Bruce Jones and Thomas Wright | July 17, 2014 10:57am

The BRICS Safety Net

Editor's note: Bruce Jones and Thomas Wright examine the BRICS strategy to diversify their relationships and the safety net they are developing against the risk of U.S. sanctions.

Foreign policy experts love the straw man. And over the past decade, the fattest and most inviting straw man has been the BRICS (Brazil, Russia, India, China and South Africa). Created by Goldman Sachs, the BRICS was an investment gimmick that somehow became a formal international grouping. At first glance, it is a geopolitical absurdity. Russia is a declining power while the others are rising. China and India are geopolitical rivals. All differ on fundamental issues. The most durable thing about the BRICS is the acronym, or so the joke goes.

No question of expelling Russia

However, after the BRICS Fortaleza Summit it may be time for a rethink. Remember that President Obama trumpeted his achievement in supposedly isolating Russia in the international community. Russian President Vladimir Putin should have been cowering in his Sochi villa, friendless and worried. The BRICS should have expelled their “R” and opened the era of the “BICS,” and inspired new jokes about how the BICS have no ink.
Instead, Putin was welcomed with open arms in Fortaleza by Modi, Xi, Rousseff and Zuma. There was no question of expelling Russia. The other BRICS seemed not to have raised concerns on Ukraine with Putin. The communique only referred to the crisis in a passing manner that contained no criticism whatsoever of Russia. Previously, Brazil, India, China and South Africa all abstained in the vote on the U.N. General Assembly resolution to condemn the annexation. This summit will be perceived as lending legitimacy to Russia’s actions and badly undermines U.S. claims to have successfully isolated Russia on Ukraine.

Has Russia gotten a free pass because the other BRICS support the annexation of Crimea? Not necessarily. Most of them viewed Russia’s move on Crimea with concern—and China even refrained from voting with Russia in the U.N. Security Council vote on the issue. So why the silence?

Insurance against the risk of U.S. sanctions

The BRICS may not be allies but they all see a common interest in preventing the United States from calling the shots and isolating one of their own. All but one of the BRICS have been subjected to U.S. sanctions and others to strict IMF conditionality. Indeed, for some it is personal—Modi was barred from the United States up until his recent election. And, they see the U.S. sanctions on Russia as a test run for a strategy that may be used on others that incur Washington’s displeasure in the future.

Thus, the BRICS want to diversify their relationships beyond western dominated institutions and have a safety net if they get pushed out. The BRICS development bank, the currency swap arrangement aimed at reducing the dominance of the U.S. dollar and the recent China-Russia gas deal should be seen in this context. The BRICS are not looking to replace the western led order. They are purchasing an insurance policy against the risk of U.S. sanctions. This sentiment is amplified by the recurrent recalcitrance of the West in opening up the governance structure of key institutions.

For its first decade, the BRICS lacked a compelling strategic rationale. It was a collection of countries that offered a significant return on investment. Today, the BRICS economies are much weaker and more troubled. Investors are fleeing, not flocking, to them. But they have acquired what they lacked before—a common diplomatic purpose. Ironically, they may be more geopolitically consequential as they struggle economically than they were as rapidly rising powers.

Impact on the international order

The BRICS embrace of Russia and its acquiescence to Putin’s goal of cushioning the cost of illegal annexations raises troubling questions, especially about the democracies in the group—Brazil, India and South Africa. These three nations have frequently criticized the United States and Europe for the
use of military force, especially on the Iraq invasion which they all vigorously opposed as illegal, but they are disturbingly quiet in the most egregious violation of international law since Iraq’s annexation of Kuwait in 1990.

None of this makes the BRICS what some of its boosters and some scare-mongers would have it be: a strategic alliance against the United States, or a bloc dedicated to breaking the existing order. To varying degrees, all the members of the BRICS have an important stake in key planks of the international order remaining stable. They’re looking to shape, not break, the international financial and economic rules of the game. On security and territorial questions, however, Russia and China are playing a dangerous game, pushing the boundaries, testing what they can get away with; and risking both military clashes and a wider breakdown of the international security order. The rest of the BRICS acquiesce to this at a cost.

They may have incentives not to listen to the United States, but other democracies should make plain to Brazil, India and South Africa that they expect them to live up to their oft-touted commitment to the multilateral order—not just in Europe but also in the maritime disputes in the South China Sea. Those nations that facilitate modern day revisionism should at least pay a reputational cost for their position. Meanwhile, the United States and Europe should redouble their efforts to reform international institutions, like the IMF, so responsible emerging powers can have a greater say in global governance.

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