

Panel: Broken BRICS?

Date/Time: Tuesday, April 22, 2014 / 16:00 – 17:15

Speakers: Simon Long, The Economist (Moderator),
Kwok Jae Sung, Kyung Hee University
Liu Qin, National Defense University, PLA
Geethanjali Nataraj, Observer Research Foundation, New Delhi
Victoria Panova, Moscow State Institute of International Relations

Rapporteur: Joe Litt

The BRICS are not broken, according to all of this session’s panelists. In fact, all agree that the situation is just the opposite: despite the economic side effects of the 2008 Global Financial Crisis and the Eurozone crisis, the BRICS, as an organization, is growing more relevant and growing increasingly institutionalized while economic growth rates continue to outpace the rest of the developing world.

“The death of the BRICS is highly exaggerated,” said Dr. Victoria Panova. Dr. Panova pointed out that the number of mechanisms and institutions for cooperation between the BRICS countries is growing both at the official and unofficial levels, including the recent establishment of a virtual secretariat and an ongoing effort to create a BRICS development bank. The BRICS grouping, said Dr. Panova, is becoming a “full-fledged political forum for discussing all issues of global concern” and has been gradually expanding beyond economics to tackle political issues such as anti-drug efforts, Afghanistan, and Syria.

Dr. Geethanjali Nataraj concurred, pointing out that the BRICS nations complement one another economically and have many interests in common. The member states have many opportunities for “innovative cooperation” because each has its own economic niche. “Cooperation in the future will provide more opportunities for the whole world,” she said.

Professor Liu Qun was also optimistic, noting that despite differing cultures and political values, the BRICS states can find common solutions, new ways to develop, and new models for future cooperation. He noted that the BRICS organization makes “international principles more reasonable and more helpful for solving global issues.”

According to Dr. Panova, the BRICS organization—unlike the G7—is based on common understanding, not common principles such as a shared commitment to democracy. This common understanding includes the recognition of the right of each country to have its own path to development. “The most important thing underlying the initial coming together [of the BRICS states],” she said, “is cultural diversity and multicivilizationism.”

While there have been moves to address political issues, Dr. Nataraj stated that, at present, “economics drives the discussion [among the BRICS],” especially in regard to the loose

* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.

monetary policy of the United States, which has had the effect of rerouting investment to the United States at the expense of the BRICS countries.

Professor Kwak Jae Sung thinks the BRICS should focus on “protecting the world from unnecessary printing or unprinting of money.” Focusing specifically on the case of Brazil, Professor Kwak noted that that country’s leadership has been feeling particularly uneasy about the effects of financial shocks originating from the international financial system.

All four panelists agreed that the BRICS are neither an anti-American nor anti-West grouping, despite opposition to the US policy of quantitative easing and the belief that globalization was (in the words of Dr. Panova) “taking on a Western dimension that not every country wanted.” Dr. Panova even went so far as to suggest that the United States may someday be welcome to join the BRICS “once it stops imposing its vision on others” because “a new world order is not possible without the US.”