

# **In a chaotic world, whose interests are served by the BRICS?**

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The world-system is in serious trouble and it is causing pain to the vast majority of the world's population. Pundits and politicians grasp at straws. They magnify every momentary, and usually transitory, occurrence of slight improvements in the various measures we are accustomed to using...

The world system is self-destructing. It is in what the scientists of complexity call a bifurcation. This means that the present system cannot survive, and that the real question is what will replace it. While we cannot predict what kind of new system will emerge, we can affect the choice between the substantive alternatives available. But we can only hope to do this by a realistic analysis of existing chaotic swings and not hide our political efforts behind delusions about reforming the existing system or by deliberate attempts to obfuscate our understanding.

In this context, what role do the BRICS play?

In 2001, Jim O'Neill, then chair of Goldman Sachs Assets Management, wrote an article for their subscribers entitled 'The World Needs Better Economic BRICS'. O'Neill invented the acronym to describe the so-called emerging economies of Brazil, Russia, India, and China, and to recommend them to investors as the economic 'future' of the world-economy.

The term caught on, and the BRICs became an actual group that met together regularly and later added South Africa to membership, changing the small 's' to a capital 'S'. Since 2001, the BRICS have flourished economically, at least relative to other states in the world system. They have also become a very controversial subject. There are those who think of the BRICS as the avant-garde of anti-imperialist struggle. There are those who, quite to the contrary, think of the BRICS as sub-imperialist agents of the true North (North America, western Europe and Japan). And there are those who argue that they are both.

In the wake of the post-hegemonic decline of US power, prestige, and authority, the world seems to have settled into a multipolar geopolitical structure. In this current situation, the BRICS are definitely part of the new picture. By their efforts to forge new structures on the world scene, such as the interbank structure they are seeking to create, to sit alongside and substitute for the International Monetary Fund, they are certainly weakening still further the power of the United States and other segments of the old North in favour of the South, or at least of the BRICS themselves. If one's definition of anti-imperialism is reducing the power of the United States, then the BRICS certainly represent an anti-imperialist force.

However, geopolitics is not the only thing that matters. We will also want to know something about the internal class struggles within BRICS countries, the relations of BRICS countries to each other, and the relation of BRICS countries to the non-BRICS countries in the South. On all three issues, the record of the BRICS is murky, to say the least.

How can we assess the internal class struggles within the BRICS countries? One standard way is to look at the degree of polarisation, as indicated by Gini measures of inequality. Another way is to see how much state money is being utilised to reduce the degree of poverty among the poorest strata. Of the five BRICS countries, only Brazil has significantly improved its scores on such measures. In some cases, despite an increase in the GDP, the measures are worse than, say, 20 years ago.

If we look at the economic relations of the BRICS countries to each other, China outshines the others in rise in GDP and in accumulated assets. India and Russia seem to feel the need to protect themselves against Chinese strength. Brazil and South Africa seem to be suffering from present and potential Chinese investing in key arenas.

If we look at the relations of BRICS countries to other countries in the South, we hear increasing complaints that the way each of these countries relates to its immediate (and not so immediate) neighbours resembles too much the ways in which the United States and the old North related to them. They are sometimes accused of not being 'sub-imperial' but of being simply 'imperial'.

What makes the BRICS seem so important today has been their high rates of growth since, say, 2000; rates of growth that have been significantly higher than those of the old North. But will this continue? Their rates of growth have already begun to slip. Some other countries in the South – Mexico, Indonesia, (south) Korea, Turkey – seem to be matching them.

However, given the world depression in which we continue to exist, and the low likelihood of significant recovery in the next decade or so, the possibility that, in a decade, a future Goldman Sachs analyst will continue to project the BRICS as the (economic) future is rather dubious. Indeed, the likelihood that the BRICS will continue to be a regularly meeting group with presumably common policies seems remote.

The world system's structural crisis is moving too fast, and in too many uncertain ways, to assume sufficient relative stability to allow the BRICS as such to continue to play a special role, either geopolitically or economically. Like globalisation itself as a concept, the BRICS may turn out to be a passing phenomenon.