



## BRICS helps forge new paradigm for world in crisis

By Rachel Douglas

10 Nov.—Many people have their eyes fixed on the outcome of the American Presidential election, but fewer are aware of the range of initiatives coming from other major powers amid the pandemic and the international crises it has aggravated. Of special importance are ones made by groups of such nations, acting through multilateral organisations such as BRICS—the group initially formed by Russia, India and China in the 2000s, formalised as BRIC with the addition of Brazil in 2009, and becoming BRICS when South Africa joined in 2010. BRICS now represents 41 per cent of the world population.

Long-time readers of the AAS will recall that in 2014 the Citizens Electoral Council (CEC, now Australian Citizens Party) issued a pamphlet titled *Establish a New, Just World Economic Order!* In a section called “BRICS Initiatives 2014—Fulcrum for Planetary Development”, it reported that the BRICS summit held that July in Fortaleza, Brazil had been “the occasion for announcing a battery of infrastructure projects and new credit measures, which constitute a fulcrum for lifting the entire planet onto a new trajectory of development.” Among the commitments stated in the Fortaleza Declaration were the creation of new BRICS institutions, each initially sized at US\$100 billion: the New Development Bank (NDB) for financing investment and a Contingent Reserve Arrangement (CRA) for mutual support of BRICS members’ national currencies. These would promote, according to the Declaration, “an international financial architecture that is more conducive to overcoming development challenges”.

The CEC followed up by organising the international conference “The World Land-Bridge: Peace on Earth, Good Will towards All Men” in Melbourne in March 2015. Several speakers reported on “The Power of the BRICS Process”, as viewed from Russia, South Africa, South America, Egypt, and elsewhere. In July 2015 CEC leader Craig Isherwood was the only speaker from a non-BRICS country, at the inaugural conference of the BRICS Civil Forum, held in Moscow.

The proceedings of the March event were published in pamphlet form. These two pamphlets from 2014-15 are available as free PDF downloads or for purchase in printed form on the ACP’s website: [citizensparty.org.au/publications](http://citizensparty.org.au/publications). The documentation of the BRICS process they contain is well worth studying, because the agenda outlined at Fortaleza and discussed in depth at our own conference remains the alternative to the plans of central bankers and global financial institutions to engineer infinite bailouts of the bankrupt world financial system, which—now under the banner of supposed solutions to climate-change problems—would plunge the world into a dark age of deindustrialisation, famine, mass deaths from disease, strife and wars, even beyond the immediate crisis of the COVID-19 pandemic.

### Bumps in the road

Russia is the presiding country within BRICS this year, but COVID-19 made a full schedule of in-person meetings impossible. The BRICS summit, originally scheduled for May 2020 in St. Petersburg, has been changed to a virtual summit on 17 November, just before the Group of 20 summit is hosted by Saudi Arabia on 21-22 November. All five BRICS nations are members of the G20, which brings together the world’s

largest economies, including Australia.

In recent months, Russia has organised and chaired 60 virtual BRICS meetings, including consultations of BRICS foreign ministers, finance ministers, industry ministers and parliamentarians, as well as the BRICS Civil Forum, BRICS Business Forum, and BRICS Academic Forum, and other subcommittees.

The pandemic, of course, has not spared the BRICS members from its crushing impact. Economists reported at the 22-24 October BRICS Academic Forum, that this year’s drop in GDP for most BRICS countries will be between 4 and 10 per cent, with only China managing 2 per cent growth.

Other obstacles to full-speed-ahead BRICS cooperation have arisen. Political changes and turmoil in South Africa and Brazil have made it harder for those countries to help push BRICS cooperation ahead. Even among the originating three powers, bilateral tensions surged this year between China and India over their age-old border dispute. And trans-Atlantic strategists wedded to geopolitical games are working to pull India into the “Quad” of Australia-Japan-India-USA, postured against China.<sup>1</sup>

Nonetheless, BRICS had made significant progress before the pandemic, and has tremendous potential for leading a recovery centred on real economic development. The NDB and CRA, planned at Fortaleza, are up and running.

Besides the CRA for mutual aid in short-term liquidity crises, BRICS members have also taken measures to boost the volume of trade settlements conducted in national currencies, rather than the US dollar. Russia and China have taken the lead in moving from talk to action on denominating trade in national currencies, slashing the share of dollar-denominated transactions in their bilateral trade to below 50 per cent in the first quarter of this year (the level was 90 per cent in 2015), and using national currencies for 24 per cent of them. Dmitri Simes, a Washington-based Russian émigré analyst, reported in August in *Nikkei Asian Review*, that Russian Academy of Sciences expert Alexei Maslov had said such “de-dollarisation” of Russia-China trade was nearing a breakthrough.

An immediate motive for shifting out of the dollar is self-protection against financial warfare, since the USA has increasingly hit both countries with sanctions and other punitive economic measures. Shutting Russia out of the SWIFT international payments system has been raised repeatedly in Washington.

At the 24 August online meeting of BRICS industry ministers, Russia’s Minister Denis Manturov urged boosting non-dollar settlements more broadly within BRICS, as a tool “to increase the stability of our countries’ economies and reduce dependence on US policies”. Manturov also called for greater activation of the NDB’s investment potential.

Reporting at the BRICS Academic Forum on 23 October, economist Prof. Rupa Chanda from the Indian Institute of Management in Bangalore, noted that the NDB has funded 44 projects, worth US\$12.4 billion, to date. The initial NDB leadership steered the bank’s lending in the direction of renewable energy projects, but its infrastructure investment has also included water supply systems in Russia, small cities development in China and Russia, and a container port reconstruction project in South Africa. Its potential is obviously greater than has been realised so far.

1. “Quad’s economic arm joins China pile-on”, AAS, 9 Sept. 2020.

## Productive thinking

The 22-24 October BRICS Academic Forum provided a window onto the dialogue among think tankers from the BRICS countries. Their discussions are not mere academic exercises; the process of discussions among China, India and Russia, which eventually gave rise to BRICS, were initiated by the late Russian Academician Mikhail Titarenko, a China specialist, with his counterparts in the other countries.

In an opening greeting to the Forum, Russian Foreign Minister Sergei Lavrov said the COVID-19 pandemic has demonstrated that major problems must be solved through cooperation. The BRICS Academic Forum, in his view, exemplifies the kind of cooperation that is both necessary, and possible.

Dr Vyacheslav Nikonov, in one of the keynotes to the Forum's plenary session on 22 October, sharply formulated how the pandemic is a tragedy for the world, but also an opportunity to make fundamental, needed changes. On the same day, the major Russian East-West dialogue organisation, the Valdai International Discussion Club, was also meeting, with its topic "The Lessons of the Pandemic and the New Agenda: How to Turn the World Crisis into an Opportunity for the World" and President Vladimir Putin as one of the speakers.

Nikonov is chairman of the Board of the Russian National Committee for BRICS Research, and a member of the State Duma (Parliament) sitting on the Committee on Education and Science. He said about the pandemic, that it must be a time to *think*, about the mission and values of BRICS. He asserted that the most important values promoted by BRICS are sovereignty, economic development, the ability for a country to choose its own development path, commitment to one's own culture and history, and recognition of those of other countries.

What he called the "deglobalisation" process forced by the pandemic has meant drastic shrinkage of international trade and a halt to in-person meetings, Nikonov lamented, but he underscored the flip side of this situation. The pandemic has shown that nation-states still matter. "The Westphalian world is still there", he said, in an allusion to the 17th-century treaties that ended the Thirty-Years War in Europe, on Cardinal Richelieu's principled basis of paying attention to "the benefit of the other side", and not solely one's own. In a 1999 speech delivered in Chicago, just months after the global financial near-meltdown of August-September 1998, Britain's New Labour PM Tony Blair proclaimed the death of the Westphalian system of nation-states and its replacement by a "doctrine of the international community".

Nikonov did not explicitly cite Blair's notorious speech (academic analysts from BRICS countries are well aware of Blair's anti-Westphalian language), but he remarked that the majority of international institutions, particularly economic ones like the International Monetary Fund and the World Trade Organisation, had done nothing effective in the face of the pandemic's devastating impact. BRICS, in his view, is an exception.

The fact that the USA and the European Union countries have been hit very hard by the pandemic—in part, Nikonov noted, because of inadequate "epidemiological services"—he believes has accentuated a shift of power to the East, especially China, and to BRICS. This makes intra-BRICS cooperation more important than ever, because there is "a unique opportunity to catch the Chinese wind" in the sails of other BRICS countries and their partners, for resuming real economic growth.

Nikonov outlined the history of Russian immunological science, going back to Academician I.I. Mechnikov (1845-

1916), who received the Nobel Prize in Physiology or Medicine in 1908, for his work on immunology. Dr Alexander Ginzburg, head of the Gamaleya Federal Research Centre for Epidemiology and Microbiology, which designed the first of three COVID-19 vaccines under development in Russia, is a direct intellectual heir of Mechnikov (and even has custody of Mechnikov's personal library), Nikonov noted. Russia is ready to share the fruits of this old and productive school of science, he said, adding "We, Russia, cannot cure the whole world, but BRICS can."

Forum participant Dr Samir Saran, president of the Observer Research Foundation in India, cited in his presentation the potential for India's highly developed pharmaceuticals industry to produce the Russian vaccine.

## Contributing to strategic agendas

Another keynoter at the BRICS Academic Forum was Huang Yihua from the China Council for BRICS Think-tank Cooperation, who is also deputy director general of the Chinese Communist Party's Research Office of International Department. She developed the idea that the common mission of BRICS for human development and progress should flower into what she called "south-south cooperation of a new type", in a post-pandemic world. "South-south" refers to relations among developing countries, outside the historically more developed "north". She reviewed China's record of lifting 10 million people out of poverty each year for seven years in a row, saying that China is ready to share this experience. Other examples, she said, would include the usefulness to China and other countries of Russia's experience with the economic development of remote regions like Siberia. She called for "forward-looking thinking" in BRICS to continue to emphasise infrastructure development, while scoping out new areas of cooperation in industries using new technologies.

In the Forum discussion, Russian National Committee on BRICS Research founder and vice-chairman Prof. Georgy Toloraya raised the importance of BRICS cooperation with countries in the "north", especially the USA. "It's not the hegemon it used to be", he said, "but it can still do great harm, or good", so the question of "how to bring the USA in" is important for BRICS. Dr Saran responded that BRICS members have both a common agenda, and each its own agenda, which are not identical. He urged that BRICS work to help re-establish stable relations between the USA and China.

In a 26 August interview with the Chinese news agency Xinhua, Toloraya called BRICS "the only mechanism in the world, capable of proposing a strategy for the development of mankind, including pathways out of the current crisis". He urged that BRICS prepare an agenda of fruitful cooperation, and bring it to the G20.

Besides the back-to-back BRICS and G20 summits this month, Toloraya put forward during the Forum panel on "BRICS as a Global Crisis Manager", the "possibly utopian idea" of a joint summit between BRICS and the P5—the permanent members of the United Nations Security Council, which include BRICS members China and Russia, the USA, and the UK and France. Putin earlier this year launched a drive for a P5 summit to address the world's crises, but the pandemic and American political turmoil prevented it from taking place in September around the UN's annual meetings. Now, Toloraya said, it may occur in the first half of 2021. He suggested that bringing in the full BRICS for a joint summit alongside the P5 summit proper would, in the current health crisis, allow "a spectacular start" to the kind of cooperation on specific world problems that is needed.