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China’s Approach to BRICS

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Abstract

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China's Approach to BRICS¹

The economic rise of the BRICS (Brazil, Russia, India, China, and South Africa) inevitably leads to a redistribution of power in the international system.² Chinese leaders today accord a considerable priority to this group, and there are elements of realism, liberalism/institutionalism and constructivism in their approach. This article intends to study China's policy towards BRICS and examine the above elements so as to better understand how the Chinese leadership perceives China's role in the international system, and how it seeks to articulate its interests and enhances its influence.

I. Introduction

Jim O'Neill, economist of Goldman Sachs coined the BRICS term in 2001 to reflect the investment bank's forecast that the combined GDPs of the four populous, fast-growing economies would surpass that of the Group of 7 countries by 2050.³ Political leaders apparently were attracted by the idea. It was then Russian President Vladimir Putin who initiated their first foreign ministers' meeting alongside the United Nations annual General Assembly session in September 2006. After a repetition of the same exercise in the following September, the group agreed to establish a regular consultative process at the deputy foreign minister level. In 2008, the dialogue mechanism was raised to the foreign minister level, to discuss common approaches to international issues including the global financial crisis. The Russian foreign ministry claimed that the BRICS' joint efforts to reform the world financial architecture was a factor prompting the G20 summit in Washington in November 2008 to expand the Financial Stability Forum (later renamed as the Financial Stability Board) to involve the emerging economies.⁴

¹ BRICS refers to the group consisting of Brazil, Russia, India, China, and South Africa which only joined at the end of 2010. BRICs refers to the group consisting of Brazil, Russia, India, and China only when the idea first emerged in early 2007.

² See the series of newspaper articles by Jim O'Neil: "The Brics Economies Must Help Form World Policy" *Financial Times*, 22 January 2007; "Why It Would Be Wrong to Write Off the Brics", *ibid.*, 5 January 2009; "You Can't Build the Future Without BRICs," *The Daily Telegraph*, 4 April 2009; and "We Need Brics to Build the World Economy," *The Times* (London), 23 June 2009. At the Gleneagles Summit in 2005, Western leaders agreed to hold a separate set of meetings with ministers from the emerging economies of China, India, Brazil, South Africa, and Mexico, later known as the G8+5. Russia had already been invited to participate in the renamed G8. However, China was reluctant to join the club of rich countries. "Are the Right Countries Sitting at the G8 Table?" *Deutsche Welle*, 14 May 2007.

³ Demonic Wilson and Roopa Purushothaman, "Dreaming with the BRICs: The Path to 2050," *Global Economic Papers* No. 99, New York: Goldman Sachs, October 2003. According to the Economist Intelligence Unit, the BRICs will surpass the G7 in 2021 in terms of their combined GDPs.

⁴ Cynthia Roberts, "Challengers or Stakeholders? BRICS and the Liberal World Order", *Polity*, Vol. 42, No. 1, January 2010, P.2.

The BRICS heads of state met in July 2008 on the sidelines of the G8 summit in Japan again at Russia's initiative; and this meeting led to a plan for a formal summit in Yekaterinburg, Russia in June 2009. In this first BRICS formal summit, the leaders focussed on the global financial crisis, the progress of the G20 summits, reform of international financial institutions, food security, climate change, as well as the prospects of the future dialogue and co-operation among members of the groups.

By then, co-operation among the BRICS member countries had established a foundation through the mechanism of scheduled annual summits. Apparently they perceived the global financial crisis in 2008 – 2009 as a challenge and an opportunity promoting their co-operation based on newly-recognized common interests. The Yekaterinburg Joint Declaration pledged co-operation in the coming G20 summit meeting to be held in Pittsburgh in the U.S. in the following September. The four countries proposed to enhance the influence and representativeness of emerging economies and developing countries in international financial institutions; and they strongly appealed for the establishment of a stable, predictable and more pluralistic international monetary system.⁵

This article intends to examine how China has perceived its participation in the BRICS group from realist, liberal/ institutional and constructivist perspectives. Within this context, it attempts to analyze China's role and objectives as a member of the group, as well as its assessment of the group's development and achievements.

II. The Realist Perspective

Chinese leaders and foreign policy analysts often refer to Deng Xiaoping's observation that peace and development are the most significant global issues in the present era. At this stage, globalization makes rapid progress; wars among major powers are less and less likely. In December 1977, Deng suggested that the world "can secure the delay of the outbreak of a world war". In 1985, Deng reaffirmed that "it is possible" that a large-scale world war would not occur in a relatively long period of time, maintaining world peace is hopeful". China's independent foreign policy line of peace roughly emerged in 1982 – 83;⁶ and with some adjustments, it has been maintained till now. Since 1979, Chinese leaders intend to focus on modernization and development, and they believe that China needs a peaceful international environment.

⁵ Cynthia Roberts, "Russia's BRICs Diplomacy: Rising Outsider with Dreams of an Insider", *ibid*, pp. 38 – 73.

⁶ See Joseph Y.S. Cheng, "The Evolution of China's Foreign Policy in the Post-Mao Era: From Anti-Hegemony to Modernization Diplomacy", in Joseph Y.S. Cheng (ed.), *China: Modernization in the 1980s*, Hong Kong: The Chinese University Press, 1989, pp. 161 – 201.

China's official view is that in the post-Cold War era, the international power configuration has become "one superpower and several major powers". There has been no fundamental change up till today, and the U.S. remains the sole superpower. However, the global combat of terrorism and the international financial crisis in 2008 – 09 have weakened its predominance. In the eyes of Beijing, the wars in Afghanistan and Iraq have been extremely costly, and the U.S. cannot secure decisive victory. Moreover, its faulty ideological orientation and strategy have damaged its soft power. The George Bush administration's unilateralism and arrogance had led the country to relative isolation.⁷

The recent international financial crisis has been a severe blow to the American and European economies. Chinese media argue that the crisis has cast serious doubt against the international financial architecture led by the U.S. The international community now demands reforms to enhance the representativeness and voting rights of developing countries in the international financial system.⁸

At the same time, the respective influences of the European Union (EU) and the BRICS countries have been rising while that of the U.S. has been in decline. EU as a supranational organization has put into practice new thinking in international relations and in the shaping of a new international order, advocating new paradigms and reforms. Chinese leaders and media consider that the recent global financial crisis has pushed the BRICS groups to the centre of the international stage and it is expected to assume an important role in international governance mechanisms like the G20 alongside the leading developed countries. Together with other developing countries, the group will have an increasingly important role to play in international affairs.⁹

There is a realistic recognition that China has a large population facing a lot of domestic challenges. It enjoys limited influence in the global agenda-setting and decision-making processes. It has to devote most of its resources to poverty alleviation, upgrading of industrial structure, improvement of the social security net, etc. hence China would like to enhance its role in international affairs through working within the BRICS group as their

⁷ See, for example, Li Shaojun, "大國關係與世界格局新變化 (The Relationship among the Major Powers and Changes in Global Patterns)", in Li Shenming and Zhang Yuyan (eds.), *全球政治與安全報告 (2011) [Annual Report on International Politics and Security (2011)]*, Beijing: Social Sciences Academic Press (China), 2011, pp. 21 – 43.

⁸ Liu Hong, "Economic Observation: Special Conference of G20 Under the Shadow of Financial Crisis", *Xinhuanet*, October 11, 2008, http://news.xinhuanet.com/world/2008-10/12/content_10183161.htm; and Cui Zhanan and Xing Yue, "From the 'Era of G7' to the 'Era of G20' – Changes in International Financial Governance Mechanisms", (World Economics and Politics), No. 1, 2011, pp. 134.

⁹ "金磚四國'合作: 我們時代的'亮點' (BRICs Co-operation: the 'Bright Spot' of Our Era)", *ChinaDaily Net*, June 10, 2008, http://www.chinadaily.com.cn/hqpl/2008-06/10/content_6750035.htm; and Wang Yizhou, "'金磚四國' 共謀未來志向 (BRICs Countries' Jointly Plan Their Future Directions)", *商周刊 (Business Weekly)*, June 22, 2009, pp. 12 – 13.

members share similar interests in this regard. They still have many contradictions and conflicts of interests among them on a bilateral basis, but co-operation in international institutions may even serve to contain these bilateral conflicts.

Chinese foreign policy experts consider that while the U.S. remains the sole superpower, the number of major powers has been rising, to the extent which facilitates the promotion of multilateralism and multipolarity. At the same time, the emerging economies occupy a more central role in the international stage, as they are eager to share power and responsibility. China would like to achieve its peaceful rise through these processes rather than directly confronting the U.S. and the other leading developed countries.¹⁰

Within this international power configuration, Chinese leaders consider that wars among major powers or systemic wars would be highly unlikely. Major powers are in keen competition as well as interdependent. Co-operation among major powers becomes inseparable from the major developing countries and emerging economies. The latter's increase in economic power will naturally have an impact on the international power configuration and the international system. The above world view helps to explain China's rationale for its active participation in the BRICS group.

In view of China's rise, China's foreign policy experts are acutely aware of the traditional international relations theorists of the realist school who argue that a rising power will bound to challenge the existing hegemon or the current international system and order, leading to major wars or systemic wars.¹¹ Some Chinese international relations scholars now believe that the emerging major powers should instead be perceived as an opportunity. This is because significant changes have already been taking place in the international system. Though geostrategic competition continues, the survival of states in the international system is no longer their utmost concern. Since the end of the Cold War, the nature of security threats and security dilemma has been altered too. Hence, the emerging major powers can play an important role in the promotion of international peace and security.

In this connection, Chinese leaders and their foreign policy think-tanks argue that the BRICS countries are in a similar stage of development and share broad interests. They are pre-occupied with their modernization and industrialization, as well as the raising of their people's living standards. They would likely form a "coalition of interest", i.e., adopting

¹⁰ "緒論: 和平與發展時代的大國關係 (Introduction: Major Power Relations in the Era of Peace and Development)", in Qin Yaqing (ed.), *大國關係與中國外交 Dagui Guanxi yu Zhongguo Waijiao (Great Power Relations and China's Diplomacy)*, Beijing: 世界知識出版社, 2011, pp. 1 – 29.

¹¹ John Mearsheimer, *The Tragedy of Great Power Politics*, New York: W.W.Nation, 2001; and Denny Roy (ed.), *The New Security Agenda in the Asia-Pacific Region*, New York: St. Martin's Press, 1997.

similar stands on concrete issues based on common interests. They would not be bound by ideological positions, and form a bloc to overthrow the existing international order. The BRICS countries are not allies in the traditional sense, and cannot form a stable alliance, as there are serious conflicts of interests and keen competition among them. Their common interests in many global issues are the foundation for this “coalition of interests”, and the Copenhagen summit on climate change in 2009 is a good example.¹²

Apparently Russia too, “the perennial outsider, aims to become an insider and a rule maker in the international system”.¹³ Cynthia Roberts considers that “Russia and the other BRICS seek to be among its (the international system’s) managing directors, not to overthrow it”; and she argues that “Moscow’s BRICS diplomacy has been one of its most successful international initiatives”.¹⁴ Chinese leaders have been careful to concede the initiatives regarding BRICS to Russia and other members, with the objective of enhancing co-operation within the group to contain the bilateral conflicts involving China. Marshall Goldman and Merle Goldman describe Sino-Russian relations as those between a young tiger and a wounded bear.¹⁵ Beijing has been eager to help to restore the Russian pride to enhance mutual trust for a stronger foundation for their comprehensive strategic partnership. While the Chinese leadership initiated the Shanghai Co-operation Organization, it has also been careful in respecting Russia’s vital interests to avoid damaging competition within the regional organization.

The Chinese authorities have been adopting measures to strengthen Sino-Russian co-operation. To avoid over-dependence on the imports of energy and other natural resources from Russia in the bilateral trade, China has been stepping up investment in Russia to promote trade diversification and technological co-operation. Both countries have been developing co-operation in the development of their border areas. In 2002, the Putin administration started the Far East development strategy, and released in 2007 a specific federal plan for the socio-economic development of the Far East and Trans-Baikal regions in the years to 2013. In 2003, the Hu Jintao administration initiated the strategy to rehabilitate China’s Northeast, i.e., its “rust belt”; and a formal plan was approved by the

¹² Tan Mengsha, “金磚四國發展前景展望 (The Development Prospects of the BRICS Countries)”, *商品與質量 (Commodity and Quality)* No. 6, 2010, p. 30; and Yang Hongxi, “‘金磚四國’冉冉升起又任重道遠 (‘BRICS Countries’ Gradually Rising with Heavy Responsibilities Ahead)”, *學習期刊 (Study Monthly)*, No. 8 (first half month), 2009, pp. 41 – 42.

¹³ Cynthia Roberts, “Russia’s BRICS Diplomacy: Rising Outsider with Dreams of an Insider”, *op. cit.*, pp. 38.

¹⁴ *Ibid.*

¹⁵ See Marshall Goldman and Merle Goldman, “Soviet and Chinese Economic Reform”, *Foreign Affairs*, Vol. 66, Issue 3, January 1988, pp. 551 – 573.

State Council in 2007. In 2009, the two governments engaged in the joint planning of the development of their respective border regions.¹⁶

Sino-Indian relations are more problematic. The territorial issue remains unresolved; and their simultaneous rise in economic power and international influence has generated considerable suspicion and keen competition. In fact, it may be said that Sino-Indian co-ordination or common position on global issues is probably the strongest link in their bilateral relationship. While Chinese leaders are concerned about the U.S. cultivation of India to contain China, they consider that co-operation within the BRICS group useful to limit the American approach to India.

Similarly, Sino-Indian economic co-operation is constrained by their heavy dependence on the U.S. market, capital and technology; and Beijing believes that the U.S. would try to exert its influence to reduce the expansion in Sino-Indian economic exchanges.¹⁷ The Chinese authorities resent the investigations against their investment flows as well as the anti-dumping sanctions against their exports; in fact the latter are second only to those from the U.S. in terms of the number of cases. The recent global financial crisis and the substantial surpluses secured by China in the bilateral trade have prompted India to adopt a series of trade protectionist measures. China hopes that the BRICS summits and other multilateral dialogues will facilitate India to open up its market to China, recognize its market economy status, and establish a free trade area between them.¹⁸ Despite the bilateral strategic co-operative partnership since 2005, there is still much work to be done to enhance mutual trust, and expand trade and co-operation in the energy sector.

Brazil and South Africa are different from India and Russia in that they are quite distant from China, and therefore no historical conflicts, territorial disputes and security threats exist in their respective relations with China. Brazil is similar to India in their major power strategies, seeking to raise their global economic influence and the bargaining power of developing countries in general in order to secure a status equivalent to that of the leading developed countries. Since the Luiz Lula de Silva administration, Brazil has been enthusiastic in forming a nucleus group with India, China and South Africa to engage in

¹⁶ Chapter 12 “中俄關係 (Sino-Russian Relations)”, in Qin Yaqing (ed.), *op. cit.*, p. 427.

¹⁷ Lou Chunhao, “中印經貿合作面臨的新挑戰 (New Challenges Facing Sino-Indian Economic and Trade Co-operation)”, *亞非縱橫 (Asia & Africa Review)*, Vol. 4, 2009, pp. 28 – 31, 58 – 60.

¹⁸ Zhang Yuyan & Zhang Jingchun, “亞洲經濟一體化下的中印關係 (Sino-Indian Relations in the Context of Asia Economic Integration)”, *當代亞太 (Journal of Contemporary Asia Pacific Studies)*, Vol. 2, 2006, pp. 4 – 17; and chapter 13 “中印關係 (Sino-Indian Relations)” in Qin Yaqing (ed.), *op. cit.*, pp. 446 - 447.

global trade negotiations including the Doha round; and together secure larger voting rights for them in the World Bank and International Monetary Fund.¹⁹

In a public opinion poll conducted by the Brazilian Centre for International Relations in 2008, 92% of the respondents recognized China as “the most important country in terms of Brazil’s national interest”, ranking third after Argentina (95%) and the U.S. (94%).²⁰ In the following year China replaced the U.S. as the number one trading partner of Brazil, a status enjoyed by the U.S. for more than seven decades. China emerged as the largest destination of Brazil’s exports and the second most important source of its imports. In the first half of 2010, China’s investment in Brazil jumped to US\$ 12 billion, again replacing the U.S. as the leading investor country.²¹ This trend is expected to continue as Brazil needs capital to develop its natural resources and strengthen its infrastructure, it has been improving its domestic investment environment. China, on the other hand, has ample foreign exchange reserves exceeding US\$ 3.3 trillion seeking investment outlets offering more satisfactory returns than U.S. Treasury bonds.

While trade with China has been expanding and its trade surpluses are impressive, Sino-Brazilian economic relations are not without problems. Brazil’s exports to China concentrate heavily on a small number of primary products, while imports from China present a serious threat to the local manufacturing industries. More significant still, China poses keen competition in Brazil’s important exports markets in terms of manufactured products. It is estimated that in the period 2001 to 2009, Brazil’s loss of markets to China in the U.S. and the European Union amounted to about US\$ 2.5 billion; the actual loss would be higher because Brazilian exports to the U.S. and the European Union was about one-third of its total in 2009.²² It is not surprising that Brazil altogether initiated 46 anti-dumping investigations against China from December 1989 to the end of 2009. Co-operation within the BRICS group helps to emphasize common interests and contain these concerns and conflicts from Beijing’s point of view.

South Africa was eager to join the BRICS groups, and China could claim credit for its admission in April 2011 at the third BRICS summit held in Sanya, China. The inclusion of South Africa, the largest economy in Africa and one of its most influential countries,

¹⁹ Zhou Zhiwei, “巴西崛起與中國對巴西政策分析 (Brazil’s Rise and An Analysis of China’s Brazil Policy)”, in Su Zhenxing (ed.), *中拉關係六十年: 回顧與思考 (下) (Six Decades of China – Latin American Relations: Reflections and Consideration, Vol. II*, Beijing: Dangdai Shijie Chubanshe, 2010, p. 524.

²⁰ Amaury de Souza, *Brazil’s International Agenda Revisited: Perceptions of Brazilian Foreign Policy Community*, Brasilia: Brazilian Center for International Relations (CEBRI), 2008, p. 24.

²¹ “中國投資巴西第一大國 (China Has Become Number One Investor Country in Brazil)”, *Caijing Net*, July 27, 2010, <http://www.caijing.com.cn/2010-07-27110486729.html>.

²² Rhys Jenkins, “China and Brazil: Economic Impacts of a Growing Relationship”, *Journal of Current Chinese Affairs*, Vol. 41, No. 1, 2012, p. 42.

Table I. China's Trade with Other BRICS Countries (1991, 1996, 2001-2010)												
In US \$ Million												
Year	China & Russia			China & India			China & Brazil			China & South Africa		
	Exports	Imports	Total	Exports	Imports	Total	Exports	Imports	Total	Exports	Imports	Total
1991	1823.38	2080.87	3904.25	144.48	120.34	264.82	68.03	345.81	413.84			
1996	1692.71	5151.77	6844.48	686.02	719.17	1405.19	762.94	1484.08	2247.02	682.82	664.05	1346.87
2001	2711.16	7959.38	10670.54	1896.27	1699.97	3596.24	1351.14	2347.34	3698.48	1049.12	1173.11	2222.23
2006	15832.49	17554.33	33386.81	14581.30	10277.45	24858.75	7380.11	12909.50	20289.60	5767.71	4085.36	9853.07
2007	28466.20	19688.58	48154.78	24011.46	14617.10	38628.56	11372.26	18341.83	29714.09	7428.26	6618.07	14046.33
2008	33075.85	23832.76	56908.61	31585.38	20258.89	51844.27	18807.46	29863.44	48670.90	8617.62	9234.97	17852.59
2009	17518.58	21232.96	38751.55	29656.04	13727.28	43383.32	14118.86	28276.92	42395.79	7365.75	8711.75	16077.50
2010	29612.07	25921.04	55533.11	40914.96	20846.25	61761.20	24460.50	38125.38	62585.87	10799.86	14903.24	25703.10

Sources: National Bureau of Statistics of China (comp.), China Statistical Yearbook (1992, 1997 and 2009 issues), Beijing: China Statistics Press, 1992, 1997 and 2009

(In US \$ million)						
Table II. Investment Flows Between China and Other BRICS Countries						
Year	China's Investment in Russia	Russia's Investment in China	China's Investment in India	India's Investment in China	China's Investment in Brazil	Brazil's Investment in China
2000	NA	16.23	NA	10.44	NA	3.93
2005	203.33	81.99	10	21.40	20	24.61
2006	452.11	67.20	10	52.39	10	55.60
2007	477.61	52.07	20	34.04	50	31.64
2008	395.23	59.97	100	88.05	20	38.79
2009	348.22	31.77	-30	55.20	120	52.48
2010	567.22	34.97	50	49.31	490	57.25
Year	China's Investment in South Africa	South Africa's Investment in China				
2000	NA	9.19				
2005	47.47	106.35				
2006	40.74	94.81				
2007	454.41	69.16				
2008	4807.86	25.60				
2009	41.59	41.20				
2010	411.17	66.47				

Sources: National Bureau of Statistics of China (comp.), China Statistical Yearbook (1992, 1997 and 2009 issues), Beijing: China Statistics Press, 1992, 1997 and 2009;

enhances the representativeness of the BRICS groups. Beijing would be glad that this would reduce the impact of the India-Brazil-South Africa (IBSA) dialogue forum which excludes China. In recent years, China's trade and investment activities have been expanding rapidly in Africa; and in South Africa, it had replaced Germany as its largest source of imports.

China's African policy has been criticized by the West for having no strings attached to its economic ties with the continent, thus undermining the West's demand for the improvement of governance, respect for human rights and the introduction of democracy in receiving its aid. China's own economic activities in Africa have been perceived as colonial concentrating on the exploitation of natural resources, neglecting environmental protection, paying low salaries and ignoring the safety concerns of workers and miners, etc. When Chinese firms engage in infrastructural projects, they typically bring thousands of Chinese engineers, technicians and workers, thus depriving the locals of employment opportunities. Some Chinese workers stay behind, often entering into restaurant and retail business, sometimes resulting in a domination of these sectors in some regions. The flooding of the African market by Chinese manufactured products tends to discourage the development of local industries too.²³

The Chinese authorities understand that they have to improve China's image in Africa, and joining hands with the South African leaders to fight for Third World interests is certainly in line with this objective while containing the bilateral conflicts mentioned above.

III. The Liberal/ Institutional Perspective

In April 1974, in the wake of the international oil crisis, Deng Xiaoping attended the special United Nations General Assembly meeting and strongly supported the Third World's demand for the establishment of a new international economic order. Subsequently China demanded the establishment of a new international economic order and political order. The articulation of this demand has continued till now, though the voice has been muted in the past decade and more.²⁴

Since the international financial crisis in the autumn of 2008, the Chinese leadership has come up with a more integrated approach regarding building the new international order, based on previously articulated themes. Chinese leaders and their foreign policy think-tanks now consider that the international system and its institutions are inadequate in maintaining the international order.

²³ Joseph Y.S. Cheng and Shi Huangao, "China's Africa Policy in the Post-Cold War Era", *Journal of Contemporary China*, Vol. 39, No. 1, February 2009, pp. 87 – 115.

²⁴ See Joseph Y.S. Cheng, "The Evolution of China's Foreign Policy in the Post-Mao Era: From Anti-Hegemony to Modernization Diplomacy", *op. cit.*; and Joseph Y.S. Cheng, "China's Foreign Policy after the Seventeenth Party Congress", in Dennis Hickey and Baogang Guo (eds.), *Dancing with the Dragon – China's Emergence in the Developing World*, Lanham, Maryland: Lexington Books, 2010, pp. 23 – 52.

In the first place, they have not been able to meet the development demands of the emerging countries and forces. In the post-Cold War era, a group of developing countries have rapidly emerged, together with important regional organizations and non-state actors. This phenomenon has become even more conspicuous in the recent global financial crisis; and the existing international governance structure has failed to cope with the emerging powers' demand to consider and accommodate their interests. Moreover, the existing international institutions have not been able to co-ordinate the demands for global balanced socio-economic development. The gap between the rich and poor has been widening, and a number of developing countries are in difficulties. High-level of interactions between the international community and domestic societies have sharpened their developmental contradictions. Some countries have failed to adapt to the challenges of globalization, and problems of domestic governance have been exacerbated; this is why civil wars are more frequent than wars between states. Finally, the existing international order cannot deal with the important global issues like terrorism, environmental protection, climate change, etc. Countries now realize that they cannot independently resolve global issues, and opposing blocs such as those in the Cold War era cannot be formed. The Westphalian state system has proved to be increasingly inadequate. In sum, the existing international order lags behind the rising demands for global governance.²⁵

Though Chinese leaders have little tolerance for genuinely autonomous non-governmental organizations (NGOs) within China, Chinese scholars are ready to admit that international NGOs assume an important role in agenda-setting and spreading norms.²⁶ Many of them have been accorded an advisory capacity within the United Nations system and in other inter-governmental international organizations.

Chinese foreign policy scholars argue that the inadequacies of existing international institutions and their reforms have made global governance an important aspect of politics among major powers, i.e., competition and co-operation governance institutions. In the post-Cold War era, wars among major powers or "high politics" have become much less likely; instead transnational challenges or non-traditional security issues have become more significant. Non-traditional security threats may originate from any part of the world, terrorism is a good example. Poverty is no longer a strictly domestic issue. It is the source of many other security threats, and it is highly related with violence, environmental deterioration and failed states.

²⁵ “緒論：和平與發展時代的大國關係 (Introduction: Major Power Relations in the Era of Peace and Development)”, in Qin Yaqing (ed.), *loc. cit.*, 2011, pp. 14 – 18. For a Western view, see Colin I. Bradford, Jr. and Johannes F. Linn (eds.), *Global Governance Reform: Breaking the Stalemate*, Washington, D.C.: The Brookings Institution Press, 2007.

²⁶ Wang Yizhou, *創造性介入 – 中國外交新取向 (Creative Involvement – A New Direction in China's Diplomacy)*, Beijing: Peking University Press, 2011, p. 46.

International governance is also an arena focusing interest contradictions among major powers. Though the latter are aware of the significance of the new non-traditional security threats, their priorities differ according to their respective levels of development. Hence terrorism, poverty, environmental degradation, AIDS, nuclear weapons proliferation, etc. occupy different positions in various major powers' development agendas. In the case of climate change, for example, major powers have different interpretations of their respective responsibilities. China's think-tank researchers who articulate the above views are ready to admit that the EU member countries would like to see maximum progress and are willing to assume serious commitments; the U.S. is less concerned, but does not want to reveal its lack of willingness to make significant concessions; and the BRICS countries, on the other hand, resist on "common but differentiated responsibilities", it is impossible and unreasonable to expect them to substantially sacrifice their development interests. International NGOs have been recognized as a major force promoting new norms in this policy area.

China's foreign policy think-tanks argue that the BRICS group intends to maintain and reform the existing international order, and that it has no desire to destroy it.²⁷ China as a member of this group naturally upholds this stand too. These think-tank researchers consider that effective international governance has to tackle the contradiction between the increasing demand for global governance and the inadequacies of existing international institutions in satisfying this demand. The Chinese authorities are ready to fully exploit the existing international institutions as well as establish new organization and mechanisms. In the coming two decades, the international community is expected to actively pursue reforms, transformations and innovations of international institutions, in order to minimize the institutional and governance deficits to raise the level of international governance; and major powers too will engage in co-operation and competition in these reforms, transformations and innovations.

The Chinese authorities consider the G20 and its new role a meaningful development in international governance mechanisms; and the priority accorded to the BRICS is closely related to this.²⁸ The most prominent characteristic of G20 is that it involves both the original major powers and the emerging ones, offering an important platform for their consultation and co-operation. It symbolizes the consensus on reforming the

²⁷ "緒論：和平與發展時代的大國關係 (Introduction: Major Power Relations in the Era of Peace and Development)", in Qin Yaqing (ed.), *loc. cit.*, 2011, pp. 19.

²⁸ Yu Yongding, "Rising China and G7, G20", *International Economic Review*, Nos. 9 and 10, 2004, p. 11; Hu Jintao, "Through co-operation to Tide Over the Difficulties – Speech at the Financial Market and World Economic Summit", *Renminwang*, November 15, 2008, <http://politics.people.com.cn/GB/8346583.html>; and Hu Jintao, "Hand-in-hand Co-operation to Face the Challenges in the Same Boat – Speech at the Second Financial Summit of the G20 Leaders", *Xinhuanet*, April 2, 2009, http://news.xinhuanet.com/newscenter/2009-04/03/content_11122834.htm

global financial and economic architecture, and the progress in multipolarization in the international power configuration. Above all, Chinese foreign policy experts consider that the G20 summits represent the entry into the substantial stage of reforms of the international system.

Chinese leaders advocate democracy and tolerance in international relations, although they do not practise it domestically. Their foreign policy think-tanks argue that co-operation between major powers and emerging powers must be based on three conditions. In the first place, emerging power must be allowed to take part in the international institutional decision-making process, i.e., they must not be marginalized when the international financial crisis has ended. Co-operation involves the sharing of power and responsibilities, hence emerging powers must be given their due shares of power in the reform of the international system.

Moreover, the legitimate interests and demands of the emerging powers must be respected. China considers that while emerging powers are experiencing rapid economic growth, their economic, social and political developments are still considerably below the levels of developed countries. Hence they cannot afford to meet the high standards set by the developed countries, for example, in the reduction of the release of “greenhouse gases”. Finally, the emerging powers’ request for consultation on an equal basis must be met, with regard to both procedural and substantial issues.²⁹

China identifies itself as an emerging power. Hence the demands of the latter are those of China too. To prevent its demands as those of the emerging powers or those of the BRICS group is obviously a more effective way of satisfying China’s demands. Chinese leaders believe in the country’s active participation in globalization especially economic globalization, although they are aware that the existing rules of the game have been defined by the U.S. and the Western countries without China’s participation. They are willing to accept the gradual reform of the rules of the game through exploiting the opportunities offered by the globalization process.

Further, China needs a peaceful international environment to concentrate on modernization, hence it has a vested interest in the stable maintenance of the existing international order. In the era of economic reforms and opening to the external world since 1979, China has been engaging in a learning process to understand the existing international norms and to converge with them. Its foreign policy behaviour are more restricted by international law and norms, and it pays more attention to maintain its reputation of showing respect for international norms. Finally, in the recent decade or so, China openly claims to be a “responsible major power”, upholding the principles of

²⁹ “緒論：和平與發展時代的大國關係 (Introduction: Major Power Relations in the Era of Peace and Development)”, in Qin Yaqing (ed.), *loc. cit.*, 2011, pp. 23 – 24.

international justice and morality. It often refers to the example of refusing to devalue the *renminbi* during the Asia-Pacific financial crisis in 1997-8. The Chinese authorities also accord a high priority to develop the country's soft power in recent years, of which a good international image is a major component.³⁰

As indicated above, the development of the BRICS group's meeting mechanisms was much influenced by the emergence of the G20 summits as the international community's response to the global financial tsunami breaking out in August 2008. The first BRICS finance ministers conference was held in Sao Paulo in Brazil on November 7, 2008, a week before the World Economic Summit in Washington, D.C.. The finance ministers appealed for reforms of the international financial architecture so that it could correctly reflect the new changes in the global economy, i.e., to ensure that developing countries would have a greater role to play in the international financial system.

Four months afterwards, the second BRICS financial ministers conference was held in England, and a joint communiqué was released. The document stated that reforms of international financial institutions, including those of the International Monetary Fund and the World Bank, would be inevitable. Again, the four finance ministers sought a guarantee that developing countries would have a larger say and a higher status through these reforms.³¹

The G20 summits have created an important platform for global economic policy co-ordination and economic governance. In the eyes of China's international relations experts, the global financial crisis highlighted the significance of global governance. In the wake of the crisis, global governance fundamentally broke the Western countries' monopolistic control over major international institutions and the system of international governance. For the first time, major emerging developing countries enter the core of international governance, and they also serve as the core of regional governance in many cases.³²

In April 2010, in the spring annual conference of the World Bank and the International Monetary Fund, agreement was reached to increase developing countries' voting rights by 3.13% to 47.19%. Since 2008, developed countries have transferred 4.59% of voting rights to developing countries. China has been a beneficiary; its voting rights have been raised from 2.77 %to 4.42 %, just behind the U.S. and Japan. Other BRICS member countries have similarly benefitted.

³⁰ Joseph Y.S Cheng, "China's Foreign Policy after the Seventeenth Party Congress", *op. cit.*

³¹ Zhang Youwen, "'金磚四國'的由來及其國際經濟合作 (The Origins of 'BRICS' and Its International Economic Co-operation)", *求是 (Qiushi)*, No. 8, 2010, pp. 56 – 58.

³² Chapter 3 "金磚國家合作機制的興起與發展 (The Rise and Development of the BRICS Countries' Co-operation Mechanisms)", in Qin Yaqing (ed.), *op. cit.*, pp. 89 – 117.

In the following November, the International Monetary Fund approved its reform plan on the distribution of shares and voting rights. China's shares rose from 3.72% to 6.39%, and its voting rights from 3.65% to 6.07%, surpassing Germany, France and the United Kingdom, and after the U.S. and Japan only. Again other BRICS member countries improved their shares and voting rights too; for example, Brazil's shares rose from 1.78% to 2.32%, rising its ranking from the fourteenth to the tenth. China was happy to see Seoul hosting the G20 summit in November 2010, the first time that an international economic summit was held in the capital of an emerging power.³³

The BRICS countries share similar interests in pursuing greater influence in international governance, and they perceive that co-operation as a group would considerably facilitate their pursuit. The above achievements have certainly strengthened this perception.

Besides summit meetings and finance ministers meetings, the BRICs group also initiated security co-operation through security affairs senior representatives meetings. The first meeting was held in Moscow in May 2009, and the second meeting took place in Brasilia in April 2010.³⁴ The forum remains not much more than a mechanism to exchange views and to generate a dialogue.

IV. The Constructivist Perspective

In order to enhance their influence in international institutions, BRICs member countries would like to establish a discourse representing the interests of developing countries so as to strengthen the legitimacy of their demands.

On the basis of the two joint statements released after the BRICs summits in 2009 and 2010, the group realized that its future development would focus on the economic and political arenas, promoting the development of multipolarization and democratization in international relations, co-operating to push for the recovery of the global economy, establishing a more rational new international economic order, and maintaining a just and rational global trade system.

While China and Russia have long been articulating for a multipolar world, India, Brazil and South Africa too increasingly support multipolarity in seeking acceptance of their status as emerging powers. The establishment of a more democratic and just multipolar world, however, has a strong constructivist and idealistic element appealing

³³ Chapter 14 “中巴關係 (Sino-Brazilian Relations)”, in Qin Yaqing (ed.), *op. cit.*, p. 470.

³⁴ “戴秉國出席‘金磚四國’安全事務高級代表會議 (Dai Bingguo Participates in the ‘BRICs’ Security Affairs Senior Representatives Meeting)”, website of the Chinese Ministry of Foreign Affairs, May 29, 2009, <http://www.fmprc.gov.cn/chn/pds/wjb/zzig/xws/xgxw/t565267.htm>; and “戴秉國出席‘金磚四國’第二次安全事務高級代表會議 (Dai Bingguo Participates in the Second ‘BRICs’ Security Affairs Senior Representatives Meeting)”, website of the central government of the People's Republic of China, April 16, 2010, http://www.gov.cn/ldhd/2010-04/16/content_1582826.htm.

to small and medium-sized developing countries. Further, the BRICs group is ready to support strengthening the United Nations and upholding its significant role; India, Brazil and South Africa are all eager for the permanent membership of the United Nations Security Council, with or without the veto power.

The BRICs member countries are interested in multilateral diplomacy among themselves and in principle. More important still, they want a dialogue and cooperation with the developed Western countries on a genuinely equal basis, and would assume an active role in pursuing the interests of developing countries. In this way, the BRICs group argues that dialogue and co-operation among its members would be in accord with the common interests of emerging market economies and developing countries, they would also facilitate the building of a harmonious world of lasting peace and common prosperity.³⁵

In response to the global financial tsunami in 2008-9, the BRICs group emphasized the reform of the international financial system towards a more just, fair and rational direction. The group accorded priority to the following: a) strengthening the voice and representation of the emerging powers in international financial institutions; b) establishing a stable, predictable, and more pluralistic international monetary system; and c) resolutely opposing trade protectionism.

China's international relations experts believe that the economic development of the BRICs group and its deepening organizational co-operation would gradually arouse the concern and worry of the Western countries. Under such circumstances, the latter on one hand actively invited the BRICs member countries to take part in co-ordination and consultation within the order framework dominated by them so as to absorb the BRICs member countries within the tracks defined by the West. On the other hand, Western countries would also adopt various measures to limit the adverse impact on them generated by the rise of the BRICs member countries.³⁶

These experts argue that the Western countries led by the U.S. plan to treat the BRICs member countries differently. Regarding China and Russia, it would be a combination of engagement and containment, a kind of hedging strategy. The U.S. and its allies would like to cultivate India, absorbing it into a U.S.-Japan-Australia-India quadrilateral alliance; the U.S. has been offering India advanced weapons, and concluded with it a

³⁵ Robert Keohane, *After Hegemony: Cooperation and Discard in the World Political Economy*, Princeton, New Jersey: Princeton University Press, 1984; Robert Jervis, "Theories of War in an Era of Great Power Peace: Presidential Address, American Political Science Association, 2001", *American Political Science Review*, Vol. 96, No. 1, March 2002, pp. 1 – 14; G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars*, Princeton, New Jersey: Princeton University Press, 2001; and ; G. John Ikenberry, "Democracy, Institutions, and American Restraint." in G. John Ikenberry (ed.), *America Unrivaled: U.S. Unipolarity and the Future of the Balance of Power*, Ithaca, New York: Cornell University Press 2002, pp. 213 – 238.

³⁶ Qian Wenrong, "西方應對'金磚國家'的崛起 (The West's Response to the Rise of the 'BRICs')", *瞭望新聞周刊 (Outlook Weekly)*, No. 45, 2007, p. 59.

nuclear energy co-operation agreement. The U.S. would hope to develop closer ties with Brazil and South Africa through co-operation and support in various areas.

The Western world is perceived to attempt to expand its market share in the BRICS member countries, while trying to impose technical barriers to reduce imports from them. Its corporations would continue to exploit the developing countries' cheap labour and natural resources, and attract their talents in the scientific and technological fields. China's foreign policy think-tanks are concerned with the new legal limitations restricting the BRICS countries' investment in the Western world. They consider that the developed countries have been strengthening their policy co-ordination in handling the challenge from the emerging developing-powers like campaigns to discredit the image of products "made in China".³⁷

These suspicious and criticisms against the Western world do not constitute part of the common discourse among the BRICS countries; and they seem to be much shared by China and Russia, but considerably less by the other three countries. However, these observations and criticisms often appear in China's official media and academic publications, to some extent justifying China's active participation in the BRICS group.

China claims to have taken the initiative to invite South Africa to join the group in December 2010 and take part in the summit hosted by China in Sanya in April 2011. There were voices against the inclusion of South Africa because of its relatively weak comprehensive national power, but the Chinese leadership's major consideration was the strengthening of the representativeness of the group to enhance the appeal of its discourse. The involvement of African countries through South Africa was thus a strategic step towards this goal.³⁸ Mexico is perhaps the next target, though BRICS member countries understand that too rapid an expansion would only weaken this co-ordination.

The liberals within China's foreign policy establishment argue that among major countries in the post-Cold War era, irrespective of their contradictions and differences, there is an understanding that war or all-out confrontation is not an option.³⁹ Trade liberalization and increasing global economic interdependence are inevitable trends. In the case of China, the frequency of using military power in international disputes has been much reduced in the past three decades compared with the first three decades of the People's Republic of China. The cultivation of China's soft power therefore is a

³⁷ Chapter 3 "金磚國家合作機制的興起與發展 (The Rise and Development of the BRICS Countries' Co-operation Mechanisms)", in Qin Yaqing (ed.), *loc. cit.*, p. 112.

³⁸ *Ibid.*, pp. 96 – 97; and Owen Fletcher, "China Seeks Heft for 'BRICS'; Emerging Bloc Adds South Africa, but Building Unified Platform Will Be Tough", *Wall Street Journal* (Online), April 12, 2011, <http://search.proquest.com/docview/861494014/13828130C3E625>

³⁹ Qin Yaqing, "國家身份、戰略文化和安全利益: 中國與國際社會關係的三個假設 (State Identity, Strategic Culture and Security Interests: Three Assumptions on China's Relations with the International Community)", *世界經濟與政治 (World Economics and Politics)*, Vol. 1, 2003, pp. 10 – 15.

most important consideration in its foreign policy. China's active participation in the BRICS will enable Chinese leaders to develop a discourse articulating the interests of developing countries, especially those of the emerging powers, in shaping the evolving international institutional framework.

Chinese leaders in the recent decade or so have been exploiting the traditions in ancient China's foreign relations to enhance the credibility of its pursuit of a harmonious world.⁴⁰ At the risk of over-simplification, Confucianism makes a distinction between *wangdao* (the moral way) and hegemonism. *Wangdao* emphasizes a universal moral order to justify the use of force when necessary, and in the exercise of influence in international relations, moral and political values come first, economic ties and rites are next in importance, while the use of military force is accorded a low priority. Hegemonism does not have the above considerations; it stresses the exercise of power and influence in the pursuit of actual benefits and status.⁴¹

Applying the distinction to China's foreign policy today, Chinese leaders and their think-tank experts appreciate the acute need to minimize the "China threat" perception, especially among its neighbours in view of China's rise, its modernization of its military forces including the building of a blue-water navy, its increasing assertiveness in territorial disputes since 2010 or so, and its trade surpluses and investment activities abroad. Further, China would like to convince the international community, especially the developing countries, that its rise would be beneficial to all mankind. The development of a discourse to justify and defend China's pursuit of the international status and influence of a major power is essential to increase the international community's acceptance and reduce its resistance, particularly that from the U.S. and the established major powers. Articulating the interests of the developing countries would facilitate China's efforts to raise its influence in the existing and evolving international institutional framework; and BRICS in this context is a certainly a significant platform.

The discourse theoretically has an important domestic function too. While domestic nationalist sentiments are steadily rising in China in the context of China's impressive economic growth and improving international status, there often appears irresponsible statements in the domestic media and the Internet, demonstrating the potential influence of a narrow nationalism and big-power chauvinism. The past glory of ancient China and the humiliation in the century or so after the Opium War both contribute to the rising nationalism today, exerting considerable pressure on the Chinese leadership who must not be seen to be weak, especially in dealing with Japan and the U.S.

⁴⁰ See the White Paper on "China's Peaceful Development" released by the State Council's Information Office on September 6, 2011; for a summary of the White Paper and commentaries on it, see *Ming Pao (Hong Kong)*, September 7, 2011.

⁴¹ Wang Yizhou, *創造性介入 – 中國外交新取向 (Creative Involvement – A New Direction in China's Diplomacy)*, Beijing: Peking University Press, 2011, pp. 105 – 112.

This popular nationalism lacks consideration of international public opinion, institutions and norms. It neglects the potentialities of settling international disputes through international law and normal diplomatic channels; as well as the sharing of an international order in which China will have a respectable and influential voice. It ignores the danger that in fighting hegemonism in international politics, China might be perceived as a rising hegemon or regional hegemon.⁴² The development of a constructivist discourse will help to contain the rise of nationalism in China.

Chinese leaders today appreciate that China's rising international status and influence constitute part of the foundation for their legitimacy; and the adoption of a liberal/institutional and constructivist approach in China's foreign policy is perhaps the only way to achieve the twin objectives of developing China's soft power, enhancing China's international status and influence, while containing the spread of nationalism domestically. Naturally, the Chinese leadership has to deliver results along the above line. China still has a relatively low per capita GDP by international standards; China's expending foreign aid programmes and delivery of international public goods also need domestic justification. The Maoist line of internationalism used to provide that justification in the 1960s and 1970s; a new version is called for in the present context of emphasizing economic growth. The public controversy of delivering twenty-three buses to Macedonia while over-crowded school buses led to many domestic accidents is a good example.⁴³

V. Conclusion

China's approach to BRICS reveals its foreign policy considerations from the perspectives of realism, liberalism/institutionalism and constructivism. As reflected by China's academic publications on the BRICS, China's international relations experts consider that the group has emerged as a significant international actor. While international media tend to emphasize its economic potential and influence, China's experts expect that the BRICS member countries would continue to deepen co-operation and enhance their collective influence. There is a recognition that their co-operation in the political and security arenas only stay at the level of principles at this stage, but there is an optimistic expectation in Beijing that concrete co-operation will come in the future; and that strengthening comprehensive co-operation will eventually lead to significant development of the group.

⁴² Peter Hays Gries, *China's New Nationalism: Pride, Politics, and Diplomacy*, Berkeley: University of California Press, 2004; and Zhao Suisheng, "China's Pragmatic Nationalism: Is It Manageable?", *The Washington Quarterly*, Vol. 29, No. 1, Winter 2005, pp. 131 – 144.

⁴³ "China's school bus donation to Macedonia derided", Telegraph Media Group Limited, November 28, 2011, <http://www.telegraph.co.uk/news/worldnews/asia/china/8920865/C>

China's experiences in the development of the Shanghai Co-operation Organization (SCO) are relevant in two important aspects.⁴⁴ The first is the institutional development in the form of meetings and committees in various areas involving political leaders and officials of different levels. Meanwhile, agreement on principles in international relations and major global issues like reform of the international financial architecture and climate change negotiations, hopefully, will facilitate the expansion of trade, investment and economic and technological co-operation among the BRICS member countries both bilaterally and multilaterally.

In the evolution of the SCO, China has been carefully in deferring to Russian interests. China's initiatives and influences must not be allowed to compromise Russia's vital interests in Central Asia. China's economic weight within the BRICS group ensures its leading role; and Chinese leaders have been wise to allow other BRICS member countries to pursue their initiatives. To some extent, India, Brazil and South Africa have developed better ties with developing countries and international non-governmental organizations (NGOs) than China and Russia; and these ties, hopefully, would benefit the image and operations of the entire group.

Like globalization, China's participation in international governance has its benefits and costs. China has been increasingly active in assuming international obligations and delivering international public goods, thus improving its international image and status, enhancing its voice and influence in important global issues and the shaping of international institutions. At the same time, this higher-profile participation has generated new demands, and more monitoring and supervision by international media, international NGOs and international institutions. China needs to adjust its traditional low-profile and engage in better co-ordination among its domestic agencies. There are also domestic criticisms against the Chinese authorities' "over generous" overseas aid commitments.⁴⁵

There is an obvious neglect of an important domestic-international linkage too. When Chinese leaders appeal for the democratization of international relations in various international forums, the international community cannot help noticing that there is not much democracy in China, in contrast to India, Brazil and South Africa. China's lack of respect for human rights domestically tarnishes its international image and weakens its appeal for a harmonious world. Genuine political reforms in China are essential to China's successful promotion of a harmonious world and a new international political order.

⁴⁴ Joseph Y.S. Cheng, "The Shanghai Co-operation Organization: China's Initiative in Regional Institutional Building", *Journal of Contemporary Asia*, Vol. 41, No. 4, November 2011, pp. 632 – 656.

⁴⁵ Wang Yizhou, *op. cit.*, pp. 167 – 172.