ENGAGING BRICS
CHALLENGES AND OPPORTUNITIES FOR CIVIL SOCIETY

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ABSTRACT

The emergence of BRICS represents an important change in the global political economy. Reactions to the rise of this new ‘club’ range from wary optimism to outright skepticism. There is anticipation that the BRICS – building on their own lessons and initiatives – will play a progressive role on economic and social issues at regional and global levels. The critical view, on the other hand, includes doubts about the nature and coherence of the group. There is also concern that the economic agenda of BRICS could pose new challenges to human rights and development, particularly given the absence domestic frameworks for accountability on international engagements.

Despite these concerns, the debate on poverty and inequality is integral to any engagement with the BRICS, given its focus on growth and infrastructure. BRICS-led aid and investment activities are expected to have a significant bearing on issues such as the exploitation of natural resources, land grabs, agriculture and food security across regions. There is a growing awareness that civil society in BRICS countries must build a broader agenda of rights and accountability around the international roles of their government and private sector.

This paper accordingly explores ideas and insights for civil society engagement with the BRICS agenda, based largely on interviews held with 34 representatives of the development sector, academia and media within BRICS countries and outside. Forty-four per cent of those interviewed are linked to work with women and socially excluded groups.

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Section One:
UNDERSTANDING BRICS – ORIGINS, AGENDA AND INFLUENCE

‘... a new global economic geography has been born’
– President Lula da Silva, BRICS Brasilia Summit 2010

‘It is more than ten years now since I had the good luck of dreaming up the odd acronym BRIC... By the end of 2011 the BRIC economic story has been much more powerful than I had proposed in 2001’
– Jim O’Neill, Goldman Sachs
(BRICS New Delhi Summit 2012)

‘... BRICS is more representative of the diversity in the global economy than any other group. The BRICS voice is certain to carry greater weight than any other group in echoing global concerns because it is a miniature version of global diversity and global concerns, be they poverty or climate change’
– Y V Reddy, former Governor, Reserve Bank of India
(BRICS New Delhi Summit 2012)
1.1 BACKGROUND: REVIEWING THE BRICS GROWTH STORY

1.1.1 Economic Prospects

Goldman Sachs may have succeeded in drawing the attention of financial analysts and investors to a new set of emerging markets way back in 2001, but the relevance of the BRICS as a group that can change the way economic and political power is exercised globally is quickly becoming a point of interest among groups involved in policy making and influencing across the world.

Jim O’Neill, chief economist of the American bank Goldman Sachs, coined the term BRIC in 2001 to denote the four fastest-growing emerging economies of the world and amidst much debate and controversy, succeeded in drawing attention to the opportunities for growth available outside the traditional markets of the Western world. At the time, the association seemed incongruous. Brazil, China, India and Russia shared very little in common either culturally or politically and did not see themselves as one unit. It was apparently the notion that all four countries shared a common growth trajectory that drew O’Neill to group them together. The countries at the time hosted large populations, under-developed economies and yet a willingness to embrace global markets and explore opportunities for rapid future growth.

BRICS countries have been credited with nearly 50 per cent of the world’s economic growth. Their share is expected to increase further, as members’ growth rates surpass the average annual growth rate of the world economy. BRICS growth rates are predicted to remain relatively high in 2012, with China at 8.7 per cent, India at 7.5 per cent, Russia at 3.7 per cent, Brazil and South Africa both at 3.6 per cent. According to the World Bank, the global economy will grow by 2.5 per cent in the same period.¹

The economic growth story is certainly evident in references to the BRICS countries. According to the BRICS Research Group, the five countries together account for 43 per cent of the world’s population, 30 per cent of the earth’s landmass, and 25 per cent of the world’s share of global gross domestic product (GDP).²

The BRICS account for over 40 per cent of the world’s total foreign exchange reserves – amounting to approximately $4.4trillion.³ A report in the The Economist suggests that if the BRICS countries were to set aside one-sixth of their reserves, they could create a corpus the size of the International Monetary Fund (IMF). Further, in contrast to the budget deficits and soaring debts of the West, BRICS’ public-debt levels are mostly modest and stable (with India reported as a partial exception).⁴ Trade among these five countries was valued at $230 bn in 2011 with an annual average growth rate of 28 per cent. It is expected to reach $500 bn by 2015.⁵ The BRICS share of global trade has also doubled in this period and was estimated at 14 per cent in 2008.⁶ Foreign Direct Investment (FDI) from BRICS countries have increased from $10 bn in 2002 to $146 bn in 2010 – although China and Russia represent more than 75 per cent of the BRICS’ total FDI, while Brazil and India account for around 10 per cent each.⁷

The BRICS also represent huge differences in power and resources among the member countries. China is clearly the giant within the group. The collective population of BRICS for instance is 2,918 million, of which

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¹ Mikhail Titarenko (2012), ‘Potential to boost performance as an engine of global growth’, BRICS New Delhi Summit
² Ella Kokotsis (2012), ‘Advancing accountability in BRICS governance’, BRICS New Delhi Summit
⁴ Anon (2012), ‘The trillion-dollar club’, The Economist, 15 April
⁵ http://www.thehindubusinessline.com/industry-and-economy/article3254980.ece
⁷ UNCTAD, 2011
China alone accounts for 1,341 million, followed by India at 1,191 million. Economically, China accounts for more than half the GDP at $5,878 bn as compared to South Africa's GDP of $364 bn. China also holds $2,866 bn of foreign exchange reserves of the BRICS’ total reserves of $3,910 bn and has the highest savings as a percentage of GDP within the group: 5.4 per cent, followed by India at 34.2 per cent. In other BRICS countries this proportion ranges between 16.5 to 25.1 per cent.8

1.1.2 Global Influence

The creation of a global economic alternative is clearly the key factor of optimism around the BRICS. In an article penned ahead of the 2012 BRICS Summit, Jim O’Neill suggests that while their collective GDP is close to $13 m and that within the next three years their combined size will become bigger than the United States, thereby increasing their influence in the global economy and governance of international financial institutions. Similarly, the BRICS Research Group suggests that by 2030, the cumulative GDP of BRICS countries will exceed that of the G8 countries, which will in turn increase their influence on the global stage.

Key stakeholders see the basis of the BRICS rooted in the long-term common economic interests of the member states, which include reforming outdated global financial and economic architecture, strengthening the principles and standards of international law and supporting the complementarity of many sectors of their economies.9 Indeed there is a shared view among several commentators that the BRICS partnership has diversified the growth of the world economy and become a driving force for the democratisation of international economic relations.10

While the conversation on the economic relevance of BRIC countries has been going strong since 2001, the first official meeting of the BRIC countries was held only in 2008. This was followed by a full-fledged conference of leaders held in Yekaterinburg (Russia) in 2009. The inclusion of South Africa to the group resulted in a change of nomenclature from BRIC to BRICS in 2011.

Prior to this, BRICS countries have come together in other forums such as the IBSA Dialogue Forum, involving a tripartite arrangement between India, Brazil and South Africa. IBSA emerged in 2003 as a reaction to the failed negotiations at the World Trade Organization (WTO) talks in Cancun and aimed to strengthen co-operation in trade, investment and economic diplomacy. The alliance is seen to be a reinforcement of the need for greater South-South co-operation and representative of the concerns of the three important regions of the developing world, namely Africa, Asia and South America. With its emphasis on human rights and democracy, IBSA is expected to play a proactive role in shaping a progressive discourse on the development interests of the developing world.

The BASIC group (Brazil, South Africa, India and China) is yet another formation which was initiated in 2009, just ahead of the UN Climate Summit in Copenhagen. The group worked together for a short period to focus attention on the outcomes of the Copenhagen Summit, including arguing for the endorsement of the Copenhagen Accord as a legally binding treaty. Failing this, the group has directed its energies on calling for a legally binding agreement on climate change, faulting the United States for slowing down the pace of an agreement on this issue. It has also focused on the need for greater financial assistance to

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8 BRICS Research Group, March 2012
10 Zhang Yan (2011), ‘BRICS works for shared prosperity’, The Hindu, 13 April
developing countries and the ‘historical responsibility’ of developed countries to provide greater support and resources for climate change mitigation and adaptation efforts.

Unlike the above forums, the coming together of BRICS is rooted in the outcomes of the global financial crisis – and the aspiration of the member countries to have a stronger voice in the management of international financial systems. Analysts point out that this convening has provided the member countries with a stronger peer connect, particularly since their interests were not always convergent with the positions of smaller developing countries in the broader G77 group. Further, BRICS countries are able to access at least 10 key regional bodies including the Commonwealth of Independent States (CIS), the Collective Security Treaty Organization (CSTO), Eurasian Economic Community (EurAsEc), the Shanghai Cooperation Organization (SCO), the Asia-Pacific Economic Cooperation (APEC) forum, the Union of South American Nations (UNASUR) and Mercosur, the African Union (AU), the South African Development Community (SADC) and the South Asian Association for Regional Cooperation (SAARC). If used effectively, their coming together allows them a strategic advantage across a range of global forums including the UN Security Council, the G77 and the Non-Aligned Movement.

The political significance of the BRICS however lies in their potential to undermine the traditional stronghold of the G7 countries on global affairs. Nitin Desai, former Under-Secretary-General of the UN for instance points out that the global order that has prevailed since the Second World War has been organised around the interests of the United States, Western Europe and later Japan. Although other developing countries came into their own in this period, the forums in which non-Western countries have been able to exercise influence, such as within the UN, were rendered ineffective in matters of global economic interdependence and decision-making power, which was vested instead with institutions that have been dominated by Western powers, including the IMF and the World Bank. The BRICS grouping, in his view, is essentially a challenge to this system.11

And yet there is also danger of the self-professed goal of systemic reform being short-changed by short-term benefits. In the context of the G20 for instance, speculation is rife as to whether the BRICS will eventually be – through the extension of decision-making privileges – simply be co-opted into compliance by the G7 countries, or will be able to create a serious shift in power if they are also able to persuade other members – such as Indonesia, Mexico, South Korea, Argentina and Turkey – to work more closely with their interests and positions.

1.1.3 Shaping a New Political Discourse

Food Security and Agriculture

Not surprisingly, several points on the agenda of BRICS reflect concerns that have been taken up by the G8 or G20. The Joint Statement on Global Food Security, which was released as part of the first BRICS Summit in 2009 (held in Yekaterinburg, Russia) for instance reflects the outcomes of the G8 L’Aquila Summit of 2008. The statement squarely challenges the notion that food price volatilities have had their basis in the growing consumption capacity of developing countries12 and points instead to ‘restricted market access and trade-distorting subsidies’ as a key factor that has hampered global food production over the last

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11 Nitin Desai (2012), ‘What Interests do the BRICS countries share?’, BRICS New Delhi Summit
12 In May 2008, US President George Bush remarked that increased consumption patterns of the middle class in India and China were a contributor to fluctuations in global food prices. The statement triggered a global outpouring of criticism and outrage.
three decades and calls attention to the Doha round of talks in the WTO as a means to find ‘compromise solutions’.

While the Yekaterinburg Summit itself did not inspire any serious excitement in the global community, the coming together of China, India, South Africa and Brazil as a lobby in final stages of negotiation the Copenhagen Climate Summit six months later created a flutter. As one astonished report put it, ‘what was conceived as a bilateral talk (between the US and China) turned instead into a negotiation with an emerging-market block… But at least Mr Obama was in the room; Europeans were shut out while the emerging powers and America put the final touches to their deal.’

An emphasis on agriculture and food security was seen again in the BRICS Sanya Summit of 2011. The ‘Beijing Consensus’ and an Action Plan 2012-16 for Agricultural Co-operation were two specific instruments that emerged from this Summit. Both reinforced a commitment to practical forms of co-operation such as through joint programmes in agriculture, energy and technology; as well as the exchange of information and technology.

Financial Reform

In the three Summits held across 2010 to 2012, there has been an overwhelming emphasis on the reform of international financial institutions and the need for a more stable and diversified monetary system. These demands represent a broader call for a ‘multi-polar and fair international order’ in the aftermath of the global financial and currency crises. The Joint Statement issued at the Brasilia Summit in 2010 for instance outlines the specific changes sought by the BRIC countries including voting power reforms in the World Bank, quota reforms in the IMF and support to Russia’s bid for accession to the WTO.

The Joint Statement also commits to study feasibilities of monetary co-operation, including local currency trade settlement arrangements between member countries, and is backed by the adoption of a Memorandum of Co-operation between Development Banks of the BRIC countries at the Summit. In the same year, the 620 endorsed the call made by BRICS countries to review and increase quotas in favour of emerging economies and under-represented countries. This was followed by the approval of a package of reforms in voting shares and quotas by the IMF’s Governing Board in December 2010.

In 2011, the BRICS Sanya Summit focused on establishing institutional mechanisms for collaborative work across the BRICS Finance Ministers through mutual information systems and training objectives. Politically, the meeting was noticed for the reinforced call for reforms in international financial institutions, including a push to open lead positions in the IMF and World Bank to candidates outside the US and OECD (Organisation for Economic Co-operation and Development) bloc and further discussion on Special Drawing Rights (SDR) within the international monetary system.

The most exciting development in this regard however has been growing convergence around the creation of a BRICS Bank. The Delhi Summit saw BRICS leaders move closer towards this idea, with recommendations from the BRICS Academic Forum – a think tank group of academics and experts from each country – urging further thought on the operational mechanisms for a Development Bank and/or Investment Fund. The idea of a BRICS Bank has generated enthusiasm across the global South as a step forward in creating a multi-

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13 Anon (2010), ‘The trillion-dollar club’, The Economist, 15 April
lateral development bank that is funded by developing countries and directs monies towards other peers without the political pressures of the US and Europe funded financial institutions. While there is some scepticism about whether the BRICS will actually be able to pull off this ambitious idea, there is no doubt that the creation of such an institution will strengthen the working and the influence of the BRICS in the long run.

The Brazilian Development Bank (BNDES), which is credited with stabilising the Brazilian economy after the financial crisis through increased investment in development assistance, is seen as a prime example for the BRICS Bank to follow. Questions however remain about the capacity of the member countries to mobilise capital from financial markets, its location and operations as well as its leadership structure, with China in particular being seen as the financial and political giant within the group.

Global Security

In addition to the above, the agenda of global security has also emerged as a common thread across the BRICS meetings. The Brasilia Joint Statement [2010] makes specific mention of the challenge of international terrorism. This was followed by a call for the early conclusion of UN negotiations on the Comprehensive Convention on International Terrorism, which was put forward by India and endorsed by the other BRICS countries.14

The Sanya Declaration in 2011 outlined a common position on Libya, and called for a greater role for the UN and African Union in the resolution of the ongoing internal conflict. This position has been reinforced by BRICS countries in subsequent discussions around Libya, Syria and Iran within the UN Security Council, and represents the second notable instance (after Copenhagen) of the countries coming together to influence an international negotiation.

Mutual Cooperation

BRICS Summits have led to the creation of platforms for cooperation and exchange across various levels of the administrative and political machinery of the member countries. The Sanya Summit of 2011 hosted a Trade Ministers meeting and a Business Forum. The Summit was followed by a series of exchanges held across the year including a Health Ministers’ meeting, a Parliamentarians’ Co-operation Protocol that aims to improve legislative apparatus and celebrate agreements between member countries, and a Cities Initiative that brings together four cities – Rio, St. Petersburg, Mumbai and Quingdao – in a partnership that aims to build co-operation, share management and technical capacities, promote tourism as well as facilitate cultural and educational exchanges.15

Ministerial meetings in the areas of finance, trade, security, agriculture and health were also held in the fourth and most recent summit of BRICS leaders, held at New Delhi in March 2012. The meetings aimed at enabling dialogue mutual interests and positions in accordance with the major areas of discussion at the Summit.

The meeting also hosted the third convening of the BRICS Business Forum and the establishment of a Working Group on co-operation across the pharmaceutical industry. Given that trade protectionism, food

15 http://europe.chinadaily.com.cn/europe/2011-05/19/content_12541213.htm
security and engagement with Africa were other points of deliberation in the Summit, it would be interesting to see how far this will shape BRICS positions at upcoming global negotiations.

The creation of the **BRICS Academic Forum** is particularly noteworthy. The Academic Forum brings together select academics and policy experts from each country. The Forum is expected, through a face-to-face dialogue held annually since 2009, to contribute creative insights and recommendations to the BRICS Leaders Summit and is usually held a month ahead of this event. The fourth Academic Forum, held in New Delhi (India) resulted in 17 recommendations towards the BRICS Leaders Summit 2012, indicating priority areas of intervention for the BRICS including stronger trade and financial cooperation, the creation of institutions that can provide an alternate response to global and regional development challenges, and co-ordinated action on issues such as food security, protection of bio-diversity, health and urbanisation.

The downside of the Academic Forum however is its failure to include a broader range of civil society voices that go beyond researchers, policy makers and economists. Given that forums like the G8 and G20 host formal interactions with civil society in the course of their deliberations, the absence of a platform for BRICS leaders to engage with community-led experiences and public advocacy efforts is indeed disappointing. While the differences in the democratic environment of China and Russia as opposed to India, Brazil and South Africa are seen as the reason for this narrow arrangement, one hopes this gap may be recognised and remedied in the way forward.

**Box 1: BRIC by BRIC – Performance Against Key Commitments**

- Brazil, India and China fully approve the IMF Reforms Package
- India, Russia and China initiate bilateral monetary arrangements
- Brazil and India initiate measures to regulate trading in commodity derivatives
- All countries fulfil one or more commitments from the Cancun Agreement on Climate Change related broadly to mitigation, adaptation, finance and technology transfer
- India, China, Brazil and South Africa initiate projects for infrastructure development and/or industrialisation in the African region
- All countries take measures to expand trade ties and/or reduce protectionism in the context of BRICS peers

*Source: BRICS Research Group, 2011*
'BRICS members are still talking about the overall and overarching vision. South Africa believes that we are there at the right time to make a kind of influence and make sure that BRICS doesn’t just focus on big governments, big economies, but also looks at softer issues on how to make sure that ordinary people benefit and can also take ownership of BRICS’

– Maite Nkoana-Mashabane, International Relations and Co-operation Minister, South Africa
2.1 BACKGROUND

This section of the paper summarises insights into the BRICS agenda contributed by 34 people representing the development sector, academia and media. Information for this study has been collected primarily by way of telephonic interviews and where possible, through face-to-face meetings and the review of additional reports or articles that the informant has made available to the study. Sixty-five per cent of those interviewed represent work being done in BRICS countries. The remaining 35 per cent were chosen in relation to their association with regional or global development efforts. Forty five per cent have been involved in some form of direct activity (research, advocacy or networking) in relation to BRICS.

In keeping with the focus of this paper on establishing strategies for engagement with BRICS in the Indian context, half of all informants represent work being undertaken in this sub-continent. Forty-four per cent of those interviewed for this study represent work with women and socially excluded groups and the remaining are from national NGOs, national / regional affiliates of international NGOs as well as media and academic institutions.

A total of 56 people were contacted on the basis of their perceived engagement with a constituency or issue relevant to the BRICS agenda or in some cases recommended by an informant as a potential source for the study. In addition to time and scheduling constraints, several among those who were contacted professed their inability to contribute to the study due to their limited knowledge of the subject.

The availability of key informants has been an anticipated challenge given that BRICS has been operational as a forum only since 2009 and has become a topic of growing interest in development circles only in the past year or two. The outcomes of this study therefore need to be read with the understanding that since events and analyses in relation to BRICS are still evolving, conclusions offered at this stage will be shaped to a large extent by past experiences of how national and global advocacy has worked and assumptions accordingly of what may change or emerge in the way forward.

2.2 HOW IMPORTANT IS BRICS?

Across the board, informants of this study were in agreement that the emergence of BRICS represents larger changes in the global political economy. The relevance of BRICS was closely linked to the fallout of the financial and economic crises on ‘traditional western powers’ and the restorative role that BRICS countries, particularly China and India, are expected to play in relation to ailing global markets.

Reactions to the rise of this new ‘club’ ranged from wary optimism to outright skepticism. On the bright side there is awareness that this change could help take forward the long-held ideal of an alternative discourse that puts the global South in a position of leadership and creates opportunities for South-South partnerships in trade, aid and development. The hope is that in the years to come, teething troubles will be sorted and the BRICS could play a decisive role on the global stage. There is also anticipation that the BRICS – building on the lessons of their internal challenges – will play a more influential role on issues of development, including poverty and inequality at the international level.

At the level of the UN for instance, interventions by BRICS countries have been noted in climate and security related negotiations. They are also seen as an important group within the G20 – and with potential to engage peers such as Mexico, South Korea, Indonesia and Turkey more strategically. Most importantly,
there is strong solidarity with the BRICS agenda on global governance and financial reforms. This includes their call for changes in the voting power and quota structures of the World Bank and IMF, the commitment to study local currency trade settlement arrangements between member countries and the creation of a BRICS Bank. Calling it the ‘biggest hope from BRICS’, an academic formerly associated with the United Nations Conference on Trade and Development (UNCTAD), believes that these steps could be critical ammunition needed to create a new financial world order that is not dominated by the Bretton Woods institutions.

On the downside, there are marked concerns about the nature and coherence of the group itself. BRICS in this context represents an ‘awkward arrangement’ between traditional competitors and are countries that despite sharing common development challenges possess very different economic and political trajectories. India’s relationship with China for instance has traditionally been experienced in the context of political and economic sparring over several decades and the transition into new world collaborators is not easily made. Brazil and India too have a tradition of competing for markets and resources. Given this history, it is difficult to see how BRICS can work as a coherent group.

‘In economic terms, China is 50 per cent of the BRICS,’ says one respondent. ‘It is hard to see India getting comfortable with the kind of power that China could wield as part of the BRICS.’ Taking this line of thought forward, another informant predicts that the BRICS will be a short-lived phenomenon. The survival of BRICS, in his opinion, is heavily dependent on the resources and leadership that China provides. The BRICS countries do not share common ties in the way that US and European countries do, and for this reason there is nothing that really holds them together. It is only a matter of time before China will break away from the club and compete directly with countries like the US. It is at this stage that the real struggle for global domination will erupt.

For civil society within BRICS countries however, the immediate concern is the BRICS economic agenda could pose new challenges to human rights and development, particularly in the absence of a clear framework to guide overseas trade and investments. ‘Beyond the hype, BRICS is facilitating the rapacious exploitation of resources to boost its own growth,’ says an academic. For several informants of the study, their coming together represents a group of new players seeking resources and benefits that will boost their own self-interest. The worry is that it is business as usual for this new class of global entrepreneurs and there is no real difference between Western or Asian capitalists operating in Africa. According to some, expectations of ideological leadership from the BRICS reflect a romantic desire to see a third alternative emerging. It is unrealistic to think that they will support the interests and positions of developing countries.

Others point out that the modus operandi of BRICS is a far cry from the interventions of Western powers, which in the 1980s and 1990s that created a double-bind on recipient countries with aid and trade tied to economically and politically debilitating conditions imposed by the IMF and World Bank. BRICS investment by contrast is being received as a fairly open agenda. ‘The mood is certainly one of enthusiasm,’ says an informant associated with economic governance issues in Africa. ‘For governments in the region, BRICS represent new opportunities, new resources and new terms of engagement.’

### 2.3 ENGAGING BRICS – OPPORTUNITY OR PITFALL

From an advocacy viewpoint, perhaps the most important observation is with regard to the ad hoc nature of the BRICS. This group, unlike the WTO for instance, is not bound by a treaty and does not have any
legal obligations. This is yet another elite club – a southern G5 if you will – and in the absence of legal enforcements, moral and political pressure must be mobilised to that the policies adopted by the BRICS are coherent with existing national and international agreements in relation to aid, trade, human rights and development. Processes for broader engagement have not been thought through within BRICS or perhaps altogether dismissed. ‘Unlike IBSA, democracy does not appear to be a priority for BRICS,’ says an activist from South Africa. ‘It is a market driven club and in the absence of mechanisms for public engagement, the scope to press for progressive initiatives and monitor follow-up actions is low.’

IBSA for instance has instituted a Development Fund and therefore provides an opening to engage with the countries involved on issues of poverty, development and participation. The BRICS, on the other hand, has limited its interaction during Summits to the private sector and a select group of academicians. This is despite countries like India and Brazil having an otherwise rich history of social movements and people’s organisations. Given however that public participation is more ‘controlled’ in countries like China and Russia there is a worry that the threshold for exercise of ‘moral and political pressure’ in relation to BRICS may actually be quite low.

The most recent Summit in New Delhi too has not provided any cause for optimism in relation to opportunities for broader public engagement. For all the excitement about India hosting a significant global consultation, there is much disappointment about the lack of information about and access to the Summit. The problem though is not so much the lack of information, but the absence of relevant outcomes that can be demonstrated by BRICS. While it is true that each country is at an interesting stage of growth, what it can achieve as a group is still questionable. The BRICS countries at this point are at best a ‘ginger group’ for the G20.

The question of the BRICS’ relevance in relation to the G20 is another concern. ‘The G20 has failed to deliver results. Can we expect BRICS to be any different?’ says the advocacy director of an international non-government organisation (NGO). Despite the concerns with legitimacy and accountability, almost all respondents agree that the debate on poverty and inequality is integral to any engagement with the BRICS given its focus on growth and infrastructure. BRICS-led aid and investment activities are expected to have a significant bearing on the issues such as the exploitation of natural resources, land grabs, agriculture and food security – not just in Africa but also in Latin America, Asia and Eastern Europe where members have economic and political interests.

‘Civil society in BRICS countries must build a broader agenda of rights and accountability around the international roles of their government and private sector,’ says a respondent who has been active on issues of global governance. Advocacy organisations in Europe reinforce this view. According to them, less than thirty years ago there was little interest among the public and media for what governments and corporations were doing in other regions, and scant information on the impact of their trade and aid related initiatives on communities in other regions. The array of political and legal oversight mechanisms that are operational within the European Union (EU) today have come about after decades of work by civil society organisations and the use of innovative campaigns to educate and engage the public on these issues.

This view is strongly endorsed by the co-convenor of the BRICS Academic Forum. ‘There is a need for a

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16 The BRICS Research Group on the other hand points out that BRICS member countries have been pursuing their commitments actively. According to their 2011 Sanya Compliance Report, BRICS countries have not only taken action on two-thirds of their agreed commitments but also demonstrated a stronger track record on G20 commitments than the United States in the same period.
civil society vision of BRICS,’ she says, pointing out that the BRICS has so far created more mechanisms for exchange and cooperation across than the G20. As processes are still fluid, there is scope to shape mechanisms for broader engagement.

2.4 POTENTIAL THEMES FOR ENGAGEMENT

Despite concerns related to the legitimacy of BRICS as a forum and available opportunities for engagement, most contributors to the study were able to suggest issues that would be relevant to future advocacy efforts. The themes identified as part of this study can be broadly categorised as (i) those relevant to the agenda and outcomes of the BRICS as a forum (ii) those linked to the cross-cutting development challenges of BRICS countries.

2.4.1 Issues relevant to the BRICS Forum

2.4.1.1 Reform of International Financial Systems

As mentioned earlier, the strongest motivator for engagement with BRICS is the hope that they will push for greater changes in the global financial and economic system. The reform of international financial architecture has been a dominant theme across the four Summits held so far and there is hope that the BRICS will prove to be a force to reckon with in the coming years.

The call for the greater representation in the management of international financial institutions (IFIs) is seen as the first step in this direction. In the aftermath of the financial crisis, BRIC leaders made a formal statement calling for a ‘greater voice and representation’ for emerging and developing economies in the International Monetary Fund (IMF) and World Bank – an assertion that is seen to be inspired by the role they have played in helping their western counterparts manage the outcomes of the financial crisis of 2008. In the same year, BRIC Finance Ministers and Central Bank Governors proposed to shift the distribution of voting power between advanced and developing countries by 7 per cent in the IMF and 6 per cent in the World Bank. A year later G20 leaders endorsed ‘a shift in quota share to dynamic emerging markets and developing countries...’ and the IMF Board of Governors approved a package of quotas and reforms in December 2010. Although the proposed reform is still to be approved by member countries, once implemented this move will enable a 100 per cent increase in total quotas and shares in favour of under-represented countries.

The second major agenda in this area of reform is the broadening of the international currency reserve system through the inclusion of BRICS national currencies in the IMF’s SDR basket. In order to achieve this, BRICS countries need to take measures that will enable their currencies to be considered eligible for inclusion in the SDR basket. This involves establishing greater monetary co-operation across BRICS countries through local currency trade settlement arrangements, trading of currencies at exchanges and issuing loans denominated in the respective currencies. In 2011, China and Russia signed a bilateral local currency trading agreement that allows convertibility between the renminbi and rouble for trade between the two countries. India too has enabled infrastructure companies to avail of External Commercial Borrowings (ECB) denominated in renminbi. These efforts have been taken a step further by the announcement in the New Delhi Summit of 2012 of the intent to create a BRICS Bank.

The creation of regional monetary arrangements and changes to the international currency reserve system are proposals that have been received with excitement and anticipation across the civil society, media
and academic respondents of this study. Some believe that the establishment of financial institutions that are independent of the Washington influence will strengthen regional trade and business priorities, while also providing space to do away with IMF-type fiscal policies that have prevented countries from scaling up public investment in social spending, employment creation and essential services. Others however are more wary. For them, it is unlikely that traditional powers would allow new alternatives to emerge so easily. Examples of the Bank of the South (Bancosur) and the Chiang Mai initiative are quoted as instances to prove that while there is a strong need for alternative monetary arrangements, challenging the hegemony of the dollar is far easier said than done.

2.4.1.2 Trade Initiatives

In keeping with the outcomes of the 2010 Summit (Brasilia), member countries have taken steps to follow through on the commitment to deepen and expand trade cooperation between BRICS countries. This has been done primarily by way of adopting bilateral trade agreements, encouraging domestic companies to invest in BRICS countries and creating new mechanisms to enhance trade cooperation.

Russia and China for instance have not only signed a new agreement that allows trading in local currency, but have also agreed to work towards increasing bilateral trade to the volume of $100 bn by 2015, and $200 bn by 2020. China and Brazil have also agreed to work towards a 10-year co-operation plan on economy and culture.17

As with the financial reform agenda, there is much enthusiasm for these plans among contributors to this study. ‘Plans to expand trade among BRICS countries and strengthen the use of intra-BRICS currency are quite revolutionary. This could really challenge the domination of the dollar,’ says an activist from India who has worked closely with WTO processes. Work on trade and investments should connect more strongly with proposals emerging from the United Nations Conference on Trade and Development (UNCTAD). In engaging with BRICS on this agenda, civil society needs to look more closely at bilateral treaties and the role of BRICS in challenging issues such as protectionism, export restrictions or other measures that are inconsistent with the norms established by the WTO.

‘The focus on aid as the panacea of all problems has distracted civil society from engaging more actively with the discourse on economic growth,’ adds a researcher from North America. He points out that while the developed world has built its wealth through advancements in research and technology, it has used aid and structural adjustments programmes to prevent developing countries from investing in these capacities, thereby hindering their chances for long term economic growth. Civil society, in his opinion, has not been helpful in this regard. It sees the private sector as ‘inherently exploitative and evil’ and fails to make the difference between international corporations and smaller domestic companies. Local companies need support to be able to compete with the large multi-nationals. Developed countries have historically had a strong partnership with their private sector. Governments in Europe and the US for instance have played an active role in opening the doors for trade and expansion of markets, and the growth of the private sector has been translated into greater infrastructure, jobs and resources domestically as well. The United States does not have a development policy – aid to other countries is guided solely by its commercial policy and

17 India, Brazil and South Africa have also agreed to remove non-trade barriers and have aimed for trade between the three countries to reach $25 bn by 2015 – 25 per cent more than the current volume of trade. Russia and India too have declared a bilateral trade target of $20 bn to be achieved by 2015.
is driven by the objective of expanding markets for its own companies.

There is a need for civil society in middle and low-income countries to build similar partnerships with their private sector and ensure that governments legislate in favour of small and medium enterprises – with a focus on ensuring that the opportunities created by new trade agreements are available to traditionally disadvantaged communities.

2.4.1.3 Agriculture and Food Security

BRICS leaders have stated agriculture and food security as an area of importance since the first Summit in 2009. In keeping with the focus on the global food crisis in the same year, BRICS leaders signed a Joint Ministerial Statement on Global Food Security at the Summit held in Yekaterinburg, Russia. BRICS Agriculture Ministers agreed to co-operate towards a co-ordinated agricultural information system and a shared strategy to ensure food security for the most vulnerable populations.

In 2011, BRICS leaders identified ‘excessive volatility in commodity prices’ for food and energy as the key threat to global food security and the recovery of the world economy. They called for global measures to increase production capacity, support developing countries with funding and technology and ensure greater regulation of the derivatives market for commodities to reduce distortion of physical markets for food and energy – including the application the Supervisory Principles set out by the International Organization of Securities Commission.\(^\text{18}\)

Towards the above objectives, Brazil and India have taken specific measures to regulate trading in derivatives by law. India has also made it mandatory for commodity exchanges to audit its members at least once every three years. South Africa, on the other hand, has stressed on the need to remove non-tariff barriers that would enable greater access for African agricultural products in international markets. In a similar direction, Brazil has partnered with the Bill & Melinda Gates Foundation to launch a programme that aims to support small farmers towards enhanced agricultural productivity in Sub-Saharan Africa and South Asia. This includes projects to improve soil and water management, reduction of crop loss and enhancement of productivity and nutrition in staple crops.

India’s proposed adoption of the National Food Security Bill, 2011 is also reported as a significant step that will ensure the allocation of subsidized food to more than 60 per cent of its population. Russia has on the other hand committed to allocate half a million dollars for the working of a High Level Panel of Experts on Food Security and Nutrition to the UN FAO (Food and Agriculture Organization), while China has stated that it planned to contribute $70 m worth of emergency grain aid to Africa in this period.

In pursuing commitments related to agriculture and food security by the BRICS, activists are keen to see how this connects with existing initiatives and paves the way for stronger leadership by BRICS countries at the regional level. India, for instance, is already party to commitments on food security made by SAARC, and the creation of a regional Food Bank. There is a call for India to follow the example of South Africa for instance, which is seen to be playing a more proactive role in supporting the food security initiatives in the

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\(^{18}\) The International Organization of Securities Commissions (IOSCO) has members from over 100 different countries, which regulate more than 90 per cent of the world’s securities markets. The organisation’s role is to assist its members to promote high standards of regulation and act as a forum for national regulators to co-operate with each other and other international organisations. In 1998, IOSCO issued its Objectives and Principles of Securities Regulation, a set of 30 principles governing the supervision of securities trading, also known as the IOSCO Principles.
African context. At a broader level, the role that BRICS takes in promoting an agenda of trade, investments and transfer of technology in agriculture and food security that is goes beyond their own self interest and works for the G77 is also a concern.

Others agree that the BRICS agenda provides an opportunity to link the experiences and strategies of international farmers’ and land movements – particularly given the experiences of Brazil, South Africa and India. The interests of small farmers – including women engaged in agriculture – is critical to any engagement that may be led by civil society and requires, as some mention, a long term exchange between farmers, trade unions and research institutions.

2.4.1.4 Climate Change

The 2011 Summit at Sanya saw BRICS leaders voicing their support to the outcomes of the UN Climate Change Conference at Cancun (Mexico, 2010). Brazil and South Africa put in place national plans for climate adaptation and response in 2011. The Brazilian government has also allocated approximately BRL230 m ($126.5 m) towards a National Fund on Climate Change aimed at adaptation and reduction of emissions, and has also announced an investment of BRL427,000 ($235,000) for reforestation. India – which had put in place a National Action Plan on Climate Change in 2008 – has since committed to invest in renewable energy development programs as a means to achieve low-carbon growth in the coming decade. Russia, which is the only BRICS country to be listed under Annex I Parties (pertaining to developed countries) of the United Nations Framework Convention on Climate Change (UNFCCC), has announced a contribution of $300,000 annually to the UN Forum on Forests Trust Fund.

China’s progress on this agenda however has been modest. It has reported the launch of a pilot greenhouse gas emission rights trading scheme in seven provinces to encourage carbon emission reductions. It was however part of a meeting of environmental leaders from the BASIC group of countries held in February 2012 – ahead of the BRICS Summit in New Delhi this year. The BASIC countries met to work out a common strategy on the ‘new climate change regime’ proposed at the 17th Conference of Parties held at Mexico in 2011.

Although the focus on climate change is not explicit, it may be relevant for civil society groups in the BRICS countries to start connecting the dots on this agenda. An Indian campaigner involved with advocacy on this issue at national and global levels points out that there has been a limited dialogue on climate change efforts across the BRICS countries. ‘There is a need to understand government positions and priorities – what for instance is the plan for low carbon development across these countries?’ she suggests. ‘I fear that on the contrary we may see large-scale solar and windmill projects replacing dams as the new justification for land grabs and displacement of indigenous communities.’

Civil society from countries like India, Brazil and South Africa have been active in these forums but the lines of engagement – in a reflection of where leadership for global campaigns is currently located – are drawn more heavily towards counterparts in the North than with civil society from LDCs or middle income countries. There is a space for stronger coordination between social movements and organisations that are fighting the battle for climate change on the side of local communities. Across Brazil and India, for instance, there is strong evidence of policies and practices that emphasise the role of communities as custodians of forests and natural resources. India’s Forest Rights Act, 2006 for instance provides legal recognition to forest dwelling communities for the first time in India’s history and provides a framework to make conservation efforts more accountable to local communities. Finding ways to build synergy around
such initiatives across BRICS countries would be particularly relevant in the context of the disproportionate effects of climate change on marginalised communities.

On the other hand, this could also be a difficult subject for engagement. Both China and India have been labelled as ‘blockers’ in global negotiations on climate change and are fiercely protective of their ‘right to development’. Issues of climate and energy therefore need to be studied carefully and linked to recommendations on emissions, investments and responsible policies on the extraction of natural resources. Tracking the role of the private sector in energy related projects is particularly crucial to this effort. Currently information around the extent and impact of BRICS related corporate activities in other regions are limited and several contributors suggested that the time was ripe for an independent effort to monitor and track private investments in agriculture and extractive industries through the collection of ground level information in Africa, Eastern Europe and Latin America.

‘Given the multiple crises around food, energy and finance, we need to think of the progressive role that the BRICS can play in their own countries and in relation to others,’ says another contributor. ‘Despite the contentious nature of this agenda, it is important to outline the principles that could be implemented by BRICS across domestic and international interventions.’

2.4.1.5 Development Co-operation with Africa

BRICS leaders have committed to support infrastructure development and industrialisation in Africa within the framework of the New Partnership for Africa’s Development (NEPAD). This framework was first conceived as the ‘Millennium Africa Recovery Plan’ at the World Economic Forum (Davos) in 2001 and was subsequently renamed and ratified by the African Union in 2002. NEPAD has since been consistently on the agenda of the G8, including most recently at the Deauville Summit in 2011 where G8 leaders reaffirmed their support the projects agreed in the NEPAD Action Plan.

BRICS’ engagement with NEPAD involves support to the development of its priority infrastructure sectors – namely transportation, water, energy and ICT (information and communication technology) – and strengthening its domestic private sector in areas related to agro-industry, mining and manufacturing.

All BRICS countries have taken measures to strengthen their engagement with NEPAD’s infrastructure development agenda in this period. China’s contribution to Africa includes a loan of €60 m to the West Africa Development Bank (BOAD) – with an emphasis on supporting private enterprise in agriculture within the West African Economic and Monetary Union zone. A substantial aid package of $95 bn to Tanzania has also been agreed, and is focused on strengthening telecommunications and transportation in the country. It is also reported to have expressed an interest to support the energy and infrastructure sectors in Uganda, including investments in hydropower and oil refinery projects.

India’s collaboration with NEPAD is focused on energy, transportation and industrial development. It has extended a loan of $100 m for a Power Transmission Project in Mali and credits of $80 m and $168 m respectively for hydroelectric projects in Burundi and the Democratic Republic of Congo (DRC). It has also announced a loan of $300 m to finance the construction of a railway line linking Ethiopia and Djibouti, and signed an agreement to finance four projects, including one aimed at the revival of the textile industry, in Chad.

19 Approximately $78 m
South Africa has among other initiatives announced that R4.5 trillion\(^{20}\) in consolidated resources would be set aside for key infrastructure projects that would strengthen its role as a regional hub for Sub-Saharan Africa. Russia on the other hand has been encouraging economic investment in Africa through a series of exchanges, including a Russian-African business forum held in Ethiopia in December 2011 and meetings of the Coordinating Committee on Economic Co-operation with Sub-Saharan Africa. In addition to NEPAD’s priority areas, the government has also offered to share technology in military, geological exploration and energy sectors.

Not surprisingly, reactions to the BRICS’ development agenda in Africa are rooted in the struggles against violence, dispossession and displacement that have been an all-too familiar theme of large infrastructure and development within the BRICS countries. BRICS-led aid and investment activities are expected to have a significant bearing on the issues such as the exploitation of natural resources, land grabs, agriculture and food security – not just in Africa but also in Latin America, Asia and Eastern Europe where members have economic and political interests.

‘Infrastructure development is where the current conflicts around natural resources are currently playing out,’ says a researcher from India who monitors the impact of projects funded by international and regional financial institutions. ‘The worry is that none of the BRICS countries have domestic guidelines or policies to control violations and safeguard the rights of indigenous communities.’ The 1998 UN Guiding Principles on Internal Displacement, for instance, are not legally binding and The Land Acquisition, Rehabilitation and Resettlement Bill, 2011 – India’s first central legislation for the rehabilitation and resettlement of families affected by land acquisitions – is still under considerable debate, with human rights groups even calling for its rejection on account of loopholes in its operational framework.

Experiences with aided infrastructure projects in developing countries, for instance, have shown that such cooperation not only involve the transfer of resources or technology, but also an expectation that the recipient country will reciprocate with measures – such as through policy changes or sector specific reforms – that may will benefit the economic or political interest of the donor country. Human rights and environmental concerns are likely to take a backseat given the stakes involved.

The need for an inter-regional monitoring initiative that tracks information about BRICS development projects and collects ground level information on the processes and procedures being followed in the proposed projects is seen as critical. ‘Seventy-two countries in the world require parliament to approve infrastructure loans. India is not party to this procedure – and I doubt other BRICS countries endorse this either,’ says the above-mentioned contributor. There is a need to ensure that Development Banks in BRICS countries and the proposed BRICS bank play a responsible role by adopting social and environmental safeguard procedures within and outside their countries.

Civil society is urged to play an active role in ensuring that details of development projects and cooperation agreements are made known for public and political scrutiny at an early stage. Across Brazil and India, for instance, there is a strong history of movement building and advocacy in relation to the social and ecological impact of large infrastructure projects. Efforts to link strategies and lessons are limited even between countries like Brazil, South Africa and India; and virtually non-existent in the context of engagements with civil society actors in China and Russia.

\(^{20}\) Approximately $518 bn
And yet while there may be scope to negotiate transparency and safeguard mechanisms with the government, the possibilities for monitoring and regulation in relation private sector led projects and acquisitions may prove to be the bigger challenge for activists in BRICS countries. ‘Even within government there is no mechanism at this point to track investments led by the private sector in Africa,’ says a senior journalist from India. Activists who have been working on the WTO process concur. In countries like India, plans for international engagement are not backed by the strategy, resources and capacities required to manage this function systematically. Civil society in the BRICS countries is therefore challenged not only to build a broader vision of rights and accountability around the international roles of their government and private sector, but also find innovative ways in which to establish information and analysis on these issues.

2.4.2 Cross-cutting Development Concerns

2.4.2.1 Development Financing

Development assistance from BRICS countries represents a combination of grants and loans extended alongside trade and investment arrangements. BRICS-led development assistance is organised around the idea of South-South cooperation and inhere the notion of an equal economic partnership that is not attached to any political conditions or interference in internal governance affairs.\(^{21}\) Development financing from BRICS has focused on infrastructure and production rather than poverty reduction, with financing mainly being organised bilaterally, with a general emphasis on intra-regional ties and investments in Africa. The World Bank estimates that BRICS-led development financing stood at $3.9 bn in 2009, which accounts for only 3 per cent of the worldwide ODA (Official Development Assistance). Within this, China accounts for 50 per cent of all aid flows, followed by India. BRICS aid has grown at an average of 16 per cent each year, while loan disbursements to sub-Saharan Africa have grown at an exponential annual rate of 60 per cent across the last decade and was valued at over $6 bn in 2010.

Attention to the role of BRICS – and other middle-income donors – has however been overdue on the global stage. The Paris Declaration, which was adopted at the 2\(^{nd}\) High Level Forum on Aid Effectiveness (2005), is increasingly being seen as an outdated agreement that caters mainly to the needs of the traditional donors from industrialised countries. While the Accra Agenda of Action (2009) reflected a greater recognition of the new donors, it was at the 4\(^{th}\) High Level Form on Aid Effectiveness (Busan, South Korea, 2011) that differences between the OECD\(^{22}\) and BRICS / middle income countries with regard to principles and modalities of global aid architecture were brought into focus. The two sides eventually agreed to set up a global mechanism to improve the effectiveness of aid flows, with countries like India and Brazil leaning towards stronger engagement with the UN led initiatives – the Development Co-operation Forum (DCF) of the Economic and Social Council (ECOSOC) and the UNCTAD.

The Busan Outcome Document is being seen as an important departure from the Monterrey Consensus, Paris Declaration and Accra Agenda of Action and the end of the traditional OECD dominance in development financing. Brazil, India, China and South Africa are part of the Busan Partnership Interim Group that is responsible to guide the process for designing a ‘Global Partnership’ that will reflect the new realities of


\(^{22}\) The OECD (Organisation for Economic Co-operation and Development) is an international economic organisation of 34 countries founded in 1961 to stimulate economic progress and world trade.
the global aid architecture. BRICS sub-coalitions such as IBSA and BASIC are seen as key actors in defining the new principles and mechanisms of aid, including through the means of a trilateral South-South-North co-operation. In the meantime, the Busan principles, commitments and actions are an agreed reference for South-South co-operation on a voluntary basis, while continuing to be binding on instances of North-South co-operation.

**BOX 2: LAUNCH OF THE ‘DEVELOPMENT PARTNERSHIP ADMINISTRATION’ (DPA) IN INDIA**

In September 2012, India finally unveiled its official development assistance agency called the Development Partnership Administration (DPA). The agency has been set up under the Economic Relations Division of the Ministry of External Affairs (MEA) and is expected to consolidate and streamline all aspects of outgoing aid. The agency is also expected to co-ordinate activities related to trade and investment, technology transfer, financing through credit and capacity building (technical and economic cooperation). The idea for an Indian aid agency was first mooted in 2003, at which time the then Finance Minister Jaswant Singh had announced the government’s intent to create a mechanism for ‘Indian Development Assistance’ (IDA). This proposal was taken up again in 2007, when P Chidambaram announced the setting up of an ‘India International Development Co-operation Agency’ (IIDCA). The component of overseas aid been traditionally downplayed in India’s foreign policy and the creation of the DPA is seen as an indication of a new phase in country’s international policy and relations.

Most actors have welcomed the setting up of such an agency in the hope that it will help bolster the capacities and resources needed for the management of overseas aid from India, and also push the government to articulate its development co-operation agenda in a more transparent manner. Among the BRICS countries, China has released a white paper on its aid policy, while Brazil publishes an annual report of its aid initiatives. South Africa too has recently put in place an office for the formulation and dissemination of details around its development partnerships.

**2.4.2.2 Taxation and Financial Regulation**

In connection with the BRICS focus on trade and the reform of international financial systems, there is an understanding that issues related to taxation and the regulation of banking and financial sectors are in the natural interest of member countries. The lack of transparency in global financial systems is an issue that the BRICS could provide leadership for and civil society could accordingly work to encourage stronger action in areas such as the functioning of tax havens and loss of revenue through transfer pricing.  

Experts argue that measures to increase tax revenue collections for instance could benefit middle and low-income countries by increasing revenues for social and economic development. China introduced stringent anti-avoidance measures in 2009, and even a country like UK adopted retrospective amendments this year to plug tax loopholes. Despite the protests against the indirect and retrospective taxation in

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23. Transfer pricing is the mechanism for allocating income through various subsidiaries around the world. Although it relies on the assumption that two subsidiaries of the same company can bargain with each other and strike a price that’s equivalent to a transaction between two unrelated companies in the real world. This practice has been heavily criticised as it allows corporate bodies to reduce tax by significantly undervaluing the ‘internal’ exchange of goods and services. Tax havens on the other hand refer to the practice used by global companies to park their profits in countries such as Cayman Islands, Ireland and Switzerland, which have lower or minimal income tax laws thereby enabling companies to maximise their profits from operations conducted elsewhere.
evidence from other countries indicates that the implementation of General Anti-Avoidance Tax Rules (GAAR) is on par with international practice with countries such as Canada, Australia and South Africa already having similar measures in place.25 Ensuring automatic exchange of information on taxation is another potential cause for advocacy in support of the BRICS, and includes lobbying European governments for access to information on tax evaders as well as challenging the issue of beneficial ownership. Global activists however point out that the BRICS countries have not been supportive of measures such as the introduction of Financial Transaction Tax so far. South Africa, Russia and India for instance have remained non-committal and concerned about its impact on their domestic banking industry – despite having a track record of introducing surcharges such as the Education Cess in India.

2.4.2.3 Poverty and Inequality

Activists and researchers engaged with the issues of vulnerability and social exclusion agree that poverty and inequality are crosscutting issues across BRICS countries. ‘In countries like Brazil, India and South Africa, there is a strong experience of inequality that is multi-layered and structural,’ says a Dalit activist and leader from India. ‘It combines cultural, economic and political aspects of discrimination and most global efforts on poverty fail to understand or address this complexity.’

While addressing poverty and inequality is not yet an explicit agenda, there is an understanding that BRICS countries have an unavoidable responsibility towards these issues by virtue of their shared developmental challenges. While China and India have been credited with powering the recent MDG success of reducing the number of the world’s poor by half, it is also true that India continues to host one-third of the world’s poor and has also reported an increase in the absolute numbers of poverty over the last two decades. On the other hand, Brazil and China have seen a significant drop in the extent of absolute poverty, while Russia has been able to virtually eradicate absolute poverty in the same period.26

BRICS countries are also challenged by high levels of inequality. Disparities in income are highest in Brazil and South Africa, and have grown in all other BRICS countries over the last two decades. An OECD study on inequality in emerging economies identifies a large, informal labour force, spatial divides (urban-rural), gaps in education and barriers for women’s advancement as key factors that contribute to inequality.

Activists working on labour rights point out that agenda of inequality needs to be unpacked in the context of the disparate wages, unregulated working conditions as well as restrictions on negotiation and other forms of economic democracy for the large majority of the working poor in these countries. The BRICS focus on manufacturing and extractive industries calls for greater co-ordination across civil society to ensure that minimum wages, occupational safety and social security benefits are applicable both domestically and in relation to its international initiatives.

24 In January 2012, the Supreme Court of India dismissed an income tax claim of $2.2 bn that had been applied in 2010 to the transfer of assets from Hong Kong based Hutchison to the UK based Vodafone in 2007. In response, the government effected an amendment in the Income Tax Act of 1962 – subsequently known as the The Finance Act, 2012 – which now legally permits the taxation of indirect transfers, i.e. transfers taking place between non-residents in relation to capital assets situated in India to permit taxation with retrospective effect. This amendment is being used to validate the retrospective claim on Vodafone and also ensure greater vigilance on other offshore transactions.


Groups like the Mine Labour Protection Campaign (MLPC) in India, for instance, are part of a collaborative effort to develop legal safeguards for the rights of communities in relation to mining activities. The Mines and Minerals (Development and Regulation) Bill, 2011 is based on guidelines published by the European Union and the hope is that India will ensure that this mechanism will not only be applicable domestically but also in relation to activities related to mining carried out in other countries.

Despite these challenges, there are also important lessons and approaches to poverty and development that could be consolidated and used to reinforce alternatives at the global level. Brazil for instance has been leading by example on alternative approaches to community participation in governance, while South Africa has a strong policy framework in relation equity and justice.

A study by the Global Health Strategy Initiatives shares new information on the leadership being provided by BRICS countries in achieving universal health goals. According to this report, not only are BRICS countries providing aid to poorer countries at a rate that is ten times faster than the G8 countries, they are also making a significant contribution to the technology and expertise available to deal with health challenges by sharing domestic innovations and experiences. India is the world’s largest producer of low-cost generic medicines, while South Africa and Brazil have made important contributions to HIV prevention and treatment, which includes an emphasis on creating equitable health systems. China, on the other hand, has focused on providing aid to specific health initiatives in Africa and to the development of new health technologies – including technology for low-cost reproductive health, while Russia has been actively engaged in initiatives such as The Global Fund and GAVI Alliance.

‘The BRICS countries may not have been major influencers in the first round of the MDGs,’ concludes one respondent, ‘but with respect to their growing influence and obvious relevance to issues of poverty and relevant they need to certainly play a stronger role in shaping the second phase of the global development goals.’
'As the BRICS seek to advance in their attempts to strengthen co-operation and jointly influence global affairs, they would be well-advised to forget Jim O’Neill. While acknowledging the British economist’s key role in the conception of the BRICs is important, policy makers in Brasília, New Delhi, Moscow, Beijing and Pretoria are now moving on and beginning to develop ideas that are far removed from anything O’Neill ever had in mind when he coined the term.’

– Oliver Stuenkel, Professor of International Relations, Getulio Vargas Foundation, São Paulo, Brazil

‘This is potentially the moment we will look back at in ten years’ time and say this was the time when the emerging economies took over to become a major influence on the international process.’

– Lasse Gustavsson, WWF to the Financial Times ahead of the UN Conference on Sustainable Development (Rio+20), June 2012
3.1 RECOMMENDED STRATEGIES

The coming together of BRICS is seen as a timely impetus for civil society actors in these countries in making a greater effort at collaborating on a strategic and sustained basis – particularly since the experience so far has been otherwise. Several factors that have prevented civil society in BRICS countries from playing a larger international role were pointed out in the course of this study. Moving forward, actions that could be undertaken to ensure that the potential for advocacy across BRICS countries is harnessed would include:

3.1.1 Linking National and Global Processes

Countries like China and India have traditionally been more inward looking in their policy emphasis. Unlike America or the richer European nations that have invested significantly in systems and capacities that guide their international interests, global engagements have not reflected a long-term strategy and tend to be ad hoc in nature. Civil society interventions have accordingly focused on domestic advocacy and mobilisation efforts, with some notable exceptions such as the roles played in relation to the WTO negotiations and the movement against large dams.

‘For most part, there has been a disconnect with global and regional decision-making processes as these are not seen to have any direct bearing on internal policy priorities,’ says a respondent who leads the India chapter of a European research organisation. ‘There is no real tradition of international equity except when local communities are direct victims.’ The practice of speaking on behalf of a constituency in another country is uncommon – and a skill that needs to be learnt in the context of the new roles that are being played by the BRICS countries.

3.1.2 Identifying Opportunities for Action

Activists from Brazil and South Africa share that making the shift from an exclusive focus on national priorities to a broader engagement with relevant regional and global policies and forums can be achieved through co-ordinated effort. The role of the IBSA formation for instance has encouraged groups like Connectas and CIVICUS to think about stronger domestic mechanisms for accountability on international policy and investments on one hand, and inspired efforts to share information and strategies across member countries on the other.

The South African Forum for International Solidarity (SAFIS) for instance began by organising a series of public debates and press conferences on South Africa’s foreign policy. The group challenged itself to articulate civil society positions on actions needed in relation to Libya and Swaziland, which were difficult issues for public and political engagement at the time. Across the past year, this forum has organised a series of critical discussions, including a review of the South African government’s white paper on foreign migrants.

There has also been an attempt to connect this effort with counterparts in Brazil and India, and there is hope that there will be space for co-ordinated civil society action at the IBSA Summit that will be held in New Delhi, India in 2013. A shared history of democracy is credited as the factor that brings agencies from the three countries together. There is concern that this dynamic will not work in the context of BRICS where the presence of Russia and China is seen as a deterrent to any conversation on human rights and democracy difficult.
3.1.3 Creating Institutional Mechanisms for Engagement

Creating formal spaces for dialogue and engagement is high priority for civil society action and suggest that it would be unproductive to have a research or advocacy effort that is operational only on the sidelines. The challenge however may be that unlike IBSA, the BRICS process is seen to be shrouded in secrecy and there is a sense that government and businesses are driving the agenda behind closed doors. Civil society actors across the board are keen to ensure that information on policies and projects are available and stronger mechanisms for civil society and public engagement are put in place.

A first step forward would be to systematically track information and events related to the BRICS. For instance, a ‘BRICS Watch’ type initiative that brings together the domestic and international dimensions of major issues and also designs opportunities for greater dialogue and sharing between BRICS countries key regions like Africa may be explored. This however would require dedicated energy and cooperation across a wide range of actors within and outside BRICS member states. The expectation is for agencies that have experience with collective advocacy processes to take the lead in developing a mechanism that minimises duplication of efforts and maximises the collective strengths and resources that are available.

The Brazilian Committee on Foreign Policy and Human Rights for instance has been enabling a similar effort. Initially, establishing processes for engagement was a significant challenge as there was no prior tradition of transparency or dialogue on foreign policy in the country. The Committee began its interventions by reviewing Brazil’s role on the Human Rights Council and has now expanded its scope to looking more broadly at the relationship between Brazil’s foreign policy and human rights. The Committee has established some channels of formal engagement, including annual Public Hearings organised within Congress each year. This year the Public Hearing focuses on the law enabling access to information and how this may be applied to international interventions as well. In the context of BRICS, ‘Businesses and Human Rights’ is being seen as a crucial topic for engagement. ‘Brazil is proud of its role as a donor and wants to do things differently,’ says an activist involved with this effort, ‘but in order to do this we must make sure that businesses that operate within the country apply the same norms and standards to their operations outside.’

3.1.4 Learning from International Advocacy Efforts

In addition to creating new mechanisms for engagement, there is an onus on civil society to find more strategic ways to engage. Local organisations are already pre-occupied with internal development challenges and there is a sense that advocacy strategies that focus merely on BRICS related summits and meetings would not achieve the desired traction. Advocacy efforts must instead aim to mobilise a broad spectrum of actors – ranging from community leaders, grassroots movements, researchers, advocacy organisations and even friends from the private sector and political circles – with the objective of influencing both national and global decision-making systems on an ongoing basis. ‘What we are missing right now is a strong southern-led global initiative, similar to the campaigns we saw around debt, trade and aid in the last decade,’ reminisces an activist from a pan-European platform.

Quoting lessons from the G8 and WTO campaigns, others suggest that locating issues for collaboration could be as important as playing the critical, watchdog role if one wants to ensure strategic impact. In India, for instance, civil society organisations have worked closely with government negotiators to provide information and support positions that reflected interests of other countries in the developing world. The need to encourage BRICS countries to play stronger regional leadership roles is also brought up in this context. While tracking commitments made by BRICS, it is important to also reference mechanisms and
agreements that are in force at the regional level. On the issue of food security therefore, it would be important to link the announcements that India makes in a forum like BRICS or G20 with commitments that already existing in relation to SAARC, such as the South Asian Food Bank. It is important for civil society to ensure that a BRICS member country is not only representing its own immediate interests, but also reflecting the priorities and actions that have been adopted through regional instruments.

With BRICS in the picture – and their disdain for mechanisms that are perceived to work in favor of western powers, there is new terrain to be charted. Examples of the Copenhagen (2009) and Busan Summits (2012) are quoted as instances of civil society being unprepared to gauge and respond to the priorities of the BRICS and other middle-income countries. Activists working with human rights law and instruments suggest that there is a need to map the levers of influence across BRICS and other middle-income countries. In order to be effective we must work towards a deeper insight into the channels of engagement and influences are with respect to governments in these countries – is it the media, the think tanks, the judiciary or the political system? Civil society needs to take the long-term view and think about what kind of policies and mechanisms need to be adopted to ensure that at the end of the day there is compliance with the standards and principles of the international human rights framework.

3.1.5 Engaging Critical Constituencies

‘Building substantive engagement on a relatively new agenda will not be an overnight process,’ summarises the head of a national advocacy organisation in India. ‘If we start now and prioritize the outcomes we want to achieve, we can build the capacity and information required to intervene effectively over a period of three to five years.’

Activists who have been involved with the G8–related advocacy efforts reinforce this suggestion. An example is made of the small beginnings of the aid related accountability campaigns in Europe for instance, and the fact that the body of guidelines and monitoring mechanisms adopted by the EU have been the result of continued and co-ordinated efforts by civil society organisations in the region.

‘It is important to remember that we do not need the entire population of a country to back this issue,’ says one activist. ‘In the beginning, it makes sense to aim for a small but significant engagement across groups who have an interest in this issue and can make a difference.’

In this context, several contributors have highlighted the role of young people in creating a critical mass for action. There is a stronger engagement with international issues among youth. These are people whose perception of the world is shaped by stronger access to information and greater opportunities for mobility and exchange than before. It may be useful to think of strategies for public support and engagements that make young people aware of the similarities they share with people in other parts of the world, and enable them to focus on the opportunity to build mutual solutions and alternatives.

Ensuring the leadership of organisations that are led by traditionally excluded groups is also a priority. Several contributors emphasised the importance of ensuring that communities experiencing poverty and inequality are also engaged in the dialogue and the actions that emerge from these discussions. Examples of how this has worked for advocacy efforts in relation to the World Bank, for instance, are shared as an example of how social movements and think tank organisations can work hand in hand to ensure a strategic intervention.

‘It is important for us to ensure that we are adding value to the BRICS agenda through the integration of community perspectives as well as principles of equity and social justice,’ suggests a feminist researcher.
and activist from India. Initiatives focused on business expansion and infrastructure development for instance, there is a need to ensure that women and other traditional marginalised groups have access to information and are able to contribute their priorities to the process of planning and implementation.

**3.2 NEXT STEPS**

In the few months since the New Delhi Summit, there has been a marked downslide in the way BRICS has been perceived in the global media. Despite a stellar performance at the Rio+20 Summit (June 2012) – where the G8 powers were noticeably absent – the forecast around the economic fortunes and political influence of this club of five has not been encouraging. Reports range from lower rates of growth in India and China to the growing importance of countries such as Mexico, Indonesia, South Korea, Nigeria and Turkey.

In this context, future engagement with the BRICS agenda must be seen in the broader context of realigning global and national advocacy strategies to reflect the growing influence of middle income countries; while also being cognisant of a new language of assertion that is visible particularly among governance institutions in Africa. Opportunities for influence in the next few years include:

**3.2.1 Investing in a BRICS + Advocacy Network**

Despite recognition for the growing power of emerging economies, an investment in building stronger capacities for globally relevant advocacy and engagement at the national level, even with the small circle of BRICS countries, remains woefully limited. In the context of India for instance, dedicated capacity to track the country’s international commitments and positions is limited to a single person or less, even within some of the better resourced organisations.

There is certainly need at this stage to bring together civil society leaders across the emerging powers (and diverse initiatives) to create a blueprint for intervention with regard developing a closer connect between national and global policy priorities. The scope of work in this context needs to be focused on a proactive agenda and the generation of creative approaches to advocacy and knowledge generation – which ensures that civil society from the new powers are adding value to the global discourse in substantive ways.

**3.2.2 Defining Policy Objectives that the BRICS can lead / be challenged towards**

Despite the ambiguities around the BRICS engagement processes, civil society may be well served by identifying a few (one to three) top policy objectives that are reinforced by the positions of the BRICS. The agenda of financial and taxation reforms for instance is an agenda that is calling out for greater attention and strategy, but BRICS related civil society efforts on this issue have not been mainstreamed.

The reverse strategy would be to identify issues that the BRICS can be challenged to respond to and be made accountable for. The agenda of conflicts around land and natural resources lends itself very well to a strategic effort that has implications within and across countries.

**3.2.3 Ensuring Institutional Mechanisms for Civil Society Engagement with BRICS**

The upcoming BRICS Summit in South Africa is also an opportune time to call for a formal channel of civil society engagement with the BRICS. Given that South Africa is one of the few countries that have taken steps to institutionalise civil society engagement with the G20, one hopes that there will potentially be space to negotiate for an explicit recognition of civil society dialogue and input into the BRICS process. Care however must be taken to ensure that civil society engagement is not just event based, ie. limited to a meeting held around the Summit – but integral to the ongoing functions and initiatives of the BRICS
The ‘Cities Initiative’ of the BRICS for instance should involve not just government functionaries but also civil society representatives to advise the BRICS on challenges of urbanisation from the perspective of women and informal workers.

3.2.4 Mobilising Energies around Events where BRICS can make a difference

We didn’t see it coming before the Copenhagen Climate Summit in 2009, and we missed the bus again at the Rio+20 Summit, 2012. The potential of the BRICS countries to work together as a lobby at key global negotiations is a phenomenon we are aware of but have no idea how to negotiate. The lack of decentralised coordination mechanisms within civil society – coupled with a non-transparent policy environment in the BRICS countries – have contributed to a limited capacity to predict, much less prepare for, the ‘swings’ in decision-making process and positions at the international level.

In the year ahead, it would be advisable to identify a few key policy events that could serve as a launch pad for BRICS focused advocacy engagement. The year 2013 actually offers several high profile advocacy moments in this regard, including:

- **The 18th Conference of Parties (COP 18)** to the UN Framework Convention on Climate Change (UNFCCC) and the 8th Meeting of Parties on the Kyoto Protocol will be held from November 26 to 7 December 2012 in Doha, Qatar. In September, the five BASIC countries met to define a common position towards COP 18, which includes a commitment to the formal adoption of the second commitment period of the Kyoto Protocol as well as an emphasis on the responsibilities of Annex I Parties (developed countries and economies in transition).

- **The fifth BRICS Summit**, which is to be hosted by South Africa across 23–25 March 2013 and is focused on infrastructure growth and industrialisation in Africa. This provides a perfect opportunity to reinforce the positive aspects of the BRICS agenda – increased trade, unconditional aid flows, stronger financial regulation and taxation reforms; while mobilising for greater accountability and transparency in relation BRICS-led investments in land and natural resources, particularly in Africa.

- **The sixth IBSA Summit** will be hosted by India in 2013. This could provide the opportunity to engage on issues that the BRICS together may not take up – including addressing issues of poverty, inequality, sustainability and human security – issues which are also central to the post 2015 development agenda;

- **The World Economic Forum and G20 Summit** is where BRICS leaders are striving to make an impact and where the agenda of financial and taxation reforms could be emphasised and a BRICS related strategy developed in sync with global advocacy efforts. Russia is due to host the next G20 Summit in 2013.

- **The UN General Assembly in September 2013** will include an MDG Review Summit that is expected to indicate directions and possibilities for the post 2015 Development Agenda. This is possibly the most significant policy event of the year – and one that desperately needs greater co-ordination across BRICS and other emerging powers to help forge stronger political and financial commitments.

- **The follow up to the 4th High Level Forum on Aid Effectiveness** (Busan, 2011) includes an agreement to develop a Global Partnership that would outline the working arrangements for the Busan Partnership for Effective Development Cooperation. The Busan Partnership represents a turning point in international development co-operation by establishing an agreed framework for development co-operation that embraces traditional donors, South-South co-operating partners, the BRICs, civil society organisations (CSOs) and private funders.
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