to comparable economic development, all BRICS countries also confront significant climate challenges. While these challenges may not be as severe as those faced by the most climate-vulnerable nations, they nonetheless result in direct loss of life and property, as well as hinder agricultural development, consequently impacting industry and trade.

In BRICS countries, extreme weather events are increasingly common, resulting in both aridification in dry regions and flooding disasters in humid areas. Northeastern, northern, and northwestern China are experiencing worsening drought conditions,

²¹ World Development Indicators. *The World Bank*. URL: <https://datacatalog.worldbank.org/search/dataset/0037712/World-Development-Indicators> (accessed 10.02.2024).

while in South Africa drought is intensifying across its entire territory. Since 1970, Southern Africa has witnessed more frequent, severe, and prolonged droughts (Richard et al. 2001), leading to substantial economic losses and heightened food insecurity in the region. India has observed increased monsoon failures, resulting in heightened precipitation uncertainty that impacts agricultural development and exacerbates income inequality between urban and rural areas (Dagdeviren et al. 2021). Additionally, Russia's forests are increasingly susceptible to wildfires due to elevated temperatures, while Brazil's rainforests face drought risks due to shifting precipitation patterns.

Moreover, as a consequence of global warming, glaciers in the Himalayas and Tibetan Plateau are rapidly melting, with Russia's permafrost zone also being affected. The Himalayan glaciers are diminishing swiftly due to climate change, which disrupts water availability, affects biodiversity, and the global climate system itself, with attendant environmental and social ramifications. These changes may exacerbate uncertainty regarding water supplies and agricultural production across Asia as a whole (Xu et al. 2009). Additionally, according to the International Permafrost Association's International Polar Year Thermal State of Permafrost (TSP), ground temperatures measured in both existing and new boreholes in Russia have exhibited notable warming trends over the past two to three decades, resulting in permafrost thawing (Romanovsky et al. 2010).

The dynamics of intra-BRICS competition

The rising power of the BRICS is now at the center of the debate regarding the future of global governance. Nonetheless, there are arguments positing that political, economic, and strategic differences among the BRICS outweigh their shared interests, presenting significant challenges to the cohesiveness of the alliance (Bruetsch, Papa 2013; Luckhurst 2013). These "high-politics" differences may also affect BRICS cooperation on "low-politics" issues, including climate governance. Examples include the persistent North-South divide, disputes over the meaning of sovereignty, and disparities in energy trade balance.

Remaining differences in economic development

Climate governance comprises two critical facets: mitigation and adaptation. A recent study found that "mitigation" is a predominant topic of discussion, appearing 534 times between 1995 and 2019, whereas "adaptation" is mentioned far less frequently, with only 116 references (Allan, Bhandary 2022). The discourse surrounding mitigation reveals a stark contradiction between the Global North and the Global South, while there is also considerable debate concerning the need to pay more attention to adaptation.

Efforts aimed at reducing carbon emissions and bolstering carbon sinks fall under the umbrella of mitigation, which entails incentivizing cleaner economic activities or discouraging those that produce substantial greenhouse gas (GHG)

emissions²². Parties to international agreements are actively engaged in mitigating climate change, particularly through initiatives like the Kyoto Protocol, where developed nations establish economy-wide emissions caps while developing countries typically focus on specific programs and projects. However, developing countries face greater challenges in committing to mitigation efforts, as they often bear a disproportionate burden compared to developed nations due to their placement in the early stages of the environmental Kuznets curve²³. As they grapple with the contradiction between development and environmental preservation, inevitable at this stage of the curve, stringent emission reduction measures can pose significant challenges to their development aspirations.

Among the BRICS economies, Russia's position has always been ambiguous. Following the dissolution of the Soviet Union, Russia experienced significant setbacks, with its economic growth rate gradually decelerating and even registering periods of negative growth. Despite its substantial size, Russia's economic development trajectory has been less than sanguine. Nonetheless, the country inherited the robust heavy industrial infrastructure of its predecessor superpower, which helped it surpass the other four BRICS nations in terms of per capita GDP.

Given the ambiguity of its economic development, Russia's stance on climate issues remains oscillating. It grapples with the dual identity of resembling a developing nation in some respects while bearing the burdens associated with developed status. The rationale behind both Russia's active participation in the UNFCCC and the Kyoto Protocol and its reluctance to renew the second commitment period lies in this nuanced economic context. On the one hand, Russia is willing to align with developing countries in demanding that the West bear its emission reduction responsibilities and in supporting the CBDR principle. On the other hand, as an Annex 1 country, Russia is obligated to take a leading role in meeting emission reduction targets, a requirement not shared by the other four BRICS nations (Ding 2014). This contrast may explain the heightened dynamism of BASIC countries in climate negotiations. The trajectory of Russia's future emissions reduction largely hinges on whether its government can formulate a more stable climate policy to enhance the investment environment for climate-related initiatives (Golub et al. 2019). However, Russia's position is often influenced by political considerations, necessitating increased vigilance from other BRICS countries. In essence, due to its dual status, Russia's stance becomes a pivotal factor

²² Introduction to Mitigation. *United Nations Climate Change*. URL: <https://unfccc.int/topics/introduction-to-mitigation> (accessed 10.02.2024). GHGs (greenhouse gases) are the gases that absorb and emit infrared radiation and are present in the atmosphere. The six GHGs specified in the Kyoto Protocol are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). Emission levels are now commonly measured using CO₂ equivalent.

²³ The environmental Kuznets curve (EKC) is a hypothesized relationship between various indicators of environmental degradation and per capita income, which indicates that environmental impacts or emissions per capita are an inverted U-shaped function of per capita income.

for the BRICS nations to exert substantial influence in climate negotiations. Nevertheless, its unique position also harbors potential risks for collaborative efforts within the group.

Diverse economic interests in energy consumption and production

As previously noted, the BRICS nations have emerged as the world's foremost energy consumers, propelled by the rapid growth witnessed in China and India. However, a notable divergence is evident when examining their energy consumption compositions. China, India, and South Africa rely extensively on coal, comprising roughly half to two-thirds of their energy consumption profiles. In contrast, Russia and Brazil exhibit a higher reliance on oil and gas, particularly Russia, endowed with abundant reserves of these resources. In Russia, oil and gas collectively constitute 73% of the total primary energy demand, while in Brazil, they account for 62%. Additionally, Brazil's energy landscape includes a significant contribution from hydropower resources.

Initially, the BRICS nations enjoyed robust energy complementarity. However, with the subsequent introduction of emission reduction targets, China and India—both significant importers of primary energy—are compelled to diminish their reliance on fossil fuel imports. Furthermore, heightened concerns regarding energy security and independence, partly due to substantial energy imports, have spurred these nations to embark on initiatives aimed at diversifying their energy mix domestically. These efforts include the development of renewable energy sources tailored to local conditions. Consequently, while coal remains China's predominant energy source, its dominance in the power sector is gradually being challenged by renewables, which are projected to contribute to nearly 45% of electricity generation by 2030²⁴. Similarly, in India, this figure is anticipated to reach 35% by 2030.

However, Brazil and Russia, as leading exporters of fossil fuel, perceive it as a crucial economic asset and thus harbor divergent interests compared to other BRICS nations, particularly in terms of augmenting exports and securing higher prices (Downie, Williams 2018). Following the events in Ukraine, Russia faced sanctions from the United States and Europe, resulting in a modest decline in oil production. Nonetheless, Russia remains one of the world's foremost exporters of oil and gas. According to the International Energy Agency, oil and gas revenues accounted for 45% of Russia's federal budget in 2021. While the European Union has historically been a key consumer of Russian oil and gas, Russia seeks to cultivate new trade partnerships, particularly within the BRICS framework, as sanctions intensify. In his greetings to the participants of the 2022 BRICS Business Forum in Beijing, President Vladimir Putin affirmed Russia's intention to pivot its trade relations towards reliable international allies such as

²⁴ International Energy Agency. 2022. World Energy Outlook 2022. *IEA Publications*. URL: <https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf> (accessed 10.02.2024).

China, India, Brazil, and South Africa²⁵. Although both China and India have notably escalated their imports of Russian oil, the sustainability of this import-export dynamic is uncertain, given both countries' pursuit of an energy transition. Similarly, Brazil's oil production and exports are on the rise, driven by heightened demand from China. However, the sustainability of these imports and their potential to strain China's finances remains uncertain as China's coal-dominated energy consumption structure undergoes a significant shift.

Conclusion

Owing to their shared economic development model characterized by high energy consumption and emissions, the BRICS countries have forged alliances in climate negotiations. This collective stance has made notable contributions to upholding the principles of Common but Differentiated Responsibilities, advocating for compliance among developed nations, extending assistance to developing countries, and underscoring the rights and interests of the latter.

From a political perspective, as emerging economies, the BRICS countries are compelled to liberate themselves from the constraints of the prevailing international order and chart a novel path for their development. Consequently, they have united to establish the BRICS mechanism. In the course of its formation and evolution, this mechanism has fostered closer bonds among the five nations. Significantly, it indirectly reinforces domestic regime stability and enhances the regional influence of its members (Brosig 2021).

In climate governance, countries have leveraged the BRICS mechanism to expedite high-level dialogues, establish platforms, facilitate technical exchanges, provide financial support, and undertake other initiatives, yielding notable outcomes. This trend is attributable to the growing incidence of climate change-induced disasters and losses in the BRICS countries, prompting a heightened focus on governance measures.

The development of the BRICS climate cooperation mechanism is not devoid of risks. Traditional security conflicts among BRICS countries, divergent political and economic development models and levels, and disparate roles in the energy supply chain all pose challenges to climate cooperation among them. However, such dissimilarity is not unique to the BRICS; it is common among members of international organizations (Kiprizl, Köstem 2022), and its impact on their cooperation is not insurmountable. For instance, despite enduring bilateral border tensions, India and China continue to collaborate within the BRICS framework, striving to compartmentalize

²⁵ Putin V. 2022. Greetings to BRICS Business Forum participants. *President of Russia*. 22.06.2022. URL: <http://en.kremlin.ru/events/president/transcripts/speeches/68689> (accessed 10.02.2024).

bilateral frictions from collective action within the bloc (Niu, Hong 2021). This underscores that differences between the BRICS countries are insufficient to undermine the foundation of their cooperation.

Furthermore, these contradictions are not insurmountable. Strengthening the Leaders' Meeting mechanism and fostering bilateral cooperation can prove beneficial in addressing political differences. In recent years, summit diplomacy has emerged as a significant avenue for international political engagement, as it facilitates the clarification of national interests and foreign policy through direct discussions among leaders, thereby minimizing misunderstandings. Simultaneously, it serves to spotlight selected major issues, making them more accessible across various government branches, prioritizing immediate concerns, and expediting their inclusion on the agenda. The current modality of the BRICS cooperation predominantly adopts this format, with leaders convening annually to deliberate on BRICS initiatives. While divergences exist among the BRICS nations on certain political and economic matters, in-depth dialogues among leaders have helped attenuate the focus on differences, fostering a heightened emphasis on common objectives.

However, it is essential to recognize that while the outcomes of leaders' meetings primarily entail major policy decisions, their practical impact is limited. Tangible progress is achieved through high-level dialogues within key sectors and through bilateral or multilateral cooperation projects. Given the multitude of participants involved, multilateral cooperation often encounters potential contradictions, hindering the attainment of a clear consensus and yielding minimal effects on specific practices. In contrast, bilateral cooperation within the BRICS framework proves to be more pragmatic. On one hand, bilateral engagements mitigate the risk of conflicts between two countries impeding overall collaboration within the mechanism. On the other hand, they facilitate targeted exchanges among BRICS nations. For instance, China boasts advanced new energy technology, while India seeks to develop in this domain. Brazil's expertise in bioenergy technology can offer valuable insights to other nations, and Russia holds a competitive edge in nuclear power. Strengthening bilateral cooperation within the BRICS mechanism would thus be instrumental in enabling countries to obtain the resources and expertise they require.

In the realm of energy import and export dynamics, optimizing the energy structure emerges as a favorable strategy. While the energy resources of BRICS nations are inherently complementary, disparities in consumption patterns often give rise to divergent interests. Hence, expediting the adjustment of energy structures stands to enhance the alignment of energy exchanges among BRICS countries. For instance, China, India, and South Africa currently rely predominantly on coal, yet in recent years, they have augmented their imports of oil and gas from Russia and Brazil, presenting an opportune moment for energy restructuring. This entails gradually diminishing coal usage while promoting the adoption of natural gas and the development of renewable energy sources. Taking China as an illustrative case, as early as 2013, China embarked

on an ambitious coal-to-gas conversion initiative, advocating for cleaner natural gas utilization in power generation and heating. According to the National Development and Reform Commission (NDRC), if the coal-to-gas transition proceeds at its current pace, the proportion of natural gas in China's primary energy consumption is projected to rise to 14.0% by 2030, significantly contributing to its goal of carbon peaking. Furthermore, the adjusted energy consumption structure aligns more closely with China's energy strategy. Presently, China's coal imports primarily originate from Australia, but strained relations between China and Australia have substantially impacted these imports. A decline in China's coal demand coupled with a heightened demand for natural gas would mitigate energy pressure stemming from external political dynamics. Russia, as the world's largest natural gas exporter, would assume a pivotal role in bolstering China's energy security within the BRICS framework.

Over years of evolution, the BRICS mechanism has undergone continuous refinement, emerging as a crucial platform for exchanges and dialogues among developing countries in the realms of economy, finance, and global governance. Moreover, in light of fluctuations in United States' climate policies and overall shift in leadership on climate issues, BRICS countries are poised to assume increasingly prominent roles in future climate negotiations and governance endeavors. From the perspective of economic development, environmental vulnerability, and political imperatives, the homogeneity among the BRICS nations remains conspicuous and is poised to persist for the foreseeable future. This suggests that climate cooperation anchored on this common ground will endure. Furthermore, the current BRICS cooperative framework has effectively inclined the member states towards collaboration rather than divergence.

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The authors declare the absence of conflict of interests.

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Эволюция сотрудничества по глобальному климатическому управлению между странами БРИКС: от РКИК до Парижского соглашения

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В ходе международных переговоров государства вступают в различные политические отношения, от союзничества и партнёрства до конкуренции и соперничества. Несмотря на различия между ними, на страны БРИКС в совокупности приходится значительная доля мировых выбросов парниковых газов. В настоящей статье рассматриваются истоки сотрудничества в рамках БРИКС и его последствия для взаимодействия стран – членов объединения по климатическим вопросам. Теоретической рамкой исследования выступает неолиберальный институционализм. Прослеживается эволюция позиций стран БРИКС по вопросам изменения климата начиная с заключения Рамочной конвенции ООН об изменении климата в 1992 г. В статье утверждается, что три основных фактора определяют преимущественно союзнический и партнёрский характер отношений стран БРИКС по климатической повестке: сопоставимый уровень экономического развития, общая уязвимость перед негативными последствиями изменения климата, сходные стратегические и международно-политические вызовы. Латентная конкуренция, присутствующая в отношениях стран БРИКС, также не способна переломить доминирующую тенденцию к сотрудничеству. Эти выводы вносят вклад в общую теоретическую дискуссию о закономерностях формирования политических альянсов в глобальном климатическом управлении.

Ключевые слов: глобальное климатическое управление, международные климатические переговоры, БРИКС, создание альянсов

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Challenges and Opportunities for Maximizing the Utilization of the New Development Bank in Brazil

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Abstract: Initiating its operations in 2016, the New Development Bank (NDB) disbursed close to US\$ 14.6 billion by the conclusion of 2021. However, Brazil received only US\$ 1.86 billion (12.8%) of this sum, marking it as the recipient of the least funding from the Bank thus far. As the NDB approaches its seventh year of operation, it becomes imperative to assess its lending trajectory to Brazil, scrutinizing both the disincentives and the potential for augmenting loans to the country. With this objective in mind, this article endeavors to delve into the obstacles and opportunities for enhancing the NDB's utilization in Brazil. Our hypothesis suggests that despite the recent surge in operations, there remains room for advancement, particularly in light of the political developments unfolding in Brazil in 2023.

Methodologically, the study hinges on analyzing NDB financial data, conducting interviews with pertinent stakeholders in Brazil, and scrutinizing and contrasting the financing institutional frameworks of the NDB and the Brazilian Development Bank (BNDES). Our findings indicate that: i) access to the BNDES partially offsets the necessity for Brazilian firms to seek loans from the NDB; ii) a rigid institutional framework within the NDB and the Brazilian government impedes project approval and proposition; iii) all loans to Brazil thus far have been denominated in US dollars, diminishing their attractiveness; iv) there has been a lack of encouragement from the Brazilian national government, attributed to the reorientation of Brazilian foreign policy following the 2016 impeachment. Consequently, achieving a more prominent role and usage of the NDB necessitates not only an institutional reassessment of certain approval processes within the Brazilian government but also a more active, assertive, and collaborative stance from the Bank itself.

Keywords: New Development Bank (NDB), BRICS, multilateral banks, development financing, international monetary system, Brazil

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Having started its operations in 2016, the New Development Bank (NDB) disbursed around US\$ 14.6 billion by the conclusion of 2021. Among these disbursements, Brazil received only US\$ 1.86 billion (12.8%), marking it as the recipient of the least funding from the Bank thus far. However, a shift emerges when examining approved projects. In 2020 and 2022, Brazil ranked first and second, respectively, in terms of approved funding amounts. Consequently, it ascended from the lowest to the third position within BRICS¹.

After seven years of operations, it is imperative to undertake an evaluation of the trajectory of the NDB's loans to Brazil, facilitating an analysis of both the disincentives and the potential for increasing lending to this country. Aligned with this objective, this article seeks to explore the obstacles and opportunities for enhancing the utilization of the bank within Brazil. Pursuant to this aim, it is essential to scrutinize the factors contributing to the underutilization of the Bank by Brazil in its initial years, the drivers behind improved performance² in recent periods, and the persistent impediments. The hypothesis is that in recent years, there remains ample room for advancement, particularly in light of the political developments unfolding in Brazil in 2023.

To achieve this objective, the article employs four complementary methodologies: 1) an extensive literature review concerning the role of multilateral development banks (MDBs) in countries of the Global South; 2) an analysis of the NDB's financial data, encompassing approvals and credit disbursements; 3) a comparative examination of the institutional frameworks of the Brazilian Development Bank (BNDES) and the New Development Bank (NDB), aimed at assessing the hypotheses of competition or synergy between these two institutions; and 4) conducting semi-structured interviews with relevant actors associated with the NDB³. These interviewees were selected using a single-case sampling approach within the realm of actors actively engaged in the analyzed environment (Pires 1997). The purpose of these interviews is to enhance the quality and contextual understanding of the investigation, refining and augmenting the research through a nuanced comprehension of the subject matter, rather than merely "explaining" it or inferring external causalities⁴. Employing this array of methodologies enables the paper to provide a comprehensive understanding and explanation of the processes involved in NDB project financing, extending from evaluation to actual loan disbursement.

Besides this Introduction, the article is structured as follows: Section 2 offers a theoretical overview of the evolution of the role and objectives of Multilateral Development Banks (MDBs), particularly focusing on their aims and modes of support

¹ In terms of value, for approved projects since the inception of the bank. Details will be provided in section 3.

² At least in terms of approved projects.

³ We conducted interviews with four high-rank staff of the NDB and the BNDES.

⁴ The interviews were conducted via online meetings, centering around the overarching question: "What are the obstacles hindering a more robust utilization of the NDB in Brazil?" Building upon this central query, the authors sought insights from "insiders" regarding potential strategies to amplify the bank's utilization within Brazil. All interviews were recorded, and to uphold confidentiality, the identities of the interviewees will remain undisclosed.

for countries in the Global South. Section 3 provides a concise analysis of the history, role, and institutional structure of both the NDB and the Brazilian Development Bank (BNDES⁵), acknowledging the necessity of studying the NDB's performance in Brazil within the context of its potential competition and cooperation dynamics with the historically established national bank. Section 4 presents an overview of NDB loans to Brazil, juxtaposed with the total loans extended by the bank. Section 5 compares the lending conditions stipulated by the NDB and the BNDES. Section 6 analyzes the implications of prioritizing the BRICS alliance, and consequently the NDB, by successive Brazilian administrations during recent political cycles. Concluding the article, we offer some final reflections on the opportunities for more extensive utilization of the NDB in Brazil, as well as prospects for enhanced cooperation and alignment of the bank with the BRICS geopolitical agenda of fostering the consolidation of the Global South.

The role of development banks in the global South

In numerous nations, Development Finance Institutions (DFIs) have served as primary sources of funding for capital-intensive investments, including those pertaining to infrastructure, industrialization, and innovation projects. As noted by Chandrasekhar (2016), these institutions played a pivotal role in facilitating the industrialization of late-developing nations, surmounting inherent structural deficiencies within their economies, such as the risk-averse nature of the domestic financial sector.

In the 19th century, the first tier of late-industrializing countries already possessed specific types of financial firms dedicated to directing funds towards long-term investments (Gerschenkron 1962), exemplified by the French *Crédit Mobilier* and the German Universal Banks (*Kreditbanken*). However, it wasn't until the post-war period that these institutions assumed critical importance for the historical development of capitalism. The United States proposal at the Bretton Woods Conference in 1944 to establish the first Multilateral Development Bank (MDB), namely the World Bank⁶, laid the initial groundwork for what would evolve into a global architecture for development banks, encompassing regional and national institutions (Helleiner 2014; Ocampo, Ortega 2022).

The consolidation of DFIs as pivotal institutions driving the expansion and development of capitalist markets stemmed from the inherent inability of these markets to establish a stable and continuous dynamic for accumulation. Indeed, throughout history, private financial markets have consistently fallen short in providing adequate long-term funding for investment projects—a circumstance particularly pertinent

⁵ The acronym in Portuguese for “Banco Nacional de Desenvolvimento Econômico e Social” (BNDES).

⁶ At that time the World Bank was called “International Bank for Reconstruction and Development” (IBRD), as one of its main goals was to support the European reconstruction after the II World War (Ocampo, Ortega 2022).

for peripheral countries, thereby constraining their development prospects (Chandrasekhar 2016; Cunha et al. 2016)⁷. This inadequacy arises from two primary factors: i) conventional market failures; and ii) inherent instability within financial markets.⁸

The orthodox notion of market failures suggests that certain circumstances arise where self-interested rational individual actions yield suboptimal outcomes due to the negative externalities they generate (Ledyard 2018). According to this conventional economic theory, information asymmetry among agents and resulting imperfect competition constitute the primary causes of market failures within financial markets. Such suboptimal outcomes result in an inefficient allocation of resources and funding within the economy. From this perspective, public banks, including development banks, are deemed necessary to address these gaps, albeit as a complementary measure to the private financial sector (Stiglitz 1994).

Heterodox schools of thought in economics offer a broader perspective on the financial market insufficiencies. Within this framework, the role of public banks, including the MDBs, is not merely seen as a complement to the private sector but rather as a driving force for economic stability, growth, structural change, and development (Kregel 2017; Ocampo, Ortega 2022)⁹. This perspective stems from the heterodox assumption of the fundamental economic uncertainty¹⁰, a characteristic of the capitalist system that can consistently frustrate agents' expectations and lead to output fluctuations. Financial markets are not immune to this uncertainty; rather, they can exacerbate or even instigate crises through their own inherent unstable dynamics. This concept is eloquently encapsulated in Minsky's Financial Instability Hypothesis (FIH), which illustrates how credit and other forms of liquidity provision can inherently breed instability and crisis in the real economy, due to the tendency for the excessive indebtedness of agents during the period of "appetite for risk". Consequently, financial markets exhibit a pro-cyclical nature, shaping financial cycles characterized by alternating phases of booms and busts (Minsky 1977).

⁷ See also: Feil F., Feijó C. A. 2019. Bancos de desenvolvimento como 'braço de política econômica': uma interpretação Minskiana aplicada ao caso do BNDES. *Grupo de pesquisa em Financeirização e Desenvolvimento – Finde, Universidade Federal Fluminense*. 13.11.2019. URL: <https://finde.uff.br/wp-content/uploads/sites/43/2019/11/BDs-Uma-vis%C3%A3o-minskyana.pdf> (accessed 10.02.2024). (In Portuguese).

⁸ According to the theoretical framework of the "currency hierarchy", used in this article, financial instability is inherent in the capitalist system, but it is particularly pronounced in peripheral countries, due to the asymmetries of the International Monetary and Financial System. For details, see De Conti et al. (2014).

⁹ See also: Feil F., Feijó C. A. 2019. Bancos de desenvolvimento como 'braço de política econômica': uma interpretação Minskiana aplicada ao caso do BNDES. *Grupo de pesquisa em Financeirização e Desenvolvimento – Finde, Universidade Federal Fluminense*. 13.11.2019. URL: <https://finde.uff.br/wp-content/uploads/sites/43/2019/11/BDs-Uma-vis%C3%A3o-minskyana.pdf> (accessed 10.02.2024). (In Portuguese).

¹⁰ This fundamental uncertainty is discussed by Keynes (1978/1936) and refers to the fact that the future is not only unknown, but it is also unknowable, and calculations based on probabilities are simply incapable of eliminating these uncertainties.

Therefore, this literature contends that MDBs should assume a broader and more prominent role in the economy than that prescribed by orthodox theory. Within this framework, public banks are deemed crucial institutions, tasked with mitigating the effects of recurrent financial cycles and ensuring a continuous supply of liquidity in the economy.¹¹

Amidst these theoretical debates, the MDBs have undergone a dialectical evolution throughout history. While there is consensus that the *raison d'être* of MDBs is the promotion of development (Humphrey 2014), their conceptualization of “development” and its measures, as well as the strategies and mechanisms employed for its implementation, have continuously evolved over recent decades. In the subsequent section, we will explore two distinct development banks, the BNDES (a national institution) and the NDB (a multilateral entity).

BNDES vs NDB: history, role, institutional structure

Despite Brazil's participation in several multilateral banks¹², the country, like many others, maintains its own national development bank. The BNDE¹³ was established in 1952, under the government of Getúlio Vargas, one of the major figures of the so-called Latin American Developmentalism. The primary objective of the bank was to establish a perpetual source of long-term financing within Brazil, particularly for infrastructure and industrial projects. Throughout its seventy-year history, the bank has adapted its focus in response to evolving economic contexts and the shifting political orientations of different administrations. Nonetheless, its central aim remains the provision of loans under favorable conditions to support investments in the country's economic and social development¹⁴. This is facilitated by the BNDES's privileged access to the Workers' Support Fund (FAT¹⁵ in the acronym in Portuguese), a funding pool comprised of contributions from enterprises and managed by the Ministry of Labor and Employment. FAT is intended to finance salary bonuses for low-income workers and unemployment insurance. At least 28% of this funding is allocated to the BNDES, enabling the bank to offer loans under special conditions, including favorable terms regarding cost and repayment schedules.

¹¹ See: Feil F., Feijó C. A. 2019. Bancos de desenvolvimento como 'braço de política econômica': uma interpretação Minskiana aplicada ao caso do BNDES. *Grupo de pesquisa em Financeirização e Desenvolvimento – Finde, Universidade Federal Fluminense*. 13.11.2019. URL: <https://finde.uff.br/wp-content/uploads/sites/43/2019/11/BDs-Uma-vis%C3%A3o-minskyana.pdf> (accessed 10.02.2024). (In Portuguese).

¹² E.g., the International Bank for Reconstruction and Development (IBRD, the World Bank), the Interamerican Development Bank (IAAD), the Latin America Development Bank (formerly CAF), Fonplata – Development Bank, and the Asian Infrastructure Development Bank (AIIB). For an excellent analysis of the role of Brazil in these banks, see Chiliato (2022).

¹³ Initially, the bank's acronym was BNDE (for “Banco Nacional de Desenvolvimento Econômico”) and the “S” – for “social” – was added in 1982.

¹⁴ In fact, most peripheral countries face – even nowadays – a lack of long-term financing, ending up by heavily relying on external debt.

¹⁵ Fundo de Amparo ao Trabalhador (FAT).

Currently, the bank official statements indicate that it operates in the fields of: infrastructure; industry, commerce and services; agriculture; innovation; exports; education; social issues; micro, small and medium enterprises; culture and creative economy; capital market; environment. Aligning with the global trend spurred by growing awareness of sustainability imperatives, the BNDES is increasingly prioritizing sustainable development, as detailed in Section 4.

After seven decades of operation, the bank has firmly established itself as the primary source of long-term financing in Brazil. At its peak in 2013, the bank disbursed approximately US\$ 88.3 billion¹⁶ (equivalent to 3.9% of the national GDP). However, following the economic and political crisis that unfolded in the country in 2014, and the subsequent shift in the political landscape with the impeachment of President Dilma Rousseff in 2016, disbursements experienced a dramatic decline. By 2021, disbursements had decreased significantly to US\$ 11.9 billion¹⁷ (0.72% of the GDP). Nevertheless, this figure remains considerably higher than the amounts disbursed by any multilateral bank to Brazil.

The bank employs approximately 2 800 individuals, with the majority based at the Rio de Janeiro office, although there are additional offices in Brasília, São Paulo, and Recife. Notably, for large loans, BNDES conducts operations directly with the borrowers, while for smaller loans—comprising the majority—it employs the method of “indirect operations,” wherein loans are intermediated by commercial banks. This approach is essential for ensuring the widespread reach of the bank's operations in a vast country like Brazil.

The New Development Bank (NDB) was established in 2014 during the 6th BRICS Summit in Fortaleza, Brazil, and commenced operations in 2016. While the initial authorized capital was US\$100 billion, only half of this amount was initially subscribed, with US\$10 billion paid-in¹⁸ and US\$40 billion as callable capital. A key principle guiding the NDB is equitable capital distribution among founding members, ensuring equal voting rights. Indeed, a fundamental objective of the NDB is to pioneer a new governance model distinct from the asymmetric administration prevalent in Western-dominated multilateral institutions such as the International Monetary Fund (IMF) and the World Bank (WB).

The headquarters of the bank is located in Shanghai, China, with regional offices now established in all founding member countries. In Brazil, the Latin American Regional Office was inaugurated in 2019, strategically positioned in São Paulo, the nation's economic and financial hub. Additionally, a sub-office was established in Brasília, the capital city. Our interviewees underscored this development as a significant

¹⁶ 190.4 billion in Brazilian Reals.

¹⁷ 64.3 billion in Brazilian Reals.

¹⁸ As of December 31, 2022, the cumulative paid-in capital received by the NDB was US\$ 10.299 billion.

factor contributing to the recent surge in loans to the country. They suggested that the geographical distance from the headquarters, coupled with time zone disparities and intercultural considerations, may have contributed to the initially low loan levels to Brazil. With the establishment of offices in Brazil, the bank can now maintain closer proximity to potential clients, partner institutions (further elaborated below), and policymakers within the Brazilian government. The Brazil-based team is actively engaged in various forums and meetings nationwide to raise awareness about the bank's presence and activities.

In spite of the common reference to NDB as the “BRICS Bank”, the original idea was not to confine the institution solely to BRICS countries. Instead, the aim was to establish a development bank for the broader group of emerging economies and developing countries. While it took some time, Bangladesh and the United Arab Emirates became members in 2021, Egypt, in 2023, and Uruguay is currently in the process of joining.

According to its founding documents, the primary mandate of the NDB is to finance infrastructure and sustainable development. With regard to the former, this stems from the evident observation that emerging countries typically face significant deficiencies in infrastructure, which adversely affect economic competitiveness, regional integration, and even the welfare of the population. Regarding the latter, it represents another distinguishing feature of the bank (Braga et al. 2022). It's true that other multilateral banks have gradually integrated concerns about sustainability into their agendas, but the NDB is unique in that it was initially established with sustainability as one of its foundational pillars¹⁹.

In a nutshell, the NDB claims to be “new” in the three dimensions discussed above, that is, it is a multilateral bank: i) aimed at representing and being functional to the Global South; ii) designed to have a democratic (and less asymmetric) governance – at least for the founding members; iii) created to (allegedly) foster sustainable investments.

However, the bank remains relatively new and small compared to many other multilateral banks. By the end of 2021, it employed only 207 staff members and had a total portfolio of 74 approved projects, amounting to US\$29.1 billion²⁰, with US\$14.6 billion already disbursed. Interestingly, 88% of the approvals were for sovereign loans, with only 11.3% allocated to non-sovereign projects, in addition to 0.7% in equity investments. Nevertheless, the target for the near future is to have at least 30% of non-sovereign investments (a proportion that has already been achieved in Brazil).

¹⁹ Several analyses investigate whether the NDB genuinely adheres to its purported focus on sustainable investments (see, for instance, Braga et al. 2022), but these discussions go beyond the scope of this article.

²⁰ “Portfolio” here refers to the Bank's cumulative approvals net of cancelled and fully repaid loans.

Given its limited size, lack of expertise²¹, and limited reach, the NDB often conducts many of its operations in collaboration with other development institutions in its member countries. This aspect is particularly significant for our discussions, as it is essential to examine whether the BNDES serves as a competitor or collaborator with the NDB in its operations in Brazil.

Brazil at the NDB

The New Development Bank commenced operations during a challenging period in the history of the Brazilian economy. The year 2016 witnessed a political upheaval with the impeachment of President Dilma Rousseff, followed by the vigorous implementation of a fiscal austerity agenda, notably through Constitutional Amendment No. 95, also known as the Expenditure Ceiling²². This amendment further constrained public investments and the granting of sovereign guarantees, which constitute a significant component of projects submitted to the NDB (further details provided below). Additionally, the investment budgets of crucial federal state-owned enterprises, such as Petrobras (oil and gas) and Eletrobras (electricity), had been experiencing successive declines since 2013, contributing to the overall reduction in aggregate investment and demand²³. Consequently, it was reasonable to expect that the initial years of the NDB’s activities would be characterized by Brazil’s low performance in terms of the volume of approved projects. Table 1 presents the evolution of credit approved by the multilateral bank, in terms of amounts.

Table 1. *Approved credit at the NDB, amounts (US\$ million), 2016–2022.*

Country	2016	2017	2018	2019	2020	2021	2022	Total	%
Brazil	300	-	250	400	3.478	540	720	5.688	18,18%
Russia	100	460	840	848	795	1.300	-	4.343	13,88%
India	350	815	1.135	1.783	2.841	80	425	7.429	23,74%
China	379	200	1.601	1.509	1.070	2.505	1.215	8.479	27,10%
South Africa	180	-	500	1.674	2.000	1.000	-	5.354	17,11%
Total	1.309	1.475	4.326	6.214	10.184	5.425	2.360	31.293	100%

Source: authors’ elaboration based on the New Development Bank (NDB) data.

²¹ It is important to highlight, however, that in spite of a lack of “institutional expertise”, many staff at the NDB possess extensive experience gained from employment at other development banks, such as the World Bank or the national banks of the member countries.

²² This Constitutional Amendment determined that the public expenditures should have no increase in real terms for the next twenty years. It has been eliminated in May 2023 by Lula government.

²³ Rossi P., Mello G. 2017. Choque recessivo e a maior crise da história: a economia brasileira em marcha à ré. *Centro de Estudos de Conjuntura e Política Econômica - IE/UNICAMP*. Nota do Cecon, n.1, Abril de 2017. URL: https://www.eco.unicamp.br/images/arquivos/notacecon1_choque_recessivo_2.pdf (accessed 10.02.2024). (In Portuguese).

As illustrated in Table 1, from 2016 to 2019, the total credit approved to Brazil by the NDB amounted to a mere US\$ 950 million, marking the lowest performance during this period and accounting for only 7.13% of the bank's total portfolio at that time²⁴. However, in 2020, the country experienced a significant surge, with US\$ 3.48 billion approved in that year alone, largely attributed to measures implemented to address the COVID-19 pandemic. Nonetheless, a portion of this amount, totaling US\$ 1.48 billion, was directed through other channels. Notably, US\$ 1.2 billion was allocated to the BNDES-NDB Sustainable Infrastructure Project, underscoring the potential for collaboration between these two entities. These additional approvals elevated the country to the third position in terms of approved credit volume, reaching a share of 18.2% in 2022.

Having in mind the amounts, it is also important to examine the sectors targeted by the approved projects, as this provides insight into their potential to stimulate development within the country. Table 2 presents the funding allocated to all 18 approved projects in Brazil, categorized according to the sectors classified by the NDB.

Table 2. Values, in USD, applied by sector of investment in Brazilian approved projects in the NDB.

Projects Areas	Nº of Projects	Value (USD million)	% of Total Value
Multiple Sectors	7	2.293	40,31%
COVID-19 Emergency	2	2.000	35,16%
Water	2	380	6,68%
Energy	1	300	5,27%
Transport	1	300	5,27%
Environmental Protection	1	200	3,52%
Urban Development	3	165	2,90%
Social Infrastructure	1	50	0,88%

Source: authors' elaboration based on the New Development Bank (NDB) data.

Most of the approved projects are categorized as part of the "Multiple Sectors". Taking a deeper look, one by one, all seven projects, totaling US\$ 2.3 billion, refer to investments in sustainable infrastructure, focusing on emissions reduction, transition, and climate adaptation projects. Out of them, US\$ 1.7 billion is related to projects in which the borrower is the BNDES, reinforcing the perception of a pattern of cooperation between the banks. As a consequence, even though all loans were made in US dollars and not in local currency, those which are intermediated by the BNDES leave the exchange rate risk to the Brazilian bank. Considering that 35.2% of the loans approved for Brazil are still tied to the COVID-19 emergency credit line, there is a need for further promotion and diversification of Brazilian projects.

²⁴ Unfortunately, the NDB does not disclose the success rate of the projects submitted to the Bank. Yet, we will argue below that these low amounts of credit approved to Brazil in the initial phase of the bank are not related to bad projects or to a bias of the bank, but rather to the macroeconomic and political context in Brazil, allied to a lack of knowledge about the bank and a rigid format for the provision of public guarantees in the country.

Finally, it is also intriguing to explore whether this diversification pertains solely to the sectors targeted by the projects or extends to the bank's customers. Figure 1 illustrates that out of the US\$ 5.7 billion approved for Brazil since the inception of the NDB, only 8.44% have been allocated to private companies as borrowers. This underscores a potential bottleneck, possibly linked to the conditions of guarantees and financing offered to this sector by the bank²⁵. Sovereign guaranteed financing emerges as the most flexible and accessible modality in terms of interest rates, amounts, and currency type. However, obtaining sovereign guarantees in Brazil is a complex process involving multiple stages of technical analysis by the federal government, subject to approval by the Federal Senate as well (further details are provided in Section 4)²⁶.

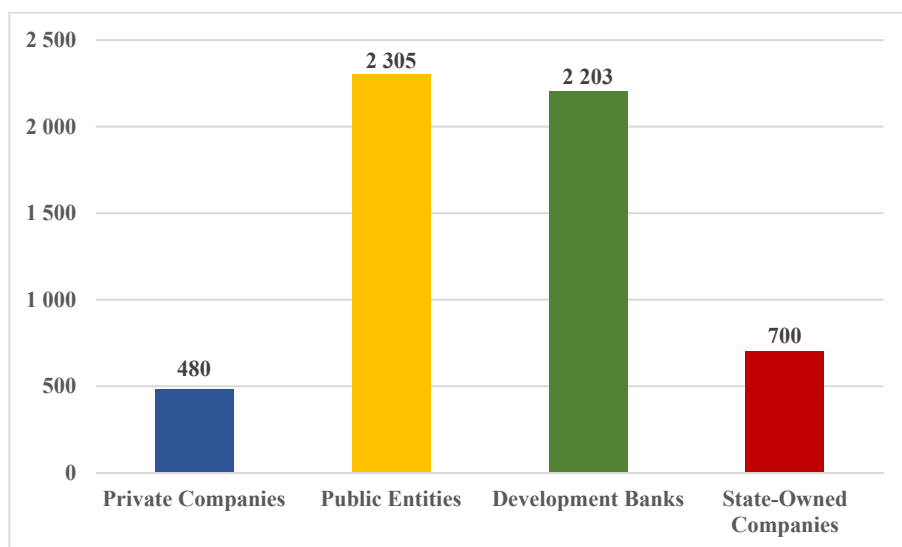


Figure 1. Approved credit for Brazil at NDB (US\$ million) per ownership of the borrower.

Source: authors' elaboration based on the New Development Bank (NDB) data.

Shifting the analysis to the BNDES, Figures 2 and 3 illustrate that the volumes of operations contracted (in values) and resources disbursed by the bank are significantly greater than those associated with the NDB. However, there has been a substantial decline in the provision of credit by the Brazilian bank over the past decade.

²⁵ An analysis of the share of credit provided by the NDB to private companies in the other BRICS countries would be very interesting, but it goes beyond the scope of this article.

²⁶ Ministério da Economia. 2019. *Manual de financiamentos externos*. URL: <https://www.gov.br/economia/pt-br/centrais-de-conteudo/publicacoes/guias-e-manuais/defeso/manual-de-financiamento-externos.pdf/view> (accessed 10.02.2024). (In Portuguese).

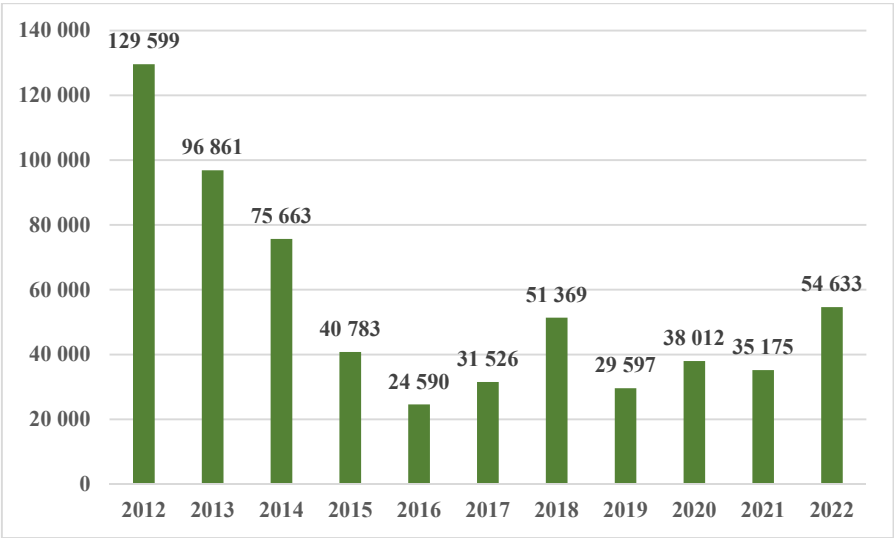


Figure 2. Operations contracted with BNDES, 2012–2022 (Values in BRL billions).
Source: authors’ elaboration based on the Brazilian Development Bank (BNDES) data.

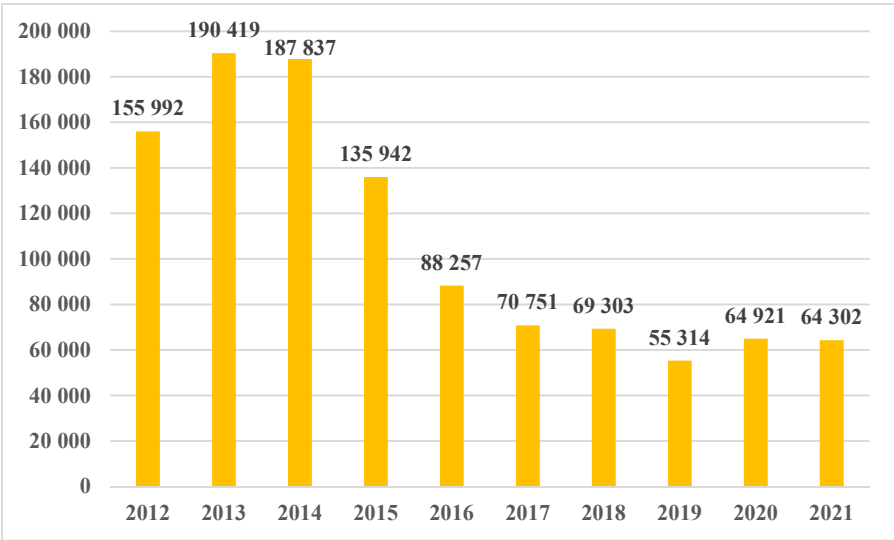


Figure 3. Disbursements made with the BNDES from 2012 to 2021 (Values in BRL billions).
Source: authors’ elaboration based on the Brazilian Development Bank (BNDES) data.

The reduction in the role of the BNDES is not solely cyclical, stemming from the economic crisis of 2015-2016, but also reflects a policy decision embedded in the new economic strategy following the impeachment of Dilma Rousseff. During the Temer administration (2016-18), a reassessment of the BNDES's role was undertaken, resulting in new guiding policies aimed at actively curtailing the bank's lending activi-

ties, leveraging it to stimulate the private capital market. The Bolsonaro government (2019-22) furthered and intensified this approach at the BNDES, prioritizing investments in equity funds.

Returning to the NDB, it is also pertinent to evaluate the proportion of approved credit that has been disbursed, as illustrated in Figures 4 and 5.

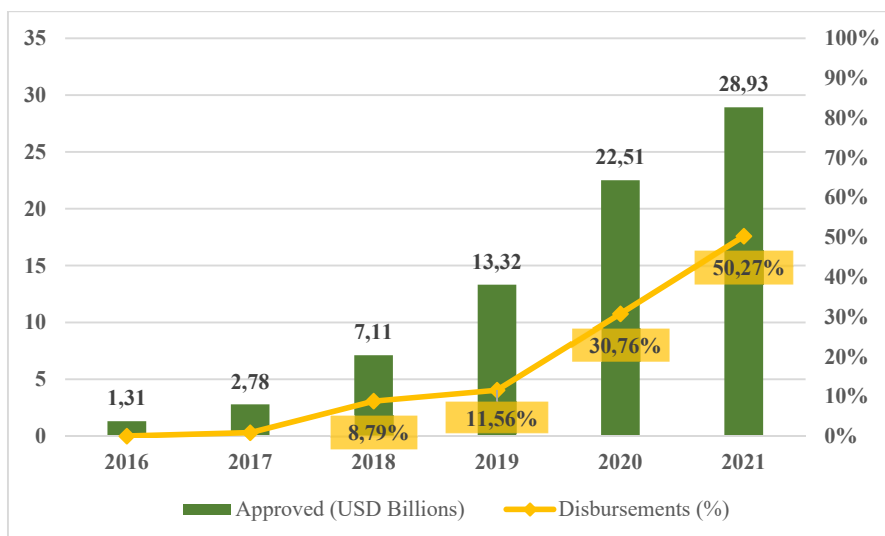


Figure 4. Disbursement amounts as a percentage of the value of total approved projects, NDB, 2016–2021.

Source: authors' elaboration based on the New Development Bank (NDB) data.

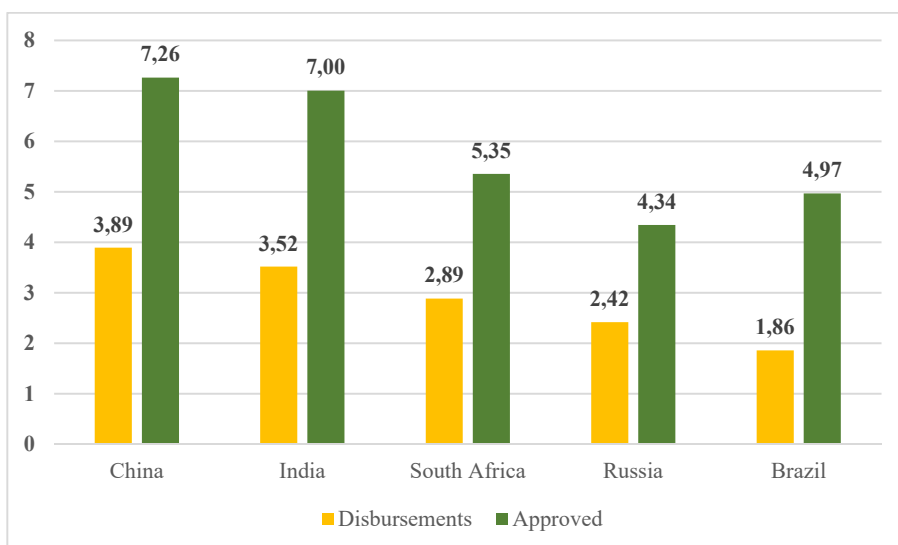


Figure 5. Volume of Cumulative Disbursements compared to Cumulative Approved Projects in the NDB, 2016–2021 (values in US\$ billions).

Source: authors' elaboration based on the New Development Bank (NDB) data.

As anticipated, the volume of disbursements was initially low for all countries in the first years, attributable to the bank's start-up phase and the typical lead time required for the implementation of approved projects. By 2021, the bank had achieved a disbursement rate of 50.3% (see Figure 4). However, upon closer examination of the data pertaining to Brazil, it becomes apparent that the country ranks last in terms of disbursement volume within the NDB. As of 2021, only 37.4% of the approved credit for Brazil had been disbursed, amounting to US\$ 1.86 billion—still below the US\$ 2 billion capital stock contributed by the country for the establishment of the bank.

Therefore, despite exhibiting improved performance in recent years, Brazil's involvement with the NDB appears to still fall short of its potential²⁷. To delve further into the examination of potential competition between the NDB and the BNDES, the subsequent section will assess the distinct conditions between these two development banks, aiming to comprehend the underlying factors contributing to Brazil's limited participation in the NDB.

Comparative analysis: institutional framework and financing conditions between BNDES and NDB

Although both the NDB and the BNDES share the common objective of promoting economic development, the multilateral background and historical context of the NDB have imposed certain dynamics and goals that are specific to its operational model. The Durban 2013 BRICS Summit Declaration outlines the scope of the bank as an institution aimed at “mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development”²⁸. Therefore, it is evident that the NDB seeks to establish collaboration with other regional and national banks, such as— in the case of Latin America and Brazil— BNDES, FONPLATA, and Banco do Brasil.

When considering the reasons behind the founding of the NDB by the BRICS countries, it becomes apparent that it is only partially fulfilling its goals. In fact, given the current geopolitical conditions, particularly the recent tensions in the International Monetary System (IMS) and the discussions surrounding a potential decline in the hegemony of the dollar²⁹, the NDB's stance has been, at best, conservative.

²⁷ Unfortunately, NDB's targets that are published in its reports are quite vague, so it is not possible to assess if these amounts allocated to Brazil fall short of the internal targets. However, our argument here is that given the scale of the Brazilian economy and its need of long-term credit for investments, there is room for an increase in these amounts. Recently, especially after Dilma Rousseff became the Bank's president, the NDB has started to publish more specific targets.

²⁸ BRICS and Africa: Partnership for Development, Integration and Industrialisation: eThekweni Declaration. March 27, 2013. URL: <http://www.brics.utoronto.ca/docs/130327-statement.html> (accessed 10.02.2024).

²⁹ For details about the recent tensions in the International Monetary System (IMS) and the Russia and China expansion of, respectively, the System for Transfer of Financial Messages (STFM) and Cross-Border Interbank Payment System (CIPS) see: Eichengreen B. 2022. Sanctions, SWIFT, and China's Cross-Border Interbank Payments System. *Center for Strategic and International Studies*. 20.05.2022. URL: <https://www.csis.org/analysis/sanctions-swift-and-chinas-cross-border-interbank-payments-system> (accessed 10.02.2024); and (Xu, Xiong 2022).

Historically, raising funds for governments and companies in peripheral countries has been a challenge. Following the wave of financial liberalization, promoted by multilateral institutions such as the IMF and the WB, these countries gained increased access to international funds, albeit with heightened sensitivity to the various phases of international liquidity cycles. Gabriele et al. (2000) demonstrate that capital flows exhibited a markedly unpredictable pattern for these countries during the 1990s compared to previous decades. Consequently, this form of financial integration of peripheral countries into global markets introduced a high volatility pattern in key macro and micro indicators. Primarily, these fluctuations impact exchange rates, leading to uncertainties regarding inflation and increasing instability in domestic stock markets and firm earnings (Grabel 1995; Felix 1998).

In structural terms, the challenge of raising funds – and especially long-term funding – stems from the thoroughly hierarchical nature of the IMS, with one national currency, the US dollar, playing the role of the world currency, some other central currencies (e.g., the euro, the Japanese yen and the British pound) that also serve as representatives of abstract wealth on the international stage, and a myriad of national currencies lacking any value at the international level (De Conti et al. 2014; Lapavistas 2016).

The position of each currency within this hierarchy shapes the portfolio preferences of international agents, who allocate resources across various countries worldwide based on a trade-off between liquidity and expected profitability. Consequently, they often invest in peripheral countries for speculative purposes, seeking higher yields or returns. This portfolio choice structure, driven by agents, fosters an environment of heightened uncertainty in peripheral countries, particularly when interest rates increase in central countries, leading to what is commonly referred to as a “flight to quality” (De Conti et al. 2014).

Hence, it remains highly challenging for peripheral countries to borrow internationally in their own currencies, a phenomenon described by Eichengreen et al (2005) as the “original sin.” Despite the NDB’s founding principles declaring its intent to provide loans to BRICS countries in domestic currencies, this objective has yet to materialize. Figure 6 illustrates the approved credit by currency, revealing a significant predominance of the US dollar (comprising approximately 69% of the portfolio), with no loans at all granted in Brazilian real (BRL).

This lending pattern cannot be solely attributed to a conservative stance by the NDB, as peripheral countries often require access to and utilization of US dollars. However, many of these loans are not intended for import-dependent investments, thereby exposing borrowers to currency mismatch risks without providing corresponding benefits.

To comprehensively understand the challenges facing the NDB in realizing its vision of becoming a multilateral bank for the global south, it is essential to examine the design and conditions of the bank's financing lines. Table 3 outlines and assesses the primary credit products offered by the multilateral bank.

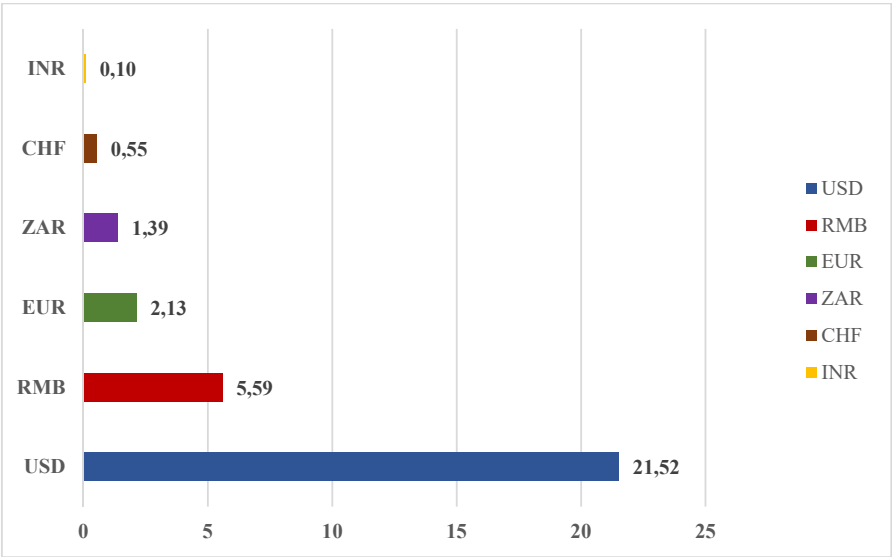


Figure 6. NDB approved credit, by currency (values in US\$ Billions).
Source: authors’ elaboration based on the New Development Bank (NDB) data.

Table 3. Financed activities and conditions established by the NDB.

Scope of Financed Activities	Customer Scope	Guarantee
Sovereign Loans <ul style="list-style-type: none">· Financing of specific operations in projects (construction materials, services and equipment)· Borrowers’ investment programs for sustainable development· Eligible subprojects from financial institutions	<ul style="list-style-type: none">· National, regional and local government entities· National, regional and local development banks· Large-scale companies with sovereign guarantee	<ul style="list-style-type: none">· Sovereign lending· Sovereign guarantee for large scale-companies· Sovereign guarantee for development banks
Non-Sovereign Loans <ul style="list-style-type: none">· Corporate lending, for financing of specific operations in projects and investment programs· Investment on equity funds· Lending for financial institutions (including development banks)· CAPEX financing	<ul style="list-style-type: none">· Large-scale financial institutions (including development banks)· Large-scale real sector companies (including state-owned companies)· Equity and investment funds	<ul style="list-style-type: none">· Financing currency can only be USD· Lending is limited to 25% of total project value· Credit and real guarantees (non-sovereign loans)

Source: authors’ elaboration based on the New Development Bank (NDB) data.

The NDB operates through two main financing lines, primarily distinguished by the type of guarantee provided by the borrower. The credit line for sovereign-guaranteed loans holds the greatest significance in terms of financing capacity, the range of eligible actions, and the variety of currencies in which disbursements can be made. This initial credit line, underpinned by sovereign guarantees, offers a framework characterized by high flexibility and adaptability of NDB products, facilitated by the secure, robust, and stringent nature of these guarantees. As articulated by

IRENA³⁰, “a sovereign guarantee is a government’s guarantee that an obligation will be satisfied if the primary obligor defaults. Usually, sovereign guarantees relate to payment defaults, but they can cover all kinds of obligations and commitments.”

The second type of product offered by the NDB pertains to non-sovereign loans. As the name suggests, these loans are extended without the requirement for such a robust guarantee, although they entail greater restrictions on the financing line. In addition to necessitating credit and tangible collateral attached to the financing (defined during negotiations), the bank also imposes limitations on the credit concession, capping it at up to 25% of the total project value and permitting disbursements only in US dollars. Consequently, the scope of financing for private companies in Brazil is significantly constrained, as the most direct route for this sector to access NDB credit would be through non-sovereign loans. Moreover, the restriction to lending exclusively in US dollars transfers all exchange rate risk to the borrower. Considering the costs of interest rates and the aforementioned potential volatility in peripheral currencies’ exchange rates, this arrangement creates an uncertain scenario for the borrower. While this uncertainty may be mitigated—or even eliminated—through the use of hedging in future markets, these protective mechanisms substantially increase the costs of the loans.

In sum, the structure of the credit offered by the NDB somehow defines the type of client the bank intends to have, which usually are: large, internationalized companies and public entities guaranteed by the highest level of government. Nevertheless, this approach is reasonable, as this multilateral bank aims at large infrastructure projects, especially related to sustainability and energy transition. Thus, what is outside the scope of the NDB can be complemented by regional development banks, such as the BNDES in Brazil.

However, it could be argued that there is scope for a less conservative approach concerning this credit provision, particularly regarding the issuance of loans denominated in domestic currency for Brazil. As previously mentioned, 88% of the approvals granted by the NDB were for sovereign loans, with only 11.3% allocated to non-sovereign ones, along with 0.7% invested in equity. Regarding the approved loans, Figure 7 illustrates that approximately 21% of the credit amount allocated to Brazil was approved through non-sovereign loans, while 79% were secured by sovereign guarantees.

³⁰ IRENA. 2020. Renewable energy finance: sovereign guarantees. *International Renewable Energy Agency*, January 2020. URL: <https://www.irena.org/publications/2020/Jan/RE-finance-Sovereign-Guarantees> (accessed 10.02.2024).

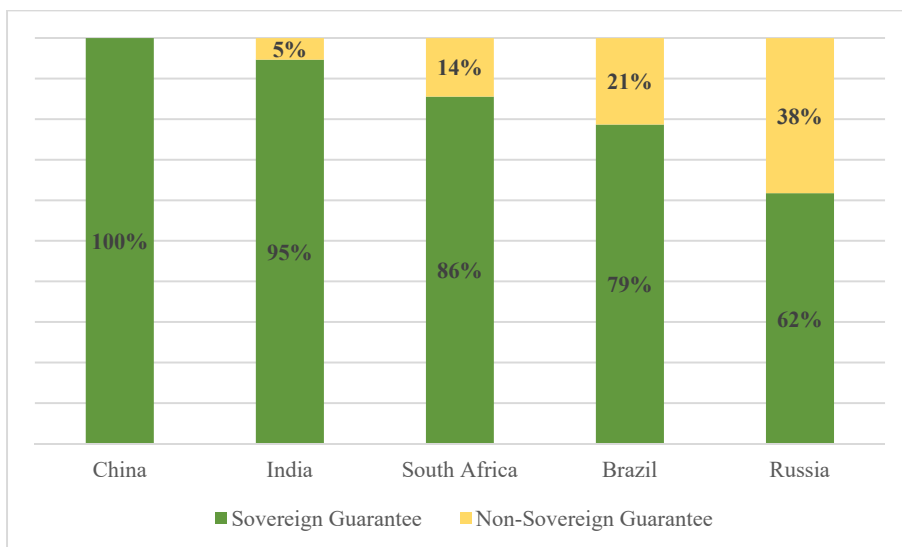


Figure 7. Approvals by type of guarantee (percentage of the values of the total NDB portfolio accumulated in 2022).

Source: authors' elaboration based on the New Development Bank (NDB) data.

The bank maintains a stringent currency risk policy, as it solely provides financing in local currency through bond issuance in the respective domestic market or via swap operations, with a strict net open position policy capped at US\$ 20 million. Moreover, the bank benefits from Preferred Creditor Status (PCS), which grants multilateral development banks (MDBs), including the NDB, priority for debt repayment in the event of financial distress for a borrower. According to Fitch Ratings³¹, “under a broader approach to PCS, MDBs’ sovereign and non-sovereign loan servicing are protected against foreign exchange restrictions.”

Therefore, there is a strict and conservative approach to lending in local currency at the NDB. This reflects a reluctance to share the risk to some extent with the borrowing country, particularly in sovereign lending scenarios. Despite the clear predominance of less risky loans, given that 87.1% of the credit is sovereign guaranteed, the loans are predominantly denominated in major currencies (such as US dollars and euros), comprising as much as 75.6% of the total (see Figure 6).

However, while the absence of loans in BRL may be perceived as an obstacle to greater utilization of the NDB by Brazilian actors, there are additional challenges to consider. One such hurdle pertains to the process of obtaining a sovereign guarantee

³¹ Fitch Ratings. 2018. Preferred creditor status – Special report. 11.10.2018. URL: <https://www.fitchratings.com/research/sovereigns/preferred-creditor-status-11-10-2018> (accessed 10.02.2024).

from the Brazilian state. All requests for external credit necessitating federal government guarantees, as well as those made by state-level and state-owned enterprises, must undergo review by the Commission for External Financing (COFIEX³²).

COFIEX's operational framework entails two stages of technical assessments regarding the project, its rationale, and the contractual cost of the external financing sought. The initial assessment is conducted by the Commission itself upon project submission, while a deeper analysis of the proposal is undertaken by the Technical Group (GTEC³³) throughout the project planning phase until implementation. Concurrently, the borrower must initiate an appraisal request process at the Ministry of Economy³⁴, later renamed the Ministry of Finance, and at the National Treasury.

After completion of the COFIEX review process and validation of all procedures, the project must undergo three additional authorizations. Firstly, the funding agent board, in this case, the NDB, must reaffirm its agreement with the negotiated contractual drafts. Secondly, the Ministry of Finance Attorney's Office (PGFN³⁵) shall submit to the President of the Republic an appraisal statement outlining the ministry's rationale for approving the external credit proposal, requesting his endorsement, and forwarding the statement to the Federal Senate. The Senate Committee on Economic Affairs receives this statement and must deliberate its assent. Finally, the proposal for a sovereign-guaranteed external credit operation undergoes analysis by the plenary session of the Federal Senate. Upon approval in a vote, the project proceeds to publication in the Official Gazette³⁶.

As evident, the process of granting a sovereign guarantee by the Brazilian State is rather lengthy, posing a temporal constraint on the execution and timeliness of projects approved by the NDB. However, this time constraint is due not only to the approval process by COFIEX; it also stems from the necessity to adhere to Brazil's budgetary laws.

Assessment and technical analysis by COFIEX, the Ministry of Finance, and the National Treasury Secretariat also entail evaluating whether the external financing complies with the provisions of Law 101/2000, known as the "Fiscal Responsibility Law." This implies that external financing must be included in the annual budget law (LOA³⁷) approved by the National Congress; otherwise, it would necessitate requesting extraordinary credit, which is always a costly and protracted political process.

³² The acronym in Portuguese for "Comissão de Financiamento Externo" (COFIEX).

³³ Portuguese acronym for "Grupo Técnico" (GTEC).

³⁴ Ministério da Economia. 2019. *Manual de financiamentos externos*. URL: <https://www.gov.br/economia/pt-br/centrais-de-conteudo/publicacoes/guias-e-manuais/defeso/manual-de-financiamento-externos.pdf/view> (accessed 10.02.2024). (In Portuguese).

³⁵ Portuguese acronym for "Procuradoria-Geral da Fazenda Nacional" (PGFN).

³⁶ The official government publication to give voice of law and federal execution to approved actions.

³⁷ Portuguese acronym for "Lei Orçamentária Anual" (LOA).

Given that the annual budget law, which delineates the scope of federal government funding for the current year, is typically ratified in the second half of the preceding year, projects sanctioned by COFIEIX must also undergo the political negotiation process in the National Congress. Consequently, it is customary for Brazilian sovereign-guaranteed submitted to the NDB to undergo an additional waiting period of approximately six months following validation by the Commission, before political approval and publication of the LOA in the Official Gazette. Only then the effective concession of credit and execution of the project become possible.

Hence, it is evident that the process of securing sovereign guarantees for Brazilian projects financed by the NDB can result in missed opportunities, including potential political shifts and the subsequent abandonment of projects initiated by previous administrations (further elaborated below). Non-sovereign guaranteed credit once again emerges as a feasible option to facilitate and broaden Brazilian access, despite being constrained by the absence of concessions in domestic currency.

Given this context, it is evident that cooperation with BNDES credit lines for loan provision is paramount. Table 4 outlines the primary activities financed by the development bank in Brazil.

Table 4. Major financed activities and conditions established by the BNDES.

Scope of Financed Activities	Customer Scope	Guarantee
BNDES Finem <ul style="list-style-type: none"> · Acquisition of national capital goods and services · Working capital · Imported goods and services (with restrictions) · Investment projects · Civil works · Financial operations (financial and corporate restructuring, funding loans) 	<ul style="list-style-type: none"> · Large-scale real sector companies (including state-owned companies) 	<ul style="list-style-type: none"> · Real or personal guarantees, defined in negotiation
BNDES Finame <ul style="list-style-type: none"> · Acquisition of national capital goods and services 	<ul style="list-style-type: none"> · Large-scale real sector companies (including state-owned companies) 	<ul style="list-style-type: none"> · Real or personal guarantees, defined in negotiation
BNDES Exim <ul style="list-style-type: none"> · Financing of the national production of goods destined to be exported · Financing of the exporting of national goods and services 	<ul style="list-style-type: none"> · Trading companies · Commercial exporters · Large-scale exporting companies 	<ul style="list-style-type: none"> · Real or personal guarantees, defined in negotiation · Export credit insurance
BNDES Automático <ul style="list-style-type: none"> · Investment projects · Civil works · Installations of furniture, utensils and equipment · Pre-operational expenses · Acquisition of national capital goods and services · Working capital (restricted to 15%) 	<ul style="list-style-type: none"> · Real sector companies (without restrictions related to revenue) · Rural producers · Public entities · Cooperatives and foundations 	<ul style="list-style-type: none"> · Limit of R\$ 150 million · Real or personal guarantees, defined in negotiation · Other forms of bank guarantees, defined in negotiation
Fundo Clima <ul style="list-style-type: none"> · Investment projects and activities related to the reduction of greenhouse gas emissions and to climate change adaptation 	<ul style="list-style-type: none"> · Companies of any sector with headquarters and administration in Brazil 	<ul style="list-style-type: none"> · Limit of R\$ 80 million (a year) · Real or personal guarantees, defined in negotiation

<div>Pronaf and Pronamp</div> <div><div><div>· Construction, remodeling or expansion of permanent improvement, facilities and crops (irrigation, clearings and reforestations)</div><div>· Acquisition, recovery or renovation of rural machines and equipment</div><div>· Qualification and improvement of services and rural cooperatives</div><div>· Investment projects and activities related to reducing greenhouse gas emission</div><div>· Other forms of bank guarantees, defined in negotiation</div></div></div>	<div>· Rural producers (small and medium sized farmers by revenue)</div>	<div>· Real or personal guarantees, defined in negotiation</div>
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Source: authors' elaboration based on the Brazilian Development Bank (BNDES) data.

The BNDES demonstrates a broader scope of financing activities compared to the NDB, covering operations ranging from working capital and pre-operational expenses to export facilitation and crop renewal. Loan conditions are also more favorable to Brazilian companies, suggesting that competition would not be advantageous for the multilateral bank. Cooperation appears to be the most promising approach, aligning with the objectives of the NDB.

The key agenda for expanding development opportunities lies in aligning objectives, procedures, and risks. This can be accomplished through the establishment of a cooperative framework between the two banks, aimed at enhancing Brazilian involvement in NDB projects and disbursements. Such a mission should not be confined to contractual monitoring and negotiation activities but should also explore the feasibility of NDB offering loans denominated in BRL in collaboration with BNDES.

The NDB's financing options and target audience partly overlap with those of the BNDES. However, its sustainability-driven vision, emphasizing the green transition and social development, inherently places a greater emphasis on sustainable infrastructure projects. This focus tends to appeal to clients beyond the immediate scope of the BNDES.

Political dynamics and the Brazilian government's impact on the NDB

In addition to the institutional analysis developed above, it is crucial to consider that institutions are managed differently depending on the national government in office. In the case of Brazil, this is particularly significant due to the political shifts that have occurred in recent years. From 2003 to mid-2016, the country was governed by the Workers' Party, with Luís Inácio Lula da Silva serving as president from 2003 to 2010, followed by Dilma Rousseff from 2011 to mid-2016. During this period, Brazil's foreign policy aimed to strengthen the country's role in the multilateral arena, particularly by deepening relations with the Global South. This involved enhancing economic and political ties with Latin American, African, and Arab nations, as well as providing

strong support for the establishment of the BRICS and its associated institutions³⁸. Symbolically, the New Development Bank (NDB) was established at the 2014 BRICS Summit in Brazil.

Nevertheless, following the 2016 turmoil mentioned above, Michel Temer assumed office, and the foreign policy underwent a reversal, returning to the historically defined prioritization of the United States and Western Europe. This shift reached its peak during the government of Jair Bolsonaro (2019 to 2022), characterized by explicit conservatism and complete alignment with the USA under Donald Trump.

Aligned with the global trend of right-wing parties, Bolsonaro's government adopted a discourse that opposed nationalism to "globalism," emphasizing the reaffirmation of nationalist principles in Brazil. This entailed defending "Western principles" and conservative Christianity. "According to this version of national identity, everything that represents diversity and plurality in society seems like a menace for the prosperity and the longevity of the humankind. All of that is labelled as 'globalism'" (Paiva et al. 2020).

Extremely emblematic was a speech of Bolsonaro's Minister of Foreign Affairs (Ernesto Araújo), when he claimed that "[we] will return to ourselves, and in this return to ourselves, Brazilian people want to recover their roots, want to live again as part of the West, as part of the great adventure that begins there with the Greek and Romans" (cited in: Paiva et al. 2020: 147). Setting aside the issue of historical accuracy, this allusion to the "Western" identity of Brazil was a direct contradiction to the country's previous orientation toward the African continent, Arab nations, and notably, the BRICS. Aligned with this nationalist discourse, as well as with the stances of Donald Trump and other right-wing leaders, Bolsonaro's government repeatedly voiced its opposition to multilateralism, offering sharp criticisms of the United Nations and the World Health Organization, particularly during the COVID-19 pandemic.

Unsurprisingly, the approach of the Bolsonaro government toward BRICS diverged significantly from that of Presidents Lula and Rousseff. Clearly, there were no benefits in causing any ruptures with the bloc, particularly given China's significance to the Brazilian economy, notably the agribusiness sector, a key supporter of Bolsonaro. For pragmatic reasons, therefore, Bolsonaro's government maintained regular and formal relations with BRICS. However, its primary objective was evidently to bolster business and economic ties within the bloc, sidelining geopolitical elements that had previously been integral to the group's formation. Consequently, some meetings during Bolsonaro's tenure were marked by tensions, such as Brazil's resistance to criticize "unilateralism" at the 2019 Summit in Brasília, or the withdrawal of eleven years' repeated support of the BRICS' declaration for including new permanent members in the UN Security Council at the 2020 virtual Summit.

³⁸ Three high-ranking Brazilian policymakers were instrumental in the creation of the NDB: Celso Amorim (then Minister of Foreign Affairs), Paulo Nogueira Batista Junior (then representative of Brazil and ten other countries at the International Monetary Fund) and Luciano Coutinho (then President of the Brazilian Development Bank).

The culmination of this disregard for the BRICS occurred with the failure of the government to fulfill its obligations regarding the NDB. As discussed in Section 2, the initial subscribed capital of the bank was set at US\$ 50 billion, evenly distributed among the founding members. Of this, US\$ 40 billion constitutes callable capital, while US\$ 10 billion is paid-in capital, to be paid in seven installments. In 2021, the Brazilian government only paid US\$ 58 million of the US\$ 350 million owed, resulting in a default of US\$ 292 million. The national government claimed that it lacked authorization from the National Congress to make the payment. However, in reality, when the budget was being approved at the end of 2020, the Bolsonaro administration opted to divert most of the owed amount to fund projects led by his political allies. This underscores the lack of priority given to the BRICS and its institutions. As the National Congress was in recess at the beginning of 2021, it took three months for the Brazilian government to rectify the situation and regain its “performer” status. According to our interviews, this incident posed significant challenges for Brazil within the bank, contributing to the low rate of project approvals for the country in 2021. Moreover, it undermines the government's and the country's credibility within the bank and other multilateral institutions.

In addition to the overt disregard shown by the Bolsonaro administration toward the NDB, there are other factors that warrant attention regarding the potential influence of the National Government on the NDB's performance. According to our interviews, given the multitude of development banks operating in Brazil (including multilateral, national, and regional banks), there is a consensus on the importance of coordinating their actions, as discussed earlier. The objective would not be to curtail the autonomy of these banks but rather to guide potential clients toward the most suitable institution based on their characteristics and project scope. As suggested by the interviewees, this coordination could fall under the purview of the Ministry of Planning and Budget, which was reinstated in 2023 following its dissolution during the Bolsonaro administration.

Finally, there are impediments to a smoother advancement of the NDB operations that relate more broadly to the Brazilian political regime instead of any particular administration. According to our interviews, the project structuring cycle in Brazil typically spans around two years, during which time changes in government at the state or city level can result in project abandonment³⁹. Moreover, the process for obtaining sovereign guarantees is notably slow, as discussed in Section 4.

Undoubtedly, there is widespread anticipation across various sectors that with the new government inaugurated in January 2023, led by President Lula, many of the issues discussed in this section will be mitigated, at the very least. Moreover, given Lula's role as one of the founding members of the BRICS, there are expectations that he will once again prioritize this bloc and its institutions, potentially heralding a new era in

³⁹ After all, many of the projects approved in Brazil have been so far for the public sector.

Brazil's relations with the BRICS countries and its involvement with the NDB. The appointment of Dilma Rousseff as the new president of the NDB serves as a clear indicator of the priority accorded by Lula's administration to the BRICS initiative.

Final remarks

From its inception until the end of 2021, the NDB disbursed approximately US\$ 14.6 billion in loans. However, Brazil's participation during this period was relatively low, with the country receiving the smallest share of these loans (12.8%). It is important to note that Brazil's economy experienced a recession from 2014 to 2016. Although there was some growth in 2017–18, albeit at modest rates, there was still no significant increase in the NDB's loans to Brazil. Nevertheless, in recent years, the approval of projects in Brazil has shown a substantial increase, with the country moving from last to third position within BRICS in terms of approved loan amounts.

The primary reason for the improved performance in recent years is undoubtedly the establishment of a regional office in São Paulo and a sub-office in Brasília in 2019. The presence of senior staff in the country serves as a catalyst for enhancing the visibility of the bank and increasing awareness among potential borrowers regarding the credit lines offered by the institution, which is still relatively new. Apparently, the geographical distance of the headquarters, coupled with significant time zone differences and typical intercultural challenges, naturally hindered the expansion of loans to Brazil during the initial years of the bank's operation.

Furthermore, it is crucial to consider that Brazil already possesses a significant development institution, namely the Brazilian Development Bank (BNDES). Established in 1952, this bank enjoys a stellar reputation, serving as the principal source of long-term funding for investments within Brazil. Understandably, most entities in Brazil seeking investment funds prioritize the BNDES and its available credit lines. However, since its inception, the NDB has consistently emphasized in its institutional statements that it was not established to compete with any existing institution—either national or multilateral—but rather to complement them. In the Brazilian context, it is evident that synergy with the BNDES could greatly benefit the NDB, given the expertise and extensive reach of the national bank. Nevertheless, in recent years, potential cooperation between these institutions has been hindered by a lack of coordination from the Bolsonaro administration. Therefore, there remains ample opportunity for progress in fostering collaboration between these entities.

Additionally, there is a significant disincentive in Brazil for obtaining loans from the NDB due to the currency in which the operations are denominated. Despite declarations that the NDB would provide credit in the national currencies of the BRICS countries, the majority of loans are still in US dollars, and to date, not a single operation has been conducted in BRL. This situation poses a considerable obstacle to the expansion of credit to Brazil, given the risks associated with currency mismatch and

the costs of hedging. Moreover, the volatile nature of the BRL exchange rate makes it highly risky for Brazilian entities to hold external debt in a hard currency. The provision of credit in BRL by the NDB could be facilitated if the bank were to internalize the exchange rate risk—a practice currently prohibited by the institution's regulations, as it could pose financial risks—or if it were to raise funds in BRL from the Brazilian capital market. While the latter option is theoretically viable, it is challenging to implement in practice due to the high cost of obtaining long-term funding in Brazil. Nevertheless, there is some room for such policies. For example, Brazil's largest pension funds are associated with public companies and have historically directed resources to areas deemed priorities by the national government. These pension funds could potentially invest in bonds issued by the NDB in the Brazilian market, thereby encouraging private companies and groups to do the same. Alternatively, the NDB could increase operations intermediated by national banks—such as BNDES—under the condition that these banks assume the exchange rate risk, as they are better equipped to manage their assets and liabilities to mitigate the effects of exchange rate fluctuations.

Last but not least, it is evident that the political stance of national governments regarding the BRICS can significantly influence the utilization of the NDB by different countries. Technical challenges can be overcome with political will. In this regard, it was unfortunate that the bank commenced its operations in the year of Dilma Rousseff's impeachment. However, the beginning of Lula's third term as Brazilian president suggests that Brazil may reassume a leading role within BRICS, potentially enhancing the utilization of the NDB by Brazilian actors.

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Препятствия и возможности для активизации деятельности Нового банка развития в Бразилии

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Начав свою деятельность в 2016 г., Новый банк развития (НБР) к концу 2021 г. предоставил кредиты на сумму почти 14.6 млрд долл. США. Из них только 1.86 млрд долл. США получила Бразилия (12,8%), что является самым низким показателем среди всех стран – членов Банка. Отталкиваясь от данного факта, мы исследуем причины низкой активности НБР в Бразилии. Методология основана на анализе финансовых отчётов НБР, интервью с релевантными субъектами принятия решений в Бразилии, а также на сравнении институциональной структуры и условий предоставления финансирования НБР и Бразильского банка развития (BNDES). Полученные выводы свидетельствуют о многообразии причин недостаточно активного финансирования бразильских проектов со стороны НБР. Во-первых, доступ к Бразильскому банку развития (BNDES) в определённой степени снижает потребность бразильских компаний в кредитах от НБР. Во-вторых, и со стороны НБР, и со стороны правительства Бразилии существуют жёсткие правила, усложняющие и удлинняющие процедуры предложения и утверждения проектов. В-третьих, несмотря на предусмотренную возможность для НБР предоставлять кредиты в национальных валютах, все кредиты Бразилии до сих пор выделялись в долларах США, что снижает их привлекательность. В-четвёртых, в связи с переориентацией внешней политики Бразилии после импичмента 2016 г. на сотрудничество с «традиционным Западом», правительство Бразилии не стимулировало использование НБР внутри страны. Таким образом, для активизации финансирования Новым банком развития проектов в Бразилии требуется как пересмотр некоторых процедур согласования со стороны правительства Бразилии, так и более активная и кооперативная позиция самого Банка.

Ключевые слов: Новый банк развития (НБР), БРИКС, многосторонние банки, финансирование в целях развития, международная валютная система, Бразилия

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The Role of the IBSA Fund in Foreign Aid Policies of IBSA and BRICS Member States

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Abstract: The IBSA Fund, which marks its 20th anniversary in 2024, has extended South-South cooperation to 34 states since its establishment in 2004. This article aims to compare the recipients of bilateral development assistance from IBSA members with IBSA Fund projects' partners. The objective is to discern the motivations behind the selection of the Fund's project partners, assess the influence of member states on partner selection, and explore the potential benefits of including Russia and China (both BRICS and New Development Bank participants) as members. The authors analyze the structure, mechanisms, and priorities of IBSA projects, juxtaposing them with New Development Bank projects to highlight key differences and assess shortcomings. The research draws on releases and reports from development agencies, AidData databases, and online databases detailing cooperation projects of all IBSA members and the IBSA Fund. The analysis reveals that the IBSA Fund serves as an additional tool for member states in development cooperation, driven by shared opportunities and responsibilities. Partner selection appears largely motivated by the national interests of IBSA states. While both the IBSA Fund and New Development Bank espouse similar development principles, goals, and narratives, they exhibit differences in terms of development cooperation modalities, emphasis on loans versus grants, project geography, and priorities. As this makes closer cooperation between the two entities unreasonable, Russia and China, whose development assistance priorities largely align with those of the IBSA members, could still be included in the IBSA Fund mechanism, particularly if additional funding is required.

Keywords: IBSA Fund, BRICS, humanitarian diplomacy, South-South cooperation, development assistance

The international community is experiencing a discernible shift towards the *humanitarianization* of international relations, characterized by heightened engagement in humanitarian endeavors and an amplified utilization of humanitarian principles to serve political interests of states (Lebedeva 2021). This trend is evidenced by the increasing participation of numerous states as prominent actors in humanitar-

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ian endeavors, signifying a noteworthy transformation in the field since 1989 (Barnett 2011; Kuznetsov 2022). Notably, BRICS countries are actively involved in humanitarian diplomacy, aligning with this global trend.

The available empirical evidence concerning the humanitarian activities carried out by BRICS states substantiates this assertion. However, a notable challenge in accurately gauging the full extent of BRICS' engagement arises from significant data limitations, primarily due to the underreporting of humanitarian activities by most emerging donors to the Organization for Economic Cooperation and Development (OECD). Upon scrutinizing additional data sources beyond OECD statistics, it becomes apparent that China alone had supported over 4000 projects by 2012, representing an expenditure of \$350 billion dedicated to humanitarian initiatives¹. This pattern is reinforced by donor influence metrics, with China securing the 8th position in the 2020 AidData survey covering states, international institutions, and non-governmental organizations (NGOs). Particularly noteworthy is China's ascent to the 3rd place in the rankings when only states are considered. Furthermore, as BRICS nations continue to pursue humanitarian endeavors, the 2020 rankings position South Africa at 33rd, Brazil at 45th, Russia at 49th, and India at 51st in terms of their humanitarian contributions².

BRICS nations actively participate in the realm of international aid through both bilateral and multilateral avenues, exemplified by the establishment of the New Development Bank (NDB). However, the New Development Bank is not the sole institution operating within BRICS states; the India–Brazil–South Africa Facility Fund for Poverty and Hunger Alleviation (IBSA Fund) also holds significant importance. Emerging from an initiative proposed by India, Brazil, and South Africa in 2004, the IBSA Fund commenced its operations in 2006, predating the full integration of these three states into BRICS. Nonetheless, given the integral role of these countries within BRICS, scholarly discourse frequently examines the Fund within the context of BRICS activities, as highlighted by certain researchers (Stuenkel 2014).

The initial objective of the Fund was to identify projects that are both replicable and scalable, capable of being disseminated to developing countries based on demand, as exemplars of best practices in addressing poverty and hunger³ — the primary social challenges faced by the participating states.

In 2024, the IBSA Fund commemorates its 20th anniversary. Administered by the United Nations Development Programme (UNDP) since its inception, the fund operates on a demand-driven approach (Stuenkel 2014). By 2022, after more than 15 years of operation, the IBSA Fund reported the completion of 29 development projects, with

¹ Wang C. 2018. Five countries that provide the largest foreign aid. *The Borgen Project*. 14.03.2018. URL: <https://borgenproject.org/five-countries-that-give-the-largest-foreign-aid/> (accessed 20.02.2024).

² AidData. 2022. Listening to leaders 2021: A report card for development partners in an era of contested cooperation. *AidData*. URL: <https://www.aiddata.org/listening-to-leaders-2021> (accessed 20.02.2024).

³ IBSA Fund. *IBSA Forum*. URL: https://www.ibsa-trilateral.org/ibsa_fund.html (accessed 20.02.2024).

6 projects ongoing and 7 projects in the preparation phase⁴. Its overarching objective remains steadfast: to alleviate poverty and foster social development. Geographically, the Fund targets “Asian, South American, and African developing countries”⁵ for its initiatives. Functioning in close collaboration with the United Nations Office for South-South Cooperation (UNOSSC), the Fund assists in the implementation of South-South cooperation (SSC) projects, thereby emerging as a pivotal actor within the SSC framework. With an aim to expand its network of development partners, the Fund persistently advances its projects. Recognized as a pivotal tool for enhancing cooperation among states, it should be regarded as an integral component of the IBSA Dialogue Forum.

Literature review

The IBSA Dialogue Forum has been extensively examined in academic literature. Stuenkel (2014) delves into the organization’s history, particularly in relation to the rise of emerging powers. Husar (2016) scrutinizes the internal dynamics of foreign policy discourses within the Forum, shedding light on existing tensions. Kuznetsov (2020; 2023) analyzes the IBSA Forum, along with BRICS, through the lens of transregionalism, highlighting the capacity for powerful states from diverse regions to forge common political, economic, and humanitarian spaces, pooling resources to achieve shared political objectives. Additionally, a body of research focuses on the material interests of IBSA members across various policy domains and explores potential avenues for future cooperation (Vaz 2006; Villares 2006; Tokatlian 2007; RIS 2008; Flandes 2009; Stuenkel 2014). Some scholars elucidate countries’ interest in IBSA by framing them as emerging development donors (Manning 2006; de la Fontaine 2013)⁶. Moreover, the literature underscores the role of IBSA in revitalizing South-South cooperation (RIS 2008). Husar (2016) contends that sectoral SSC and the IBSA Fund represent two of the four operational dimensions of the Forum.

Regarding the Fund’s role in international politics, Maihold⁷ emphasize its role in bolstering the reputations of sponsoring nations and caution against viewing it in isolation from broader foreign policy strategies. Simplicio and Jardim (2021) provide insights into the operational mechanics of the IBSA Fund. Other scholarly investigations delve into the trajectory of official development cooperation (Chanana 2009)⁸.

⁴ IBSA Fund Annual Report 2022. 2023. UNOSSC. URL: <https://unsouthsouth.org/2022/11/20/ibsa-fund-annual-report-2022/> (accessed 20.02.2024).

⁵ 1st IBSA Summit Meeting, Joint Declaration. 2006. *IBSA Forum*. URL: https://www.ibsa-trilateral.org/images/1st_summit_declaration.pdf (accessed 20.02.2024).

⁶ See also: Rowlands D. 2008. *Emerging donors in international development assistance: a synthesis report*. International Development Research Centre. URL: <http://hdl.handle.net/10625/57509> (accessed 20.02.2024).

⁷ Kochskämper E., Maihold G., Müller S. 2010. Brasilien und Mexiko als “emerging donors” in Haiti. *SWP-Aktuell* 2010/A 39, 15.05.2010. URL: <https://www.swp-berlin.org/publikation/emerging-donors-brasilien-und-mexiko> (accessed 20.02.2024).

⁸ See also: Vaz A.C., Inoue C.Y.A. 2007. *Emerging Donors in International Development Assistance: The Brazil Case*. International Development Research Centre. URL: <http://hdl.handle.net/10625/57513> (accessed 20.02.2024).

Husar (2016) contextualizes development policies within the leadership dynamics of participating countries, elucidating each national administration's approach to development cooperation. These shifts in discourse give rise to the so-called divergences in cooperation between nations.

Given the intrinsic link between foreign development policies and broader foreign policy strategies, it is imperative to scrutinize countries' approaches to these policies. Several studies examine national foreign policies in conjunction with development cooperation agencies. Reis da Silva and Pérez (2019) analyze the evolution of Brazil's international posture and its stance towards IBSA and BRICS over three administrations, highlighting the correlation between stagnating international cooperation and the political orientation of the president. Burges (2014), Borzova (2015), and de Renzio and Seifert (2014) offer their perspectives on Brazilian development policy. Dreher et al. (2011) compare the priorities of new donor development agencies, discussing the main mission and priorities of the Agencia Brasileira de Cooperacao (ABC) and elucidating Brazil's attitude towards the international development system. They also provide data on the number of recipient countries of Brazilian aid in 2001 and from 2004 to 2008, which totaled 48 states. Hall (2018) provides an overview of Brazilian development policy in Africa, while Pinto (2020) examines Brazilian international development assistance. Paulo and Reisen (2010) delve into Indian development aid policy, highlighting the challenges of analysis and emphasizing India's reluctance to join the Development Assistance Committee (DAC). Sato et al. (2011) explore Indian development assistance in Cambodia, while Bhattacharya and Rashmin (2020) assess the loans provided by the EXIM Bank and evaluate grant elements. Prakash (2023) analyzes India's aid to the Pacific, and Mol et al. (2022) investigate Indian health diplomacy in Africa. Habib (2009) explores South African foreign policy, and Appe (2017) examines the reasons why countries' development agencies favor trilateral cooperation. Dal and Dipama (2019) study the policies of IBSA countries' development agencies, examining estimates of development assistance and how they disburse assistance through multilateral channels.

Stuenkel (2014) compares the funding allocations of IBSA with those of established development institutions, noting that the resources allocated by IBSA are comparatively modest. Consequently, as highlighted by Stuenkel, interviews conducted in 2013 with civil society activists cast doubt on the effectiveness of the Fund, attributing limitations in project scope to insufficient funding.

Given that IBSA member states also belong to BRICS, numerous research articles delve into BRICS' development policy. Guo, Sun, and Demidov (2020) conducted a comprehensive review of BRICS' endeavors in international development. Deych (2015) specifically examines BRICS' development activities in Africa, while Abdenur et al. (2014) analyze BRICS' SSC policy in the South Atlantic region. Arkhangelskaya (2012) delineates the divergent roles of BRICS and IBSA, noting that BRICS prioritizes economic prowess while IBSA emphasizes SSC. De Arruda and Slinsby argue that the ascent of BRICS could prompt IBSA to focus more on the dimension of development

cooperation⁹. Puppim de Oliveira and Jing (2019) elucidate the evolution of BRICS' role in international development assistance, whereas Jing et al. (2019) highlight a trend towards amalgamating grants, technical cooperation, loans, and investments within BRICS initiatives. Alden and le Pere (2023) investigate the interconnection between the IBSA Fund and the NDB, stressing the shared principles underpinning both institutions and characterizing the NDB as a derivative, or "the spin-off", of IBSA.

The NDB and its operations have been extensively examined in academic literature. Scholars focus on the innovations introduced by the NDB as a multilateral development bank and conduct comparative analyses with other established institutions (Suchodolsk, Demeulemeester 2018). Regarding the NDB's role within BRICS, Tulebekov and Nechaeva (2020) characterize the bank as an integrating mechanism. Additionally, the expansion of the NDB's membership is evaluated by Cooper and Cannon (2023).

The current body of academic literature extensively explores the activities of the IBSA Fund and the development agencies of IBSA member states. However, there exists a gap in understanding the positioning of IBSA Fund activities within national development policies. At times, the IBSA Fund is perceived as an independent policy of IBSA member states due to its limited funding and non-transparent reporting practices. Nevertheless, it is essential to analyze the IBSA Fund within the broader framework of national development and foreign policies. Another gap in the literature pertains to the connection between the New Development Bank (NDB) and the IBSA Fund. This area of study would investigate how the IBSA Fund could be integrated into the existing institutional architecture of BRICS.

This article addresses the aforementioned gaps by elucidating the nexus between national development and foreign policies and the activities of the IBSA Fund, while also exploring how the Fund can be seamlessly integrated into the existing BRICS structure without compromising its effectiveness. To achieve this objective, the study delves into the following issues: (1) it seeks to uncover the primary motivations guiding the selection of project partners for the IBSA Fund, while also examining the potential presence of influential actors within the Fund and assessing the alignment of the Fund's interests with the development priorities of Russia and China; and (2) it evaluates the current policies of the NDB and endeavors to propose a possible way to revise the BRICS institutional framework in the field of development.

⁹ De Arruda P.L., Slingsby A.K. 2014. Social Programmes and Job Promotion for the BRICS Youth. *International Policy Centre for Inclusive Growth*, Working Paper no. 130. URL: https://www.ipc-undp.org/pub/eng/WP130_Social_Programmes_And_Job_Promotion_For_The_Brics_Youth.pdf (accessed 20.02.2024).

Methodology

In order to investigate the primary factors influencing the selection of project partners for the IBSA Fund, an analysis was conducted encompassing both IBSA Fund projects and national development initiatives. The study focuses on India, Brazil, and South Africa, and further extends its examination to include Russia and China, exploring their connections with key IBSA Fund partners.

The primary methodology employed in this study involves data analysis, which draws upon information from a variety of sources. Data concerning the activities of the IBSA Fund was collected from official reports and press releases issued by the Fund. Indian development cooperation efforts were examined using the India Development Finance Dataset, Version 1.0 (Asmus-Bluhm et al. 2024), as well as outcome budget documents from the Ministry of External Affairs and data on Line of Credits from the Export-Import Bank of India (Exim Bank), supplemented by Exim Bank's press releases. Brazilian activities were tracked utilizing the Brazil South-South Cooperation Dataset¹⁰ and the ABC Project Database¹¹. South African activity was analyzed through the AidData Core Research Release, Version 3.1 (Tierney 2011), along with relevant press releases. Additionally, the AidData Core Research Release, Version 3.1, was consulted to fill in any missing information regarding Brazilian and Indian development activity. Russian and Chinese humanitarian activities were monitored using the Global Chinese Development Finance Dataset and respective press releases. The analysis covered the period from 2004 to 2023, depending on the availability of materials.

The study focused on three primary objectives: 1) identifying all partners involved in development projects; 2) analyzing projects of interest to all IBSA member states; 3) comparing major partners with Russian and Chinese humanitarian interests. The first stage involved compiling a comprehensive list of all partners engaged with the IBSA Fund. For each project, this list included sector (coded according to DAC Guidelines¹²), relevant Sustainable Development Goals (SDGs), project name, years, budget, and status. Subsequently, this list was cross-referenced with national development policies to ascertain whether IBSA countries had undertaken solo projects or activities in partner countries. In the second stage, the list was organized based on donor engagement in partner states. Countries that collaborated with all three IBSA states

¹⁰ Brazil's South-South Cooperation, 2005–2011. 2012. *AidData*. URL: <https://www.aiddata.org/data/brazils-south-south-cooperation-2005-2011> (accessed 20.02.2024).

¹¹ Pesquisa de Projetos. *Agência Brasileira de Cooperação*. URL: <http://www.abc.gov.br/Projetos/pesquisa> (accessed 20.02.2024).

¹² OECD. 2022. DAC list of ODA recipients, effective for reporting on 2022 and 2023 flows. *Organization for Economic Cooperation and Development*. URL: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-of-ODA-Recipients-for-reporting-2022-23-flows.pdf> (accessed 20.02.2024).

separately, in addition to the IBSA Fund, were categorized as “major partners.” Finally, the third stage involved comparing the “major partners” list with the development and cooperation partners of Russia and China. The second and third stages were merged, and the results below are presented qualitatively, focusing on states that garnered attention from all BRICS member countries.

Results

To address the first issue, a comprehensive list of partners involved in all IBSA development projects was compiled (see Table 1). Additionally, projects that were planned but not yet implemented were included in the list. Over the span of nearly 20 years, IBSA has devised plans for 41 projects across 34 countries¹³. Presently, 32 projects have been completed, with 2 projects currently in progress and 8 projects in the preparation stage. Given that 34 projects have been launched, the average number of IBSA Fund projects per year stands at a modest 1.8. This observation indicates that the Fund engages in relatively limited activity, further corroborated by the project budgets, with only one project allocated more than \$2 million. This confirms Stuenkel’s point (2014), who noted the small scale of the projects.

Table 1. The list of all the IBSA Fund projects (as of September 2023)

Country	Sectors and SDGs	Name of the project	Year	Budget	Status
Angola	Water SDG 3, 6, 9	Improvement of Water, Sanitation and Hygiene (WASH) and Waste Management Services through Trilateral South-South Cooperation	2022-2024	\$974,000	in progress
Benin	Energy SDG 5, 8, 9	Promotion of Local Salt Project (ProSel)	2022-2024	\$1,000,000	in progress
Benin	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use		\$2,000,000	in preparation
Bolivia	Agriculture SDG 2, 6, 17	Increased Access to Water, Improved Livestock Production and Post-drought Food Security	2018-2021	\$500,000	completed
Burundi	Health SDG 3, 5, 17	Strengthening Infrastructure and Capacity to Combat HIV/AIDS	2010-2012	\$1,145,630	completed
Cabo Verde	Water SDG 2, 6	Delivering safe drinking water	2009-2014	\$1,712,000	completed
Cabo Verde	Health SDG 3, 9	Refurbishment of Health-care Infrastructure (Small Grant Project)	2008	\$37,065	completed
Cambodia	Youth SDG 3, 4, 17	Empowering Children and Adolescents with Special Needs and Their Families	2010-2014	\$1,069,721	completed

¹³ Though the 2022 IBSA Fund report mentions 42 projects and 36 countries, there is no evidence in the report that any other project exists. It can be possible that 2 phases of a project in Guinea-Bissau are treated as two different projects. As they are reported on one page in the IBSA Report, it was decided to combine them as one project. However, there is no explanation why IBSA would report 36 countries. There is no evidence that there are two more countries involved in any projects.

Cambodia	Youth SDG 4, 8, 17	Poverty Reduction among Youth – Development of Youth Volunteers’	2017-2020	\$961,200	completed
Comoros	Agriculture SDG 2, 12, 15, 17	Enhancing Agricultural Capacity	2017-2020	\$1,800,000	completed
Eswatini	Health SDG 3, 6, 16	Addressing the Water, Health and Poverty Nexus through WASH initiatives for COVID-19 and Climate Change responses in Eswatini	2022-2024	\$999,350	in progress
Fiji	Women SDG 3, 5, 13, 17	Empowering Rural Women – Scaling Up the Rocket-stove Project	2017-2022	\$275,525	completed
Fiji	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	in preparation
The Gambia	Agriculture SDG 1, 2	Enhanced Vegetable Production and Processing Project for Rural Women and Youth in the Gambia	none	\$1,967,126	in preparation
Grenada	Health SDG 3, 4, 17	National Health Insurance Scheme Support Project	2017-2019	\$742,925	completed
Guinea-Bissau	Agriculture SDG 2, 4, 7, 17	I. Development of Agriculture and Small-animal Herding II. Agricultural Development Services to Rural Communities	I – 2005-2007 II – 2009-2011	\$1,328,750: I - \$498,750 II - \$830,000	completed
Guinea-Bissau	Agriculture SDG 1, 2, 4	Support for Lowland Rehabilitation and for Agricultural and Livestock Processing	2011-2015	\$1,550,000	completed
Guinea-Bissau	Energy SDG 4, 7	Rural Electrification through Solar-energy Systems	2011-2015	\$596,305	completed
Guyana	Waste SDG 6, 11, 12	Solid Waste Management Improvement Project	2014-2018	\$1,093,260	completed
Haiti	Waste SDG 1, 11, 16	Collection of Solid Waste as a Tool to Reduce Violence	I – 2006-2007 II – 2007-2011	\$2,843,429	completed
Haiti	Youth SDG 1, 4, 8, 16	Promote the Socioeconomic Integration of Vulnerable Children and Youth	2015-2017	\$1,601,657	completed
Kiribati	Agriculture SDG 2, 5, 17	Enhancing Inclusive Sustainable Economic Development through Coconut-sector Development	2018-2020	\$315,000	completed
Lao People's Democratic Republic	Agriculture SDG 2, 15	Support to Integrated Irrigated Agriculture in Two Districts in Bolikhamxay	2012-2015	\$1,323,000	completed
Lesotho	Agriculture SDG 1, 2, 8, 13	Alleviating Poverty through Expansion of Deciduous Fruit Production in Lesotho	none	\$950,000	in preparation
Malawi	Youth SDG 4, 5, 17	Eliminating Child Marriages in Malawi and Zambia and Offering Scholarships to Child-marriage Survivors – Pilot Project	2019-2020	\$1,000,000	completed
Mali	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	in preparation
Mozambique	Water SDG 3, 5, 6	Resilient Multifunctional Water Supply Systems for Machubo Administrative Post, Marracuene District	none	\$993,600	in preparation
Niger	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	in preparation

Palau	Education SDG 4, 6, 11	Palau Education Revitalization Project	none	\$668,035	in preparation
Republic of the Congo	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	in preparation
Republic of the Congo	Agriculture SDG 2, 17	Enhancing Smallholder Farmers' Access to Local Markets through South-South Cooperation	none	\$996,450	in preparation
Saint Lucia	Poverty SDG 1, 9	Poverty Reduction through Livestock Development	2015-2018	\$1,291,100	completed
Senegal	Agriculture SDG 2, 13, 15	Restoration and Monitoring of Degraded Land in the Groundnut Basin of the Saloum Delta in Senegal	2022-2024	\$1,000,000	in preparation
Senegal	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	In preparation
Sierra Leone	Human Development SDG 16, 17	Leadership Development and Capacity-building for Human Development and Poverty Reduction	2011-2013	\$1,000,000	completed
Sierra Leone	Development SDG 1, 5, 17	Digital Financial Services	2018-2021	\$1,000,000	completed
South Sudan	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	In preparation
State of Palestine	Health SDG 3	Supporting Programme Opportunities in Recreational and Team Sports	2008-2011	\$1,065,000	completed
State of Palestine	Health SDG 3, 10	Construction and Equipping of a Centre for Persons with Severe Intellectual Disabilities	2012-2016	\$1,250,000	completed
State of Palestine	Health SDG 3	Rehabilitation of the Cultural and Hospital Centre	I – 2012-2013 II – 2014-2016	\$1,644,700: I – \$1,000,000 II – \$644,700	completed
State of Palestine	Health SDG 3	Reconstruction of Atta Habib Medical Centre in Gaza City	2015-2017	\$1,000,000	completed
Sudan	Youth SDG 4, 8	Creation of Job Opportunities for Youth in Sudan through Labour-intensive Work Opportunities	2014-2017	\$1,300,000	completed
Sudan	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	In preparation
Timor-Leste	Agriculture SDG 2	Conservation Agriculture, Permaculture and Sustainable Fisheries Management	2015-2018	\$1,428,772	completed
Togo	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	In preparation
Uganda	Energy SDG 1, 2, 7	Scaling Solar Applications for Agricultural Use	none	\$2,000,000	In preparation
Uganda	Agriculture SDG 2, 5, 17	Karamoja Greenbelts' Women-led Large-scale Farming of Cereals, Legumes and Oilseed	none	\$1,000,000	In preparation
Viet Nam	Agriculture SDG 1, 2	Establishment of a Rice-seed Production Hub in Hoa Tien	2012-2014	\$529,537	completed
Viet Nam	Health SDG 3, 4	An Innovative e-Learning Approach for Health	2015-2018	\$990,000	completed
Zambia	Agriculture SDG 4, 5, 17	Eliminating Child Marriages in Malawi and Zambia and Offering Scholarships to Child-marriage Survivors – Pilot Project	2019-2020	\$1,000,000	completed

Zambia	Agriculture SDG 1, 2	Leveraging Zambia's Agro-industry Potential in Rural Areas through Enhanced Soya Bean Production and Processing	2018-2022	\$1,714,680	completed
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Source: compiled by the authors based on the IBSA Fund data (see note 4).

Table 3 illustrates the most notable partners for the IBSA Fund, including:

- Palestine (4 projects);
- Guinea-Bissau (3 projects);
- Benin, Cabo Verde, Cambodia, Fiji, Haiti, Republic of the Congo, Senegal, Sierra Leone, South Sudan, Sudan, Uganda, Viet Nam, Zambia (2 projects).

The selection of states for IBSA Fund projects may be attributed to several factors. Firstly, all of these states are included in the DAC OECD List of ODA Recipients. Notably, the list designates Palestine as “West Bank and Gaza Strip” due to its partial recognition status. Additionally, among the 15 states that received funding for more than one project from the IBSA Fund, 10 (67%) are classified by the OECD as Least Developed Countries. Among the remaining 5 states, only Fiji is categorized as an upper middle-income country.

As the IBSA Fund continues to cultivate stable relationships with the aforementioned states, it is imperative to consider the unique characteristics and circumstances of each country accurately.

In terms of sectors and SDGs, the most prioritized areas are Agriculture (15 projects), Energy (11), and Health (10) (see Figure 1).

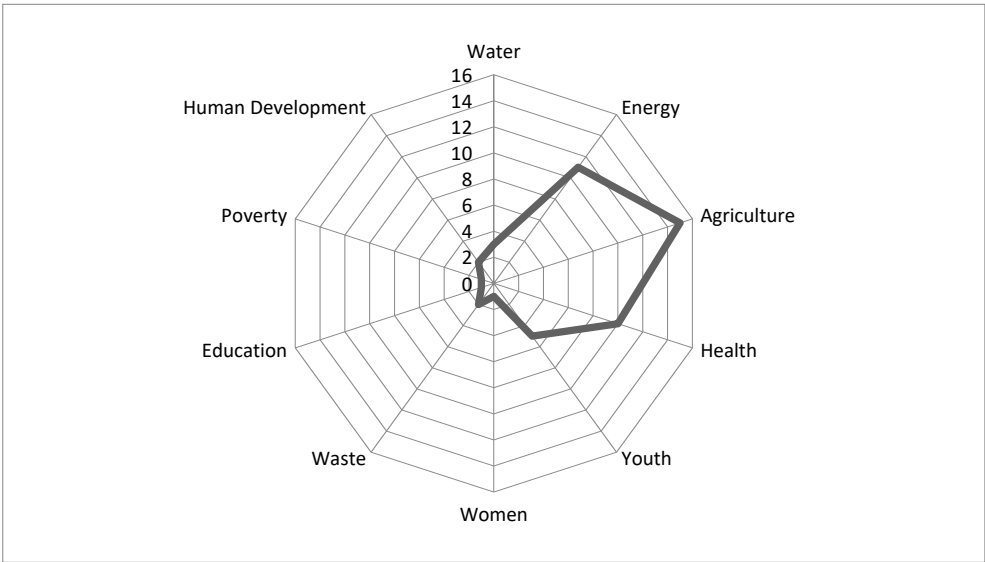


Figure 1. The fields of IBSA Fund Projects (number of projects)

Source: compiled by the authors based on the IBSA Fund data (see note 4).

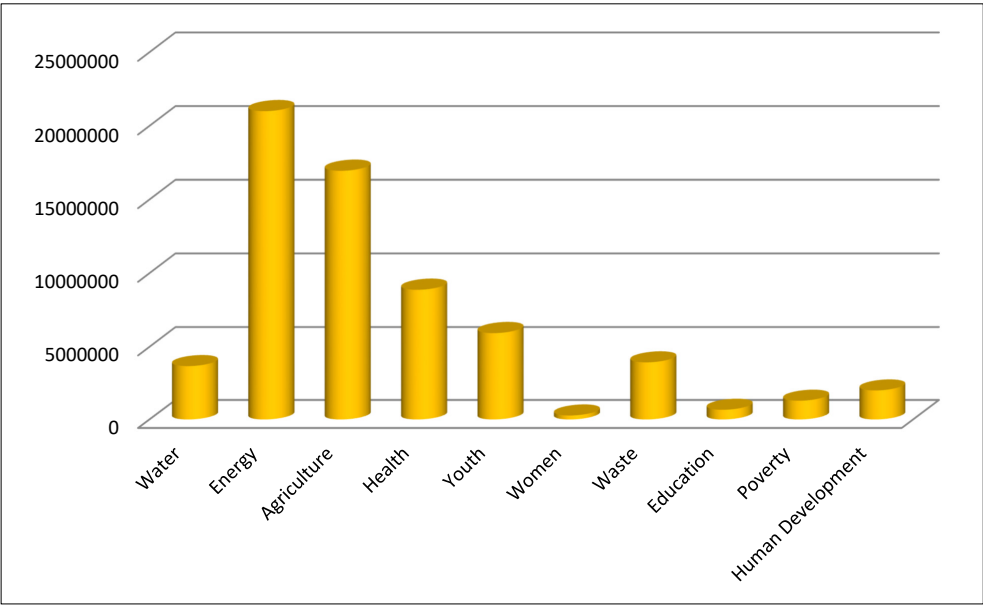


Figure 2. Budget of IBSA Fund Projects in US\$ by field
Source: compiled by the authors based on the IBSA Fund data (see note 4).

The comprehensive list of all partners offered insight into the array of partnering states, enabling a further comparison with the foreign development policies of India, Brazil, and South Africa. This list, with significant partners denoted by an asterisk, was juxtaposed with development policies of individual states (see Table 2), yielding valuable insights into the selection of project partners for the Fund.

Table 2. Projects of BRICS states in IBSA Fund partner states

Country	India's projects in the country	Brazil's projects in the country	South Africa's projects in the country	Russia's projects in the country	China's projects in the country
Angola	+	+	-	+	+
Benin*	+	+	-	-	+
Bolivia	+	+	-	-	+
Burundi	+	+	+	-	+
Cabo Verde*	+	+	-	-	+
Cambodia*	+	-	-	-	+
Comoros	+	+	+	-	+
Eswatini	+	+	+	-	-
Fiji*	+	+	-	+	+
The Gambia	+	+	-	-	+
Grenada	+	+	-	-	+
Guinea-Bissau**	+	+	+	-	+
Guyana	+	+	-	-	+
Haiti*	+	+	-	-	+

Kiribati	+	-	-	-	-
Lao People's Democratic Republic	+	-	-	-	+
Lesotho	+	+	+	-	+
Malawi	+	+	+	-	+
Mali	+	+	+	+	+
Mozambique	+	+	+	+	+
Niger	+	+	+	-	+
Palau	+	-	-	-	+
Republic of the Congo*	+	+	+	-	+
Saint Lucia	+	+	-	-	+
Senegal*	+	+	-	-	+
Sierra Leone*	+	+	+	-	+
South Sudan*	+	-	+	-	+
State of Palestine***	+	+	+	+	-
Sudan*	+	+	+	-	+
Timor-Leste	+	+	-	-	+
Togo	+	+	-	-	+
Uganda*	+	+	+	-	+
Viet Nam*	+	+	-	-	+
Zambia*	+	+	+	-	+

Note:

* — states that were partners of IBSA Fund in 2 projects

** — states that were partners of IBSA Fund in 3 projects

*** — states that were partners of IBSA Fund in 4 projects

Source: compiled by the authors.

First and foremost, each partner of the IBSA Fund has participated in at least one project with one of the IBSA member states, indicating that the Fund's activities are intricately linked to its member states. Therefore, it cannot be viewed as operating independently from their agendas or as merely an extension of their existing development policies. Given its constrained budget, the IBSA Fund serves as an additional tool to advance the foreign policy objectives of its member states. However, it is crucial to note that the initiation of a project through the IBSA Fund follows a specific process: a member state identifies potential partners and submits proposals to national governments, which, upon approval, may be developed into concept papers. It is recommended that each IBSA country submits at least one concept paper annually. Stuenkel (2014) highlights the importance of a request from a potential partner state, as revealed in interviews with IBSA officials. This suggests that initiatives can originate from partners rather than solely from IBSA states. However, both factors contribute to partners' consistent engagement in projects with an IBSA state. When selecting potential partners, IBSA Fund members can nominate their bilateral partners as candidates for projects. When a developing state initiates a project, its decision

to involve the IBSA Fund may stem from its established relationship with one or more IBSA members. Consequently, the trust in IBSA members built through bilateral or trilateral projects motivates states to explore project opportunities within the IBSA framework.

Secondly, it turns out that all IBSA Fund partner states have engaged in development cooperation with India. The analysis shows a strong involvement of India with all the states. Notably, four states (Cambodia, Kiribati, Laos, and Palau) have exclusively partnered with India among all IBSA Fund members. This phenomenon can be attributed to three factors. Firstly, India exhibits a more proactive development policy compared to the other two states, particularly across all the IBSA Fund priority regions (while Brazil prioritizes mostly countries in Latin America and the Caribbean). Secondly, India generally demonstrates greater activity in the Southeast Asian and Indo-Pacific regions. Lastly, there is a lack of readily available information regarding South African development policy due to the absence of a formal reporting mechanism. Consequently, information obtained from the African Renaissance Fund and media sources may be limited in terms of fully documenting all ongoing projects.

This leads to *the third insight*: South Africa has a smaller number of projects with IBSA Fund partners compared to India and Brazil. This can be attributed to the previously mentioned lack of information regarding its development aid activities.

Fourthly, there are 15 states (44% of all IBSA Fund partners) that maintain a development cooperation relationship with each individual IBSA member state. Interestingly, the number of partners with more than one project with IBSA is also 15, although the two lists of states are not identical. Only 7 countries (highlighted in light grey), or 47% of significant partners, have bilateral projects with all member states and are involved in more than one IBSA Fund project. Out of 8 remaining countries with 2+ projects with IBSA Fund, only Cambodia (in italics) has a partnership with just one state, namely India. The other 7 states (highlighted in dark grey), have bilateral development projects with two IBSA states. This shows that being significant for all three states in terms of strategical interests does not necessarily result in attracting more funds from the IBSA Fund. Of the 15 states deemed significant for all three member states, 8 states never had more than one project with the Fund. The project launch procedure described above could be considered as a potential reason for this phenomenon.

Taking all insights into account, several conclusions might be drawn.

(1) The IBSA Fund serves as an additional instrument in the foreign policy arsenal of IBSA states. Consequently, the selection of project partners is primarily driven by the interests of IBSA states. However, the execution of projects is contingent upon the establishment of stable relations between partners and IBSA members, as well as partners' trust in the IBSA initiative.

(2) Despite India's bilateral engagement with all partners, the procedural aspects and other findings do not necessarily suggest that India dominates in terms of the selection of project partners.

These findings raise the question of potentially incorporating Russia and China into the operations of the IBSA Fund. Upon scrutinizing their policies, it was observed that only 4 partner states of the Fund (12%) had projects involving both countries: Angola, Fiji, Mali, and Mozambique. However, the study illustrates that recipient states are not necessarily required to maintain stable connections with all member states to participate in a Fund project. In the instances of Mali and Mozambique (highlighted in bold), these two states were discovered to have partnerships with all BRICS countries.

(3) This implies that it is viable to engage Russia and China in IBSA Fund activities should additional funding be necessary.

It is essential to scrutinize the interactions among countries within the New Development Bank (NDB) and assess the feasibility of incorporating IBSA Fund activities into the NDB framework. Several parallels exist between the two institutions. Firstly, they both embody a developmental ethos, guided by shared principles and objectives, which are expressed through common terminology ("partnerships"), standards, and a commitment to sustainable development. Secondly, all member states of both institutions are regarded as equal and bear equivalent responsibilities (Alden, le Pere 2023).

However, disparities in their operations present significant hurdles to envisioning the integration of the Fund into the NDB.

Firstly, the terms of development cooperation differ markedly. While the IBSA Fund focuses on providing grants, the NDB primarily offers loans (Alden, le Pere 2023). The presence of a grant element is particularly appealing to governments of developing nations, especially as 18 of the countries partnering with the IBSA Fund are low-income nations burdened with heavy debt and lacking adequate resources to repay loans (see Table 3). With an addition of one country with an interim status, they constitute 55.9% of all the Fund's partners. Secondly, the NDB primarily concentrates on serving its member states, whereas the IBSA Fund engages with external states. Thirdly, the NDB operates within a more structured and regulated framework (Alden, le Pere 2023). Fourthly, the NDB has expanded its membership to include Bangladesh, the United Arab Emirates, and Egypt, resulting in further divergence between NDB and IBSA membership (Cooper, Cannon 2023).

Table 3. The IBSA Fund project partners and their position on the list of heavily indebted poor countries

Country	IMF heavily indebted poor country status (as of 2023)
Angola	-
Benin*	+
Bolivia	+
Burundi	+
Cabo Verde*	-
Cambodia*	-
Comoros	+
Eswatini	-
Fiji*	-
The Gambia	+

Grenada	-
Guinea-Bissau**	+
Guyana	+
Haiti*	+
Kiribati	-
Lao People's Democratic Republic	-
Lesotho	-
Malawi	+
Mali	+
Mozambique	+
Niger	+
Palau	-
Republic of the Congo*	+
Saint Lucia	-
Senegal*	+
Sierra Leone*	+
South Sudan*	-
State of Palestine***	-
Sudan*	<i>Interim status</i>
Timor-Leste	-
Togo	+
Uganda*	+
Viet Nam*	-
Zambia*	+

Note:

* — states that were partners of IBSA Fund in 2 projects

** — states that were partners of IBSA Fund in 3 projects

*** — states that were partners of IBSA Fund in 4 projects

Source: compiled by the authors based on the IMF data¹⁴.

Upon examining the differences, it becomes evident that integrating the IBSA Fund into the NDB would pose significant challenges. Such a decision would necessitate the inclusion of more than just Russia and China, given that the NDB currently comprises eight members. This expansion could potentially disrupt development coordination, as membership would almost triple, introducing complexities in managing the diverse interests and priorities of the expanded membership. Furthermore, integrating the IBSA Fund into the NDB could restrict the pool of potential partners, as many states may not have the financial capacity to engage in projects financed through loans. Moreover, the unity of the two institutions may lead to an imbalance, with member states directing funds primarily towards fellow members, thereby potentially marginalizing external partners.

¹⁴ Debt relief under the heavily indebted poor countries (HIPC) initiative. *International Monetary Fund*. 2023. URL: <https://www.imf.org/en/About/Factsheets/Sheets/2023/Debt-relief-under-the-heavily-indebted-poor-countries-initiative-HIPC> (accessed 12.08.2023).

Therefore, (4) if Russia and China are to be involved in IBSA Fund, it should be preserved as an independent entity. Merging it with the NDB could result in a decrease in the number of projects undertaken with developing states, thereby undermining efforts to address pressing developmental challenges.

There are several important limitations to the present research. There exists a substantial gap in available information. Some countries opt not to report their activities, potentially resulting in the omission of certain projects from the study. This issue is particularly pronounced in the cases of South Africa and Russia, as both lack a centralized agency responsible for reporting all ongoing and completed projects. Consequently, the multitude of institutions involved in the development policy of these countries complicates the task of collecting and organizing information on projects conducted by South Africa and Russia in partner states. As a result, the findings regarding the extent of South African and Russian involvement are compromised. In reality, these states may be more extensively engaged in development cooperation and could have ongoing projects with countries included in the study.

The lack of accessible information extends to the IBSA Fund itself. The Fund lacks a dedicated webpage providing updates on ongoing projects. Instead, researchers must rely on reports published on the UNOSSC website. This limitation hinders researchers from scrutinizing the effectiveness of the projects, as crucial details such as the selection process of projects (especially regarding the country proposing the project), the projected timeline, sub-contractor details, impact assessment reports, target beneficiaries, and overall project assessments are not readily available¹⁵.

It was not feasible within the scope of this study to quantify the number of projects undertaken by BRICS countries in each partnering state. Nevertheless, such data could potentially illuminate any discernible priorities among partners. Currently, the qualitative research indicates the simple existence of projects; however, this does not differentiate between countries with at least one shared project and with 30 shared projects. The quantification of projects is significant as it could unveil whether certain countries indeed received project opportunities that align with national priorities of the member states.

Despite the limitations of the study, it represents a novel endeavor by comparing the independent activities of IBSA members with the collective activities of the IBSA Fund. This comparison sheds light on previously unexplored aspects. Furthermore, the study underscores the existing gap in the literature and data concerning South African and Russian development aid policies. Additionally, it attempts to devise a method for assessing the coordination between bilateral and multilateral foreign aid activities in partner states.

¹⁵ Waisbich L.T. 2013. IBSA 10 years on. *Conectas*. URL: <https://www.conectas.org/en/noticias/ibsa-10-years-on/> (accessed 20.02.2024).

Concluding remarks

IBSA member states continue to execute projects through the IBSA Fund, with new projects currently under preparation. However, it has become evident that the activities of the IBSA Fund are intertwined with the foreign policies of its member states rather than existing as an independent initiative. Serving as a tool of foreign policy, the Fund implements its projects in countries that are of interest to the IBSA alliance. Still, this strategic approach facilitates the fulfillment of obligations, as evidenced by the willingness of partners to entrust their projects to the IBSA Fund. It is also important to note that the Fund's partners do require development assistance, as they are classified as least developed countries by the international community. Although India maintains stable partnerships with all IBSA partners, further research is needed to ascertain India's potential influence on the selection of countries for the Fund's projects.

There could be reasons for including Russia and China in the IBSA Fund mechanism to increase its funding. However, the prospects and potential implications of this expansion, as well as its effect on the decision-making process require comprehensive examination. Any such involvement should be within the existing framework of the IBSA Fund, avoiding any potential merger with the NDB, as it would shift the focus away from other developing nations exclusively towards member states.

In the context of humanitarization, humanitarian diplomacy is emerging as a pivotal tool for exerting influence, advancing soft power objectives, and mitigating the adverse impacts of global development disparities. The rise of new development funds tasked with facilitating an equitable allocation of resources for humanitarian aid and developmental initiatives underscores a significant trend, highlighting the increasingly polycentric nature not only of humanitarian efforts but also of the broader international relations framework.

The experiences of IBSA and BRICS, especially in the context of the latter's recent expansion, demonstrate the growing influence of developing nations in shaping development assistance policies. Therefore, broadening their collaboration presents new opportunities for both "new donors" and the broader developing world.

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The authors declare the absence of conflict of interests.

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Роль Фонда ИБСА в политике помощи развитию стран – членов ИБСА и БРИКС

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Фонд ИБСА (IBSA Fund), отмечающий своё 20-летие в 2024 г., с 2004 г. реализовал десятки проектов по линии Юг–Юг в 34 государствах. Деятельность данного трансрегионального объединения в условиях тренда гуманитаризации мировой политики представляет значительный исследовательский интерес. Цель статьи – путём анализа кейсов получения помощи в целях развития и сотрудничества по линии Юг–Юг в рамках ИБСА определить мотивацию выбора партнёров по проектам Фонда, влияние стран – членов группы на выбор реципиентов, а также возможные преимущества подключения к формату России и Китая как участников БРИКС и Нового банка развития. Авторы анализируют структуру, механизмы и приоритеты проектов ИБСА, сопоставляя их с проектами Нового банка развития, выявляют их ключевые особенности и оценивают сложившиеся различия и проблемы. Исследование опирается на релизы и отчёты агентств развития, базы данных AidData и электронные базы данных по сотрудничеству внутри группы ИБСА и её Фонда. В настоящее время Фонд ИБСА остаётся дополнительным инструментом сотрудничества государств – членов объединения в целях развития. Выбор партнёров по проекту во многом мотивирован национальными интересами государств ИБСА. В контексте возможного сотрудничества Фонда ИБСА и Нового банка развития оба учреждения разделяют «дух развития» и цели, основанные на принципах равноправного партнёрства и стандартах устойчивого развития. В то же время существует несколько принципиальных отличий в их деятельности: различные условия сотрудничества в целях развития, доля кредитов vs. грантов в структуре помощи, география проектов (значительно более широкая в случае Фонда ИБСА). Вместе с тем, учитывая схожесть интересов России и Китая со странами ИБСА в области политики помощи развитию, их подключение к деятельности Фонда становится возможным и может принести дополнительные преимущества, в том числе в части роста финансирования проектов.

Ключевые слов: Фонд ИБСА, БРИКС, гуманитарная дипломатия, сотрудничество Юг–Юг, помощь в целях развития

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World Economy and International Business for Students, Researchers and Practitioners

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Book review: Bulatov A., ed. 2023. *World Economy and International Business: Theories, Trends, and Challenges*. Springer Cham. 830 p. DOI: 10.1007/978-3-031-20328-2

Keywords: world economy, international business, global business environment, major trends in world economy, global economic resources, global challenges, developed economies, less-developed economies

Published in the Springer series *Contributions to Economics*, this substantial volume spans 830 pages and is authored primarily by professors from MGIMO University. The aim of the book is to provide an integrated overview of the modern world economy, the global business environment, and international business.

The book stands out in its field by blending a textbook approach with a more research-focused approach. On the one hand, it is suitable for a range of disciplines, including “World (Global) Economy,” “Global Business (Economic) Environment,” “International (Global) Business,” and “Applied Economics”. On the other hand, many chapters offer content that appeals to both academics and practitioners because of their research-oriented style. Consequently, the book contributes significantly to education and research in various fields of economics.

The team of 58 authors of this book comprises esteemed faculty members from prominent Russian universities such as MGIMO University, the Higher School of Economics, and the Financial University, along with researchers from renowned institutes of the Russian Academy of Sciences, including the Primakov Institute of World Economy and International Relations (IMEMO), the Institute of Scientific Information for Social Sciences (INION), the Institute of Economics, the Institute for US and Cana-

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dian Studies, the Institute of Oriental Studies, and the Institute of African Studies. This highly qualified team leveraged not only academic and statistical sources but also their personal research and business experiences as the foundation for writing the book.

The book employs a unified conceptual framework and terminology, along with a clear logical structure throughout its text. This coherence suggests that it was authored by a team sharing similar perspectives. They effectively summarized, organized, and presented the latest trends and challenges in the global economy and international business. Notably, extensive visualized statistics from international economic organizations (primarily the World Bank, IMF, UNCTAD, and WTO) as well as regional and national statistical agencies accompany many chapters. Despite its voluminous nature, the text remains academically rigorous yet accessible.

Were two integrations successful?

According to the preface of the book, its conception aimed at achieving two integrations: first, to provide an integrated portrayal of the global economy by combining texts on global economy, global business environment, and international business; second, to integrate a textbook approach and original research.

Starting with the first integration, it is the structure of the book's contents that plays a crucial role in presenting an integrated view of the global economy. To attain this objective, the book organizes its chapters into three parts.

The first part, titled "World Economy and Global Economy" (p. 3–261), opens with a chapter outlining key concepts of the book and examining the size, structure, and typology of the world economy as the foundation for the global economy. The latter, according to the author's definition, "combines those parts of national economies that deliver to the outside world and receive resources and products (goods and services) from it, i.e., participate in the global movement of products and resources... If the global economy is quantified, then its dimensions will be several times less than the world economy" (p. 4). The subsequent chapters delve into fundamental theories and concepts of the global economy, dynamics, and major trends, with a particular emphasis on the evolution of national economic systems and regional, as well as transregional integration. Further analysis is conducted on various global assets, including human, real, financial, and natural resources. The concluding chapters of this section address pressing global challenges, such as environmental concerns, issues of backwardness and modernization, and social challenges. Overall, this part of the book offers a comprehensive examination of key aspects of the global economy, drawing upon insights from international economics and extensive statistical data.

The second part, titled "Global Business Environment" (p. 261–547), comprises chapters that scrutinize the economic systems of both developed economies (such as the USA, EU, and developed Asia) and less-developed ones (including China, India, Southeast Asia, the Near and Middle East, Latin America, Sub-Saharan Africa, and post-Soviet economies). These chapters delve deeper into the points briefly outlined

in Part I, providing a detailed analysis and discussion of major national economies. Following a standardized methodological approach, which entails an analysis of the national economic model at the outset, a survey of external and social sectors at the end, and a standardized set of paragraphs in between, these chapters offer a comprehensive overview of various national economies. In the first chapter of each sub-part, attempts are made to summarize the contemporary economic challenges faced by two groups of national economies: developed and less-developed. For the former group, “insufficiently high rates of economic growth are probably the main challenge... The slowdown in their economic dynamics is caused by some reasons—a decrease in the pace of modernization, a change in the structure of their economy, an ageing population, and the exhaustion of opportunities for further active liberalization” (p. 269). As for the latter group of economies, “the main task of developing countries is to modernize their economies and bridge the development gap. This requires high rates of economic growth” (p. 382).

Finally, the third part, titled “International Business: Macro and Micro Aspects” (p. 547–830), commences with chapters addressing the balance of payments (as a key macroeconomic document relevant to a country’s international business), global economic governance and international economic organizations, international capital flows, multinational enterprises, global value chains, and capital markets. Following this, the book delves into chapters that analyze the multilateral trade system and global trade regulation, world markets for goods and services, global marketing, purchasing and sales transactions in international business, international payments and currency markets, and knowledge transfer. Concluding this part are chapters on international labor migration, foreign aid, foreign debt, and business culture.

In general, this part provides a comprehensive overview of the fundamental aspects of modern international business and its associated challenges. For instance, “the system of international economic organizations...as compared with the last decade... faces more challenges, primarily due to the fact that the world is becoming more divided” (p. 582). Additionally, “the transformation of GVCs can cause greater regionalization of value chains. With further digitalization, value chains will become shorter, less oriented towards the use of cheap labor, and services and information exchange will become more important than intermediate goods” (p. 617).

In our view, the logical arrangement and the grouping of numerous chapters into three parts offer a multifaceted yet cohesive portrayal of the global economy. While the first part elucidates the foundational aspects of the global economy, the second part delves into an examination of these fundamentals at the national level, and the third part concentrates on the economic interactions among these nations. Therefore, we can infer that the first integration mentioned earlier has been effectively achieved.

Regarding the second integration, the fusion of a textbook approach and original research is discernible in most chapters, although not universally across all of them. Chapters within the first part incorporate original research elements, such as the taxonomy of major actors in the global economy, its principal trends, and the founda-

tional aspects of national economic systems. However, their primary aim is to cater to students, evidenced by a non-revisionist approach to the fundamentals of international economics, akin to prominent textbooks in the field, such as Todaro and Smith (2020), and economic history, reminiscent of works like Maddison (2007).

The second part of the book exhibits a stronger research orientation. This is attributed to the subject matter of the chapters, with the majority analyzing national or regional economies and delving into significant detail and trends. Consequently, the second part of the book is well-suited for advanced students, while also holding appeal for academics and practitioners alike.

The third part presents a more diverse landscape. While certain chapters adopt a research-oriented approach (such as those on global economic governance and international economic organizations), others are written in a more educational style (as seen in chapters on foreign aid and foreign debt).

Overall, we can conclude that the book is a successful blend of a textbook and original research.

Some criticism and proposals

Criticizing some details of such a voluminous book is inevitable. For instance, while I agree with the book's assertion that one of the major trends in the contemporary world economy is the New Normal (p. 57–76), a more comprehensive analysis of its principal components, such as economic fragmentation posing a growing challenge to globalization, would add methodological soundness¹.

The authors' proposition of a new classification of integration forms also warrants critical examination (p. 93–123). Notably, it fails to encompass integrated networks as a form of integration. In the contemporary global economy, these networks frequently shape new geo-economic structures, with boundaries that diverge from traditional regional integration unions, such as “free trade zones.” The place and role of integrated networks in the evolution of informal integration undoubtedly merit further investigation.

Moreover, it appears crucial to meticulously track the evolution of capital across its various forms: human (p. 123–153), real (p. 153–185), and financial (p. 185–201), each possessing distinct essences, roles, and significances in the formation of reproduction processes. In my view, there is potential to identify a new type of capital—social capital—which could enhance the qualitative analysis of the world economy.

I believe that the book deserves a second edition in the coming years. As recommendations for the next edition, we would offer the following:

¹ Ahn J.B., Habib A., Malacrino D., Presbitero A.F. 2023. Fragmenting Foreign Direct Investment Hits Emerging Economies Hardest. *IMF Blog*. 05.04.2023. URL: <https://www.imf.org/en/Blogs/Articles/2023/04/05/fragmenting-foreign-direct-investment-hits-emerging-economies-hardest> (accessed 28.01.2024).

(1) Despite the fact that this edition, as noted above, integrates educational and research-oriented approaches, placing more emphasis on research in the future edition would enhance its usefulness for academics and practitioners.

(2) Some chapters do not adequately delve into the polemics on controversial issues. This applies, for example, to the chapter “Concepts and Theories of World Economy” (p. 23–37), as well as to the group of chapters on major trends in the world economy (p. 57–123). Introducing more discussions would make them more dynamic.

(3) Some chapters of the book lack a sufficient set of examples and cases. This is especially true for the chapters of the third part on “International Business.”

Nevertheless, the presented suggestions by the reviewer are only recommendations for the possible further development of the text and do not diminish the high level of importance and quality of the book.

* * *

The book “World Economy and International Business: Theories, Trends, and Challenges”, edited by Prof. A.S. Bulatov, offers an insightful perspective on the evolution and governance of the global economy and international business, making a substantial contribution to modern scientific, educational, and methodological literature.

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The author declares the absence of conflict of interests.

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Мировая экономика и международный бизнес для студентов, исследователей и практиков

 E.B. Zenkina
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Ключевые слова: мировая экономика, международный бизнес, тренды мировой экономики, глобальные экономические ресурсы, глобальные вызовы, развитые экономики, развивающиеся экономики

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