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The Brazilian diplomacy gives high priority to BRICS. However, it is still reduced – not only in Brazil, but throughout the world – the offer of publications about the objectives, possibilities and limits of the group of diplomatic coordination formed by Brazil, Russia, India, China and South Africa.

This book comprises the debates registered in two roundtables organized by Funag, at which academics, journalists and businessmen took part alongside diplomats and negotiators who worked at BRICS meetings. Thus, it constitutes an appropriated repository of updated information and critical appreciations of the trajectory of the group, in a direct and accessible language to all those who are interested in external relations of our modern world.

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Debating BRICS

José Vicente de Sá Pimentel
Editor

Roundtables
RJ, April 27, 2012
SP, July 31, 2012

Participants:

- Ambassador Affonso Celso de Ouro-Preto
- Alberto Pfeifer
- Anna Jaguaribe
- Antonio Jorge Ramalho da Rocha
- Antonio Walber Matias Muniz
- Ambassador Carlos Márcio Cozendey
- Eliane Cantanhêde
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- Minister Fernando Pimentel
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Debating BRICS

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Debating BRICS

Editor: José Vicente de Sá Pimentel

FUNDAÇÃO ALEXANDRE DE GUSMÃO

Brasília – 2013

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FOREWORD

Funag organized, on April 25, 2012, at Itamaraty Palace in Rio de Janeiro and on the following July 31 at FIESP headquarters, in São Paulo, two roundtables to discuss BRICS. The idea was to follow-up the debates among diplomats, academics and other opinion makers from different regions of Brazil that started with the seminar from which the book "Brazil, the BRICS and the International Agenda" was born. The first one dealt with the analysis of the Meeting of Ministers of Trade and the Fifth Summit of Heads of State and Government of the BRICS, held, respectively, on March 28 and 29, 2013, in the capital of India. Intellectuals from Russia, India, China and South Africa were also invited to the second round table, in order to hear the perceptions of academics from the other BRICS and to obtain, to the extent possible, suggestions on measures to strengthen cooperation among the five countries.

I edited the transcripts of the discussants' interventions. They make up the second and third parts of this book and in my view offer an expressive picture of the doubts and expectations that academics and journalists usually have about BRICS, followed by detailed explanations on the background of the negotiations among the five countries, provided directly by diplomats and other negotiators who participated in meetings of the group.

The debates were intense and in my view very fruitful, especially for the diplomats, who were stimulated by some provocations, deepening their reflection and adjusting their aim in order to respond. The exercise clearly revealed a wide demand for information on the BRICS. Indeed, one recurrent recommendation during the sessions was for Itamaraty to make an effort to disseminate information on the objectives of Brazil with regard to this innovative external policy mechanism and also consider other measures to ensure support from civil society. That would be the recommended manner to broaden the success of the Sixth BRICS Summit to be hosted by Brazil in 2014.

In order to facilitate the dissemination of information on the questions discussed, I added a third section to the book, in which the main interventions are summarized. I also tried to link up the issues in as linear a narrative as possible. The brief summary reproduces, in most cases verbatim, the words of the discussants.

Having in mind that this publication represents a bibliographical reference for students, professors, media professionals, businessmen and others who may be interested in information about the BRICS, an annex reproduces the text of the communiqués by the Ministers of External Relations (May 16, 2008) and by the leaders (June 16, 2008) issued at the two first meetings, both held in Yekaterinburg, and those of the Declarations from the Summit held in Brasilia (April 15, 2010), Sanya (April 14, 2010) and New Delhi (March 29 2012).

The fifth and last part of the book contains short bios of the participants in the seminars, to whom I renew the expressions of my gratitude for their contributions that ensure the quality and usefulness of this book.

José Vicente de Sá Pimentel
Ambassador, Funag's President

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Roundtable at Itamaraty Palace

Rio de Janeiro, April 27, 2012

Ambassador José Vicente de Sá Pimentel – I am very glad to welcome all participants to this second stage of the exercise bringing together Itamaraty and academia to discuss BRICS and their importance to the international agenda. We held our first meeting at the headquarters of Alvares Penteado Foundation – FAAP – in São Paulo. The book with the texts prepared for that Roundtable was already published by FUNAG.[1]

I recall that one of the objectives of our exercise is to bring together the largest possible number of academics of the whole country and not only from the Rio-São Paulo-Brasilia axis. We have in the present Roundtable representatives of universities from the ABC, from the Amazon region, Ceara and Paraiba, among others. Representatives from Rio Grande do Sul, Minas Gerais, Santa Catarina and other States were also invited but had last minute problems. They will certainly be with us in the next debates, since external policy issues are of keen interest to an increasingly larger number of the units in the Brazilian Federation.

At the December 2011 meeting, in São Paulo, we discussed BRICS from a rather theoretical angle. The idea now is to examine pragmatically the results of the second Meeting of Ministers of Trade and of the Fifth Summit of Heads of Government of the BRICS, which were held, respectively, on March 28 and 29 of 2012 in New Delhi. I would like to propose that we focus our discussion on the outcome of these two meetings in India.

1 *Brazil, BRICS and the International Agenda*. Brasilia: Funag, 2012, p. 344.

At the next Roundtable, set for late next July, we shall debate the prospects for BRICS and will try to bring in foreign specialists, at least one representative from each of the other four BRICS.

To kick off today's exchanges among Brazilian government negotiators and academic analysts, we shall listen to a presentation from Ambassador Maria Edileuza Fontenele Reis, who participated in the Delhi Summit in her capacity as Under-Secretary for Political Affairs III and political *Sherpa*[2] for BRICS at Itamaraty. Next, the Secretary for External Trade from the Ministry of Development, Industry and Commerce will speak about the meetings in which the BRICS Trade Ministers have participated, while Ambassador Carlos Márcio Cozendey, Secretary of International Affairs of the Ministry of Finance will deal with the state of the art in the main financial negotiations conducted by the five countries. After those three initial presentations I shall open the floor for pertinent questions, comments and suggestions.

Ambassador Edileuza has the floor.

Ambassador Maria Edileuza Fontenele Reis – I am extremely happy to be again with you, ladies and gentlemen, to discuss the fascinating issue of the BRICS. Thank you, Ambassador José Vicente, for organizing these meetings. I believe this debate with wide academic participation is exceedingly important in order to enable us to enrich our perceptions about this mechanism, still in the formative stage, in which, at each step, our leaders widen the areas of action, deepen dialogue and intensify cooperation.

It is useful to repeat that BRICS is a very new mechanism; it is only three years old, since the count started from the

2 High-level official who heads a delegation responsible for meetings and conferences, chiefly in what regards the conduct of preparatory work before a Summit. Usually assisted by *sub-sherpas*, charged with specific subjects. The *Sherpa* assists the Head of State or the Minister of External Relations within the scope of his/her competence.

Yekaterinburg Summit, in June 2009. It is a mechanism that does not intend to be a geopolitical alliance nor an international organization. It is a politico-diplomatic forum whose action has followed two directions. One is the coordination of positions in international forums. From this angle, the most successful area of action at the moment, or at least the most visible, is the economic field. My colleagues from this area will have the opportunity to speak on the coordination among the five BRICS at the G-20 and on its contribution to the reform of the international financial institutions.

The other line of action of the BRICS is what the Chinese would call the *pragmatic agenda*, that is, the construction of a BRICS own agenda, the development of cooperation among the BRICS. From this perspective, we already have important actions in the fields of agriculture, health, science and technology and also in business, since at each Summit an increasing number of entrepreneurs participate in the Business Forum, where a privileged space is available to them in order to accelerate the establishment of profitable partnerships among the BRICS countries.

We also have an Academic Forum, conceived precisely to encourage reflection among academics of the BRICS. It is important to recall that our academic universe is still very much focused on the Western matrix and receives its main inputs from the developed thinking published in Europe and the United States. We know little, and must know more, about what Russians, Indians, Chinese and South Africans are thinking. The Academic Forum's mission is to disseminate ideas from the other four and to promote knowledge of what our own academic community is producing.

The first three Summits progressed considerably on both counts, that of coordination of positions in diplomatic forums and

that of the construction of a BRICS agenda. The fourth Summit, recently held at New Delhi, added a novelty: the creation, or rather the announcement of the creation, of the BRICS Development Bank. This institution will be turned not only toward the promotion of sustainable development within the BRICS themselves but also toward infrastructure projects in other developing countries. This novelty adds a third line of action for the BRICS, namely international cooperation and assistance through development financing.

At the New Delhi Summit there were two other relevant achievements. First, the signature of an agreement for the promotion of investment in local currencies, negotiated by the Development Banks and Central Banks of the BRICS, and second the signature of another agreement, this one on the facilitation of letters of credit, which should stimulate trade among the five even further. This trade has grown significantly. In 2002, it amounted to US$ 27 billion; in 2012, it already surpassed 250 billion and it is projected to reach 500 billion in 2015.

Each Summit helps to consolidate the BRICS, increases its international projection and widens the interest that it raises all over the world. It is worthwhile to make a brief evaluation of the evolution of the interest for BRICS in the international press, as well as in the Brazilian media. The Yekaterinburg Summit went almost unnoticed, since it did not generate news either here or abroad. The Brasilia Summit, held in April 2010, also had little repercussion; at the time, the Brazilian press was mainly busy with the ashes of the Iceland volcano. The third Summit, at the Chinese island of Hainan, had wide repercussion in the international press, but in Brazil the number and the salience of the news items were still modest. The New Delhi Summit, however, had a stronger impact also here. That is, as the group becomes more consolidated and the meetings yield results, attention on the BRICS tends to

grow. An Indian journalist calculated that 624 newspapers of wide circulation in the whole world opened space for the New Delhi Summit, not to mention the repercussion on TV and other media. The tone and contents of the stories, however, differed. In the United States coverage was factual, and rather positive in France, where *Le Figaro* and *Le Monde* published very interesting articles. It should be mentioned that one the most positive comments came from Robert Zoelick, who made it a point to stress that the BRICS Development Bank would not replace but rather add to the efforts of the World Bank, which should continue to finance projects in middle income countries.

But it is odd that *The Economist* has not published anything on the BRICS. The silence of the important British publication was a real surprise for me. *The Economist* chose to highlight local elections in Spain and Germany, and the big news in that issue was George Bush's trip to Korea for the meeting on nuclear security. *The Times*, also from the United Kingdom, however, published a very interesting text which I am going to read now as an introduction to a comment that I intend to make very briefly on the draft report of the European Parliament on the BRICS. This document was distributed to you here. The diplomatic editor of *The Times* argued that the BRICS is not viable because it is a group of very different countries. Here is what he wrote:

> *Let's anchor Russia in Europe rather than encourage its fuzzy idea of using the BRICS as a new fanged version of the International and let's talk to Brazil about defense cooperation, for example. Above all, let's get rid of an acronym that was never intended to be more than a snappy résumé of a global trend. It is time to drop the BRICS.*

For its part, the report of the European Parliament, in its paragraph 8, admits that the BRICS may try to act as a group

in external policy issues and acknowledges that the individual dimensions of the five countries are relevant. It considers, however, that instead of approaching BRICS as a potentially cohesive group of States the European Union (EU) should deal with them on a "country by country" basis, keeping simultaneously "a systemic and coordinated approach". The report concludes by saying that "this kind of approach will enable the EU to develop economies of scale by means of partnerships with BRICS at the individual level, maximize its interests and its role in the several regions and contribute to the consolidation of a multi-polar order". And more: "There are considerable divergences in the political and economic systems of the BRICS, in social and democratic trends and in the prospects of the BRICS in external policy issues; this should form and reflect itself in a policy of the European Union with several nuances". Finally, the report recommends the creation of synergies with each of the BRICS individually, and discourages the consolidation of potentially cohesive States. Further on, the report recommends an intensification of the dialogue on the matter at the summit meetings between the European Union and the United States.

It is interesting to note this "rooting against". The BRICS are consolidating; the fifth Summit is already set for 2013 in South Africa, the sixth will again come to Brazil. It seems very difficult, in the current stage of the game, for the commitment to dissolve. But opinions such as those from *the Times* and the European Parliament already pose a challenge: who are the proper interlocutors in Western centers, which, as we can see, wish to establish a cohesive and adverse position to the formation of groups like BRICS? I believe we should take advantage of this Roundtable to discuss this question.

Secretary Tatiana Prazeres – I would like to present some data on Brazilian foreign trade with the ensemble of BRICS countries and with each of them individually, and then make a

few comments on the growing importance of coordination among the five in the WTO international forums. I shall also dwell on my impressions on the articulation among the BRICS at the first meeting of Trade Ministers of the G-20, held last week in Mexico.

When we examine the Brazilian trade balance, the growing importance of the BRICS for our country becomes evident. In 2001, Brazilian exports to BRICS countries represented 6.4% of total exports and Brazilian imports from the BRICS made up 4.7% of total imports. Today, BRICS exports and imports to and from Brazil represent about 20% of total Brazilian trade. About 20% of what Brazil imports come from these countries and 20% of what Brazil exports go to them. In 2011, the ensemble of our exports to China, India, Russia and South Africa surpassed for the first time Brazilian exports to the ensemble of European Union countries.

However, when we look at the quality and diversity of Brazilian exports, it becomes obvious that much remains to be done. About 80% of our sales to BRICS are commodities, while 96% of what we import is industrial products.

The weight of China in the trade of Brazil with BRICS is high. Just to put things into perspective, China received 17.3% of all Brazilian exports in 2011; next, we have Russia with 1.6%, India with 1.3% and South Africa with 0.7%. That is, when we speak of trade with the BRICS, we are manly talking of trade with China.

It so happens that when we analyze trade with South Africa we see that 64% is made up of industrial products. However, Brazilian exports to China are also very concentrated. Three products answer for over 80% of total exports from Brazil to China, a reality that is also that of Brazilian sales to Russia and India. Brazilian trade with Russia and India must be expanded.

There is a great potential to be explored, but the reality is that in today's exchanges with Russia, Brazil exports meats and sugar and imports fertilizers; with India, Brazil exports crude oil and imports fuels. The concentration of the trade flow is excessive when we analyze the quantity of products exported and imported from China, Russia and India.

Brazilian exports to these countries grow faster than its exports to the world. Imports from them also grow at an accelerated pace. The conclusion is that the BRICS countries are increasingly important for Brazilian foreign trade. Nevertheless, the challenge of the quality and diversity remains: a challenge that does not regard only China, but also Russia and India.

In the light of this general panorama, I shall share with you some reflections on the articulation among the five countries in international trade forums. At the outset I should like to mention the ministerial meeting of the WTO, held in Geneva, in December 2011. At that meeting, the Ministers of Trade of the BRICS met separately from the others in order to discuss the future of the Organization, exchange impressions on the international situation and articulate positions about how to take trade discussions forward. In sum, the BRICS met with a view to positioning themselves as a bloc in that ministerial conference, which was about to begin. It was very interesting to see the importance that the five countries attributed to coordination among themselves. Thus, in spite of presumable divergences on some issues, it was possible to achieve consensus regarding several fundamental aspects. For instance, it was possible to arrive at a vision of a common future, a consensus about the importance of taking forward the WTO agenda and about the central role of development in the Doha mandate. New approaches were concerted aiming at advancing that agenda.

The importance that the five countries ascribe to *policy space* – the margin of maneuver they obtained the hard way in previous negotiations – should also be noted. Thus, the BRICS agreed that proposals to freeze the situation as it presents itself, as a pretext to "avoid the growth of protectionism", are not convenient for them. This is not because the BRICS countries support protectionism – on the contrary, all expressed themselves strongly against protectionist moves – but rather because the margin for maneuver obtained by them in previous negotiations could not be labeled as protectionist by the rest of the world and then discarded.

China is living its moment, which is different from the other BRICS, and Russia was wrapping up, precisely then, its adherence to the WTO. Brazil, India and South Africa strove to highlight the importance of being able to utilize the margin of maneuver and have autonomy, for example, to raise tariffs up to the consolidated level, without it being considered a protectionist practice. The freezing of the situation, proposed by Australia, among others, meant a serious step backwards for the three countries. To freeze the situation at that level would be equivalent to anticipating the results of the Doha Round for all the other members, thus denying the *quid pro quos* that were under negotiation and that we continued to negotiate within the scope of the round. And here it is important to stress that China and Russia supported the views of the other three BRICS, which became the consensus position.

All debates on the central place of the development agenda and of utilizing the margin of maneuver obtained in order to deal with the international crisis were clearly summed up in a declaration, presented at a press conference, showing that despite divergent positions on topical aspects the BRICS as a whole indeed had a common agenda. This was an important counterpoint to views that were being brought forth in the context of the ministerial conference.

I now turn to the First Meeting of Ministers of Trade of the G-20, convened by Mexico, the current president of the group. The BRICS also met on the margins of that conference, as had been agreed at the New Delhi Summit, and negotiated a joint declaration that reflected their position on several aspects of the agenda presented by the Mexicans. That agenda clearly counted on the support of the remaining members of OECD, but in the view of Brazil and the BRICS it did not deal in a balanced way with the big challenges of world trade in the current crisis context. My evaluation is that the coordinated position of the BRICS contributed decisively to make the final report presented by the Mexican Minister of Economy more balanced and reflect more correctly the joint views of G-20 members. This was very important, because the Mexican Minister's report will inform the Mexican presidency at the Summit meeting of the G-20, to be held at Los Cabos in a few months' time. I am convinced that the articulation by the BRICS was fundamental to make the voice of each of its members reflected in the general evaluation that will be made about the meeting of Ministers of Trade.

Ambassador Carlos Márcio Cozendey – At our meeting last December, I had the opportunity to say that one of the main common traits of the BRICS is the fact that they are large countries, with important resources and interests in the international order, but who were outside the decision-making processes of the chief international regimes – with the exception of the Security Council, which has a peculiar configuration. Therefore, these countries have the common objective of obtaining more participation in such decision-making processes. This endeavor is clearly reflected in the New Delhi Declaration, as can be seen by the space occupied in that document both by the question of the governance of the

Bretton Woods institutions and by the common position on the essential questions of the WTO.

In the paragraphs on the IMF, the BRICS put their weight on the table by insisting on the question of additional resources in order to provoke a debate on their participation in the conduct of the organization. In the recent discussions, that you may have followed in the press, on the granting of additional resources to enable the IMF to confront an eventual worsening of the European crisis, it became clear that any global action by the Monetary Fund and other international economic institutions hinges on the support and participation, or co-participation, of the BRICS.

At the meeting of Ministers of Finance of the G-20 it was agreed that US$ 430 billion will be placed at the disposal of the IMF. These are resources additional to those coming from the quotas and will be available to any country that needs support from the Fund in the next years. Obviously the idea was to have a volume of resources sufficient to attend to the eventual needs of larger European countries, such as Spain or Italy.

Why are such resources temporary? Because, among other reasons, the BRICS say, the IMF is an institution whose decisions are taken on the basis of quotas. The resources we are making available now will not increase the quotas and consequently will not be reflected in the decision-making processes of the organization. Hence, they can only be provisional.

I stress that there was, at the same time, the need and the demand for the BRICS to participate in the exercise. The BRICS themselves were the initial proponents of an exercise that would also bring about a larger participation in the decision-making processes. In other words, the BRICS turned the dynamics of the discussion within the Monetary Fund into something very different from what occurred in the past.

The Declaration of Delhi also contains a paragraph on the World Bank. The question of the presidency of the Bank, which was important at the time, is not mentioned there. It contains, rather, a number of considerations about how the Bank should function, bringing forth the view that the World Bank should shift from a donor-recipient relationship to one of cooperation. This has to do with the role that the BRICS came to play in the institution, the role that Brazil, specifically, came to play within the World Bank. Traditionally, Brazil was a client. But the relationship between client and lender is giving way, increasingly, to a relationship of stakeholders, and thus Brazil wants to participate in the decision-making processes of the institution and take up responsibilities for the configuration of the guidelines of its action.

The third point to be stressed is the proposal of creation of a BRICS Development Bank, a proposal that is also related to the two previous points. Briefly, this proposal was initially mentioned in a paper by Professors Stiglitz and Stern. They proposed to recycle toward the financing of infrastructure and sustainable development in developing countries the resources accumulated in the surpluses obtained by emerging nations, especially the BRICS and in particular China. This idea was launched last year, and India, taking advantage of its presidency of BRICS, took it up and promoted its discussion within the BRICS.

The debate is still at an initial stage. There was, indeed, a technical meeting to discuss what was going to be recorded in the communiqué of the Heads of State, and the decision was to register the willingness to create a working group to look into the viability of that Bank. In practice, the technical meeting already brought about an initial discussion of the visions of the countries regarding such an institution. Many points, however, remain open: who participates in the capital? Is it only the BRICS or also other

developing countries? What would the function of the Bank be? You will see that the Declaration of Delhi mentions infrastructure and sustainable development. Brazil argued that the bank should be devoted with priority to sustainable development, conceived as the integration among the environmental, the social and the economic aspects.

Where will the Bank have its headquarters, what will be the way in which it would function – well, there are many aspects that will have to be discussed, but what was recorded was that BRICS countries believe that there is a real and effective possibility that the Bank can be created.

What space would that Bank occupy? One that would be fundamentally complementary to that of the World Bank today, acting in the BRICS themselves and in other developing countries. The new Bank would provide a capacity that is currently limited to the World Bank, which has obvious difficulties to widen its portfolio, also because the developing countries are striving with difficult fiscal situations and do not seem interested in a new round of capitalization. Consequently, the lending ability of the World Bank is currently very much limited, mainly for larger countries.

Let us take the Brazilian case, for example. Brazil stands today very close to the limit that the World Bank established for loans by country. There is what they call "single borrower limit" and Brazil, India and China are very close to this limit. Thus, the capacity of action by the World Bank in the most important medium income countries, such as ours, depends of our capacity to widen the portfolio; that is, Brazil has anticipated the payment of loans made to the Federal government in order to open space for the World Bank to act in Brazilian States and municipalities.

Thus, there is this current financial limitation on the capacity of action of the World Bank. The BRICS Development Bank would

complement BIRD in that aspect. On the other hand, the BRICS Bank would be an institution controlled by its main stockholders, who would not need to worry about gaining space within the decision-making process of the World Bank, since that space would have been created naturally. The idea is for the BRICS Bank to be sustainable, observing standards of governance and economic sustainability that enable it to earn the confidence of the market and capture resources.

Such a bank is perfectly viable. It will entail an initial investment on the part of the countries that will participate, but the main characteristic of banks is to multiply the invested capital. It is financially feasible and at least in the initial discussion no proposals of differentiation among the BRICS were raised regarding their participation in the institution and consequently in its decision-making power.

I know that one newspaper published a story mentioning that in a meeting (it is unknown which one) between India and China, the latter was said to have claimed the presidency of the Bank and that it dissented from the Indians, who purportedly defended a rotation criterion for the presidency. I want to make very clear here that this discussion does not exist at the multilateral level. This was never discussed among the BRICS; they did not even come close to having such a discussion. On the contrary, the point of departure is equal participation among the five BRICS. It will depend on the capacity of each country, any one may take the option of not exercising such a capacity, but the basic idea is the egalitarian participation of the five BRICS.

In sum, the proposal of creation of the BRICS Development Bank was well received by the five countries, is a viable one but is still at a very initial stage. The discussion on this matter will continue during this year.

One last point, just for clarification. Sometimes there is much talk about the question of trade in local currency and I have already seen a large number of different meanings of this issue. The discussion on trade in effective local currency has not progressed within the BRICS due to the limitations of the BRICS's currencies, which are not today accepted globally. I shall try to make here a basic clarification, a differentiation of possible arrangements.

Note that we currently have with Argentina a system of payments in which trade is made in local currency from the standpoint of the exporter and the importer, but not from that of the Central Banks. The compensation of this trade is made daily in dollars. Neither Brazil nor Argentina accumulates surpluses in the other country's currency. It is an instrument to facilitate commerce from the standpoint of the exporter and the importer.

The existing arrangement between China and some countries, including Russia, is different. There commerce is effectively made in local currency. As it is a trade in currencies that do not have wide international circulation, when there is a surplus for one of the two sides the other keeps that balance in the partner's currency, and can only spend that amount in transactions with that partner.

Investment banks have opted for another instrument, a framework agreement which has to be bilaterally specified, on the granting of loans in local currency. This is a third modality in which, for example, BNDES would make a loan in *reals* to a South African bank, which would re-loan them to South African companies wishing to invest in Brazil or buy Brazilian products. Although using local currency, this is a third kind of arrangement that should not be confused with the other two.

These are the most recent developments within the BRICS. As we have seen, multilateral coordination has been effective.

As I had already commented at our previous meeting, it is not a universal coordination; it does not cover all issues and does not presuppose the coincidence of the BRICS in all matters. The five will not always speak with one voice, will not have a spokesperson, but there is indeed a permanent coordination which is extremely useful within the G-20, the IMF and the World Bank, since it touches the functioning of their decision-making processes. A new stage is about to begin, in which the BRICS progress toward more concrete initiatives, as is the case of the agreement between investment banks and the possibility of creation of a new development bank.

Ambassador José Vicente de Sá Pimentel – Thank you, Carlos Márcio, thank you, Tatiana, thank you, Edileuza, for the presentations on the latest understandings among the BRICS and the prospects that are opening up for the five countries. The visions of Itamaraty, the Ministry of Development, Industry and Foreign Commerce (MDIC) and Finance complement one another and highlight the priority ascribed by the Brazilian government to this matter.

If I may, I would like to make a brief observation just to stress the importance that the other governments that are part of the group also attach to the BRICS. In New Delhi, the speeches of Prime Minister Dmitry Medvedev, South African President Zuma and the Indian Prime Minister Manmohan Singh show that they consider BIRCS a prestigious association.

We knew already of the priority that the Russian government attributes to the matter: after all, the constitution of BRICS as an instrument of politico-diplomatic action was a banner bravely carried by the Russian Foreign Minister Sergey Lavrov. In Delhi, Medvedev spoke as if the BRICS were an accomplished pole of world power, naturally pushed by Russia, whose external agenda

would be similar to that of the group. President Zuma, in his intervention, underlined the world recognition that comes from the fact that he is the spokesman for Africa and took the chance to suggest that he will receive a number of advantages from the BRICS countries. Manmohan Singh's speech was evidently conditioned by the internal situation in India, because of the elections that had just been held in several important states, such as Uttar Pradesh, in which the Congress Party, the party of the Prime Minister, was defeated. He used the circumstance of being the host to speak of BRICS as if it were an Indian national project and, being in the self-imposed position of leader, took the initiative to present ten areas of cooperation and a program of action for the partners.

We had discussed at length in December whether the BRICS are of interest to Brazil and in what way the group would interest the other countries. The speeches at the New Delhi Summit give the impression that our partners do not harbor doubts about the relevance of the matter for them. President Hu Jintao was the one who spoke in a more cautious way, although he also mentioned the importance of the BRICS as a market and as a positive force for the promotion of world peace and development. The Chinese restraint is sometimes interpreted as reticence and lack of commitment. On the other hand, the Chinese government is also extolled for knowing what it wants and where it wishes to arrive, for its planning capacity and of implementation of what is planned. It is hard to imagine that the leader of a government with such characteristics would participate of summit meetings on a mere whim.

The reasonable conclusion is that the BRICS is useful and valued as such by all its components, which associate because they wish to do so. Brazil gains in prestige for being together with the other BRICS, but these also value the company of Brazil and are valued for that.

Let us now go to the comments, questions, provocations and suggestions from our guests. Let us start with Ambassador Rubens Barbosa, currently a member of the Board of Directors of the Federation of Industries of the State of São Paulo – FIESP. Next, I will give the floor to Renato Baumann, who now belongs to the Institute of Applied Economic Research – IPEA.

Ambassador Rubens Barbosa – At the outset, my thanks for the invitation to participate in this roundtable. I will leave for later on my comments on the interest of the Presidents in BRICS, mentioned by José Vicente. I want to begin my intervention by stressing that the success of a meeting such as this one, convened for the second time by FUNAG, an organ linked to the Ministry of External Relations, must be assessed according to the concrete suggestions that Itamaraty receives as subsidies to the external policy.

Our exercise between diplomats and civil society, timely convened by FUNAG, is new and extremely important. As already mentioned before, BRICS is a recent organization and it is normal that the countries are still groping to find ways toward progress. I start from the supposition that BRICS is important for Brazil, and even more, that Brazil is the country that stands to benefit most from BRICS, in terms of external policy. These are my starting points.

Within that perspective, we should examine the action of the BRICS under two aspects: first, the internal agenda, which entails expansion of trade and cooperation; it implies, since New Delhi, the implementation of the plan of action. In the external agenda, the statement of the Russian President is very explicit. If the Indian Prime Minister mentioned ten points, many of them linked to internal policy, Medvedev's statement proposes an external agenda for the BRICS. The weight of the BRICS, in my

view, will depend on the external agenda, which is the novelty, and not on the internal agenda. Internally, everyone wants to increase trade, promote investments, reduce unemployment; this agenda no longer raises the attention of the media. What would commend general attention would be the political weight of this group, if it should speak with a single voice. Obviously, a consensus on all issues would not be necessary, because, as we have discussed in December, the priorities are very much different; but we saw today that there is coordination at multilateral organisms and this can be the embryo of a more concrete project, one that gives the BRICS the political weight that it still lacks but may come to possess in the international context.

The international perception, especially the media, is biased. It is only natural that governments of other countries, for several reasons, try to reduce the influence and importance of the BRICS. In academic circles, many people throughout the world examine the BRICS under negative lenses because there are no precedents of a common agenda among these countries but rather a background of rivalry among its participants, which is seen as an impediment to a positive evolution of the BRICS.

Well, from the point of view of the formulation of Brazilian foreign policy, what one should know is, first, what does Brazil want from the BRICS? We must define our interests and a Brazilian agenda for the group. Second, what is the Brazilian proposal for the definition of an agenda, not only for Brazil, but for the BRICS? These two points are crucial.

I read the five statements of the New Delhi Summit and did not see clarity in the Brazilian intervention. The most substantive part was the characterization of BRICS as a platform for dialogue and cooperation among countries that represent 43% of the world population, for the promotion of peace, security and development

in a multi-polar, interdependent, more complex and globalized world. But this is valid for any institution, any coordinated international action.

In my view, what is lacking is, in the first place, a definition of the Brazilian interest, so that subsequently a proactive agenda can be developed, not only from the internal point of view, which is already taken care of by the plan of action, but also in the international aspect. It is difficult to progress in the three initiatives that were taken now: the bank, trade in local currency and investments; it will be hard to transform them into reality, it will take a long time.

From the Brazilian perspective, how to utilize BRICS in order to arrive somewhere? I think that an objective vision of our interests is lacking and consequently Brazilian proposals are lacking. I have concrete ideas about such proposals, which can be discussed within the BRICS on the basis of proposals from Brazil. I can present these ideas later, if it is the case.

This dialogue with civil society is very good, because we learn from the inside what is going on and thus we can form a well informed opinion. However, it seems to me that from the standpoint of Itamaraty the dialogue will only be useful if there are substantive contributions that the leaders of the Ministry may deem positive or negative, but that serve as bases for reflection for the formulators of policy inside Itamaraty.

BRICS is a new, innovative exercise, and affords Brazil with the opportunity to have a stronger presence, more projection in the world. It would be important that good ideas for Itamaraty resulted from our discussion.

Professor Renato Baumann – I shall start from five proposals contained in the Declaration of New Delhi: development bank, wager on the Doha Round, facilitation of trade in national

currencies, facilitation of confirmation of multilateral letters of credit and interaction of stock exchanges. Form this basis I ask permission to present not really ideas, but eight provocations that may contribute to the debate.

The first provocation is recurrent and was already answered in part by Ambassador Edileuza. Within BRICS, the negative consensuses are clearer that the positive agenda. From all that has been said here, it seems that there is a sketch of something positive, but in my opinion the provocation remains valid; is it possible, at this stage, after four Summits, to identify at least the outline of what would be a positive agenda?

The second is that the existence of the BRICS obviously has clear geopolitical implications, but participation in this group seems to occur more by inertia that by interest. It looks a little like the negotiations of the American Free Trade Area – ALCA in the Portuguese acronym – of which some countries did not wish to participate and participated more for fear that others did and that there would be a cost for not doing so. The provocation here is: do we have today an idea of the cost in not participating in the BRICS? The question is important because the effort to participate presupposes the notion that not doing so entails a high cost. I think it is important to identify the benefits that we get from being accredited as a partner in BRICS. And if we were not partners in BRICS, what then?

The third provocation has to do with the risk of an exaggerated perception of BRICS, almost as if it were a new Bretton Woods, something like "let us change the world". It is important to be clear that the rules of the international game remain the same; it is necessary to define the strategies that allow for a better participation in this game. Sometimes, press reports give the impression that there is a perception that we are now the "great guys" and that we are going to change the world.

The fourth deals with the idea of the development bank. In my view, it may raise doubts similar to those that exist regarding the Southern Bank. The risk to use the resources of this bank in a political way can lead to a cost of capture of resources higher than Triple A. If it is so, the bank will not be competitive vis-à-vis the International Bank for Reconstruction and Development – BIRD – and the International Monetary Fund – IMF. And if it is not competitive, it can even become complementary, but at a very high cost.

In parallel, there is the perception, disseminated by the press, that the development bank can be a tool for universalizing the use of the *renminbi*. My fifth provocation is whether an antidote for this has already been thought out.

The sixth is still on this issue. Judging from the Declaration of New Delhi, the development bank will finance investment projects in the BRICS themselves and also in other developing countries. In a world of production chains and intensification of productive global complementarities there is a cogent need to define criteria for the selection of projects and countries, governance criteria, criteria for the guarantee of return of resources and also to ensure that this does not foster among the BRICS, in a differentiated way, the competitiveness of some countries – yes, I mean China – that have placed their bets into regional interactive production and built part of their competitiveness on the basis of this productive complementariness. To strengthen this process can be a shot in the foot for us. So, I ask: what is the role of the regional bases for the BRICS countries? China has been very active on this count, by stimulating integrated productive processes; Russia has the legacy of relations with its neighbors since Soviet times; India has some relations with its South Asian neighbors, and South Africa practically dominates SACU. Does Brazil see with clarity that it is important to build an economic base with the regional

neighbors in order to increase its presence in the international scenario? This provocation overflows the BRICS orbit and has to do with the dimension that the regional question occupies in external policy. Does Brazil consider itself important enough to keep being invited to the banquets of the main G's only for what it is, or does it know that for this it needs to consolidate a constituency in the medium and long run?

Seventh: Was the failure to achieve a consensus for the launching of a candidature to the presidency of the World Bank an isolated episode, justifiable because the BRICS is still something in the process of being born, or does it reflect the difficulty to arrive at a convergence of purposes?

The last provocation was already answered by Tatiana. The Declaration of Delhi transfers to the Doha Round the handling of issues that render more difficult the flow of bilateral trade, such as lingering barriers and shifts of commerce resulting from preferential treatment toward neighbor countries. The question is: is facilitation of commerce a dimension to be considered by the BRICS? The plan of action signals only flexibility in the use of currencies and interaction of financial markets, but does not mention trade barriers. It may be premature, but if there are problems of market access among the five, this issue should at some point be contemplated in the BRICS agenda; or is it going to be swept under the carpet and shipped to Doha?

Here we have a sufficient batch of provocations that might enliven the conversation.

Ambassador José Vicente de Sá Pimentel – Several hands have been raised. To keep the pace of the debate, let us continue with Sergio Leo, Oliver Stuenkel and Giorgio Romano, who raised their hands earlier.

Journalist Sergio Leo – Thank you for the invitation, Ambassador. One of the participants in this roundtable, whom I saw before coming here, commented: "I was going to say many things, but now that I know the press is here, I will have to restrain myself". I hoped that my presence would not inhibit anyone; judging from what I already heard, this will not be the case.

Every time incomplete narratives and other shortcomings of the press were mentioned, participants looked at me. For that reason, I feel obliged to explain what happens from the point of view of a newsman.

It has been a practice in BRICS meetings the lack of press conferences to explain the decisions. Presidents come, make a statement an soon leave. And there are statements like that of President Hu Jintao, who looks like an oracle when he speaks: his statement is vague enough to admit any interpretation. Analysts look desperately for explanations, chasing their sources in a struggle against the clock, because editors have deadlines. I make here a personal recognition to Ambassador Edileuza, who has had enormous patience with our ignorance and our journalistic harassment on those questions, but the fact is that many of the visions end up not having appropriate explanation. And it seems that this stems in part from the lack of interest of the governments, who do not want to explain the divergent interests of countries regarding some delicate questions. There is also the fear among those in government that the BRICS press conference will end up as a fusillade on national issues that have nothing to do with the event in itself.

The BRICS have had much difficulty in coming up with a narrative that deals properly with the depth, diversity and width of the links that are being created. There is not a clear narrative of what the BRICS really are. The doubts raised here, both by

Ambassador Rubens Barbosa and by Renato Baumann, illustrate the series of questions that come up among those who follow the matter.

I was struck by, the word "platform" in President Dilma's speech. How does Brazil define, and how other countries see that "platform"? What is the difference between this and many other platforms that exist in other international instances? Is it a privileged platform because in it China finds friends to dilute its presence in some issues more delicate for itself? Why do countries like Brazil and India find greater legitimization for their ambitions of taking a leading role? Russia uses BRICS to say that it is still a player in the game of world powers, although there are those who do not believe it; and half of South Africa's discourse, at the latest meeting, was almost of gratitude for having been let in.

If it is really in the interest of the countries that this platform takes a large dimension, it is necessary that it states what it wants and that it has a real presence, that it effectively tackles global questions. I personally followed the BRICS meetings, except that of Yekaterinburg, in Russia. At the Sanya Summit, I felt something new in the air. Nothing that I would be able to translate in stories capable of attracting much attention from the editors, but the impression remained that the arrangement was acquiring a solid quality. That impression was strengthened in New Delhi, perhaps because there some reasonably concrete proposals were made. I felt there, still without being able to translate into news, that the countries were looking for some binding element. I see that there is a search for common ground amidst many clear divergences and that a real political movement is starting to happen among the countries in the search for the conformation of common positions. As was already said, for a country like Brazil the possibility of dragging China or India to support our positions at the WTO or the G-20 is not something to neglect.

Another positive aspect of the BRICS is the search for actions with third countries that can encourage a demand from other political agents on the BRICS themselves. Because of my trip to India, I received information about a group called *Initiatives for Strategy in Global Health*, including an analysis on the assistance rendered by BRICS to third countries on matters of health. The group found out that all BRICS countries have in common the search for self-sufficiency in pharmaceutical production. The group, a kind of NGO in the health sector, is interested in working with the BRICS in order to coordinate initiatives that currently each government carries on in isolation.

The press looks for narratives, but since those responsible for the BRICS do not provide the needed ammunition, it has to look for it among the interpretations that circulate around. In my view, an easy narrative is the one about the ability to bring together such diverse interests, of such different dimensions. This official discourse that "we are so much per cent of the world population, so much per cent of growth, and so much per cent of trade" does not go far, because when you take China out, the figures shrink drastically. It does not make sense do listen to South Africa, for example, saying this kind of things.

The discourse of Jim O'Neill, the creator of the acronym BRICS, does not hit the nail on the head either when he says that BRICS should expand to Turkey, Indonesia, Mexico and others. In my view, the five BRICS do not want to expand their number. Why? Because, and here I answer my own question, the bond that unites them does not come from the circumstance that they are emergent, but rather from the fact that they are large countries that oppose the interests of those who, until now, have dictated the multilateral norms. It is not the case of Turkey, which belongs to the OECD; it is not the case of other countries that Jim O'Neill has been trying to push into the BRICS.

The fact that there is little media attention for the events is due, on the one hand, to the existence of a real difficulty to deal with processes. The press wants to report results. The newspapers are not prepared to report "processes", especially when there are no sufficiently defined, unquestionable landmarks on the way; this causes a huge difficulty.

On the other hand, yes, there is skepticism. This is what a friend of mine, the Argentine former Secretary and negotiator Felix Peña, nicknamed *cumbritis* in Spanish, meaning the common South American vice of organizing *cumbres*, summit meetings, successive encounters of Presidents who feel obliged to emit communiqués, some of them even interesting, but without developments of practical results. At a previous visit to New Delhi – Ambassador Pimentel was still there – one of the results announced as most relevant from a bilateral meeting between Brazil and India was the creation of the CEO Forum. Well, one of the most highlighted results of the latest meeting between Brazil and India, now in 2012, was the reactivation of the CEO Forum, which has been little active until today. The lack of substance, the lack of a more productive management of the several initiatives that follow each other at each Summit generates certain skepticism. No wonder that there has been skepticism by the press about the BRICS development bank and other initiatives taken at the latest *cumbre*.

To conclude, the BRICS seem to have gigantic ambitions but the obstacles before it are also huge; hence the doubts about how Brazil is going to deal with the challenge. In India, the ideas of creation of the development bank and of promotion of investments in local currencies bred optimistic official statements and more cautious less formal declarations. There is lack of confidence within the very negotiating delegations, which some newspapers quickly reproduced. Are we going to grant credits in *renminbis* in order to import more Chinese products? We heard very clearly that there

is great Indian interest in this bank to deal with Indian difficulties of access to the capital markets. For South Africa, the bank has an obvious interest. China does not need a BRICS development bank in order to make loans to countries to which it is already lending money. Today it lends with much less trouble and many more conditions. The impression lingers that this was placed in the meeting's agenda by India and South Africa. Thus, the great news, great because it is a concrete result, also generates much doubt.

I reiterate Renato Baumann's impression that Brazil joined this discussion in the same mood as it joined the discussion about the Bank of the South. The bank of the South was a Venezuelan invention to channel its petrodollars more easily, including for its internal public opinion. At first, Brazil was absolutely opposed – not publicly, but extra officially. Gradually, it ended by embracing the project and trying to shape it. The impression I have is that also because of the need for the BRICS to have a narrative they will end up by putting together this new bank somehow and my great doubt is whether Brazil is already clear about how to act when this happens.

Professor Oliver Stuenkel – I shall be brief. I had the honor to participate in the BRICS Academic Forum in New Delhi a few weeks before the Summit. To sum up my experience, I would say the mutual lack of knowledge is so great that such initiatives are important and should be multiplied in order to create links and partnerships. I think that for Brazil the cost of not participating in the BRICS would be high, and that civil society will greatly benefit from the contacts that do not exist yet. The reputation of the BRICS helps Brazil in creating such partnerships.

How many Brazilian professors have spent time as visiting professors in India? How many Brazilian candidates to a doctorate spend time in Indian universities with "sandwich scholarships"?

This does not happen. The mutual lack of knowledge also creates difficulties to create a program of cooperation between the two countries. To create such direct contacts already brings huge benefits for academic institutions, or for Brazilian thinking.

This has a lot to do with the narrative, because the narrative we have here in Brazil about India is not a genuine Brazilian narrative. The books we read to understand India were written in Cambridge, in Oxford. Brazil has less than ten diplomats in New Delhi, while the United States has more than four hundred. By the way, the American diplomatic presence in New Delhi is equal to the Brazilian diplomatic presence in the whole world. We use American, British, European knowledge to interpret our partners.

Ambassador Edileuza commented the hostility toward the BRICS, which is very much visible in the European and American media. The newspapers follow two strategies: first they point out the divergences, betting that these countries will not be successful, because they have very different agendas. For instance, they use the case of Libya and Syria to say the BRICS do not agree within themselves and therefore they make no sense. But not even the members of the North Atlantic Treaty – NATO – or those in the European Union agreed among themselves in the case of Libya. There are divergences in every alliance, but in the American and European narrative this divergence proves that the whole BRICS concept does not work. We have to be careful not to buy that narrative.

There is in the USA a very strong narrative that a conflict between India and China is sooner or later inevitable, because, among other factors, both dispute the same space. This is going to be so because it has always been so. The problem is that there is a growing sector in India that does not think that way and has plans for cooperation. Many Indian intellectuals are looking at the spaces that are being opened for cooperation with China. It is

important to look at these new narratives. When a journalist asks me; "Don't you think that there will be a conflict between China and India, and therefore the BRICS do not make sense?", I can answer that "The BRICS make sense because they can help reduce the potential for conflict between these two countries, they can create this important platform of understanding".

If the BRICS were really an absurd idea, tens, hundreds of articles in the *Financial Times*, the *Wall Street Journal* and other large American media would not crop up, insisting on denying sense to the initiative. There is an evident preoccupation with the possibility that the BRICS reduce the control over the global discourse that is exerted today by the established powers. The truth is that in the issues where the BRICS succeed in achieving a common position, they defy the narrative supported by the great powers. This is valid for every global theme, such as climate change, poverty reduction, etc.

The second strategy utilized by the established powers, in my view, is to pressure Brazil into choosing either an alliance with the BRICS or with the West. That is, they will try to create and force the choice: either BRICS or the United States, either BRICS or the West. A similar kind or reasoning was used by the British newspaper *The Times* in the comment that Ambassador Edileuza read out about the convenience of including Russia again in Europe, in order to discourage Russian adhesion to the BRICS. I think this is a false choice. Brazil is an important actor in a complex international system, where this choice does not exist any longer. Brazil can strengthen partnerships with the United States, with the European Union and also with the BRICS.

After the experience at the Academic Forum, I would say that the cost for Brazil to participate in the BRICS is very low. A Summit is an investment, every opportunity has a cost, but I do not see Brazil losing anything because of its participation in BRICS.

Yes, there are great differences among the members, but at the same time there is a significant potential. In fact, the Brazilian announcement that there would be a common choice of a candidate to the presidency of the World Bank clashed with the Russian announcement that it had already committed its vote and this kind of thing creates an image of lack of coordination. However, the annual meetings should increase the ability to define agendas.

I agree with Ambassador Rubens Barbosa: Brazil needs to have clear goals when coming to these meetings, and I think that as each year goes by the Brazilian focus comes out more clearly. After four years of BRICS, the knowledge of the Brazilian society about other societies is still very low. We must continue to stimulate interaction so that at a given time we may better define the goals of the Brazilian society that will have a synergy with the ensemble of the BRICS countries.

Professor Giorgio Romano – I shall not do like Zuma and exaggerate in my expressions of appreciation, but at the same time I would be remiss in not thanking Ambassador José Vicente for having invited me in my capacity as coordinator of the International relations course at the Federal University of the ABC.

I shall mention two or three issues and make some suggestions. The first has to do with the fact that at all events in which I participate abroad I am asked whether there are Brazilian publications in English about the question under examination. Not too long ago I was in South Africa at a meeting in which the positions of the BRICS countries in Rio+20 were being discussed, and I was asked several questions of that kind. FUNAG would render a great service to the dissemination of information on Brazilian thinking if it would start to translate books, such as this one on the BRICS, into the English language, so that academics in other parts of the world would know what is the thinking here.

There is great interest in the world about Brazilian views and experiences, but the language is an obstacle.

About the question of the press, Sergio Leo is an exception here in Brazil. Few journalists undertake to deepen their knowledge about the issues on which they write. My suggestion in this particular is that FUNAG can be more proactive and besides convening discussions such as this one on the BRICS, which is very timely, it also considers organizing courses on specific themes. IPEA organized one on economy and it was full of people. Specific courses may not have a direct effect, but raise the interest. I leave the suggestion.

As for BRICS, the pessimism of the Brazilian academic world is perhaps even greater than that of the press. At a meeting of the Brazilian Society of International Relations (ABRI) in which I participated, the papers presented mixed up the issue and concentrated on the comparison between countries. In that way we can conclude that we are comparing different entities and BRICS thus has no future. We should emphasize the question of the articulation within the BRICS group, which is undoubtedly different from that within IBSA. The latter's vocation is to strengthen the exchanges of technical cooperation among the countries. I have participated myself in some meetings of IBSA with agendas relating to urban development, and it was very interesting. But the gaze of BRICS is turned toward the great themes of international politics, such as, for instance, the asymmetries that exist in the world. This is what frightens some countries, because to adjust asymmetries entails reducing the privileges of the G-7 States.

The question is not only related to the privilege of getting the presidency of the World Bank or of the IMF. The real challenge is to propose a new paradigm. I participated in meetings in India, South Africa and Brussels, and I noted that the Europeans wanted

to learn about and understand better the vision of the BRICS countries. I myself have not yet understood quite well what would be the new paradigm of development. It is obvious that the BRICS have differences, different conceptions of democracy, but they also have common positions that lead them to firm articulation at the G-20. I think that one of the most important common points is to aim at a different kind of development. It is necessary to explain this, because the participation of the BRICS in the world and its relevance for emerging countries tends to grow even more. It being so, what exactly are the narratives, the proposals, the kinds of development? What is the mission of the Development Bank? Is it only to assist the World Bank? I believe there exists among the emerging countries the expectation that BRICS do something different and contribute effectively to the achievement of a less asymmetric world, where billions of people in a state of poverty and one billion experiencing hunger or close to it will no longer exist. I therefore suggest further deepening the question of defining this new paradigm.

Although it is a head above the rest of the class, China also has to gain with the BRICS. Let us look, for instance, at the already mentioned debate in the United States about what to do with this China that does not stop growing and becoming stronger, including militarily. To emphasize and attach priority now to peaceful growth, nothing is better for China than showing that it wishes to grow together with other countries and dilute eventual perceptions of hegemony within the BRICS. It would be interesting that countries like Brazil would explore that possible Chinese priority.

Ambassador José Vicente de Sá Pimentel – Thank you, Giorgio, your suggestions to FUNAG are very pertinent. I took due note. I shall give the floor to Henrique Altemani and next to

Affonso Ouro-Preto. Then I would invite Edileuza, Tatiana and Carlos Márcio for an exchange between negotiators and academics, to clarify certain aspects and go forward on sure ground.

Professor Henrique Altemani – I am currently working at the Federal University of Paraiba and feel very much honored by the invitation to participate in this roundtable. Thank you.

I think it is inevitable to repeat some of the concepts already presented here. First, I would stress the idea that the BRICS is a platform. From my point of view, what really unites the BRICS is precisely the political dimension. Certainly there is a series of differences, but the political convergence stems from the importance, central to the BRICS, of an opposite position regarding the group of developed countries. BRICS is formed by countries that for a long time have shared the political will to contrast the G-7. In this sense the hard core of the BRICS would consist of Brazil, China and India.

We also had a strong political partnership with India in multilateral forums. With China we also have longstanding political synergies. In his book *A parceria estratégica sino-brasileira: origens, evolução e perspectivas (1993-2006)*, Oswaldo Biato makes reference to the Chinese ambassador at the time of the establishment of diplomatic relations between the two countries. China saw in Brazil the possibility to take an opposite stance toward American positions on the basis of our own interests. This continues to be the bond between Brazil and China, the tie that makes it possible to think of a strategic partnership. In spite of our differences, political will remains.

If the political dimension is the bond that brings us close to these countries, economic-commercial issues could even, in my view, occupy a marginal position within the BRICS and be dealt with bilaterally. By the way, the asymmetries between exports and

imports are not an exclusive feature of the relations with China; for a long time this been happening with other Asian partners. If our exports to China today are 80% composed of commodities, in the case of Japan and Korea they remain at around 65%. India is not commercially expressive for Brazil. There is a potential, but trade with India has not achieved significance. If I am not mistaken, in 2009 trade grew 280%, but this was because we sold a mountain of sugar due to the break in the Indian crop. Afterwards it came back to normal, and its normal is not bright. To sum up, the economic-commercial angle is not the main one within the BRICS. It is relevant in our bilateral relation with China, in our relations with Asia, but it is a matter to be dealt with at the bilateral level.

Oliver mentioned a very important point, the question of the mutual lack of knowledge. We do not know our BRIC partners and vice-versa. This is not recent; it is endemic, so to speak. Those who work with Asia have said it for a long time and still we do not know each other. This is a very serious question, because we cannot take advantage of the opportunities offered by the other BRICS if we do not know them, and to be able to lessen this shortcoming we need support and financing for researchers.

Ambassador Affonso Celso de Ouro-Preto – I congratulate our Foundation for having organized this very timely and useful meeting about the BRICS.

I asked for the floor precisely to insist on the theme of the opportunity and usefulness of the BRICS. At the December meeting there was a long discussion about the criticism to the BRICS from the First World, which is in large part reflected in the Brazilian press. The arguments used against our participation in the BRICS are well-known. Geographic distance, political regimes different from one another, trade interchange not always very intense, when one does not consider China. Many arguments could lead to

doubts about the opportunity, the necessity or the convenience of the existence of the BRICS and the Brazilian participation in this group.

The December meeting seemed to have solved this question, but I see that many of our friends here again raised doubts about the convenience of Brazilian participation in this group. I would simply say that evidently the BRICS are not a political or an economic alliance, do not constitute a free trade area, do not aim at consolidating consensus on all issues and not even on the main points of the international agenda. They merely make up a forum that is undergoing a process of consolidation, in which a group of countries meets and discusses questions of common interest.

What is the convenience for Brazil to participate in this forum? I would ask: what is the alternative? Should Brazil not participate in BRICS? Should it participate in the OECD? In the G-7? In NATO? Or should it remain completely isolated?

The question was asked of whether Brazil opposes the members of the G-7. I would say that it is not opposed, but that its interests, as is the case with other members of BRICS, do not always coincide with those of the G-7. We cannot say that Brazilian interests are always coincident with those of Great Britain, the United States or France. In the current times, when the world is going through a crisis, this lack of coincidence, which does not mean hostility, is very clear.

The meetings of the BRICS were attended by officials of the very highest level, such as the President of China, the Prime Minister of India and our own President. This format indicates the importance of the group. This forum is being taken seriously. Did it make a decision about the Development Bank, about trade in local currency? Not yet, but the issue was debated. What is important was discussed. In paragraphs 20 to 23 of the Final Declaration, thorny

political problems, such as the Middle East, Syria and Iran were also taken up, and although there is no coincidence of opinions, it can be noted that the talks among the leaders have facilitated a rapprochement of points of view within the group. The Declaration recorded the need to give greater weight to developing countries in international organizations, such as the IMF. Although without a commitment regarding a change in the number of members of the Security Council, there was a mention to the need for the reform of the United Nations. All these issues are of interest to Brazil. Would it have been better not to participate, not to attend the meetings, keep our mouth shut, introspectively, and let other countries to say what they wish? I think it makes more sense to participate.

The BRICS constitute, therefore, a forum that corresponds to the interests of our country, as well as those of the other participants, which places us at a situation of greater visibility in the international community, also because four great countries are represented there, with populations that equal 40% of the world population and whose product represents 20% of the world's GDP and a fifth country that represents a continent; a forum whose critical mass must be taken increasingly into account by the international community and where decisions contrary to our interests will not be taken. This makes me think that the Brazilian presence in the BRICS is very opportune and useful and that it corresponds to the national interest.

Ambassador José Vicente de Sá Pimentel – Thank you, Affonso. Let us hear the intervention of the Brazilian *Sherpa* for the BRICS.

Ambassador Rubens Barbosa – Before that, I have a specific question for Edileuza. In his speech, Medvedev said that the BRICS have the strategic objective of gradually becoming a mechanism

for interaction on the main issues of global politics and economics, and that it would thus become a forum for the Foreign Ministers. Is Brazil considering taking a position on this?

Ambassador Maria Edileuza Fontenele Reis – No decision is taken by the BRICS unless it is by consensus; we only take consensual decisions. Accordingly, proposals by a Head of State must be discussed among the five before they can be approved.

I wish to fully endorse the presentation just made by Ambassador Affonso Celso de Ouro-Preto, and I add that the BRICS do not want to act to the detriment of other States. In this connection, I would like to stress that Brazil is a strategic partner of the European Union, as well the United States, Canada, South Korea and also India, China, Russia and South Africa. These, and only these, are the strategic partners of the European Union.

Besides the European Union, we have a strategic dialogue and a very intense relationship with the United States. Therefore, the participation in BRICS is not exclusive as far as the Brazilian foreign policy is concerned. What BRICS provides us is an additional forum for coordination.

When I hear that the BRICS lack a plot, I must confess my perplexity. I would even admit that an American or European journalist could say something like this, but after four summits with full Brazilian participation it should be clear that our narrative is already explicit. The last Summit produced a Joint Declaration with fifty paragraphs. It was an extremely balanced Declaration as regards the international political and economic agendas. In both these two parts we have consolidated, within the BRICS, positions that we have defended in other forums. In what regards the reform of the international financial institutions, the statements of President Dilma during the Summit on the excess of liquidity in developing countries – what she called a "monetary tsunami"

– had wide repercussion in the United States and the rest of the world, including Brazil.

A sizable part of the Declaration addressed regional crises – and here I must make clear that BRICS is composed not of subservient countries, but of countries that have a diplomatic tradition, that have independent external policies and for that reason they respect one another and discuss their points of view freely. No country bows to any other. During the negotiations I worked until four a.m. in a struggle about the reform of the Security Council, because China did not want it to be mentioned. Finally, it agreed, and there it is.

An important part of the Declaration is devoted to the construction of the BRICS's own agenda, that is, the implementation of the plan of action adopted at the Sanya Summit. The first time a plan of action was adopted at a BRICS Summit was at the Brasilia Summit, in 2010. At that occasion, Brazil proposed the adoption of a plan of action. The institution of an economic forum and of an academic forum was also proposed by Brazil. Both will have a growing role in the shaping and dissemination of BRICS, including among the five countries.

In Sanya we put together a new plan of action, based on the previous one, and we have already accomplished it fully. This is recorded in the Joint Declaration of New Delhi. In India we agreed on a new plan of action, which we will again fulfill. This is the BRICS narrative. The coordination of BRICS within the G-20 and the importance of this coordination to achieve agreement at the G-20 Summit are in themselves eloquent pieces of news.

Again, is it good to belong to BRICS? I recall a comment by a brilliant Brazilian ambassador, Ambassador Marcos Azambuja, who said something like: "I do not know if it is good to belong to BRICS, but not to belong is not good".

In 2012 the BRICS will be responsible for 56% of the global

economy. In the same year, the G-7 will represent 9%, less than Latin America, with 9.5%. Is it good to be together with countries that grow at such high rates, or is it better to be in the G-7?

BRICS is a forum for coordination. We are not paying a contribution for our membership, as we pay at the United Nations and several other organizations. We pay to be in the United Nations, but we are not permanent members of the Security Council and it is extremely hard to reform the Security Council.

Diversity, the wide differences among the BRICS, is mentioned to pass judgment that it cannot work. Well, if we are going to have relations only with countries that are equal or similar to ourselves, it will be difficult to have productive international relations. BRICS offers us the opportunity to act together with other relevant countries, not to work for the destruction of the international system, but to the benefit of the reform of this system, to the benefit of developing countries. Thank you.

Secretary Tatiana Prazeres – I shall try to answer Renato Baumann's provocations regarding foreign trade, at least some of them, because they were many and I may not have taken all down.

The existence of BRICS is a recognition that the world has changed, and the change is favorable to Brazil. The BRICS illustrate this evolution. To deny that Brazil has a gain in being part of this new reality would be to act against our interests. No leader of any political party would make such a mistake. I agree with Oliver Stuenkel: the cost of participating in BRICS is very low when we think of the cost-benefit relationship.

There are innumerable reasons to strengthen BRICS, to commit Brazil firmly in this process and to convince the others of the advantages of continuing to act together with BRICS. Again, I limit myself to economic and commercial questions.

To be a part of BRICS allows each of the members to voice its positions in a way that they could not do individually. It allows countries to influence decision processes that in isolation they would not be able to influence with the same gain. It allows us to present counterpoints to some agendas and it facilitates the utterance of our concerns regarding other countries' views. It is not about, I repeat, opposing any country in particular, but about pushing forth our own views and amplifying the repercussion of our opinions on the multilateral trade system, or on the discussions that are today taking place at the commercial G-20.

When we examine our interest in questions relating to other members of BRICS, my evaluation is that the shared perception of the group about the importance of remaining united creates an important incentive for a rapprochement of positions. It seems evident to me the interest of China in not remaining isolated in some discussions within the WTO and the G-20, and this opens important opportunities for Brazil to bring positions closer. I would not go as far as endorsing Sergio Leo's comments about our ability to "drag" China or India, but certainly the shared perception of the convenience to remain in the group helps articulations within the BRICS, stimulates a deeper articulation of positions. We know that China paid a high price to become a party to the WTO and for this reason it may now have positions different from ours on some issues. BRICS provides an opportunity for everyone to better consider all the aspects of an issue and calibrate statements, visions and individual positions.

I say this without mentioning the common agenda that is being built, of which Carlos Márcio already spoke and I believe will mention again.

Ambassador Carlos Márcio Cozendey – Still on Renato's provocation, the opposition between BRICS and the G-7 is not an

issue. The G-7 continues to exist on the same level as the BRICS. Today there is the G-20, in which Brazil participates on the same footing with the G-7 countries. Within the G-20 the members of the G-7 have a closer articulation on some issues. The same goes for the BRICS.

Today, in the dynamics of the inner workings of the G-20 and in the dynamics of the IMF, the articulation among the BRICS has a relevant role: the BRICS can include issues in the agenda and obtain results regardless of the fact that they do not have a formal veto power or enough votes. I mean, when there is a coincidence of positions among these five countries, the results happen regardless of whether they have power of vote or not.

On the question of competition with the World Bank, if the BRICS bank does not have a rating in the market that enables it to capture enough resources it will not be able to realize its objectives. But the competition there is not with the World Bank and neither with the Fund, according to the subject matter. It is not a question of losing clients to the World Bank, even because the problem for the World Bank today is the difficulty to expand its portfolio. In fact, the competition would be with the National Bank for Social and Economic Development – BNDES, or with the Bank of China. Will the new bank have an ability to capture resources at a lower cost than what is the case for countries individually, or not? The analogy would be the CAF-Brazil relationship: the client will prefer CAF if he latter is able to get resources at a lower cost than Brazil.

Depending on its setup, the new bank may not be a resource-capturing instrument necessarily cheaper for China, but it may be so for other developing countries. In this case, it becomes an instrument of policy for the BRICS with regard to other developing countries. In this sense there is indeed for China an interest in

legitimizing its action in a given scenario. Just as we would benefit from China's firepower, China would benefit from the legitimacy dimension of Brazil or South Africa in its international action.

Any country could co-opt the bank to benefit its objectives, but Brazil can also do the same. Just as there is the risk that China uses the bank for its own ends, there is also the possibility for Brazil to use it for its own objectives of external policy promotion in other developing countries, with a projection capability that Brazil does not have today by itself, not to mention that Brazil by itself does not have either resources or legal instruments to do such things.

In my view, the universalization of the *renminbi* will be beneficial. We have today a multi-polar, multi-currency world. When the universalization of the *renmimbi* comes about, I will no longer have problems to make payments with local currency, because I hold a surplus with that country: I simply take the *renminbis* in my possession and pay with them elsewhere. Today there is a problem because I can only buy Chinese products with the *renminbis* I hold. If I can use them elsewhere, this ceases to be a problem and becomes something positive.

The *real* also tends to be internationalized in the long run. Someone will quickly point out that the *real* does not have the same firepower as the *renminbi*. Indeed, that is true today. However, for reasons that may result from the conjuncture, there is an enormous commercialization of derivatives in *reals* in the world, even greater than that in *renminbis*. I do not wish to say that the *real* is internationalized, but one is forced to recognize that our currency has today a relevant international presence in the currency market. In view of the prospect of appreciation, a large amount in *reals* is commercialized in the derivatives world, even if is not internationalized for that reason. It is a currency with a strong international presence, even in comparison with the *renminbi*.

The candidature at the World Bank is not a good example for the analysis of the BRICS ability to act as a bloc. After all, in this kind of election you know from the start that the American candidate will win. In spite of any articulation you can make, you know that the American candidate is going to carry the day. In this case, you have to decide whether to support the American and side with the winner or whether you make a statement that the situation must change and vote for someone else for that reason. Such a scenario is not a test for the BRICS.

The criticism is: "the BRICS are not able to have a common position on anything". Well, in some situations they will, in others they will not. There is no BRICS spokesperson; there is not a unified position on every issue. But the example of the election for the presidency of the World Bank is particularly inadequate as a test, because it is a rigged election. In this context, the outcome was rather positive, in the sense that there was a candidature recognized as capable and valid by the international public opinion to the extent of defying, and even somehow forcing the American government to consider options at the time of the definition of its candidate, which was unusual.

My last point is about the possibility of Brazil being "dragged" to the new bank, as it is said to have happened with the Bank of the South. I want to make it very clear that the Bank of the South that resulted from the negotiations is very different from the Bank of the South that had been proposed. Brazil opposed and continues to oppose the Bank of the South as it had been proposed. The Bank of the South that is now under scrutiny by the Congress was the result of a negotiation, in which we changed a square ball into a round ball and shot it into the goal.

We are now at the stage of defining the mission to be ascribed to the Bank of the South. In our view, it should complement the

action of the BNDES in the region. BNDES can support Brazilian companies abroad but it cannot support local companies in partnerships inside Brazil, and the Bank of the South could take a strong role in that dimension. This is also because in other dimensions, such as the large infrastructure projects, it will not be strong enough to participate, or will inevitably participate in association with CAF, the Inter-American Development Bank (BID) and other large banks. It so happens that in this area there are already other institutions that are acting. There is no one, however, working in productive integration processes in the region. We have institutions with the needed capacitation. CAF can do something, but that is not its priority area of action. I mean, our objective is to create a "Goldman of the South".

In the case of the BRICS bank, although the proposal came from India, its viability was to a large extent helped by Brazil. In the meeting of Finance Ministers, on the margins of the G-20 meeting, in February, Brazil put the issue on the agenda for discussion and this helped in the building of a consensus within the BRICS. What I mean is that although the proposal did not come from Brazil, we saw in it an opportunity to have an important instrument to promote the objectives of the BRICS.

Ambasador José Vicente de Sá Pimentel – In order to stay in the financial field, I ask Luís Balduino to make his presentation now. Next, Márcio Pochmann and João Pontes Nogueira will speak about their participation in the BRICS Academic Forum.

Minister Luís Balduino – I shall start from the good provocation by Renato about the timeliness of being a part of BRICS. In my evaluation, curiosity about the BRICS preceded its formation as a group of diplomatic coordination. We did not create the brand and we did not invest anything in it, but it already

had a certain market value and was significantly respected before becoming the forum we have today, which has several practical effects.

The first one regards the question of knowledge. Oliver mentioned the great lack of mutual knowledge existing among the countries. Well, this was even greater before. When I was the Economic Counselor at the Embassy in New Delhi, under the direction of Ambassador Pimentel, we noted that Brazil was very little known and that there was not much interest in learning about it. This was around 2003, 2004. India already showed great enthusiasm for the acronym BRICS, coined by Jim O'Neill, and the creation of the forum had the effect of raising the interest of the Indian press for the subject. One of the main economic journals of India started to publish two weekly pages of news from the BRICS. In that way Brazil became much better known. Our economy, our industry, things that no one knew we had, became known because of that brand, without the need for the government to make an investment in the promotion of the image. It came to us free of charge. I believe that if the countries did not make use of the brand that already existed they would squander an image capital. At least there would be an opportunity cost.

It so happens that the acronym already bothered some, even before the creation of the forum. I recall conversations, still in India, in which British, German and Japanese colleagues said with satisfaction that their countries were already putting together government units to follow the BRICS. This was 2004, 2005. This by itself gives an idea of the importance that the effective consolidation of the group would have. It was already expected by other countries that the five BRICS, once joined together and having a common agenda, would increase their ability to influence. I believe that the negative evaluation by commentators and editorialists, mentioned by Edileuza, is the other half of the image

of respectability that the brand creates and the sign of a certain fear that a new era is being born.

I should like now to mention some concrete effects of the coordination among the BRICS. I start by the reform of the IMF. The issue of the reform of the international financial institutions was originally put into the agenda of the G-20 by Brazil. But the reform was accomplished later, essentially with the support of the BRICS.

When the BRICS met for the first time, in Washington, in November 2008, the emphasis – and it could have been otherwise – was on how to deal with the crisis, how to strengthen financial regulations, how to bring into effect macro-economic coordination in order to reactivate the economy. Emerging countries were called to participate in that forum and we argued: "all right, let us deal with financial regulations and macro-economic coordination, but we also want to change the IMF and the World Bank". At that time, there was already some recognition of the need to update the power structure and the 2008 reform of the IMF was already underway. But that was an extremely timid reform, almost exclusively to pay lip service. If it were not for the BRICS, the 2010 reform would not have happened, since it was not even mentioned in the agenda. It was interesting to see that at the Pittsburgh Summit there was a moment in which the BRICS were sitting in one room, the Europeans, who had stronger voting power, in another room, and the Americans acted as a bridge to bring the two positions closer. At the end of the negotiation, Brazil left the twentieth position as shareholder in the Fund, initially to the eighteenth place, and now is among the ten largest shareholders. This is a very concrete case of the usefulness of the joint action of the BRICS.

Another interesting example is the reform of the financial stabilization forum. It was created in 1999, and was basically a G-7 forum together with some other developed countries, such as

Switzerland, the Netherlands, Singapore and a few others. The G-7 countries had three seats, one for their Central Bank, one for the Minister of Finance and one for their respective Stock Exchanges. The remaining members had only one seat each. It was a strange asymmetry. When the reform was discussed with the participation of the emerging countries, the BRICS said: "We do not accept a second-class participation" – and their claim was accepted. Each of the BRICS now has also three seats in this financial stabilization forum. I believe such examples will probably increase in the future.

One brief comment about the question of the Development Bank: in my view, it can be a powerful instrument, chiefly for South-South cooperation and in the cooperation with other developing countries not members of BRICS. Brazil, India and South Africa possess a certain capacity of access to international markets and will have less need for a bank of that kind. But as an instrument to lend to poor African countries and other regions, the Bank can have a huge effect, above all because of a manner of action different from that of the World Bank and other existing multilateral banks – the African Bank and the BID itself – in which the OECD countries are majority stakeholders. The BRICS bank would be the first in which the definition of the loan instruments themselves, besides the conditions policies, would be completely different. This could change the whole context of international assistance at a time when the developing countries are pulling back. The BRICS bank's mission, in my view, is to act in the void opened by the retraction of the rich countries.

Márcio Pochmann – Hello, our fraternal salute to all. I am grateful for the invitation and I congratulate Ambassador José Vicente and his team for the organization of this highly relevant event for us at IPEA.

I shall sum up the results of the Academic Forum held two days before the meeting of the BRICS Heads of State. It was the

fourth encounter of this kind and in our view the most important among those that took place until now. There was an expansion in the number of scholars, researchers and professors of the five countries. During three days we had the opportunity to deal with eight wide ranging issues: the long-term prospects for cooperation among the BRICS; the coordination and institutionalization structure of the BRICS; climate change; food and water security; urbanization; universal access to health; capacitating and direct investment in the education sector; the development bank and the investment fund of the BRICS; and finally the technological participation and cooperation among industries.

These themes were dealt with by scholars and specialists from each of the countries, by means of previously submitted studies that were very important for the conduction of the thematic discussions.

The presentation of the studies provided the basis for a document entitled "Recommendations for the Fourth BRICS in New Delhi". In general terms, this document dealt with the academic perspective about the common aspirations of countries on the way to overcome the bottlenecks for development that still exist there, both internal and international bottlenecks, especially in what regards asymmetries.

The document put forth 17 recommendations. I shall mention them very briefly.

The first recommendation deals with the problematic of the international crisis and how the BRICS can provide better answers to the internal and international hindrances that it imposes.

The second recommends the creation of an alternative institution to deal with the questions of inclusive growth, looking especially into successful international practices.

Next is the recommendation to increase financial cooperation among countries, with special stress on the importance of a study

on the viability of a development bank and other modalities of financial institutions.

A fourth recommendation has to do with the convenience of working together to define multilateral policies and consultation mechanisms capable of responding to international turbulences, such as the ones that happened in the Middle East and Africa. Therefore, a common position of the BRICS on these matters is recommended.

Fifth: the elaboration of appropriate policies, consistent with international law, to deal with non-State actors and cases of dilution of the principle of non-interference.

Sixth: recommendation on the exchange of experiences regarding the preservation of bio-diversity.

A seventh recommendation highlights sustainable, socially inclusive development, in a certain way preparing a positioning for the Rio+20 Conference.

An eighth recommendation is to study the role of financial and non-financial instruments in the policies of innovation, in order to strengthen the ties between universities and industries, including a discussion on the compatibility of these policies with aspects of intellectual property rights related to commerce.

A ninth recommendation deals with carrying out joint studies on systematization and sharing of information to confront organized crime, illicit drug trafficking, money laundering, trafficking of persons and other problems of the same kind.

Tenth: to utilize the site of the BRICS forum created in India as a platform for dissemination among academic and governmental communities in information and research activities.

Eleventh: to create mechanisms of cooperation among BRICS countries to promote greater stability for the prices of commodities.

Twelfth: to deal cooperatively with urban issues, particularly structure, urban conglomerates and mass transportation, among others.

Thirteenth: to create mechanisms for distance learning in order to promote greater mutual knowledge among BRICS countries, starting by these related to each one's history and economic development.

Fourteenth: to promote greater cultural cooperation among members by means of exchange programs at all levels.

Fifteenth: to exchange experiences among institutions of the five countries on themes such as innovation, entrepreneurship and human development.

Sixteenth: to exchange experiences about best practices regarding agriculture, efficient use of water and mobilization in situations of natural and humanitarian disasters.

Seventeenth and last: to share experiences on universal access to health and promote dissemination of traditional medicines and therapeutic practices.

IPEA is in contact with partner institutions of the other BRICS in order to work in four areas encompassed by the objectives defined by the academic forum. The first is the building of a data bank on convergent economic, social and environmental issues. IPEA is leading this group and is supported by practically all partner institutions, with a view to putting together a method allowing the use of information on relevant aspects for the ensemble of the five countries.

Second, we are putting into practice the establishment of a common repository of studies on national public policies on convergent issues. The idea is to have a vast archive of studies carried out within each of these countries on education, health and other national experiences.

Third is the production of a technical publication common to the five countries. The idea is to have a common publication with an editorial council and traditional practices, which would provide a view of the production of knowledge in the five countries.

The fourth is an attempt at developing a common position on certain questions about which there is convergence among the five countries.

Ambassador José Vicente de Sá Pimentel – I now turn to João Pontes Nogueira, whom I request to make an evaluation of the procedures followed at the Academic Forum in New Delhi, also with the objective of indicating what we can do within two years, when Brazil will again host the BRICS Summit.

Professor João Pontes Nogueira – It is a pleasure to be with you today, representing the BRICS Policy Center of PUC-Rio, a joint project with the government of the city of Rio de Janeiro.

I participated twice in the BRICS Academic Forum, in Beijing and New Delhi. This time, the Brazilian delegation was larger, not only with representatives from IPEA but also from the Getulio Vargas Foundation, professors from the Federal University of Rio Grande do Sul and PUC-Rio itself, a group of about ten people. In Beijing we were only five Brazilian representatives.

I agree with Márcio: the meeting in India was richer than the one in China, to the extent that we had a more interesting agenda, with exchanges of views on issues like how to give substance to an agenda of South-South cooperation, from the question of health to urbanization and the environment. In Beijing there was only one table in which a number of unrelated papers were presented. The several thematic tables at New Delhi were very helpful for the discussion and exchanges of information among the different participating institutions and academics.

I missed, however, a wider debate on the political and economic dimension of the BRICS in more global terms. The point of departure seemed to be a kind of final diagnosis that "the BRICS are here to transform the world order and this is what we are going to do". This was the tone that the Indians brought forth since the beginning. It may be said that the context of the crisis in Europe and the exposure in the media, mentioned by Oliver, fed wide expectations about the role of the BRICS in the international order. The head of the Russian delegation joined the Indian bandwagon and also sounded optimistic and grandiloquent. The tone was: "The BRICS came about to transform the international order, let us put into practice our objective of reforming the international order". The Chinese were always more cautious.

The format of the Academic Forum emulates, in a certain way, the official multilateral forums, in the sense that countries are expected to send delegations. Not being used to this format, we Brazilians felt awkward in Beijing. But the Chinese did not want to talk about it, they said: "you are the Brazilian delegation and should bring the Brazilian contribution to the final document". For us, from the academic world, it is a strange formula. The expectation mainly from the Russians, the Indians and the Chinese was that the document should provide subsidies to the Summit issues, that it would be the expression of a collective academic will at the service of the main actors. The presence of high officials and former diplomats among the Russians and the Chinese could be felt, and people from the Party in the case of the Chinese. In the case of India, the institution that articulates positions at the Academic Forum is the Observatory Foundation, linked to the Ministry of External Relations. Inevitable, the official influence was present at New Delhi, since the agenda was very organic, very much based on the official agenda of the Indian government.

The Forum is a positive idea, it expands the academic participation. But the debate is not academic; it leads to taking

positions regarding the official agenda. I do not know if this is going to happen again in the next meetings. If it does, the debate becomes sterile. If what is intended is an "oxygenation" of the debate, that is, to have a wider plurality of positions, the need to arrive at an official position becomes a complication.

We, from the Brazilian delegation, tried to dilute this format as "delegation" and had a very fruitful dialogue with the other institutions present. When the Indians brought the agenda of the Bank, we had to sidestep it, because that question had not been sufficiently circulated, we only knew the issue on the basis of press stories. For this reason, there was no consensus, as shown in the document, regarding the question of the Bank.

The conclusion we reached in our conversations with colleagues from PUC, FGV and IPEA is that it would be useful to have a meeting before the Academic Forum in order to see the agenda and find out the points of convergence and disagreement. It would also be useful to approach Itamaraty to discuss that agenda before and after the Academic Forum. Before so the government knows of our eventual discordances, and after so that we can reflect on how to go forward, if it is the case.

We made a series of reflections at the BRICS Policy Center on the agenda for the Summit. We organized a number of events devoted to it. Not long ago we held a seminar about Rio+20, an issue that unfortunately was not much discussed at the Forum. To mention the question of the opportunity cost, in my view a position by the BRICS regarding the agenda of the Rio+20 Conference would have been an important gain in terms of the leadership in the area of sustainable development, an agenda that I think is much more important for the BRICS than for the West. Judging from what we heard at the seminar, what I read in official documents and in the press, the New Delhi Summit gave emphasis

to the efforts of each country to adopt sustainable development policies, instead of arriving at a common position. There is a certain resistance within the BRICS to discuss the environmental question, which can be counterproductive, since presumably there will always be much pressure from the civil society to debate it. The opportunity cost is not only the cost of not participating in the BRICS, but also what to do with the credit we get from participating; in other words, the cost of not exercising the leadership that is expected from Brazil. In the case of sustainable development, there is a vacuum to be filled and that could be filled by the BRICS.

Ambassador José Vicente de Sá Pimentel – Marcelo Fernandes Guimarães participated in the meeting of specialists in agriculture from the BRICS. He will bring us his report in order to give an idea of the potential of BRICS in this field. Next, Flávio Damico shall present us with the observations of someone who works hands-on with day-to-day BRICS issues.

Marcelo Fernandes Guimarães – I was invited as mediator in the session on food security within the BRICS. I am not a specialist in this matter but, in any case, it was very useful to know the reality in each of these countries and see how food security is seen by each of the members of BRICS. I shall share here some of the observations I made.

The first one is that despite its importance for each of the countries, food security is not very much present in the Declarations of the four Summits. At Yekaterinburg there was a joint declaration on this question, because of the problems that came up in the wake of the food crisis. At the Brasilia and Sanya Summits the issue was not very much commented and now in 2012 emphasis was placed on the volatility of agricultural and energy commodities, in the concern about the rise of oil prices and a little less on the use of bio-fuels.

It would perhaps be useful to have a more appropriate forum for technical questions in search for the harmonization of some points, since in agriculture we often have competing positions, with opposite interests, to the extent that, for instance, we are net exporters of foodstuffs and China is a net importer.

A point to stress is the real importance of agriculture in each of these countries. The agricultural sector has its own weight in job generation and the BRICS are important agricultural producers and consumers. The figures show that four members of the BRICS are among the five largest grain producers in the world, and on the side of consumption the situation is similar: the BRICS are responsible for 40% of rice, corn, soybeans and wheat production, and consumption is very close to that, 39%. The production of meats in the BRICS has grown and amounts today to 45% of the world total, while consumption is around 44%. Just that suffices to give an idea of the dimension of agricultural issues in each of those countries.

Regarding food security, I shall be brief and start with China and then touch on the case of India, given the weight of these countries in the question of food.

Despite having taken hundreds of millions of people out of poverty, there are still between 130 and 150 million people in a state of food insecurity in China, representing 10% to 12% of the population. In my view, China faces two challenges in this question. The first is to eliminate or reduce the problem of hunger; the other is to confront the growing demands of consumers for richer foods, the increasing demand for more sophisticated foods containing protein. Both quality and quantity are at stake.

The official goal of the Chinese government is to reach a level of self-sufficiency of around 95% of the consumption by 2020. This will oblige China to produce something like 600 million tons of

grains. Today it produces 480 million tons, and thus will have eight years to increase its production by at least 100 million tons. It is not a simple undertaking, having in mind the erratic behavior of grain production in China and the difficulties the Chinese have as a result of environmental problems, incipient infrastructure and credit questions. The main obstacles, however, are the soil shortcomings and the production capacity. The level of soil degradation in China is very high, erosion is considerable and the Chinese have difficulties with water for agricultural production because there is desertification in many areas and this has generated a decline in the rate of growth of grain production, mainly rice. It being so, it seems that it will be very hard for them to achieve the goal of 95% of self-sufficiency. Consequently, China will continue to pressure imports and prices, despite the conjuncture of a less vigorous economic growth, in comparison with the last few years. Even with a rate of growth of around 7.5%, there will be a significant rise in imports by China, mainly oilseeds.

Let's come to India. Also there the issue of food security is a serious problem. Still today, one third of the population remains in a state of extreme poverty. 21% of Indians are undernourished, which means about 270 million people, a very large group in a situation of food insecurity. The responsibility for feeding such a large number of people is of great concern for any government. To supply the food deficiencies of this huge multitude that is not even minimally nourished is an arduous task.

But from the point of view of grain production, India recorded great progress. It is believed that it will become practically self-sufficient by 2020. The problem, just as in China, is that the population strata that have greatest power of consumption also begin to demand more sophisticated products. How to produce, how to distribute them in a country that faces serious bottlenecks in the distribution chain? The problem is not so much in production, but in the distribution.

In Brazil, we have become used to growing rates of agricultural production. Thanks to efforts in the field of research and technology, largely due to the creation of the Brazilian Agricultural and Livestock Research Company – EMBRAPA – and in the wake of the advantageous use of the savannas, the rate of Brazilian productivity has been growing every year, in general terms. In the world as a whole, this is not the case. The United Nations Food and Agriculture Organization – FAO – points out the lack of increase in world output as one of the reasons for the rise in the price of food. Not that productivity is not growing; it continues to grow, but at declining rates.

In India, as in China, this is a serious problem, mainly in the face of the obligation to feed large human contingents and of the convenience of not increasing the already serious environmental problems. In India, an additional concern is water. An excessive pumping of water from the subsoil for irrigation has been generating a worrisome wear of the water tables. Indian aquifers are already very much affected.

There is also a process of fragmentation, which we in Brazil also know, chiefly in the south of the country, where, due to inheritance practices, land is progressively divided. Fragmentation and the decline in the size of rural real estate do not favor gains of scale. In India, the reduction in the medium size of rural real estate cuts down gains of scale and consequently productivity.

A point that called my attention is the evolution of the participation of food consumption in family budgets. It was to be expected that with the growth of the income of families, consumption would shift from basic products to more elaborated ones. In India, food consumption corresponded, in the 1970s, to 38% of family income, a percentage that fell to 18% in rural areas. According to data from FAO and ADB, in Africa the

percentage is around 10%. This means that the participation of food consumption in family budgets in India is still very high, even in comparison with Africa. In spite of the evolution, Indians today still have a very high expenditure on grains.

To attempt reducing food insecurity, the Indians have created several programs of social protection. In the specific realm of the fight against hunger, the most important is the Public Distribution System – PDS. This program is different from those in Brazil. It deals basically with the direct sale to the population at quite subsidized prices. The expenditure is gigantic. They have 500 thousand distribution points in the country and assist 160 million families. Since families are numerous, it is indeed hard to have an idea of the magnitude of the program. Transactions surpass 60 billion dollars annually. It is probably the biggest program of its kind in the world.

From the operational point of view, Indian families are classified in three categories, in relation to their position above or below the poverty level. To be above does not mean to be in a comfortable situation, it just means to be above the poverty line. Below it there are two levels. One is what they call below the limit of the line, and the other comprises the destitute. Adding these three categories, the Indian government spends about 18% of its food programs with the population above the poverty level, 46% with those considered as below the level and 36% go to the destitute.

The inefficiency of these programs is very high. There are many mistakes of exclusion. It is very hard to bring food to those who really need it. There are many problems of corruption, breaks in supply, low quality of the foodstuffs, food that deteriorates for lack of adequate conservation, besides bottlenecks in accounting and surveillance. A recent food security law tried to institutionalize

these programs, guaranteeing the distribution of 25 kg of wheat and rice at subsidized prices to each Indian family below the poverty line.

In conclusion, I would say that despite the importance of this question for the BRICS countries, reflection about them is insufficient. If no serious crisis erupts, either in the environment or in the market, if no new tragedy happens to bring greater risk to supply, I believe it is not much probable that food security have more than an ancillary role in the development strategies of those two countries.

Precisely for this reason it would be useful for the BRICS to try to deepen their discussion of this issue. Within the scope of the discussions of Agriculture Ministers it is possible that this debate may reach a more objective level.

Minister Flávio Damico – I shall deal with four questions that came to my attention during today's debate. The first is the character and state of the BRICS project, which is linked to the narrative, mentioned by Sergio Leo. The second is about Renato's sharp provocation regarding the opportunity cost of the BRICS. A third one would be the possible commercial integration among the BRICS. Finally, how national projects could benefit from the initiative of the BRICS.

I think it became quite clear for the presentations of Ambassador Ouro-Preto and Ambassador Edileuza that BRICS is a forum in the process of being constructed, a project that is still in a state of maturing. The latest Summit succeeded in going forward and elevated the standing of the BRICS to the extent that it consolidated a clear offer of solutions or provided a path for finding solutions for the demand of order in the whole international system, which Ambassador Gelson Fonseca mentioned previously, in the light of the loss of relevance of the older powers.

The narrative that journalists look for is very much linked to the search for drama. Since their project is conducted at the highest level, that is, the level of presidential diplomacy, in which everything is previously planned, the BRICS are not prone to drama. Instead of being a charismatic project, BRICS is characterized by the bureaucratic level, steered by diplomatic services, with typical caution in the conduct of debates. I do not see how this could change. I fact, the way in which these countries take forward the initiatives is a sign of maturity and responsibility.

Regarding opportunity costs, we must see whether or not the initiative produces gains. I think that the discomfort and curiosity that the initiative causes in the Western press and in the diplomatic services of the world are sure signs of the relevance of the initiative. One of our historic complaints was precisely the *benign neglect* with which the developed centers treated us. Now there is no longer *neglect*, they no longer look at us complacently, but with some suspicion. When the BRICS make an attempt at *soft balancing*, for example, in the case of the IMF, trying to obtain quotas that would guarantee the right of veto in questions where all five joined forces, one sees that the countries that today hold those quotas defend their interests with all weapons. The sheer size of the European crisis is what opens some possibilities, from which it might be possible to push forward our old demand for the reform of the financial system. The gain with this opportunity is worth the cost of the struggle.

The other question is, in my view, linked to the issue of identity. To hold a credential as a member of BRICS may be important by itself, regardless of the access it allows us. Brazil does not fit a single pattern, it can dress in several styles; it has the South American identity, the Western identity and now the BRICS identity, clothes that fit us increasingly better.

As for an increase in the commercial integration among the BRICS, it is undeniable that there was quantitative growth, but

there might be doubts about the quality of the trade. This, in my view, is linked to the fact that we are exploiting to the maximum extent the existing comparative advantages and the doubt is whether there is such an appetite in the sectors that are open and not so open to deepen the rapprochement. In this connection, the Business Forum may play an important role to the extent that it becomes a catalyst for demands to the private sectors of the WTO.

The great debate is about how to maximize the gains of the countries that belong to BRICS. It is important, in this connection, to understand the catalyst power of the Summits. As Ambassador Edileuza said to me, at the close of the New Delhi Summit: "Flávio, we have a lot of work to do, because the Indians have raised the bar very high". To maintain the high level, we must push forward in what remains to be done. For this reason, FUNAG's initiative to organize these debates is fundamental, to put Brazilian negotiators in contact with the ideas, the doubts and the aspirations of civil society, so that together we can deepen the Brazilian project of maximization of the benefits of participation in BRICS.

Ambassador José Vicente de Sá Pimentel – Let us now hear comments from academics, starting with Anna Jaguaribe and then, sequentially, Alberto Pfeiffer, Vera Thorstensen, Antonio Jorge Ramalho, Sandra Rios and Lenina Pomeranz.

Professor Anna Jaguaribe – I represent the Brazil-China Institute (IBRACH) and this debate is being particularly useful for me, because unfortunately I could not come to New Delhi and also because China is the invisible guest in all discussions on the validity or lack of validity of the BRICS.

I have only three points to bring to the discussion on the definition of the BRICS in today's geopolitics. At the outset, what is most interesting in the debate on international relations is the

fact that today, more than ever, the classic definitions about power and the exercise of power are on the line. BRICS is truly a historic fact and is bringing up reconsideration of the way in which power is defined in the international agenda and of who exercises it. It is important to distinguish, therefore, between a negative press, also encompassing the Chanceries of the established powers, and the creative academic debate that is developing, by the way, precisely in the United States, the country that is confronted with the emergence of China and needs to deal with this novelty.

My second point has to do with the BRICS's agenda. Who are the interlocutors? One cannot think of the BRICS as a functional forum, such as those that existed during the Cold War. BRICS is not a G-77, it is not a group of non-aligned countries. It is a process of rethinking international and multilateral institutions. I would not agree with the idea that the current institutions are doing well and the objective of the BRICS should be to accommodate itself within them. The institutions are not doing well and the interesting novelties that have been appearing since the creation of the commercial G-20, at the WTO, up to the new initiatives related to the world financial crisis, are institutional evolutions. BRICS can deal with such institutions, but in the sense of hastening the institutionalization of their transformation.

If BRICS is a forum for reform, for re-thinking the condition of the world, the national and international agendas have much to do with each other. The dividing line between politics and economics became thin. The national economic agenda has important geopolitical implications, and this begs the question: what is the long term agenda of the BRICS? Can it be that the long term agenda of the BRICS entails its extinction when the countries that compose it consider that the transition to a new international agenda has been completed? In my view there are so many intertwined issues that its transformation into a functional

agenda will take a long time. BRICS have a very large agenda and the challenge is how to transform this agenda into political opportunity. This is, for me, a fundamental point.

A third underlying point is regionalism. This is a fundamental question, because we are always dealing with two levels. One is the international level, which is changing, and the other is the centrality of the regional level. The Indian professor Amitav Acharya says that, in the present world, all global powers are before anything regional powers. In Latin America we have an anomalous situation because American power was never regional; it was a global power since the beginning. But BRICS is also helpful to make us re-think the regional question. This is a very important dimension for China, and I believe it is also a high priority for Brazil. To know how to deal with this new form of fragmented production, which is part of an international geopolitical revolution, is a priority issue, and BRICS can help in assisting Brazil in how to place itself and re-think this regional question.

Professor Albert Pfeifer – We had here more than ten definitions of BRICS. Maybe the difficulty to define them stems from its character as an open project, a construction that is being evolved by the five countries. It is important to analyze the role of the BRICS because it makes it possible to have a vision of how the reform of the international institutions is being made, with the proactive agendas that result from the Summits and also the meetings on the margins of international organizations. I believe, however, that the majority here agrees that there is a lack of information about the BRICS. Communication with the Brazilian society on this issue is becoming urgent, since in 2014 we are going to host the meeting of Heads of Government and it would be good that by then our population has become more attentive to the advantages and disadvantages of the exercise.

An additional observation is that from the point of view of cost-benefit, the advantages of BRICS seem clear to me. Brazil has much to offer to the other BRICS; it has abundant natural resources, its productive agriculture and many other attractions. But I want to stress the advantage that Brazil offers because it is the gateway to South America, which is a great reserve of energy and food for the rest of the world. In my view, it is very important to think how – I would not say sell ourselves better – but maybe how to utilize that regional gateway in a manner that ensures a little more bargaining power in the internal negotiations within the BRICS and other forums.

Still within the regional logic, it is interesting to observe that five countries coexist within the BRICS, of which three are Asian continental powers. Asia is a space about which we do not know very much. The continental Asian logic is very complex, but it is also of the highest importance in the capitalistic contemporary dynamics. We have no choice but to learn how to deal with it in the best possible way, and also for this reason the BRICS deserves to be treated as a priority, both by the Brazilian government and by the academic community.

Finally, two questions. The first is whether IBSA will be absorbed by the BRICS. Is it a separate exercise? Is there a convergence between both, or not?

The second is about the Business Forum. I would like to have information on the Chinese representation and also that of Russia, mainly those two. Is there any analysis, any report on how they act in this forum and how Brazil prepares to deal with the entrepreneurial representatives of those two countries? If there is none, someone should do it.

Professor Vera Thorstensen – I wish to share with you all the work on the BRICS that we are carrying out at the Getulio Vargas Foundation, in São Paulo.

Since last week's meeting we have worked hard in order first to gather knowledge and then discuss whether it is good for Brazil or not. Our group at FGV had the support of IPEA for this task. From there resulted a publication on comparative commercial policies, that is, how the BRICS act at the World Trade Organization – WTO. Extremely interesting data came to light. The material is very rich and with regard to the behavior of the five at the WTO it brings forth considerations about the possibility of constructing a cooperative agenda among them.

Another initiative, currently in the elaborative stage, is the comparative analysis of the preferential agreements of the BRICS with the agreements of European Union and the United States. As I usually say, the WTO is paralyzed, but the negotiated agreements are creating rules, and what interests me is the novelty of the rules. By analyzing China and India – I will later work with the others – with regard to the United States and the Community, I discovered a number of safeguards clauses, including in currency exchange. The safeguards are creating another world. They are resolving between two countries literally everything that cannot be resolved multilaterally.

Another piece of data that surprised me deals with the new issues, mainly environment and the social clause. India keeps its discourse at the WTO, saying "I am not doing anything new". The surprise is to discover that China has been working in these new issues, that it is becoming committed to continue the negotiations. It is surprising to see China enter negotiations on issues like the social clause and the environment. My working hypothesis is that the Chinese could be getting closer to a model of "Transpacific

Partnership" (TPP). When I was in Shanghai, recently, the subject was the TPP and the Chinese were very much concerned with the "Partnership". We are trying to compare in order to see if the disputes among the brides are the same as those among the countries of the Association of Southeast Asian Nations (ASEAN), to see whether the Chinese and the American models of regional agreement have points of contact, because this would facilitate the dialogue with the brides. This is a working hypothesis.

We are also working hard on models, in order to feel what happens in Brazil and in the other four members of BRICS, so that we can later start an exercise of imagining a regional agreement of tariff protection among the BRICS, in order to analyze which sectors would disappear, which ones would eventually spring up, how the dynamic equilibrium would happen, how this would come about. From the start we realized that what happens between Brazil and India is more complicated than what we can imagine in terms of models.

Our last activity is the foreign exchange observatory. We are again replicating the data for 2011. The surprise, in this regard, is the realization that the Indian currency is more devalued than China's. What will be the impacts of this on the instruments of trade?

Several of these activities of the FGV are done with the support of IPEA. Our aim is to make all the information available to the government and the Brazilian society, in order to stimulate a good debate. Good ideas spring from good debate and this is how we can create a positive agenda among the five BRICS.

Professor Antonio Jorge Ramalho – Observing the provocations and the answers I thought of the definition of the poet Mario Quintana that dialogues are interspersed monologues. In a more serious tone, it does not surprise me to see so many

attacks on the BRICS. We only throw stones at trees that yield fruits. Resistance is normal. The narrative becomes complicated in the face of the convenience of maintaining sobriety and low profile, which are more effective from the standpoint of biding its time in order to build a long term agenda.

My central theme is the need to build this long term agenda that must be common to all, that brings contributions to these countries and puts them into harmony. Even without a spokesperson, it seems possible to come to agreement around three or four issues in a long term global perspective. Thus we can have a cohesive discourse, respond to the need of the press and reduce the skepticism of some. What seems to me is that this agenda is quite clear. All five BRICS face demographic problems, all need social inclusion and reduction of poverty. The question of renewable energy sources is compulsory, just as innovation in terms of social technologies, cooperation in the area of health, food production, and I would add the area of defense. These are the sectors where a common agenda exists, or at least considerable common interests, but a structure that allows it to bloom.

If all is limited to the text of a Declaration, it becomes lost amid dozens of other themes that are important and relevant. While we have fifteen different priorities, skepticism will prevail. Maybe it is worthwhile to reflect on the construction of a long term, cohesive and succinct agenda, but one that is objective and that keeps to what we all know, so that it will not put these countries in conflict. Anything can be the matter of the discourse, but one does not know whether this is true for political reality. To the extent that the articulation of interests is organized and strengthened, to progress toward joint action becomes easier.

What happened in the case of the IMF is emblematic and serves as a model to be pursued by the BRICS. I mean, we should

only act jointly when this can mean, pragmatically, a concrete change in the institutions. There is not a similar perception with regard, for example, to the Doha Round. In which other themes can we find important synergies? We have to choose and deal with them.

I should like to pose a question and leave a suggestion. One is more for Ambassador Carlos Márcio: what is the size of the bank under consideration? Depending on the size of the BRICS bank, its meaning increases or decreases. What contribution is being envisaged? Has this been discussed?

With regard to Ambassador Pimentel's preoccupation to bring foreign academics to give mini-courses in Brazil, there is already a structure in place at the Coordination of Improvement of High-Level Personnel – CAPES – that facilitates visits mainly by seniors, that is, people with recognized production and capacity to contribute to the academic debate. Such missions can vary between three weeks or three months, and the scholarship is significant. But this needs to be part of a context of deeper academic articulation between the post-graduation programs of Brazil and the other country, with clear standards of scientific production and formation of human resources. The embassies could perhaps help to identify possible candidates to programs of this kind within their specific jurisdictions. In this way it would be possible to bring Indians, Chinese, Russians and South Africans to several places in Brazil and develop joint research in order to examine issues in which there is a concrete possibility of a common agenda. In the academic world, I think, the best strategy is induction. If an announcement is made about this prospect, academics with converging interests will identify their peers at the other side and produce a result.

Professor Sandra Rios – I wished to take the floor to make a comment on an initiative that involves some of those present here and that can be strengthened by this roundtable and eventually by the BRICS Academic Forum.

Some of us participated in the public forum of the WTO in September last year and heard the discussions on the future of multilateralism, governance, the need to reform procedures and the possibility of expanding the scope of themes covered by the Organization. We thought then to organize a joint effort here in Brazil to think the future of the WTO from a Brazilian standpoint and next to amplify that discussion in order to include the other BRICS countries.

From that point of departure we organized a task force that is now underway. With the support of IPEA, the BRICS Policy Center, Embraer and the National Confederation of Industry, we brought together a group of specialists interested in WTO issues, about fifteen people, and we are producing a document about what could be a Brazilian vision about the reform of the WTO.

The next step will be to look for a reaction of academics from the other BRICS to the Brazilian study. We would like to come to the next WTO public forum, to be held in September, with a panel in which specialists from Brazil and the other countries would discuss this question.

I believe we were able to put together a plural and interesting group for the discussion here in Brazil. We would like to have different visions from other countries. Anyone who has an idea or can contribute to the success of this project will be very welcome.

Professor Lenina Pomeranz – Russia has important regional geopolitical interests. Its regional agenda should reinforce the international one. We need to try to see how this international agenda, which involves the BRICS, impacts the Russian agenda.

I believe the interest is in a platform that strengthens its international position. Russia is turning toward the outside and needs many forums to express its thinking in terms of the maintenance of the peace, the Security Council of the United Nations and the question of Syria, which put it into a delicate position. If Russia could speak jointly with China and the other BRICS – and there is already something in this sense in the New Delhi Declaration –, itwould be more at ease to express itself about those questions that bother it. In my view, then, the BRICS is very useful for the diplomacy of Russia, as much or even more than for the other four.

Ambassador José Vicente de Sá Pimentel – I give the floor to Ambassador Gelson Fonseca. Gelson was the author of the dissertation for the High Studies Course of Itamaraty that was at the origin of the Institute of Research in International Relations and consolidated FUNAG's vocation to function as mediator in the relations between the Ministry of External relations and Academia. The title of the paper was precisely "Diplomacy and Academia" and was published recently by FUNAG. Gelson's dissertation, written at the start of the 1980s, and therefore still under the military regime –and I should recall that during the dictatorship the right of diplomats to express opinions was respected – stated that the re-democratization of the country would require a constant and unimpeded dialogue between operators and scholars of external policy, for mutual benefit. To take advantage of the analyses, Itamaraty should not endeavor to co-opt academia, it should learn to listen and avail itself of teachings coming even from doubts and criticism. This is the background of this series of seminars that we are organizing three decades after the drafting of the dissertation.

Ambassador Gelson Fonseca – I thank Ambassador Pimentel's words about the dissertation I presented at the High

Studies Course (CAE), written at the beginning of the 1980s. My proposal was simple: I suggested that Itamaraty should open itself to the academic world, since, at that time, regular courses on international relations were starting to spring up in Brazilian universities and research on diplomatic questions was becoming more frequent. There were clear signs that the field of international relations was going to be consolidated at the universities. In this context, I thought that a dialogue with academia could become a rich contribution to the formulation of external policy and the primary reason was the prospect of re-democratization, which would require a more open coexistence, a real dialogue with the sectors of civil society that had something to say about the diplomatic action of the country. On the other hand, the international agenda was becoming ever wider, more technical, and we diplomats started to realize that we would have limitations to understand the fabric of the international order that was being sketched at that moment. In academia we could find an interlocutor for increasing the knowledge of the international reality.

Both trends proved true. The field of international relations became consolidated in Brazilian universities and I do not need to stress that the complexity and diversity of the agenda have only become deeper in the past few years. Brazil's presence also has a different weight and it is fundamental that it expresses the wish of the society. For that, one of the factors is dialogue with specialists, those who can expand knowledge of an issue and at the same time disseminate it objectively in society.

Hence the importance of meetings such as this one. The ease with which academics and diplomats talk here and in other forums represents an extraordinary gain; I hope that applies for academics, and also certainly for diplomats. Dialogue enriches our perspective on the problems and expands the horizon of the formulation of strategies of action, particularly when we examine new questions,

such as the BRICS.

I am in the same situation as Lenina. I am not a specialist on this matter. What I can do is to make two or three very general comments around Rubens Barbosa's initial observation: what do we want with regard to the BRICS? In the international system, it is easier to desire known objects that would bring visible and evident advantages of prestige, such as the permanent seat at the Security Council. It is a known place, there are paths to be trodden and the aspiration is based on well-defined reasons, without ambiguities. It is true that the resistance and the obstacles are also better known.

Regarding BRICS, we still have to establish clearly our "object of desire", something that, as we have seen so far from the presentations, is not a simple matter; we know, indeed, that the experience progresses and is successful. There is no prescription to create an object of desire and find the way to make it real. This is certainly true for individuals, as Freud's lessons taught us, and maybe is also true for nations. To arrive at the Security Council is hard, but the Council is there, it is a well-known objective. Success or failure is well measured. When the object of desire is not yet clear, when it is not fully identified, frustrations can be postponed or disguised. To argue about the frustration of clear desires can be painful, but has the advantage of indicating new ways, new prospects. To rationalize artificial desires, or without an object, may not be as painful (after all, they are not confronted with reality), but it takes the individual away from the desires that are really necessary, the ones that strengthen identity. The risk is that, since the ability to realize is always limited and scarce, energy is spent where it should not be.

The latest Joint Declaration defines the BRICS as the most simple of all international processes, a platform. A platform can be

everything and it can be nothing. The platform reveals a meeting point, the existence of a forum, of a process of articulation; the problem is how to build that forum, to give it a political meaning. We are still at a very preliminary stage and so it is as if the two possible positions with regard to the BRICS, that is, the skeptical and the self-assured, were possible today and had sufficient arguments in their support.

In my view it is very difficult to project what is going to happen, which vision will prevail, because it is very hard to project what five extremely different countries will want "jointly" in the next few years. What is known – and this is not irrelevant – is that, if we project the current conditions, they should be even more important actors within ten or twenty years. Whether they are going to act in a convergent way or not depends on many factors. Thus, the first trump card of the BRICS is the very existence of the forum and consequently the possibility that it will serve to bring them closer together, that it will serve to build convergence. Convergence can stem from some external stimulus and by inducing joint reflection on issues such as the confrontation in Syria or the problems of nuclear proliferation in North Korea or Iran, or even the reform of the IMF, the forum can help shape a convergent view that will certainly have a weight in the international system, since it will express the sum of the weights of relevant actors. Convergence is not a guarantee, neither has it evident outlines at this time, but it is, let us say, an attractive possibility.

Another problem is that the absence of a "strong" objective can mix up the evaluations about the trajectory of the BRICS. It is relatively easy to pass judgment on MERCOSUL, whose objectives are spelled out in treaties, resolutions, etc. The target of establishing a common market automatically becomes a critical parameter for evaluating it, for defining whether it is progressing toward its objectives or not. What are the objective parameters to judge the BRICS? They are not clear yet; there are no evident parameters to

pass judgment on a platform. It is true that the positions defined in New Delhi on Syria and on the Security Council are relevant, but would it be possible to say more, to be blunter? Does what is said have political weight? Is the limit achieved, and is the limit modest? Is it possible to expect more from the BRICS? If the goal is a common market, the absence of a common external tariff means that the project is in bad shape, that it is not on the right track. In the case of BRICS, how to make a judgment?

At this point, I would like to mention Renato Baumann's criticism, which focused on the financial aspect, because it was in the field of international economy and finance that the BRICS went further. For this reason, the BRICS were supposed to have a common position on the presidency of the World Bank. Carlos Márcio explained that the objective was not exactly that one. But in the media, in public opinion, that was what was supposed to happen, and the evaluation of processes like that of the BRICS must start from some suppositions, certain premises, certain ideals (even when they have not been completely articulated), and also from expectations fostered by public opinion. It was thought that the BRICS would act jointly for the choice of the Director-General of the IMF, but this did not happen. It was expected to act as a group regarding the problem of Syria, but the group did not do it in a concise manner. Is it going to act with regard to North Korea? Is there going to be convergence on human rights? Today, it seems not very probable that the answers will be in the affirmative.

Another line of questioning has to do with the value that the BRICS is going to add to each of its members. Let us leave aside the most encompassing and difficult question, formulated by some of you, about the contribution of the BRICS to the process of reorganization of the international order. It is still too early for speculations on this issue. But the value that BRICS can, theoretically add to each of the participating countries seems

easier to identify. It is evidently positive for Brazil to be part of a privileged forum with the presence of nations with global influence. Ambassador Edileuza recalled the definitive comment of Marcos Azambuja: "I do not know if it is good to be part of BRICS, but not to be part of BRICS is not good". Presence in the group heightens our international status, and this is an immediately positive effect, but still of a limited scope. As Lenina observed, a similar effect will happen for Russia, India and South Africa, which will also gain. Even for China there will be interest because, in the process of expansion in the world, the Chinese need good partners that contribute to give a sense of legitimacy to the movement. Friendship with Brazil can help China to achieve a better position in South America. In sum, each partner must foresee some gain for itself that results from its presence in the group; it is a prior and necessary condition for the formation of any group or forum at the international level. One of the reasons for the constitution of BRICS is, therefore, the prospect of specific gains that would spring simply from the fact that they are all together side by side with important partners, with international weight. Will such gains be enough? Will they be sustainable? Can they be expanded?

In order to answer the question, it is worth considering that the BRICS is today a movement with potential gains and low cost. Deeper convergence will certainly entail higher costs as a condition for the expansion of the potential of influence of the group. In order to have a common position on Syria or North Korea, some of the members would have to change current attitudes, formed from a perspective of national interests. The shift from a platform that enunciates positions to one that articulates them with a political objective is given precisely by the evaluation of the "sacrifice": articulation entails a price, a negotiation that, in order to achieve a bigger systemic benefit, entails some sacrifice in terms of the conception of specific interests.

I think that the BRICS is still far from requiring such a thing from the countries that compose it. In the short run, it will continue to be a platform that will propose common positions, eventually common actions, sometimes with greater, sometimes with less success. It will be limited, however, while it does not evolve from being a platform, (which is good but has a limited scope) to being an institution (with clearer political aims, with negotiated and specific objectives). My colleagues who work in this area will excuse me if I make an analysis external to the BRICS process, one that leads me to a central conclusion: we are still not clear with regard to BRICS because the forum does not provide such clarity, has not yet shown fully what it is about. It undoubtedly has some achievements, there is a starting point that seems consistent, and with such a short existence one cannot expect more than what it can really do. We know that it intends to have, and eventually may be able to achieve, influence in the international agenda. We do not know yet with what potential and with what limits.

In any case, from the presentations made here, it can be seen that it has the potential to exert influence, something that for us, without doubt, is important. It helped to build a new image of Brazil in the international system.

It is for this reason that I avail myself of this opportunity to make a final observation about the mutual lack of knowledge among the members of BRICS, which was often mentioned here. In fact, there is a great mutual lack of knowledge. To change this, so that we come to know the others as it should be, considerable work will be needed and academia will play a central role. We will be starting from a very modest basis, especially if we compare ourselves to two of our partners that had a global presence: Russia (particularly the USSR) and China. Well, to promote a global presence, the minimal condition is to know the society where one is going to act, learn its language. I recall having visited China in the 1980s

and visiting a center of international relations where there were about a hundred students of Portuguese. The impression I had was that already then the Chinese knew much more about Brazil than we know about them. This is another fact of reality that we must correct. After all, it is a positive feature of BRICS, to stimulate us to understand our partners in depth and accurately.

Ambassador Rubens Barbosa – I always start from a Brazilian perspective and my first point here is that no one here disagreed from the basic premise that BRICS opens an important opportunity for the diplomacy of our country.

My second comment is that the lack of definition of what we want is widespread today. What do we want from the relationship with the United States? What do we want from the relationship with Russia, with China? What do we want from the relationship with the BRICS? The lack of definition is normal, we now have to formulate positions for a country that climbed to a higher level and that is the subject of expectations, here in our region as well as abroad.

Taking this into account, I arrive at the conclusion that it is no longer a question of discussing what BRICS should be; this stage is over, in my view. What we have to clarify is what Brazil wants. This exercise of ours is important precisely for this reason. The point is no longer to discuss the nature of BRICS; BRICS is what was done at the four Summits, at the IMF, at the meetings of Ministers where the five arrived at common positions. BRICS is a fact. It can be important for the new projection of Brazil, if Brazil succeeds in getting agreement for an agenda with a minimum of consensus. President Medvedev has a strategic vision and has his motives to justify it. What is the Brazilian strategic vision about the BRICS? This is what we should discuss. This debate was very useful for me, just as the one we had last December, but now we

have to come to another stage, no longer questioning BRICS, no longer discussing whether it is in the interest of Brazil or not. The majority agrees that there is an interest; accordingly, let us discuss the best strategy to uphold our interests.

Ambassador José Vicente de Sá Pimentel – It is always useful to discuss challenges and opportunities. At least one listens to opposing opinions and has the opportunity to reject them or to deepen the reflection about them. But I agree with Rubens: for the needs of this exercise we should think of effective and objective measures that would precisely bring the BRICS forward. Sergio Leo has the floor.

Journalist Sergio Leo – I apologize for abusing the space of the press, but since the question of the narrative has troubled Ambassador Edileuza, I feel compelled to explain myself better.

When I mention the need for a narrative, I do not mean that the BRICS have no logic or that it has no results. For instance, the page on the BRICS at the University of Toronto brings up an interesting job done by two study groups, the *BRICS Research Group* and the *2011 Sanya BRICS Summit Compliance Report*. The result arrives at the conclusion that the largest part of the commitments assumed by the Heads of State was complied with. I mean the largest part of the commitments that these study groups analyzed, because the Declarations contain a large number of items and they had to choose some of them. So, there were accomplishments and the press itself should disseminate this better.

But it is not a question of creating headlines. The press wants news that interests the reader. A part of my work in India was to look for government officials to talk about the Brazilian regime for the automobile industry that was going to be announced. Their readers were interested in the effect of the regime on their

wallets. It had nothing to do with BRICS, but it elicited much more interest in my paper than the outcome of the Summit. My long stories about the development bank ended up by being cut and allotted a smaller space. The press has a preoccupation with what is immediate, that is true, but to deal with it one must know how to face that.

The narrative would be more attractive and would get more space if the objects of desire which Ambassador Gelson mentioned were clear. Up to now, the prevailing narrative is that of heterogeneity. Ambassador Cozendey made a fantastic evaluation, but it is a pity that it has not become explicit at the time of the episode of the choice of the president of the World Bank. In the question of the Security Council, what is apparent is a failure to harmonize positions and ambitions. It looks as if the BRICS exist to confront the rich countries, and there the interpretation depends on the ideological bias; some will say that BRICS is an example of "thirdworldism" and others that it is a vision of independence and autonomy. The space of articulation created by the BRICS expresses itself more clearly when it is "against", the group works as a platform against certain situations that are opposed to certain interests of ours. This is the case of the G-20 at the WTO, the case of the financial G-20.

What is missing, perhaps, is to make explicit in a better way some objects of desire, to use the expression, desires that already exist. There are common interests in the area of health, in questions of intellectual property, there is potential in agriculture, maybe in the field of food security, besides the control of financial markets. All this brings the countries together and opens space for the construction of concrete and real actions and of a narrative. As an observer, I have not seen many joint actions. In part, maybe because it is better that some joint movements are not too much specified, as Professor Antônio Jorge has said, in part because

there are real problems. For instance, when we speak of technical assistance in third countries, I always recall that in China this sector is under the Ministry of Commerce and not that of External Relations. This makes it clear what the priority of that country regarding such "assistance" is.

Ambassador José Vicente de Sá Pimentel – Let us start the final round. I would ask my colleagues Edileuza, Balduino and Carlos Márcio to make their final interventions.

Ambassador Maria Edileuza Fontenele Reis – First of all I wish to thank FUNAG for the organization of this meeting. The complexity of the BRICS agenda and the need to clarify lingering doubts fully justifies this initiative. The definition of the BRICS object of desire is not simple. It is not a group created to debate climate change or agriculture, despite all the importance of these questions. Perhaps we would need seminars by sectors, since there are many possible areas of action for the BRICS. The group is being gradually formed and it is still too young to lie down on the shrink's couch. Once it is finally formed, we may evaluate whether or not it has been able to fulfill its aims.

As an official of the Brazilian Chancery and a worker on BRICS, well, as the person in charge of the issue, I can state that here I gathered very important impressions on the format of the Academic Forum. I had already read about the substance, but I considered important the report presented here by Márcio Pochmann. I listened very carefully to the comments by João Pontes Nogueira on the need for, before the next Forum, the members of the Brazilian academic delegation to talk among themselves, including because the others are already doing so. The objective of the Forum is to generate subsidies for evaluation by the Heads of State during the Summit, but it is held so close to the main event that time becomes too short. It would be useful for

the Chancery to coordinate with the Brazilian academics at least two or three months before the Forum.

The Business Forum has been successful as a public event. The number of participants grows at each occasion. This year we took 120 Brazilian entrepreneurs to New Delhi, from different areas, and took the opportunity to make also a bilateral visit. As Sergio Leo very aptly recalled, we had launched a business forum with India in 2007, if I am not mistaken. This event did not take off. We had now almost 400 business people participating in the new Forum, provoking an extraordinary and dynamic interaction, the results of which will be visible.

I would also like to mention the presentation made by Marcelo Fernandes Guimarães. You are perfectly right, the question of food security, just as that of energy security, has been present in all Summits and may evolve better. At Yekaterinburg we even issued a specific declaration on food security, but since then it has been harder to stimulate the Ministries in charge of this desire, as mentioned by Gelson, in order to really take forward effective cooperation in the field of agriculture.

I say perhaps we need meetings by sectors because there are so many things in gestation, issues that you are not yet aware of, that it would be useful to organize specific session on each of the angles. Sergio Leo mentioned health. In this area we have a Brazilian initiative to establish a data bank on prices and patents of medicines in order to promote exchanges of information and transfer of technology, using the flexibilities provided for in the triple agreement. This Brazilian initiative is not ripe yet, but we are taking it forward.

It would be very interesting to promote a debate on the political agenda, for example. Should the BRICS have a joint position on Iran? What would be their gain? Would it be in the interest of the

BRICS to have a common position on Syria? After all, a country like Brazil has ambitions and concerns that go beyond the BRICS. We do not have an exclusive BRICS external policy. But it would be very strange for the Presidents of China, Russia, Brazil and South Africa, and the Prime Minister of India, to meet in a Summit and not say anything on Iran, on Palestine, on what is happening in Syria. There would be the perception of a void. For this reason I believe it is indeed necessary to have a political agenda. By the way, the five BRICS were together in the Security Council last year and had coincident positions.

Maybe we should organize a panel exclusively on the economic agenda. Is Brazil in a position to push forward by itself a reform of the international financial institutions? Although Brazil initiated this process, the joint impetus of the BRICS facilitated progress at the IMF and the WTO. So the BRICS is serving us well.

Lenina mentioned Russian geopolitical projects. All countries have geopolitical projects. We have our own regional integration project, a priority of our external policy. Africa is another priority. The establishment of a dialogue partnership with Africa is another project in which I am personally involved at present. Each country has its own priorities, but it is not within BRICS that we should deal with the recognition of South Ossetia or Abkhazia. India has just established a strategic partnership with Afghanistan and as the United States and NATO withdraws their troops it will tend to play a growing role in that region. China has very important interests, and all of them have their own political project, which does not need to be discussed within the BRICS. BRICS works only by consensus. Fortunately there are several important issues that are suitable for consensus and allow countries to coordinate in what can be of benefit for them.

There were many provocations made here to which I would

like to react despite being somewhat tired. I think Ambassador Rubens Barbosa touched on a sensitive point when he said that it would be necessary to be clearer about what Brazil wants to get from BRICS. We are building consensuses, several of them on Brazilian initiatives. If the Ambassador has an important project and believes it should be part of the BRICS platform, we will be very much interest in receiving it, to debate and take it forward, if it is viable.

We are still at a stage of construction and are already getting important benefits. Carlos Márcio's presentation was very clear on this count. I repeat, with regard to the presidency of the World Bank, that it is not yet the moment to present a joint candidature. The priority at the moment is to reform the World Bank in a way that gives the BRICS the voting power needed to have a president. Today, any candidature that defies the status quo is doomed to fail because the Americans, together with the Europeans and the Japanese, have an overwhelming voting power. Even if South Africa, Colombia or one of the BRICS had a better candidate, he or she would be defeated today.

Professor Altemani is a pioneer in the discourse on the lack of knowledge and the need for us to create more bridges with Asia. Itamaraty has always been very attentive to this question. In 1994, when I worked with policy planning at Itamaraty, I was happy to take part, together with Professor Severino Cabral, in the first Brazilian academic mission to Asia, one year after we had launched the oldest strategic partnership of Brazil with a developing country, that is, the strategic partnership with China. We are attentive to the need to reduce the distance; we consider the dialogue with Asia very important.

There was a question on the Forum Brazil, India and South Africa – IBSA. I would say that IBSA inspired the BRICS. Some

say that BRICS did not result from diplomatic action, that it came about ready made. I think this is unfair, because the very vision of the BRICS resulted from Minister Celso Amorim's vision, inspired by the construction of IBSA. IBSA is very much respected as a forum that brings together three democracies, three continents; we, from IBSA, are very proud of this diversity. Because they are three democracies, international public opinion does not criticize IBSA, which was twice awarded a United Nations prize for its contribution to the efforts of South-South cooperation through the IBSA Fund. Yes, IBSA influences and inspires BRICS. The Academic Forum was first organized at IBSA, and the same goes for the Business Forum. Both IBSA and BRICS should go on. I must even say that there are a large number of countries interested in participating in IBSA, either joining it or through some form of association. Countries as diverse as Japan and Germany would be interested in an association with IBSA, but this is a question for another discussion, another meeting.

There is another initiative from IBSA that I am considering to introduce at BRICS: the Editors Forum. Another idea would be to encourage contacts among journalists, because our news people know very little about their counterparts in the BRICS countries. Sergio Leo was saying that due to the lack of a plot, we repeat here what appears on the international media. In a certain way and with some honorable exceptions, the international press generally sets the agenda for the Brazilian press in what regards international politics. This is very clear in the case of human rights. We often read criticism on the disrespect to human rights in China, but nothing is said about the violation to human rights represented by the death penalty in the United States.

It was said that the books we have in Brazil on international relations were written by Europeans or by Americans. The Prime Minister of India, for one, knows in detail the work of Celso

Furtado. The Academic Forum should facilitate contact between scholars of the five countries. An Editors Forum and a Journalists Forum would contribute to the same objective. The member that published the least news about the BRICS was Brazil. China, Russia and South Africa all published more news.

I suggest that in the future we convene meetings with specific focus, also to provide information on what is going on in terms of formulation but are not yet ripe to be announced and for this reason do not come to your attention. In this way we would be able to discuss what could become our objects of desire in political terms, in economic terms and in terms of the cooperation agenda.

I believe, however, that from the standpoint of the formulator it is not useful to organize another meeting to repeat the same things. The meeting today, in a certain way, repeated 80% of the perplexities about the BRICS that were put forward during the meeting we had at FAAP. The same questions were raised, the same skepticism was expressed; in a word, it seems that the previous roundtable was not absorbed. Maybe it would be more useful to have a more focused, more centered debate, perhaps organized by issue.

Minister Luís Balduino – One of the advantages of this exercise, as Ambassador Pimentel has said, is that we have some time to think and to know what others think. It would be excellent that from here proposals could result in order to assist the government to define with utmost clarity the objectives and the means to achieve them. That would be excellent, but even if we do not achieve that much, the time for thinking is already very helpful.

In real life, everything must be done fast. From 2008 to this time the process accelerated notably. Often, decisions must be made on the basis of intuition. An objective that underlies many

of our decisions is precisely that of participating. BRICS is not opposed to the developed countries, it is contrary to structures that are petrified and that do not allow our participation. This objective is clear and we are succeeding, we are obtaining participation.

But the crisis is not over. Other events may happen, they happen at all times and require new decisions. We need more roundtables like this one, so that we may think beforehand, to look at the different angles and elaborate, refine our thoughts, because the process is accelerated.

Ambassador Carlos Márcio Cozendey – Final and brief, only to bring an answer to the question about the dimension that one wishes to give to the BRICS Development Bank. In the current initial stage of the discussion, everything is open. The proposals that have been made, either by the Stern-Stiglitz paper or by the Indians, mention amounts of the order of 30 or 40 billion dollars, with a capital structure in which effective resources equal to 10% and 90% for capital under guarantee. This is similar to the current structure of the World Bank. The BRICS bank will be necessarily a conservative institution in terms of loans, and for this reason the initial power of multiplication will not be too great, in order to have a high rating and a low cost of capture of resources. We are talking of a total loan capability of around US$ 80 billion, to be integrated into the capital in five years and growing gradually. If this works, as I expect, in ten years we should have a respectable bank in terms of international activity, in tandem with the World Bank.

Ambassador José Vicente de Sá Pimentel – Let us close on that positive note. I thank all of you. We had an intense exchange and, in my view very productive. Little by little we are adjusting our aim in the direction that interests the academics and at the

same time the diplomats and other negotiators. I believe that the transcript of today's debate will demonstrate that in this meeting today there was already an evolution, we are already speaking in a more proactive way. Doubts are inevitable in the politico-diplomatic activity, and criticism, although unpleasant, at least improves our ability to answer.

I am grateful for everyone's participation and I hope to count on your presence at the next round of discussion, in the end of July. Until then, FUNAG will be open to the suggestions you may wish to present.

Roundtable at FIESP

São Paulo, July 31, 2012

Ambassador José Vicente de Sá Pimentel – As agreed, we close today the first cycle of debates on the BRICS with an attempt at identifying more concrete mechanisms of cooperation and more effective possibilities of understanding, from the Brazilian standpoint and also that of our partners in the group. For this we will have the participation of four special guests, intellectuals of high standing who came from Russia, China, India and South Africa at FUNAG's invitation to present the vision of each of their countries on the BRICS.

One of the questions that remains open when we discuss this matter here in Brazil is: what is the interest of the other countries in BRICS? When one speaks about the BRICS, the opening observations stress the differences and asymmetries and not always the reasons for the five to be together are clear. We shall have today the opportunity to see how the other BRICS see this and other questions.

Before starting our work, I would like to emphasize that FUNAG was very happy to accept the invitation of the Federation of Industries of the State of São Paulo (FIESP) to carry out the third round of this exercise at its headquarters. In the end of 2011 we organized a seminar on China in partnership with the Brazil-China Institute (IBRACH), represented here by Ambassador Affonso Celso de Ouro-Preto and by Professor Anna Jaguaribe. At the occasion, several speakers, among them the late Professor Antônio Barros de Castro, underlined the fact that Brazilian entrepreneurs usually do not invest in planning activities and

this squanders the contribution that the academic world could bring with conjuncture analyses, research on the specific interest of companies and reflections that could be very useful for their planning. I am glad to see that FIESP is trying somehow to contradict that diagnosis by hosting this meeting. By looking for information on a subject still not too well known, but with evident potential impact on Brazilian interests, and at the same time to inform us about its own ambitions and concerns, FIESP is giving evidence of its wish to engage with the academic world and the Ministry of External Relations (MRE) in the joint search for better ways, or more convenient shortcuts to achieve positive results for our country.

I express, therefore, my deep gratitude to Ambassador Rubens Barbosa, representative of FIESP and our host, to whom I give the floor.

Ambassador Rubens Barbosa – Good morning, everyone, on behalf of the presidency of FIESP. As José Vicente has said, this is a concrete example of cooperation between FUNAG, the MRE, academia and the private sector, here represented by FIESP, bringing together more than 150 São Paulo industrial unions. This occasion is favorable for us to take a step forward and complement what was done in the first two roundtables on the BRICS. I participated in those two meetings and I agree with the emphasis attached by FUNAG, upon transmitting the invitation, on the need for us to present suggestions of practical measures that can be implemented by Itamaraty.

Comments on the evolution of the economy of the BRICS countries made by important economists and encouraged by the economic crisis have appeared recently. Jim O'Neill himself commented on the composition of the group, risk agencies made threats regarding the degree of investment in India. But whatever

may be the evolution of the economies of the member countries, the BRICS have come to stay. Its institutionalization is a political fact and is going to unfold in political and economic actions.

The idea today is to see how each of the members can benefit from the existence of the group. Medvedev already said that for Russia BRICS should be a vehicle for dialogue and cooperation. I agree, but we have to go forward and fill that framework with actions that are in our interest.

At the last Summit meeting of the BRICS, in India, and in meetings on the margins of other multilateral gatherings, such as the G-20 at Los Cabos, measures to widen cooperation in several areas, especially the financial and fiscal, were announced. I have been following the BRICS, which I consider one of the most important initiatives of Brazilian external policy. If we take stock of the degree of rapprochement provided, since the first meeting, by the successive plans of action, we will see that in a short time much was done to improve knowledge and integration among the five. In spite of being large countries and in spite of their international presence, mutual knowledge was limited and this begins to be taken care of. After the India meeting some actions of cooperation were scheduled in concrete terms: prior coordination in the meetings of the Monetary Fund, the World Bank and the G-20; the challenge to the current global governance with the reform of the World Bank; and the creation of a virtual reserve fund to allow swap operations or currency exchange and visible action at the European crisis, with contributions of the BRIC countries to the IMF. Moreover, China and India announced measures to strengthen reserves in foreign currency and in the commercial field China proposed the negotiation of a free trade agreement with MERCOSUL countries.

The communiqués of the four Summits indicate progress regarding cooperation among member countries and understan

dings at the international financial organisms. The BRICS have come to stay. Their institutionalization is a political fact that is going to unfold into political and economic action.

At the last meeting we held I responded to the provocation by Ambassador José Vicente by presenting a policy paper with specific suggestions on three points:

- To define what Brazil wants from the BRICS;
- To identify Brazilian interests and those of its agenda within the group;
- To define an agenda for the BRICS.

This text is published in the book "Brazil, BRICS and the International Agenda", and I do not need to present details here. I am only going to mention one of the suggestions from this policy paper about the definitions of an agenda for the BRICS. I maintain that the group will have a growing influence in the international panorama to the extent that it is able to present common proposals and negotiate those specific points jointly. Such proposals must be realistic and pragmatic and should start soon, at the next meetings, preferably now at the South Africa Summit.

In my view there are several themes that we could include in the political agenda and in the economic-commercial agenda. Regarding the former, the BRICS could take joint action, with great international impact, by reviving, for example, the Saudi Arabian plan for the Middle East. We all know that peace negotiations in the Middle East are very complex and are paralyzed by a number of reasons. Joint action by the BRICS could break that inertia. Why did I choose this example? Well, Russia is a member of the "Quartet" and all BRICS countries are in favor of the plan that Saudi Arabia presented to the United States in 2002. This plan was not taken forward by President Bush. Basically, it would create the Palestine State in exchange for the recognition of Israel by

all Arab countries, which is not negligible. To bring back to the negotiating table the proposal made in 2002 by Prince Abdullah could have a tremendous impact on international negotiations, because it would break the current deadlock. If the BRICS had one single cohesive voice on this point, they could make an important contribution. This is a concrete example of how the BRICS can act. There are others. If anyone is interested, I suggest consulting my policy paper in the book.

The Brazilian agenda, in my view, for the time being, is still reactive. Again in my view, among the BRICS Brazil is the one that presents the best conditions to be a consensus builder and provide the group with a soft power direction. We could have a more concrete and effective action, with benefits for Brazil. You will see in my paper that Brazil would benefit more than the others in this exercise if it chooses a proactive position and if it can make the BRICS speak with one voice on specific points of the international agendas, in order to have an active presence in the world scene.

I conclude by thanking once again everyone's presence and reiterating our pleasure here at FIESP for being able to organize, together with FUNAG, this meeting that we consider of great interest to the Brazilian society.

Ambassador José Vicente de Sá Pimentel – For the information of our foreign guests, Rubens Barbosa was Ambassador of Brazil in London and in Washington and is now a member of the Board of Directors of Federation of Industries of the State of São Paulo. He is an opinion maker and argues for bold action by the BRICS, led by Brazil, on some sensitive issues of international reality.

Let us first hear out foreign guests and then start the debate. I start with the "R" of the BRICS. The Russian representative, Fyodor Lukyanov, is the editor of one of the most important

external affairs reviews in Russia, whose name could be translated as "Global Affairs". Fyodor has a long experience as a journalist, his articles are read the world over and it is a pleasure that he accepted the invitation to come to Brazil and participate in this roundtable.

Fyodor Lukyanov – Thank you. Perhaps the best way to kick off this dialogue is in fact the Russian vision, because Russia is, without doubt, an odd creature in the BRICS. Western commentators often say that Russia has nothing to do in this group: "look at the Russian economy, look at Russian psychology, look at the declining empire joining emergent countries". A young European Prime Minister recently published an article for the Financial Times that elicited very negative reaction in Russia, because it said basically that "no one is interested in Russia any more, Russia is no longer worthwhile and should be taken out of BRICS". It is interesting, therefore, to start precisely by this country.

What is most remarkable about BRICS is the fact that it still exists. The acronym was invented ten years ago for the only purpose of providing an instrument for the efforts of an investment bank that wanted to attract clients. Nothing special, no political reasoning; just an interest to do business. Since then many people wrote articles and even books to say that this group is absolutely absurd, that it does not make sense and therefore cannot exist. The authors of such texts have several convincing arguments, since in fact the members of BRICS have little, almost nothing in common: different cultures, non-complementary geographies and some of them, at least, a very negative historic retrospect. India and China, China and Russia, these relationships still have many unresolved quarrels inherited from a not too distant past.

It is in a certain way paradoxical that an artificial construct such as the BRICS still exists. From the Russian point of view, it is important to understand this phenomenon and explain why the BRICS is still alive.

For this, it is necessary not to look through the economic glass, as did Goldman Sachs and as observers in the United States and Europe still do, but rather through the geopolitical glass. BRICS is seen in Russia through its political potential, and there is nothing strange in this. The theoretical frame of the Russian vision is based on the structural realism and from this optics BRICS comes out as a relatively independent actor in a system whose logic should make actors become dependent. BRICS allows its members a larger autonomy within the system; In Russia it is perceived as such and because of it is valued.

Vladimir Putin, our main political figure, who considers himself also a philosopher, wrote an article for the magazine *Foreign Affairs*, published one week before the presidential elections, reflecting the confusion in which Russian external policy currently finds itself. The interesting part of this article is precisely the one dealing with BRICS. Putin greets the group effusively and the key to his enthusiasm is his conception of BRICS sovereignty. What unites the five countries, in his opinion, is the fact that all of them are sovereign and exercise their sovereignty.

Maybe the United States consider themselves the only really sovereign country in the world, since to be really sovereign a country should not depend from alliances that limit its scope of action. The five BRICS enjoy relative autonomy and exercise it in different degrees, but all of them are proudly sovereign. This is, by the way, the factor that would prevent participation by countries such as Mexico and Turkey. Although both have bold external policies, they are too much linked to the United States and to NATO.

The second reason for the importance attached to the BRICS by Russia is the perception of growing multi-polarity in international relations. This notion was very much abused in the 1990s. The first

person to speak of multi-polarity in Russia, perhaps in the world, was Yevgeni Primakov, then Russian Foreign Minister and later Prime Minister. In his view, multi-polarity was a notion to legitimize Russia as a world power. In the 1990s the permanence of Russia as a world power was very much questionable, and Primakov resorted to this notion in order to counterbalance the idea that we live in a world dominated by the United States. Today, the concept of multi-polarity used in Moscow is much wider. With globalization, several problems became unmanageable according to the old rules of coexistence. On the environment, for instance, there are many problems whose solution requires the union of efforts by countries that are able to influence the question structurally. Regional groups of countries, or groups capable of leading a region, become central to the search for solutions for such diffuse problems. From the Russian standpoint, BRICS can stimulate the kind of action chain that the environment increasingly needs.

Thus, BRICS still stands in a large part because of the inability of the leaderships and of the current world institutions to solve the problems that are accumulating in the economic and political spheres. The global institutions need to be re-discussed and in this sense the BRICS have an important collaboration to provide, including because they are so different from one another. I do not know whether they will be capable of agreeing in certain essential points, but if they succeed in coming to an agreement they will have, theoretically, a decisive participation.

I have no doubt that Russia sees the BRICS, above all, as an instrument or as an opportunity to regain its preeminence in the world. The priority of Russian external policy is to convince the West that Russia still exists as a great power. The BRICS can contribute to the recovery of that status.

The second anxiety of Russian external policy is how to place itself in a world in which the West will no longer be the only and

not even the main center of development and progress. The BRICS is very useful to re-adapt Russian *psyche* to the new situation, which is hard, because despite everything else, Russia is very much European in its mind and its behavior. BRICS springs up in this picture as an exercise to be done, an entrance examination to be passed.

Finally, I believe that the existence of the BRICS does not stem from a fundamental need of its members. All of them can function perfectly without the BRICS, but the current situation in the world provides great incentive to the permanence of the BRICS. No one knows what it may really produce, whether it will really be a vehicle for changes in international relations. But the convenience of changing does exist and perhaps from there may emerge the hope that BRICS will evolve and become a generator of alternatives, a driving force for new modes and means to deal with the problems of the world.

Ambassador José Vicente de Sá Pimentel – We will hear now Professor Varun Sahni, from the University of New Delhi. The Indian academic community is very large and it is hard to stand out amid so many. Professor Varun Sahni is one of the outstanding names, and in a very pleasant way for us, because at the start of his academic career he made deep studies about Latin America in general and in particular South America, more specifically Argentina – he speaks Spanish with a porteño accent. I give the floor to Professor Varun Sahni, who will give us his evaluation about the BRICS.

Professor Varun Sahni – Thank you. I am very grateful to Ambassadors Pimentel and Barbosa for the invitation to participate in this important event organized by FUNAG and FIESP, together with my colleagues from BRICS countries and so many Brazilian

intellectuals and businessmen. I am especially grateful to the Consul-General of India in São Paulo, who honors me with his presence.

Ladies and gentlemen, we started the presentations very appropriately with the letter "R". What is basic has been very aptly said by Fyodor Lukyanov. It is time now for the "I" factor.

BRICS stemmed from a futuristic projection by investment strategists, rather than from an evaluation of its participants as States. This is a point that we must keep in mind. I intend to come back to it and I warn that I shall make some observations that may generate controversy.

From the outset it is my view that the BRICS make less sense than some may suppose. The second premise is although India, on the surface, may seem engaged and even enthusiastic about the BRICS, in reality the Indian government has concrete reasons, based on the logic of international politics, to be reserved about substantive issues of the group's agenda.

I shall first devote some time to a discussion of the Indian official position, and I shall do that by deconstructing Prime Minister Manmohan Singh's speech, delivered in New Delhi on March 29, at the BRICS Summit. I shall try to decompose that speech in order to apprehend, as precisely as possible, the sense of what India is officially saying about the BRICS. After that, I shall devote some time to the analysis of problems stemming from the building of the BRICS.

Regarding the first point, that is, the Indian official position, we should start with a theoretical question, as academics like to do. The question is: why do States get together? Why do they need to join in groups? My answer is that there are only three reasons for this. They get together to add power, to solve problems or for a combination of the two reasons above. Moreover, there is a certain

sequence in the motivations that make States wish to act together. You cannot progress toward the construction of a community of States if certain conditions are not met.

So, in order to analyze and deconstruct the Indian Prime Minister's speech, we should ask: what are the elements of power aggregation that appear in it? What are the examples of solution of problems? What are the indications of interest in building a community of nations?

The Prime Minister mentioned the fact that the emergent market economies grow at healthy rates and the increase of their participation in world trade. This gives the impression that the BRICS possess the power and the capacity to act together in the economic field. The Indian vision seems different from the Russian vision that was presented here. How would this added power be used? In what direction? For the Indians, one objective would be to stimulate the growth of global demand. This would entail the channeling of investments toward countries lacking capital, especially capital for infrastructure projects. The Prime Minister argues that the World Bank and the multilateral development banks can no longer do this, and the other way to achieve the objective would be through the aggregation of resources by the BRICS, who should create a South-South Development Bank for this purpose, managed by the five members of the group. In my eyes it does not seem to be an innovative philosophy, of which the BRICS would be the harbingers. The idea of a new kind of development is absent; what is proposed is the creation of a mechanism additional to that of the World Bank.

Further on, the Prime Minister raises the question of the shortcomings in global governance and evaluates that in the last six decades the world has changed in many aspects, while multilateral institutions remained the same. The challenge here is of a political

nature and Manmohan Singh expresses the hope that the BRICS may speak with one voice on important themes, such as the reform of the United Nations and of the Security Council.

It is precisely here that the BRICS ability to add power meets its limit. In what regards the reform of the United Nations Security Council, the BRICS have opposing interests. What does the Declaration of Delhi say? I am going to read: "China and Russia reiterate the importance they attach to the *status* of Brazil, India and South Africa in international affairs and support their *aspiration* to play a greater role in the UN." What does that mean? It is very vague, insufficient, but it cannot be otherwise. It is the most that could be achieved in a consensual declaration, because there is a clear contradiction between the interests of Russia and China, on one side, and Brazil, India and South Africa on the other.

Also on the commercial field, the common interest is not evident. Taking the example of Indian trade with the BRICS, we see that China is the biggest of India's partners, South Africa is the nineteenth, Brazil is the twenty-fifth and Russia the thirty-second. After the end of the Cold War, Russian participation in the trade with India fell drastically. The figures suggest that it is improbable to add substance to trade and therefore this will not be the path to aggregate power to the BRICS.

The second reason why States group together is to solve common problems. On this count, there is a varied menu. Issues go from the economic recession to the volatility of food and energy prices, from the challenge to reconcile development and the preservation of the environment and to the containment of terrorism. In all these questions the Indian Prime Minister takes an attitude perhaps constructive, albeit identified with Indian objectives, and asserts that the BRICS can play a relevant role in steering solutions and that this would be possible if all of them

were permanently represented at the Security Council. But we must agree that this possibility is at least foggy.

Will the BRICS be able to build a community? There is almost nothing on that eventuality in Manmohan Singh's speech, except scattered references to sharing experiences, in particular in the areas of energy, food, use of water, social inequalities. Besides a possible mutual learning, no other lure for the creation of a BRICS community is mentioned. In my view, this is significant.

There are at least four problems that hamper the consolidation of the BRICS. First, BRICS is a category imposed from the outside that the five now try desperately to internalize. The genesis of the BRICS is in Goldman Sachs's schemes and the objective, as Lukyanov said here, was to make a prophecy about the evolution of global capitalism. In my eyes, it is curious that five countries so much interested in changing the system now hurry to secure a place that was thrust on them from the outside. In comparing BRICS and IBSA, we see that the meetings between the Heads of State and Government of the three countries drove the process with an endogenous dynamics, a process impelled by the internal logic of the thereby the shared interests of the three.

The second problem is that the five have different interests and approaches toward the main international questions of the 21st century. What kind of harmonization can exist if the five disagree on basic issues? The Russian interest, as described by Lukyanov, is robust, but there are different degrees of opposition to the Western hegemony within the BRICS. The differences stem from varied and deep motives and for this reason I do not believe that the BRICS can go far as a vehicle for transformations that interest the five countries.

The third cause for skepticism are the asymmetries among the participants. Russia, to start by Professor Lukyanov's country,

is in relative decline. It was a great power but ceased to be one long ago. On the other hand, China is a great power and will still grow very much. The other three –South Africa, Brazil and India – are emerging countries. In my writings, I tried to distinguish between emerging powers and emerging countries. In Spanish, it would be *potencias en auge* and *potencias emergentes*, and the difference among the two groups is considerable. An emerging power already causes a systemic impact nowadays, as is the case of China. Emerging countries are medium power countries that work conscientiously to obtain results in multilateral negotiations and to promote policies able to transform the world system in a way favorable to them.

Two of the BRICS have permanent seats and veto power in the Security Council and three strive to get in. One is a manufacturing superpower, two are important exporters, two have deep problems and a third, Brazil, has a diversified economy: some industry, some agro-business, some services. In terms of volume, one of the five is much smaller in scale. And the most critical difference is that one of the BRICS is developed and four are developing countries.

My last argument to recommend much caution from Brazil and South Africa regarding the BRICS is that these two countries do not need and should not look for complications with the extremely complex geopolitics of Asia. Russia, India and China had regimes that wanted to transform the masses of the whole world. It is an old idea that once in a while comes to the fore. The American Pentagon refers to these three countries in an internal document, as "transition States". Why is the transition not accomplished? There are several factors against it, such as the lack of social cohesion, of national unity and territorial integrity. The policies of the three end up by having a negative impact on the other two. The argument I want to stress is that the BRICS harbors three colossal headaches. The eventuality of the three acting together is remote.

If you allow me, I will make a last reflection on the preference for democracy within IBSA. Brazil, South Africa and India are democracies. For this reason, IBSA possesses internal cohesion, and BRICS does not. But it seems important to me to point out that the democratic perspective had never appeared before among the guidelines of the Indian external policy. Despite being democratic for six decades, India did not promote democracy externally. There are three reasons for that.

The first is that democracy has a very particular meaning for the majority of Indians. It is hard to translate to non-Indians what Indian democracy means.

In the second place, in moments of extreme need India did not count on the assistance of the Western democratic powers. Despite being a democracy, the solidarity of the Western democratic powers did not express itself, for example, in 1962, at the time of the Chinese invasion. Therefore, we have come to the conclusion that our strategic autonomy is not linked to democracy.

The third is that the neighbors of India have been non-democratic for a long time. Since independence India lost patience to wait for its neighbors to become democratic.

Ambassador José Vicente de Sá Pimentel – One question that comes up often in debates on the BRICS is: what about China? What does China want from the BRICS? To deal with this question we have here today Professor Jin Canrong, who works not only in the Chinese academic sphere but also in the press. He publishes frequent articles and stands out as an opinion maker. His area of study is turned toward the United States but he is also interested in South America and specifically in Brazil.

Professor Jin Canrong has clear ideas and comments that we do not usually associate with Chinese academics, who are in general very disciplined. I will share with you a curious comparison

that he made between China and the USA. China is now on the eve of an election that worries him, because in his view, in countries like ours the cases in which a political transition does not change the government line are rare; continuity only seems to exist in nations with consolidated, stabilized political systems. According to Canrong, in the United States the candidates promise changes and then do exactly the same thing. In China, candidates promise that everything will be the same and as soon as they assume power they start to make changes. I am sure that he will also have instigating observations to make about the BRICS.

Professor Jin Canrong – I thank FUNAG and FIESP for the invitation, for which I am much honored. In recent times we in China receive much news from Brazil, much more than previously, about the Brazilian people, the beauty of this country and about São Paulo, a very impressive metropolis.

Before I left China I looked in Chinese sites for information about the BRICS and was impressed by the number of articles and information I found in popular magazines and in specialized publications. Without too much search I found fifty-two papers on BRICS. A few days ago a new book was launched by the Chinese Academy of Social Sciences. There is growing interest on the BRICS by the media and the universities. I confess that this surprised me and made me think of what the reasons for such interest could be.

In the last three decades, China worked very hard to learn and explore possibilities of business with the United States, Europe and Japan, but the crisis caused these markets to shrink. The search for new partners could be a first explanation for the interest in the BRICS.

The second is the need to reform the international trade system. The need is clear and China must participate in the reform. Alone, it is more difficult.

The third is the need for partners to promote global governance in accordance with our interests. China, to be frank, has had many disappointments with the Big Three – United States, European Union and Japan – and needs support to change certain rules of the system and defend the Chinese positions in the great questions of the century, starting with the use of the environment and water, without stopping the impetus of economic development.

What makes the BRICS stick together? In my opinion, there are at least two strong reasons. Above all, they are countries geographically very large, with many natural resources, besides good prospects of progress in the technological field. In the United States much has been said for a long time on future scenarios of energy offer, and this will be crucial in the future. How to use these resources is an important issue for everyone. The population of India is enormous, the Russian territory and population are also huge, Brazil has everything, including the best soccer team, and South Africa opens the gateway to Africa, offers an opportunity of rapprochement with the African continent. These countries are very attractive to China.

Moreover, China has the impression that it has contributed much to the international economy but does not have the capacity to influence decisions that are taken at the international organizations that deal with trade and finance. For the world governance the General Assembly of the United Nations should be the most representative organ, but the orders are given by the Security Council. In my view, the BRICS countries are the natural aspirants to an expansion of the Security Council. Also for that reason China benefits from joining them now.

At this point, I would like to say that China has no problem with any of the BRICS in the Security Council. We are in favor of a reform of the Council and do not oppose the access of any of the

BRICS. But we will always be against Japan's entry. Chinese public opinion would never agree that Japan would become a permanent member of the Security Council.

For the future, the test for the BRICS is the ability to remain as a bloc in the inevitable negotiations with the Big Three. To have enough bargaining power and be able to influence the process of political and economic decision-making, the five need one another. It is necessary to assume more responsibilities in global governance. In March I visited the United States and in conversation with acquaintances at the Department of the Treasury, I became aware that they believe that the American economy only will go back to normal after 2020. This would apply also to Europe and Japan. In other words, we will have one more decade until the Big Three are again able to push the world economy toward growth. If this is so, it will be hard for them to assume the onus of global governance. They will not have physical conditions and financially they will depend on the assistance of others.

We all need help, isn't that right? Although China is not ready to assume responsibilities in the world scale, there is no alternative. Together with the BRICS, the task will be more feasible.

For this, the five will have first to put in the right track, wisely, the situation in their own internal arena. All BRICS countries are going through a process of modernization, with the accompanying challenges. The Chinese situation is evolving. Urban dwellers in China surpassed the rural population and the new middle class, that does not cease to grow in size and influence, enjoys better education and has more demands to make with regard to individual rights. They are more critical of the authorities than ever.

Another thing to have in mind is that we have in China a market economy controlled by the government. It has worked up to now, but there are signs that the situation is evolving and that

the traditional governmental control will change. We do not know how, or when. But change is underway.

We will have a new government in China in 2012. We do not know the thinking of the new leaders, because it is also common that authorities say one thing before assuming power and, let us say, after that existing conditions make them choose other options. There are internal problems that must be handled with care. Therefore, we will have to prioritize the domestic agenda.

But the external agenda is also crucial. There are challenges in the external sphere, questions of security will have to be managed. For example, the United States are entering Asia and this may render our relations with our neighbors still more complex.

To conclude, I would like to make three practical suggestions. The first is that the BRICS choose realistic goals. This forum should not be based on an entanglement of norms and legal rules. BRICS must be based on functional cooperation and not on binding legal obligations.

The second is that although the BRICS have been achieving growing prominence, although many people in the universities and in business have started to pay attention to the partners in the group, I believe that the Chinese society still does not have enough information about it and therefore there is no popular support for the BRICS. The common individual does not know what BRICS is and does not understand its worth. It being so, we need to invest in dissemination of information. I believe that the other BRICS suffer the same affliction and should, therefore, devote talent and resources to the popularization of the acronym and its appeal.

The third suggestion is the creation of a permanent secretariat. Not in China, certainly not in China, this would worry our friends in the United States and even more in other countries. It does not have to be a secretariat with an extensive payroll.

A secretariat would also be useful to take care of the dissemination of information I have mentioned.

Ambassador José Vicente de Sá Pimentel – South Africa was the last country to join BRICS and the only that was not chosen by Jim O'Neill, but by the partners themselves. For his reason, many consider the South African entry as the certificate of the political coming of age of the BRICS.

The last intervention of this section will be that of Elizabeth Sidiropoulos, who directs an important South African think tank, the South African Institute of International Affairs (SAIIA), and does a splendid job that I witnessed myself during my stay in Pretoria.

Professor Elizabeth Sidiropoulos – Thank you very much for the invitation to come to São Paulo. Some academics who participated in a recent workshop commented that South Africa should be called "brickette". In any case, permit me to make some observations and comments on the BRICS from the South African standpoint.

The first point to be stressed is the importance of BRICS for South Africa. This is, probably, the most relevant pluri-lateral forum of engagement next to the African Union – the central piece of our involvement in the African agenda which is, by its turn, the priority of our external policy. South Africa sees the BRICS as an increasingly central element to approach the socio-economic problems of the country and also those of Africa. There are domestic and continental development imperatives that South African diplomacy considers as convergent with the situation of the BRICS.

The second point is the South African perception that the BRICS will have a transformation impact on the global order.

This global agenda of transformation has been the main element of South Africa's external policy since 1994. I would say that time has made this aspect even more salient in Pretoria's diplomatic approach, although South Africans can be very pragmatic when they operate in a multilateral environment. The discourse of the governing party, however, is very radical about the need for change.

Thus, the two questions that have to be evaluated by South African diplomacy are: first, whether the country needs help from the BRICS in domestic economic issues and in continental development matters, or whether it would be better to deal bilaterally with them. The second question is whether the BRICS would be the best forum to arrive at the second stage of the global transformation agenda.

We have already heard some comments on the unevenness that results from the circumstance that India, Brazil and South Africa aspire to a permanent seat at the Security Council while Russia and China are already there, although not because of a deliberation by the current global system. The other important difference among the BRICS is the fact that of all countries in the group South Africa is the smallest, and is much smaller in economic and demographic terms. Of course it is a regional power in the South of Africa and has a relevant role in the continent, but it cannot exert power in the same way as China, Brazil, India and Russia can.

It being so, how can South African ambitions in the international scenario be promoted through the use of this and other forums, such as IBSA, for instance? Shouldn't alliances with the European Union and the United States be privileged, at least in certain agendas at the multilateral level? To what extent can the BRICS form an effective forum on questions of global economic governance, especially within the scope of the G-20 agenda?

From the standpoint of the Zuma government, there are domestic questions and developmental aspects that render the

BRICS important for South Africa. Employment, economic growth and inequality problems have been a priority in the South African agenda since 1994. This is a great economic structural challenge that South Africa has been tackling for years. The participation of the country in the BRICS is seen as an opportunity to push forward investments and promote an increase in trade within the group to compensate for the decline of the traditional markets of the United States and Europe. I believe this is the main appeal of the BRICS for the South African government – the economic priority, the perception of concrete advantages.

There is also a line of thinking according to which this is fantasy. For those who think like that, the questions of trade and investment would be better solved in a bilateral context. To illustrate their reasoning they mention concrete disputes in which BRICS does not work as a forum to ensure market access. I know that some colleagues at the Ministry of External Relations and the Indian embassy in Pretoria would have a lot to say about the difficulty in negotiating commercial issues, such as, for instance, the sale of South African wine in the Indian market. I also know that there are commercial disagreements with Brazil, which will be taken to the World Trade Organization (WTO). The official South African discourse is dubious in this regard, but it seems to me that our diplomats feel doubly frustrated for not being able to solve practical problems through the BRICS, first because of the inherent lack of solution and second due to the opportunity offered to the opposition to attack the government.

One of the challenges in South Africa at the bilateral and multilateral level is the need for a more balanced trade, less exports of raw materials and more exports with added value in order to stimulate our own internal industrial production. This is also a problem for other BRICS countries. It is believed in South Africa that the forum may help to create a cooperation system in

favor of raw materials. This is one of the salient elements of the bilateral partnership that we signed with China two years ago. The interest of South Africa was reiterated by President Zuma at the recent Beijing Summit.

At the continental and regional levels, the question of development also comes up, specifically with regard to the material infrastructure. Since South Africa is the leader in infrastructure initiatives at the African Union, such initiatives can make use of the huge reserves that the BRIC countries – and I intentionally leave aside the letter "S" – possess to assist the development of the continent. To present you with a concrete value, infrastructure needs in the continent are approximately 90 billion dollars a year, of which only half is financed. There are great opportunities for cooperation in this area, since the countries of the group have financial reserves that can be explored and the Zuma government expects that this will happen. I believe that in this field the BRICS Development Bank will be able to justify South Africa's expectations. The best option would be to channel the reserves toward infrastructure investments linked to industrialization and social infrastructure. The BRICS bank, or the South-South Bank managed by the BRICS is very important for the South African authorities. Their argument is that the next phase of African transformation presents the challenge of capturing loans of 40, 50 or 60 years, and the BRICS Bank could be a fundamental element in this effort, since it would give South Africa and Africa the best conditions for this kind of discussion, better than those that can be obtained bilaterally or at the traditional financial organisms.

Thus, I see optimism in the national and continental perception of the BRICS, an optimism linked to the acquisition of advantages in a number of collaboration initiatives not necessarily pertaining to high politics, but rather on concrete initiatives in the economy. Africa is considered the next frontier of growth, there

are huge opportunities for growth in the consumer market, and in this case the partners would not be doing a favor but rather engaging in lucrative long term partnerships.

A development agenda within the BRICS and G-20 agenda would add legitimacy to these clubs that are exclusive by definition. When we speak of the BRICS or the G-20, we are talking of exclusive clubs. There is no doubt that it is easier to operate in smaller clubs, when we wish to progress in areas that are interlinked with the global agendas, but there is the question of legitimacy. How can we face it? By making sure that the elements of the agenda deal with some of the other challenges or other problems at the global level, such as poverty, inequality and other shortcomings, which affect half of the world population. Both in the G-20 and in the BRICS environments, in my view, solidarity is an element that brings legitimacy.

Another aspect that it is important to mention here is the existence – I would even say the militancy – of an anti-imperialist ideological school of thought in the South African project or the BRICS. I do not think this way of thinking should be underestimated. The ideological factor does not always come up perfectly articulated, but here and there in the South African discourse mentions to the BRICS crop up as an adversary to the G-7 and not as a counterweight to the creation of a new and alternative world view. I believe there will be great difficulty for this vision to become the policy of the group, but the government of South Africa understands that the BRICS can become, in the future, a contender for power within the global system.

South African external policy considers BRICS as a base of support for the South-South strategy in the global transformation agenda. It is interesting that in this morning's discussion the question of South-South cooperation has not been mentioned, but

it is a constant feature in ministerial and presidential declarations in South Africa. It is possible to counter that the world is today much more complex and that the old boundaries between North and South need to be more flexible and sensitive to specific framing. But this is a very important line of thought in the external policy of South Africa, which in this way fosters the belief in the need for a confrontation with those who detain the global governance, even under the argument that the balance of power is shifting to the East and to a certain extent BRICS is the engine that can drive this trend.

In my view, a necessary distinction must be made between multilateralism and multi-polarity. Since 1994 South Africa identified multilateralism as one of the main elements of its external policy. The importance of the development of a global system based on equitable rules, in which developing countries have the right to express their opinion and be heard, has been reiterated by South African authorities. For its part, multi-polarity can contribute to a less unilateral approach in the elaboration of global policies, but it should not be an end in itself. A rules-based and more egalitarian global system is a desirable goal, just as multi-polarity is ancillary to its formation, but multi-polarity for its own sake does not seem to me a good objective to pursue.

I would argue that there are limits for the promotion of global reform through the BRICS, given its composition and the different interests within the group. There does not seem to be a commitment regarding the reform of the United Nations Security Council (UNSC). But I believe there can be collaboration and a BRICS contribution to African questions, either in the context of the UNSC or in economic multilateralism. Perhaps Africa and its challenges are an area for consensus and collaboration. A consensual and concrete support to African interests would also give greater legitimacy to the BRICS. For its part, greater economic

and political engagement can generate competition for political and economic influence in Africa among the BRICS and between some of them and South Africa. South Africans will have to face this dichotomy.

South Africa is important in the African continent but has little global and economic influence. The South African economy is not comparable to the economies other BRICS. Since Mandela, however, the country has been a very active global citizen, which may even generate criticism that we have bitten more that we can chew, but on the other hand this justifies our participation in a forum where systemic transformation is debated. To be able to contribute with ideas and earn some influence among its peers is extremely important for the way in which South Africa has been positioning itself since 1994. It is important for the prestige obtained through participation but also for the confirmation of the validity of the principles that have been guiding external policy since Mandela's presidency. Although the South African Chancery does not speak in terms of leadership the fact is that countries outside Africa, and in some cases also African countries, see South Africa as a leader, and when the South African diplomacy inserts important African interests in the global agenda it plays a relevant role that probably no one else in the region could play.

Not always, however, have the BRICS been useful for African or South African interests. For instance, Africa has lent important support to the reforms proposed in the context of the IMF on quotas. Paradoxically, from all countries in the G-20, South Africa is the only one that stands to lose with quota reform. Its influence at the IMF will be reduced when the quota reform is implemented. The point that South Africa brought to the debate is the question that, given the reduction of its own voting power and given the fact that Africa is generally under-represented in multilateral financial organizations, it would be preferable to arrive at an agreement

for a third position in the Board of Directors of the IMF. Within BRICS, support to this claim has been similar to the support given by the New Delhi Declaration to the reform of the United Nations Security Council.

The episode of the candidature to the World Bank provided another case of lack of support from the BRICS to Africa. There was, undoubtedly a proactive role of the group in the naming of candidates from developing countries, but there was no unanimity in effective support to these candidates. This is understandable; BRICS is still an infant organization but that election brought forth some of the difficulties of the group.

The most positive development to date was the proposal for a development bank, which will be useful also as an agent for the renewal of the working methods at the World Bank.

The stagnation of the Doha Round serves at least to emphasize the centrality of the WTO in the world trade system. An evidence of that is the proliferation of regional and pluri-lateral commercial initiatives, in the absence of progress in the Round. A recent report from the World Economic Forum suggests that the fact that world trade today is developing around regional chains changed the way of thinking about commercial issues. In this scenario, what can be the role of the BRICS in bringing the WTO back to the center of the world trade system? Despite the divergence of their interests in several levels on agricultural trade, we saw in Cancún, in 2008, that India, Brazil and South Africa can act on a common agenda. Will we be able to have a discussion within the BRICS, including Russia and China, about how to revive the Doha Round before it passes away definitively?

Finally, we have to face the question of China, which is the big elephant in the room, or maybe I should say the big dragon. The twelfth Chinese five-year plan involves monetary reform and

for that reason it has implications for all the other BRICS, although some of us admit this reality more clearly than others. Each one of us is anxious to develop national manufacturing industries, which are currently overwhelmed, accidentally or intentionally, by Chinese prices. I know that some of these limitations are domestic, but they also result from the way in which we compete at the global level, and this is a difficult, however unavoidable, discussion within the BRICS.

Ambassador José Vicente de Sá Pimentel – We will now hear Ambassador Valdemar Carneiro Leão, who is Itamaraty's *Sherpa* for the economic-financial negotiations at the G-20, where the BRICS have an undeniably important participation. Next, Minister Fernando Pimentel, Assistant Secretary for International Relations of the Ministry of Finance and the Brazilian representative at the IMF, Paulo Nogueira Batista Jr. will present their evaluations on the BRICS understandings at the Bretton Woods institutions. To wrap up this block, Ambassador Ronaldo Sardenberg will make some considerations about the political face of the BRICS.

Ambassador Valdemar Carneiro Leão, Under-secretary for Economic Affairs of Itamaraty, has the floor.

Ambassador Valdemar Carneiro Leão – I start with a disclaimer. Not everything I may say represents necessarily the thinking of the Ministry of External Relations. I shall take off my ritual garments and try to escape somewhat from what would be the official gospel. Therefore, please do not see me here as a representative of the Ministry.

Few question the existence of the G-20, but many question the existence of the BRICS. However, both are deeply, intimately linked, I would even say joined by their umbilical cord. The G-20

begat the BRICS. In my view, there is no doubt that the fact that BRICS was organized at the level of Heads of State a few months after the advent of the G-20 was not an accident.

The G-20 not only provoked the creation of the BRICS but also provided the scenario within which BRICS operates, especially in what concerns the changes in world governance.

In the last analysis, I would say that the G-20 reinforces BRICS. It is not that the five BRICS would not be able to produce the reforms of the IMF and the World Bank. But the pace in which this happened was only possible thanks to the existence of the G-20; inversely, such reforms would meet much greater resistance within the machinery of international financial institutions.

Despite all the criticism due to the asymmetries and other differences already pointed out here and in our previous meetings, the BRICS is already a reality. I even believe that the discussion about the affinities of countries that decided to get together is futile. If there were an unavoidable inconsistency, would the Heads of State of these countries insist on meeting? The reasons why they meet deserve some effort to analyze.

In this sense, a little mentioned inference that seems very curious to me – I have not yet seen any analysis in this respect – is that the creation of BRICS represents what I would call "a cross recognition of self-evaluations". I consider myself an emerging power, you consider me an emerging power and I consider you an emerging power. In other words, all self-evaluate themselves as emerging powers and are recognized as such by their peers. Politically, this has an extraordinary political importance, because the BRICS stand out, detach themselves from other developing countries, are self-invested with a special status. From the political point of view and even for Brazilian external policy this is not a trivial confirmation. We have always worked around the idea of

the G-77 plus China and suddenly this endogenous, or almost endogenous process erupts: that I am not only an emerging power, but rather a special emerging power and I get together with others that also are and recognize me as such.

BRICS adds value to each of its participants. This value is different from country to country but it would be absurd, politically and economically speaking, that the Heads of State would meet without getting some benefit from it. The built-in value of the BRICS would be the most stimulating aspect, from the analytic standpoint. To discover what is worth for each country is a job common to the critics and the political operators.

As a working hypothesis, my assessment is that there is a common denominator in this value, which could have two components: the first one is intrinsic, it is what could be understood as added power and capacity of action; the second would be a component that I could see as turned toward the exterior, the image associated to a given brand, to speak in terms of marketing. BRICS can be seen today as a prestigious brand. Each of its members makes use of the added power and action capacity and of the prestigious image, but in different ways. This differentiated use is observed and observable at the several moments when the BRICS express themselves.

One final observation about this issue. Because of these differences, let us say, of value and use, the BRICS agenda becomes very selective and limited. The BRICS does not negotiate in closed quarters: it expresses unanimities. This is my opinion. When this unanimity or semi-unanimity does not exist, the BRICS evade the issue, remain silent. The members do not enter into confrontations about questions that may generate divisions within the group; they prefer to act where there is unanimity or certain indifference with regard to the issue. This undoubtedly restricts the agenda of the

BRICS, which seem to shy away from certain questions, especially on the political field, because of the difference, already pointed out here, in institutional power that exists among the different participants in the group.

Having said that, I go to the third part of my intervention, trying to gauge what value the BRICS would have for Brazil. As in the case of the others, the BRICS represent an increase in the country's capacity of action and also represents a brand. It is clear that Brazil was in full rise in 2008, when the G-20 was created, and in 2009, at the time of the creation of BRICS. The Brazilian ascent was recognized, but the creation of the G-20 and the transformation of the BRICS into a diplomatic forum considerably sped up the recognition of Brazil as an emerging power. We know that a process of co-optation was underway at the G-7: Brazil was being systematically invited to the G-7 – in fact, to the G-8 – for what was called, diplomatically, a "cup of coffee". That is, Brazil was not entitled to come to "dinner" but was summoned to have a "cup of coffee" with the G-7, during which it could speak about the issues in which the G-7 deemed our participation appropriate. Suddenly, the "cup of coffee" disappears and everyone starts to participate in the "dinner": Brazil arrived at the G-20 by its own right, with the first leap of the image of institutional recognition, as it were. The BRICS follows immediately after, in a second leap, because BRICS turns Brazil into a special emerging power within the G-20. There was a double opportunity, of which Brazil availed itself and which also has its reflections.

What are such reflections? Obviously, they are reflections of power, since Brazil, just as in the case of others, was interested in changing the financial governance. But it was also interested in the commercial area, although Russia was not a member of the WTO. In fact, the situation of the BRICS was lame at the WTO, due to the non-participation of Russia. But I was present at all meetings

of Ministers of Commerce of the BRICS and the theme was always the Doha Round, despite the absence of Russia from the WTO.

Therefore, the power of Brazil increased as it became able to prevent the Round from taking a course that was not in its interest, and it also increased with regard to the reform of the IMF.

Brazil also gains with the brand. Brazil was obviously being watched by investors, but BRICS of course adds a special mark, because the BRICS brand is associated to accelerated growth, projected in an unprecedented territorial and demographic scale. This adds a dimension that would not be present if Brazil were alone in the world.

I reiterate, in conclusion, that the discussion on whether it is worthwhile or not to be in the BRICS is shallow. It is indeed worthwhile and for this reason the meetings continue to be held. Whoever is in doubt should investigate and discover the reasons why it is worthwhile for each country. This way, he or she may also discover whether it is possible to improve what is being done at the BRICS.

At this point I would venture to make two or three observations about what is possible or not possible to do at the economic level. It is undeniable that the brilliance of the BRICS comes mainly from a bigger star that is called China. Trade within the BRICS is today around US$ 300 billion, of which US$ 140 billion are with China. Extra-BRICS trade, that is, from each of the BRICS to the outside, stands today at US$ 3.0 trillion, of which US$ 1.9 trillion is exported by China. We can see that China's commercial system functions almost as a radial system, with a nucleus from which products are exported and to which others converge. There is not yet a web of complementary interests involving all members of the BRICS. All BRICS are involved with China and China is involved separately with each one.

Neither the Brazilian nor the Russian, Indian and South African markets mean much for China individually, but the four put together represent to-day almost 45% of all that China sells to the United States, which is not negligible. Our countries also become increasingly interesting for China as markets, although still in a small scale. But the existence of a great Chinese commercial dynamism is undeniable, to which the other four are linked in one way or another. It being so, I do not see any viable initiative in the commercial field in the short and medium run, also because the Chinese competitiveness makes trade a sensitive point within the group.

Recent initiatives, such as the agreement on a pool of reserves and on the Development Bank, have one feature in common: an attempt to mobilize public resources. Perhaps the great leap for the BRICS could be to find a way to mobilize private resources among the five members. Public resources are being mobilized; we must find a channel for the mobilization of private ones.

Ambassador José Vicente de Sá Pimentel – Thank you, Valdemar. I deem very opportune your suggestion to take forward this dialogue between the government, the academic and the business worlds and the Brazilian society in general, through research and debates about the worth of the BRICS for each of the countries. I took note of your proposal.

Let us now hear the representative of the Finance Ministry.

Minister Fernando Pimentel – I also make the disclaimer that what I am going to say is not necessarily the official view. I shall make a few considerations based on my personal perception about the negotiations at which I have been working.

I agree with Ambassador Carneiro Leão: the debate about the convenience of participating in the BRICS is already outdated

in Brazil just as is the case of who should be a member of BRICS. The governments of the five BRICS took ownership of the brand, which now belongs to us. This was defined not only on economic grounds. Another essential requirement would be the predisposition to present alternative visions to the current global order. The BRICS countries have that capacity. Maybe in different degrees, but all attach priority to that wish.

Some critics want the BRICS to undergo an impossible test, when they say that the group would be really relevant if it were able to coordinate all positions in all spheres of the world agenda, from the Security Council to the reform of Bretton Woods, about what to do to overcome the global crisis, the barriers at the WTO and the instability in the Middle East. No multilateral organization, no group could pass that test. Neither the European Union and NATO nor the Security Council would be approved in that test.

In my presentation I shall try to convey my impressions about the experience of the Ministry of Finance in the negotiation of positions with the other members of BRICS. I shall try to report on how the BRICS have been operating since the beginning of the crisis, especially in the financial area, in the G-20 and in the question of the reform of the Bretton Woods institutions.

Since Yekaterinburg the economic-financial agenda of the BRICS has been a fertile catalyst. Almost half of the operative paragraphs of the Declaration of Yekaterinburg dealt with financial issues, crises and ways to combat the crisis. If we look at it today, almost all that the BRICS asked at Yekaterinburg in the financial area has been obtained. The consolidation of the G-20 as an economic and financial decision-making organ is one of the main objectives achieved. BRICS have been successful in its attempts at bringing greater transparency to the decision-making processes, with emphasis on financial regulation. This was included in the G-20 agenda.

After Yekaterinburg, interaction in financial niches has been very intense, which should be ascribed in part to the success of the BRICS in the global economic-financial agenda. Besides the two meetings of BRICS leaders on the margins of G-20 Summits, as was the case at Los Cabos, in June 2012, there were eleven other meetings of BRICS Finance Ministers in the last three years. These meetings are more frequent than the meetings of real estate condominiums. In each of these meetings there is a whole process of coordination at the technical level, where issues are examined and where coordination starts.

Thus, the G-20 became the most visible place for the coordination of the BRICS. In this forum, as the Yekaterinburg Declaration itself says, the BRICS have a great potential for joint action. Looking in some detail into the main themes at the G-20, at the macroeconomic coordination level, known as "framework", we have two important debates: one that deals with the correction of global imbalances and the other focusing on the question of stimuli versus fiscal consolidation as a strategy against the crisis. On this second point the BRICS have achieved great coordination, and in my view this is not a minor point. It is very important to have a forum like the G-20, where the BRICS can present jointly – but also its members individually – its vision on how the world should be. This influences, or at least tinges positions that used to come ready-made from the outside. Previously, the G-7 met and decided how the global economy should be ordered; the others either had to conform or to challenge by saying "I reject everything". This is not the case now. Now we plant the seed of our thinking at the start of a process of consensus formation.

The vision of the emerging countries is now taken into consideration before a decision is taken. For instance, in the case of the debate on fiscal consolidation versus stimuli, the BRICS acted in a contrary direction with regard to what the Europeans

were thinking. The debate was very important. In 2010 it was believed that the crisis had been basically overcome, but there was an immediate risk of stampede. BRICS contributed to put this into perspective, which gives it even more credibility now with the worsening of the crisis, centered in Europe.

The BRICS have a quite strong common position with regard to the idea of "rebalancing", the strategy to bring back equilibrium. The more advanced countries in the G-20, the European Union and the United States, proposed that the emerging countries should not only be the engines but should also compensate the lack of demand, the lack of dynamism of the advanced countries. Since the beginning the BRICS said that this would not be viable, that all countries should grow together. This common position strengthens another common position of the BRICS in the G-20, that is, the idea that other developing countries outside the G-20 have a very important role to play with regard to global demand and for this reason the initiatives for the development of non-members of the G-20 can combat the main factors of the weakness of the global economy, which the BRICS believe are to be found in the lack of demand. The BRICS defends the creation of a good demand, in countries that need demand. This was transferred to the working group for development, under the purview of the *Sherpas*.

On the question of imbalances, there are points of less complementariness in the position of the BRICS, which however are not enough to prevent a wider coordination among the members. The salient point is the responsibility of surplus countries in the G-20. The United States points a finger to China, but the surplus countries in the G-20 are China, Japan, Germany and South Korea. What would then be the responsibility of these countries in the global re-equilibrium? For some time the focus of the developed countries, particularly the United States, was centered on the Chinese rate of exchange. The BRICS did not act

to defend China; there was a certain difference of positions, which found accommodation through dialogue among the BRICS. Brazil argues in favor of flexible exchange rates for all countries but at the same time says it is not realistic to expect China, the BRICS or the emerging countries to bear by themselves the weight of the global economy, especially if the European countries do not succeed in overcoming the crisis and show growth. In other words, even when the economic positions are not exactly the same, the BRICS have been acting rationally, contributing to the debate.

BRICS is a platform within the G-20 and both influence other forums. There is a complemented legitimacy, for if the BRICS are already important in the G-20, which is a forum created to deal with responses to the global crisis, how can it be explained that countries that are so important do not have weight at the IMF or the World Bank? Based on the G-20, the BRICS have fought very bravely and their attitude is recognized and respected. When we were discussing, in Pittsburgh, the paths toward the reform of the Bretton Woods institutions, there was a pause; behind the scenes, the European countries met in a room and the BRICS in another, with the United States trying to provide a bridge. In other words, the BRICS possess an identity, a differentiation within the G-20 that is recognized by the Europeans and the Americans.

From the G-20 and the greater interaction among the Heads of State and Government, Ministers and technical officials of the five countries, the BRICS are starting to explore other aspects of the economic-financial cooperation. To give concrete expression to the initiative of the Development Bank, the five will have to negotiate instruments and arrive at a consensus on the role that this bank should play. The debate is still at a preliminary stage, but on some points there is already a consensus, one of which is that it will not be a bank *against* the system, but rather it will fill an important gap, since there is today an exhaustion of the financing

capacity by the banks and there is also more than one interpretation about the role of banks in the modern world economy.

At the height of the crisis there was a re-capitalization of the multilateral banks. The advanced countries consider that this re-capitalization was more than sufficient. The emerging countries disagree. Among developing countries in general the perception of an exhaustion of the financing capacity of regional and multilateral banks prevails.

As for the views on what banks should do, I recall that the World Bank ceased to finance agriculture at the start of the decade and only recently resumed it. For years, in obedience to a decision by its main stockholders, that is, the advanced countries, BIRD did not finance agriculture in Africa, which led to a crisis in the world agriculture.

There are other idiosyncrasies. Nowadays, multilateral banks seldom finance a hydro-electric plant, because there the dominant theory is that eolian energy is the energy of the future. A BRICS bank could also develop its own idiosyncrasies, but its action would always be productive if it became complementary to other multilateral banks and also if it also complemented the debates on which priorities to attend to.

I see a clear process of development of a BRICS agenda. It started with an attempt at coordinating positions to give solutions to an emergency; it went on, as the G-20 was maturing, to an exploration of positions and the defense of the common interest and now it evolves toward a stage of concrete initiatives negotiated within the BRICS. This is being successful and it may encourage the development of the potential also in other areas.

Paulo Nogueira Batista Júnior – I shall make a few observations based on my direct experience at the Board of Directors of the IMF and as a member of Brazilian delegations

to the G-20 in the last few years. I intend to explain briefly the position of the BRICS in these two instances.

All four original BRIC countries hold seats at the Board of Directors of the IMF. Since the creation of the Fund India and Brazil, in their capacity as leaders of the so called "constituencies", have permanent seats, while Russia and China have their own seats, created more recently when they adhered to the Monetary Fund. South Africa participates in an Anglophone sub-Saharan seat together with many other countries, and rotates slowly within the Board. In the articulation between the BRICS and the Monetary Fund, South Africa is often represented by the executive director of that seat, not necessarily a national of South Africa. In terms of the Board, South Africa is under-represented.

As has been said here before, there are controversies about the real meaning of the BRICS. Skeptics hold that the group is artificial, an emblem rather than a political reality. Such critics point to the huge and obvious historic, cultural, political and economic differences among the five nations, and this reminds me of a tale by the British historian A.J.P. Taylor, about an Englishman, in the 19th century, who upon being informed about the existence of the giraffe, retorted: "There is no such animal!". Yes, BRICS is heterogeneous, but it has worked. I will not deny that the difficulties of coordination within the BRICS are considerable. But its progress in the past few years were also considerable.

I have been living out this process since 2008, within the Monetary Fund and the G-20. The process requires intense preparation; coordination and articulation are laborious. When I arrived in Washington and assumed, in April 2007, the function of executive director for Brazil and eight more countries, the BRICS did not exist as a political reality. The acronym had already been invented, you know by whom, but the BRICS did not act

coordinately either at the Fund Board of Directors or at the G-20. Joint action by the BRICS – rather, BRIC, because South Africa joined the group in 2011 – started in 2008. This is little known, but it was a Russian initiative. Not by accident the first BRIC Summit was held in Russia in 2009. The initiative was well received by the others and the process took off.

I will say very clearly that the BRICS have ups and downs, moments of greater proximity and also of greater distance, but one thing is certain: it has been our main alliance since 2008 at the IMF and also at the G-20. I stress that for us the alliance with the BRICS in the IMF is much more important than the alliance with other Latin American countries. It is not that Brazil does not want to act together with Mexico and Argentina, the other two Latin Americans that are members of the G-20 and of the Board. For different reasons, these two countries are not always available for joint actions with Brazil. Argentina is closer, much closer, but with less effectiveness, for reasons that I am not going to develop here. The same goes for Mexico, for other and worse reasons that I shall not develop here either. At a meeting of the Brookings Institution, Aleksey Mohzin, Executive Director at the IMF for Russia for more than twenty years – he is the equivalent of what Kafka was for Brazil – assessed that in all these years the greatest governance change at the Monetary Fund resulted from the articulation of the BRICS. I can also say that in my five years there the BRICS have been the most important tool for the Brazilian Director in the internal discussion of several strategic issues.

The Directors of the BRICS meet constantly. Articulation is easier because we are all on the same floor of the headquarters of the Monetary Fund. To speak with other *Sherpas*, Guido Mantega must make an appointment, because the time difference is very big, it must be set with anticipation. In our case, we are permanently in contact on the 13th floor of the IMF. The flow of

coordination is laborious, but has yielded results. For instance, the Finance Ministers and the Presidents of Central Banks of the BRICS have been meeting three times a year, in average. According to Fernando Pimentel's calculations, there were eleven meetings since 2008, eleven meetings of Finance Ministers and Presidents of Central Banks of the BRICS. Besides, they often talk to each other by telephone throughout the year. Fernando told you what happened in Pittsburgh, at the G-20 Summit. The scene was really impressive; the BRICS on one side, the Europeans on the other and the Americans providing the bridge from one room to the other. The recognition of the BRICS as an instance is remarkable. For example, the American Secretary of the Treasury, Tim Geithner, asked twice to be invited to a ministerial meeting of the BRICS. I recall that the first time this happened one of the Brazilian advisors called me and spoke in an uneasy tone, saying: "Geithner asked to come…" It caused an impact at the time, but today this kind of request is considered common.

To give you an idea of how intense the contact among the BRICS is, during the last seven months the leaders of the five countries met no less than three times: one in Cairns, under the coordination of the Brazilian President; another at the New Delhi Summit and a third time in Los Cabos, on the margins of the G-20 Summit, under the coordination of the Prime Minister of India.

What do the BRICS have in common? Are the differences too great? In my view, Professor Lukyanov hit the nail on the head: they have in common the capacity to act in an autonomous way. They are countries of great economic, geographic and demographic dimension, and they can, without necessarily adopting a confrontational attitude, act autonomously in relation to the traditional powers of the North Atlantic – the United States and Western Europe. This is true, above all, for the four original members, but increasingly also for South Africa. The capacity to

act independently is a crucial ingredient. The large majority of developing and emergent market countries, even those with a certain size, do not have that capacity. In many cases, what we still see is a relationship of close dependence and more or less automatic alignment with the United States or the main Western European countries.

Just to make my presentation a little more concrete, I shall mention a more recent example of the results of BRICS coordination. Last July, before the G-20 Summit, the five leaders were in Los Cabos. A short communiqué was issued after the meeting coordinated by Prime Minister Singh, in which the presidents of Russia, China and South Africa plus the Brazilian President participated. But that meeting was preceded by many debates among the five IMF Directors, by telephone and e-mail. There was an intense preparation that paved the way for the dialogue of the five leaders at Los Cabos.

Two decisions announced in that short declaration seemed particularly significant to me: the first was the decision – taken at that meeting and not before – to announce an additional contribution to the financing of the Monetary Fund. China brought US$ 43 billion, Brazil, India and Russia US$ 10 billion and South Africa US$ 2 billion. At the previous round of deep fund raising, in 2008, the BRICS contributed US$ 92 billion: China US$ 50 billion and Brazil, Russia and India US$ 14 billion each. This total was conditioned to the understanding that the 2010 reforms, mentioned by Professor Sidiropoulos, will be implemented as agreed within the G-20. A second commitment is that these resources will make up a second line of defense for the Monetary Fund and will only be used when the currently existing resources are exhausted or are used very intensely.

But the other issue was, in my view, the novelty of the Los Cabos meeting. The leaders decided to start a process of joint

discussion on the formation of a network of swaps and a common fund of reserves among the BRICS. This decision has the following significance: the leaders requested the Finance Ministers and the Presidents of Central Banks to work on this theme and bring the results to the next BRICS Summit, in South Africa, in March 2013. We are forming a technical working group co-chaired by Brazil and another country yet to be defined, probably China.

A few months before, at the New Delhi Summit, the BRICS had announced the Development Bank. The reserve fund is supposed to join this bank. The fund is a decision of a preventive character which creates mechanisms of financial solidarity among the five. Taken together, the reserves of the five countries come to US$ 4.5 trillion, a base more than sufficient to support initiatives of this kind. When it is finally constituted, the fund can be set in motion by any country that has eventual difficulties of financing. I can be a virtual fund, in the sense that the reserves would remain at the Central Banks of the BRICS to be made available when a concrete need arises. This would have the great advantage of avoiding the creation of a new bureaucracy. Since the position of the five bricks is solid, this mechanism will hardly be used in practice, but its existence provides a strengthening of confidence that can be important.

The willingness to formalize the start of a joint discussion on the creation of a development bank and a reserve fund signals the strengthening of the ties among the five countries. The BRICS bank will work as a kind of pluri-lateral bank such as the World Bank. The reserve fund of the BRICS will be similar to the Monetary Fund, only at the pluri-lateral level. If it comes into being it will create a singular path, outside the Bretton Woods institutions, which will find themselves under pressure to adapt to the reality of the contemporary world.

To conclude, I wish to say that in my opinion Minister Patriota hit the bull's eye when he compared the current coordination within the BRICS with the rapprochement with the United States led at the start of the 20th century by Baron of Rio Branco. For the sake of our foreign guests, Baron of Rio Branco was a remarkable Minister of External Relations from 1902 to 1912 and is remembered in history as the patron of Brazilian diplomacy. Some time ago, Minister Patriota said in a lecture that the great legacy of the Baron was his ability to understand changes. At a time when economic dynamism and the axis of power were migrating from Western Europe to the United States, Baron of Rio Branco had the wisdom to establish a good and strong relationship with the USA. Today, the Brazilian capacity to see the future is evidenced by our coordination with our friends of the BRICS.

Ambassador Ronaldo Sardenberg – This is the first time I speak about the BRICS at a public event. I speak for myself. Although I am an ambassador, I am retired and have not received any kind of instruction from the Ministry of External Relations about what to say.

In order to think in an encompassing way on what should be done by the BRICS in the future we have first to evaluate the contribution of the BRICS at the current moment, which is characterized by these several crises that come up and sometimes disappear. Looking forward, we can disregard, for being absurd, both the predictions that the BRICS will look for hegemony in the world and that it will become simply irrelevant. The extreme hypotheses are very improbable. However, it is possible that the creation of the BRICS will increase the probability of a world order turned toward multilateralization and even multi-polarity, which are, naturally, two different things.

Multi-polarity is one of those themes that come up in our lives at a certain stage, disappear and then reappear mysteriously. In this

case, multi-polarity was originally a position taken by Yugoslavia. I will provide three short examples of how the world changes. For example, at the time of the pre-crisis, it was estimated that China would reach the GDP of the United States in fifty years. Today it is said that twenty years should be enough.

Another example: it was not even a matter for speculation, a few years ago, that the GDP of Brazil could surpass in the short run, that of the United Kingdom or that it could even reach, in a few years, France's GDP. Rapid evolutions in this particular will have a sure impact in the politico-strategic realm. When I was coordinating the project "Brazil 2020", during Fernando Henrique Cardoso's government, there was a scenario, considered extremely optimistic, that Brazil could arrive at that year as a "developed" country, with all the hues that you may be able to imagine. In the last few years, the developments of the crisis panorama rendered credible the idea that it is possible to accelerate the relative growth of Brazil.

Between 2009 and 2010, the standing of the BRICS changed. They became stronger thanks to the Summit mechanism. In contemporary diplomacy, the tone of events is given by summit meetings. When four successive Summits are held in a span of four years, everyone starts running around and working very hard. Until 2009 the BRICS was a fantasy by Jim O'Neill, who only tried out the idea that had come from a point outside the curve. None of the BRICS would be so bold as to propose the BRICS. Since O'Neill was defending commercial interests, from the point of view of capitalism, he took the luxury to fantasize. But this was at another time, even before the terrorist events in New York. O'Neill concentrated on the economic foundations and advantages of this group, but his idea finished by having a wider repercussion when the economic crisis of 2008 came about and it was discovered that the BRICS could be an important instrument, at first from the

economic point of view and then from the political point of view. What O'Neill said in 2008 has nothing more to do with today's BRICS. What he said remains in the remote past of the BRICS.

The adherence of South Africa provoked a wave of criticism, including from O'Neill himself. But after some research he concluded that the majority supported the initiative. An article by Ian Bremmer, from the Eurasia Group, presents a very interesting series of data to justify the argument that Africa is changing. It mentions that the African population is around one billion inhabitants, a figure similar to India's. Africans tend to spend more on service items. The article says that the percentage of urbanized Africans is today the same as that of Chinese living in cities. It estimates that by the end of the current year there will be 735 million telephones in Africa and informs that total direct foreign investment in the continent grew from US$ 9.4 billion in 2000 to over 60 billion in 2011. The most important is that the participation of South Africa in BRICS confirmed the political foundations of the group and prevented the former colonial powers to exploit the absence of a representative of Africa as evidence of contempt on the part of the members of the group toward the Africans.

Several aspects of the BRICS complicate the analysis. BRICS is really different from the other groups. Two Asian countries, one that is at the same time European and Asian, an African and a South American. The fast pace of events, since 2009, is really surprising and demonstrates that our governments are capable of responding to a situation of crisis with innovative, intelligent and useful measures. On the economic field, there was already a tradition of economic negotiations between countries from the South and the North, but in any case the BRICS brought an important negotiating instrument, also because the five rose to the category of special emerging countries.

On the political side, with regard to the relationship between BRICS and the system of collective security of the United Nations, one notes the originality that three of its members are not under the shelter of the Security Council, while two are permanent members. For Brazil, the action of the BRICS represents a new and original vehicle for the accomplishment of some objectives of external policy, including the management of the claim to occupy a permanent seat at the Council. In a recent interview in Addis Ababa – the fact that it was held in that city already shows an important change – Foreign Minister Patriota explained with precision that this Brazilian ambition is linked to the objective of making the Council more transparent and responsible, less prone to the adoption of coercive measures and more willing to exhaust the possibilities open to diplomacy and negotiation. In a word, more open to dialogue and opposed to one of the current trends in the Council, namely leaving aside the techniques for the solution of disputes.

The future of BRICS depends on the evolution of its members. The current economic performance of each of them entails effects for the external action of the country and the group. Economics and politics permeate each other. In the case of Brazil, if the Brazilian economic position deteriorates, the conduct of external policy will clash with perceptions of lack of credibility.

My impression, looking toward the future, is that the economic crisis provides a kind of break of the international order, an unexpected interval. This interval, which may be extended for another ten years, provides a window of opportunity for the BRICS to establish themselves in the international order. In this stage, the BRICS stand to gain if they become consolidated as a group that favors the peaceful change of the international order and favors negotiation. Up to now there is no example, at any time, of lack of moderation on the part of the BRICS.

It would be somewhat premature to foresee whether the BRICS will be politically conservative or progressive, also because the political paragraphs that are really relevant are those from the last Summit meeting and are still somewhat sketchy. Imprecision is part of the process. We could not expect that BRICS would jump from non-existence to, four years later, adopt absolutely exact positions on highly complex issues.

BRICS coordination will require realism in its projections. The initiative to deal with statistical questions is well thought out; we will in fact need statistical elements in order to plan joint projects. Another important challenge is the question of selectivity. It is necessary to avoid the trend to form informal groups and many subcommittees. Suddenly, one realizes that there is not enough manpower in government organs to deal with so many working groups.

I leave the suggestion that at the start of next year, before the South Africa Summit, we make time available here in Brazil to widen the support base to the BRICS. If we make a comparison with other initiatives taken by Brazil throughout its history and which were bombarded by the media and the Brazilian economic community, I would say that the margin of support to BRICS is already quite large. Today, the bombs come from abroad. The *New York Times* published in May six articles in a single day about BRICS, five of which unfavorable (the sixth was not against, but its author was Brazilian). Even so, or precisely because of this, we should do a better job of disseminating our objectives for BRICS, to take forward this very good initiative by FUNAG and organize more meetings with young people and other groups within the society. For instance, we could request a hearing, probably with Senator Collor, who is the President of the External relations Committee in the Senate, to ask for his support. Support can take some time to materialize, because life in the Senate is very hectic,

but we may manage to hold a public hearing at the Congress, in order to mobilize the public sector and also the media. It is a good idea to hold meetings with journalists and other opinion makers, to take forward and amplify what FUNAG started to do.

But before concluding, I do not wish to fail in mentioning that the debate on external policy in Brazil is becoming more interesting. If you look at books published until a few years ago, you will only see speculation on economic issues, no author used to venture into the political domain. Now, in this and other books published by FUNAG there is some balance and it suggests that today there is an incipient understanding that the scope of the phenomenon is much wider.

Rezkhallah Tuma – I am a member of the External Trade Council, whose president is Ambassador Barbosa. On the week before last I attended a meeting in Brasilia at the invitation of Minister Patriota. Representatives of the Arab and Jewish communities were present. While this specific debate may not be pertinent here, I must say that I found this a remarkable initiative, because the President of the Latin American Council of Arab Entities and the President of the Brazilian Jewish Confederation had also looked into the possibility of creating a joint meeting in South America between the Arab and Jewish communities, to show the Arab countries and Israel that if both communities can live in a friendly and fraternal atmosphere, as we live in Brazil, they should also be able to coexist there. I avail myself of the opportunity to explore with Ambassador Barbosa whether we could hold, here at FIESP, a meeting of leaders of all Arab and Jewish communities in the world. Brazil is at the forefront on immigration. Brazilian borders were defined over a century ago, Arab and Jewish immigration is more than one hundred years old and families, now in the third and fourth generations, feel that the example should come from

Brazil, that we should have a more aggressive external policy. I had not intended to bring up this subject but Minister Patriota was mentioned and I thought that Brazil could lead the discussion of this issue at the BRICS and in all possible world forums.

Eliane Cantanhêde – I am a journalist, an economist, I write for *Folha de S. Paulo* and I also work at *Globo News*. When BRICS was created, the connotation was profoundly economic-commercial. But Ambassador Sardenberg, with all his wisdom, said that today one cannot speak of differences between economics and politics, because in fact everything can be translated into power and interests. It being so, observers speculate on the interests that bring the five countries together. Russia needs to come back to the surface, but do China and India agree? Can Brazil, for its part, despite all the potential that we celebrate, have a leadership role in the world if it has to drag the dead weight of Paraguay, Uruguay, Cristina Kirchner's Argentina and Hugo Chavez's Venezuela? Will we be in a position to lead this group? And if we are not the regional leaders, will we have the ante needed to play on the international tables?

What brings imbalance to the BRICS? It is China. Here comes my question – it is a journalist's vice, my job is asking, not being sure. The center of BRICS is China and China's interest in the BRICS seems clear. China has an aggressive commercial policy; it is already threatening MERCOSUL with its companies and low prices and is purchasing land in Latin America, especially in South America, in order to have a supply of natural resources that are scarce over there. Traditionally, historically, China had no political power, never had a political voice, it was an isolated country, also because of its internal political regime, which is extremely difficult for us here to understand. BRICS brings China closer to the natural resources that it needs and increases the volume of its

voice international meetings. For this reason BRICS is of interest to the Chinese.

Today, it is in the interest of all BRICS to have a single voice at the G-20, the WTO, the World Bank, the IMF and the UN. But in ten years' time, when China has already consolidated its role as a world leader, not only in the commercial and economic fields, what then? Yesterday we saw in TV that the United States, which was always the big winner at the Olympics and always had more medals, yielded first place to China. Previously aggressive in the trade area, China today has an active policy of political power throughout the world, and we do not know what the Chinese regime wants to do, once they achieve political preeminence in the world.

My question is: is the BRICS a ladder, a part of China's strategy to achieve world power? Are we transferring the uni-polar world from the United States to China? I leave the provocation.

Ambassador Luís Augusto Castro Neves – It is a privilege to be here with you. I am the current president of the Brazilian Center for International Relations (CEBRI), in Rio de Janeiro.

Listening to the excellent presentations up to now, I can see that there is a general perception that the essential function of BRICS has been to act as a pressure group to achieve increased voice and power in international issues, which does not mean that we will act univocally when we get this power and this voice. In the case of Brazil, for example, that traditionally states its endeavor to have greater participation in international negotiations, some even fear that when we achieve this voice we will not know what to say.

A theme that was not too much explored here is the role of the United States in a post-Cold War world. Not explicit but rather implicit in BRICS actions is to serve as an agent for a sort of *soft balancing* vis-à-vis the United States. In fact, BRICS is a collection

of emerging powers, or of countries with a certain international weight, that wish to get rid of American leadership while still recognizing in the United States the central point of their international relations.

Paulo Nogueira Batista Júnior also mentioned here something very important: the existence of a number of important countries, from the economic and political point of view, that do not participate in BRICS and whose participation was never considered because these are countries that have alliances with the United States. This is the case of Japan, South Korea and Australia, countries that could even make up a platform of important medium powers but are linked to the leadership of the United States, mainly since the end of the Cold War.

In this connection, it is worth examining the BRICS as a *soft balancing* effort in relation to the American influence, to discuss what they should do to consolidate, or rather to hasten the multipolarity mentioned by Ambassador Sardenberg.

Ambassador José Vicente de Sá Pimentel – This issue was studied by Andrew Hurrell, who highlighted the importance devoted by *soft balancer* countries to international institutions. Gelson Fonseca's study, at the first seminar, mentioned Hurrell's curious insight with the image of Gulliver chained by several ropes, or by several rules of international organizations, argued by countries like Brazil, India and China, in order to force changes at the WTO or to prevent in the UNSC the use of force by the USA. But it is certainly pertinent to question in this debate whether in a few years Gulliver will always be the United States or China, as Eliane has suggested.

Another important point, since diplomatic questions today are becoming ever more complex, is the mention to regional problems in the discussions on the BRICS. A paper by Professor

Lenina Pomeranz, included in the already mentioned book about the first roundtable on the BRICS that we organized, contains the assessment that all members of the group, with the exception of Brazil, have in their regions a central point of their international action. The model developed by China in the Asian production chains is another theme that, in my view, we could usefully include in our debates among government, academia and the national business community.

I make these observations *en passant*, before giving the floor to Ambassador Affonso Ouro-Preto and next to whoever would like to take it.

Ambassador Affonso Ouro-Preto – I tend to ascribe more importance to the political angle of the BRICS. During my career I had the satisfaction of serving in China for five years. I do not presume to know China in depth but I am very much interested in it, so much that I am today the president of an association named Brazil-China Institute, or IBRACH, a non-profit entity devoted to developing closer relations between Brazil and China.

To know what will be the Chinese politics in the future is obviously an exercise in futurology. However, I would not classify Chinese policies, either on the economic or on the political fields, as aggressive. On the economic area, China has defended its interests. To achieve the economic development that it has been attaining since the 1970s, China needed, and still needs, raw materials and commodities. Only 9% of China's territory is suitable for agriculture and it does not possess large mineral reserves. For this reason, the demand for minerals and commodities is a question of survival for such an extensive country with such a large population. Without intense trade in commodities the Chinese economic expansion would have been impossible. Their expansion was very beneficial to us in Brazil and to other developing countries.

Rather than aggressiveness, I would say that there was much competence by China in the defense of its interests.

From the political point of view, the majority of American sinologists, for example, do not identify imperial ambitions with a view to world leadership on the part of China. A few months ago a book by Henry Kissinger entitled "On China" was translated and launched in Brazil, in which he speaks of China in extremely favorable terms, without expressing concern with any form of imperialism or political aggressiveness on the part of the Chinese. Kissinger is not the only important American or European intellectual to express that opinion. China has no tradition of building overseas empires. I shall not enter into the history of China because it could be very long, but I stress that the Chinese tradition is not to build overseas empires. Chinese external policy is not impregnated with any ideology. China only aims at guaranteeing its economic development.

I do not believe that one can speak of a Chinese race to assume world leadership, such as was certainly the case during the Cold War. There is no Cold War today involving China.

Fyodor Lukyanov – Thank you for giving me the floor, Ambassador. I would like to make a comment that I deem necessary. Even if China continues to make strong efforts to demonstrate it is not aggressive and is not interested in territorial expansion or in hegemonies – and the Chinese make that kind of statement all the time – the fact is that by its sheer size the country is involved in a number of regional matters that are starting to come to the fore and that will emerge even more forcefully, more and more, and that in a not too distant future will cause growing tension between the Chinese and the Americans. This is absolutely inevitable. I may have been a little too rude, but I am persuaded that the increase of tensions between the two countries is inevitable.

I know that there are intellectuals in the United States that argue for moderation by Washington in dealing with China, but I do not agree that those constitute a majority. The majority is concerned, if not scared. The most recent statements by Obama and Hillary Clinton show that they already decided in favor of a policy of containment. It will, of course, be a different kind of containment from that used toward the Soviet Union, but the central idea is containment within certain limits.

I fear that China is not prepared for this. China seems to believe that it is still possible to build a pragmatic relationship with the United States, based on the acceptance of a global interdependence. This failure in perception may contribute to a situation in which, at a given moment, the conviction that interdependence is unreachable will degenerate into confrontation. Unfortunately, such a development is not in any way improbable.

For the BRICS, this scenario tends to change into a big challenge, because the greater the American containment of Chinese initiatives, the greater the pressure by the United States to engage the other partners, in particular India, and also Russia, before the others, in the process of the limitation of China's margin of maneuver. Some may say that this will open opportunities for the BRICS. Maybe. I am not going to say whether the scenario is necessarily good or bad. I only say that we should be prepared for it, because the probability is very big, it is one of these facts of life.

Professor Varun Sahni – I also want to react to the question of the future of China. What happens is that if you relate with Asia in any form, the Chinese issue becomes an unavoidable theme in your international relations. There is no option. This is true for all Asian countries. None of the BRICS can predict the future, but China is inevitably going to become the most important issue on the agenda of the member countries. In the case of India it

is necessary to understand that the Indian government is not going to make a very outspoken opposition, but it is already clear that at a certain moment it will be necessary to choose between Washington and Beijing.

India has already invented a good way to deal with such choices, the so-called policy of non-alignment. India made this choice once and will do it again next time. It is not impossible to imagine that the Indian solution for an increase of tensions in the Pacific can be to try a collective security agreement on the basis, for instance, of the Helsinki process, with some variation. It may work, and then it may not.

There is another point I would like to reiterate. The category BRICS was created by Goldman Sachs for a specific objective and such purpose cannot migrate to the political sphere by a sleight of hand. Maybe with time everything is arranged, but the issue requires a deep evaluation of some fundamental questions. Why not add other countries? Why not Indonesia? Why not Turkey?

There are questions that require profound analysis. I can understand that today's discussion elected the pragmatic course that the BRICS exist and must be faced as a given of reality. It is a perfectly valid choice, especially for those who work with issues of State. But from the analytic perspective several questions may still be asked; for instance, whether some future configurations are possible. From the Indian standpoint another configuration already exists and it is called IBSA. This one makes more sense, always from the Indian perspective.

It was said here that the fact that the Heads of State and Government meet every year demonstrates that there is no return from BRICS. Of course this is an important fact but it does not seem to me that a choice must be made soon, because I do not know whether it will be possible for the Brazilian President

to participate every year in two Summits with the Indian Prime Minister and the South African President; either she goes to BRICS or to IBSA. Sooner or later a choice has to be made between one and the other and, as I said, IBSA makes more sense. Thank you.

Professor Antonio Jorge Ramalho – I am a professor at the University of Brasilia and I am currently providing assistance to the Minister of Defense. I am extremely grateful for the invitation and I congratulate FUNAG for the organization of the event and the choice of speakers. I am learning a lot.

Paulo Nogueira Batista interpreted the proposals about the Bank and the Fund as a provocation and as a push toward the transformation of the Bretton Woods institutions. But the proposals can also be seen as an alternative. That is, all countries have an interest in the reform of the World Bank and the IMF to make them more representative, but such initiatives can also render those institutions irrelevant. I ask whether you see this risk or not.

The internal agendas are a common threat to these countries. The disparities, the huge gap between the expectations of the population and the possibilities of response from the respective governments are the greatest threats. In Brazil this is perhaps becoming less strong because our country was the only one among the BRICS where there was growth with reduction of inequalities. All the others face the dilemma that we know very well and do not possess the instruments to face the social pressures that may increase politically and jeopardize several policies that are being continually implemented in these countries, including rapprochement via BRICS. What is your perception on this eventual threat? Do you see BRICS as a space to offer information to the other partners on how to confront the political demands resulting from social pressures?

Professor Oliver Stuenkel – I come from the Getulio Vargas Foundation here in São Paulo. I participated in the Brazilian delegation to the Academic Forum at the New Delhi Summit. My observation is that there is a disconnection between what governments do and what academics and analysts think. At New Delhi we sat during many hours debating whether the BRICS Development Bank made sense, but the governments had already had such a debate probably two or three years before. Those ideas had already been very developed at the governmental level but neither society, nor universities, nor the think tanks were aware of the initiatives. This is also typical of the BRICS, that is, it continues to be an initiative from the governmental elites. I have just spent one month in India. In the talks I had with authorities from the Indian government I received much more advanced ideas than at the universities and think tanks.

I identify a great need for governments to communicate with their societies in a more efficient way than what is currently happening, on the plans about the BRICS, the IMF and the World Bank, besides other international institutions.

The BRICS face an additional difficulty, because they are culturally and in several cases geographically distant countries from one another. It is important that the governments create incentives for their societies to get closer to each other. I think, for instance, of a BRICS visa for passports of Brazilian academics who wish to spend time in China or India. There is little assistance in this context.

I believe that new ideas on the future of BRICS should come from within governments, not from without. But if suggestions are welcome I suggest improving communication with society and creating measures that stimulate and facilitate the circulation of people among the BRICS.

Professor Anna Jaguaribe – Together with Ambassador Ouro-Preto I represent IBRACH here. As all those who preceded me, I should like to give my thanks for the invitation to participate in this exchange, which is really very interesting. Ambassador Pimentel must be thinking on how to give continuity to this series of excellent conversations on the BRICS and my observations here deal with this angle.

First of all, as was very ably put by Ambassador Valdemar, the question of discussion how BRICS came about is shallow, because it exists and it is acting. Now, it is also important to see that the action of the BRICS is very different today, it evolved considerably. BRICS was a product of the long wave of globalization and begins to make a difference precisely now, when that great wave of prosperity is ebbing. We are at a moment of crisis and BRICS consolidates itself because it changes the terms of the debate.

Last week, the National Bank for Economic and Social Development (BNDES) sponsored a debate on what Brazil could be in 2020, after this global economic crisis. One of the conclusions was that the terms according to which we had become used to consider the development of emerging countries have clearly changed. Today's crisis determines very low rates of growth for the next ten years at least, setting up what Professor Jin Canrong already called "Japanization of the world". A decline in the importance of trade and especially of the relationship between the growth of trade and the GDP, as well as great instability regarding the international reference currencies are apparently inevitable.

Thus, the BRICS agenda does not only contemplate the reform of a system that is not attuned to a new multi-polar configuration but is also an innovative agenda in the face of the new requirements of development.

A relevant point that was mentioned in several interventions today is the importance of the region in the agenda of the BRICS.

If it is true that the crisis and the references of multi-polarity have changed and somehow stopped the course of global negotiations, it is also true that they are contributing to increase regional innovation vis-à-vis the problems.

The suggestion I would leave is that when considering the policy making agenda of the BRICS, Ambassador Pimentel takes into account the picture of the possibilities that will be before BRICS in the next few years and the regional innovations that will be important to stimulate possible common projects or generate new tensions.

Professor Vera Thorstensen – Thank you, Ambassador. As always, it is a pleasure to participate in these debates.

Two very quick points: today we heard the description of two important initiatives: the embryo of a new bank to complement the Word Bank and an IMF-like Fund, via BRICS. The great absence was that of the WTO. But if the Doha Round is dead, this is not the case of the WTO and it is urgent to see what is happening inside it. If it does not implode, the WTO will be transformed. The adhesions of China and now, last week, of Russia will determine a new WTO. I mean, we will also have news in this area.

In this context, the great challenge for BRICS will be the debate on currency exchange misalignments. China improved somewhat: the Chinese currency was devalued only by 10% more, while India's is devalued by 20%. The Brazilian real is still overvalued by about 15% and the South African *rand* is also overvalued. The great news is that the IMF has estimated that the US dollar is undervalued by 10%. The gap between bilateral agreements and multilateral rules is changing international trade and this is a challenge that goes to the heart of the BRICS, since the WTO itself can try to find antidotes, with bilateral safeguards or quick triggers, for instance.

You see, Ambassador Pimentel, that the academic world is responding to your invitation. We have just finished a simulation in which we brought the BRICS together and we are going to make a test of what would happen if an intra-BRICS free trade agreement were created. What is surprising, in macroeconomic terms, is that the initial simulation revealed that it is worse to marry India than to marry China. But the final results are not yet available. What we are doing is to give a shock treatment on the currency exchange situation. When you bring currency exchange into the picture, the whole panorama under analysis changes. I will keep this for the next seminar and the next book on the BRICS.

How are the BRICS to solve the intra-BRICS exchange problem? The situation can have an impact on the whole world. Every devaluation of the exchange rate is a huge subsidy to exports and every overvalued currency, such as those of Brazil and Africa, is a shot in the foot. We gave up the defense instruments negotiated at the WTO. The interests of Brazil/South Africa, on the one hand, and of China/India on the other are going to clash and this clash should be an interesting point for intra-BRICS debate.

Professor Alberto Pfeifer – I should like to hear from the members of the panel and also from the foreign guests some considerations on aspects that until now seem far away but should not be neglected since understandings within the BRICS are progressing fast and the transformations in the international scene are also developing quickly. I am referring to the issues related to defense, security and military technology.

The main military alliance existing in today's world is NATO, a remnant from the Cold War. Among the BRICS, I believe nothing has been discussed or at least nothing has transpired yet about understandings in this area. However, there are bilateral programs of cooperation on military and space technology between some of

the BRICS. Perhaps the axis of reference of our new posture in the world may migrate from the United States and France in search of new paradigms and concepts.

From the standpoint of the projection over the South Atlantic, the Zone of Peace and Cooperation of the South Atlantic (ZOPACAS) is now complemented by the economic interest in energy resulting from the discoveries of hydrocarbons. This brings us even closer to South Africa. Are there possibilities for cooperation among the five, or in other geometries within the BRICS, in the field of defense and security? Has a scenario such as the eventual eruption of a confrontation in the world resulting from the unfolding of several crises been considered?

Professor Walber Muniz – I am a professor at the University of Fortaleza (UNIFOR). Besides thanking FUNAG for the invitation, I would like to second Pfeifer's intervention. If Professor Lukyanov considers the rise of tensions between China and the USA inevitable, I believe it would be convenient to bring the issue of international security to our debate. Are there deliberations by the BRICS on this question? Is there any intra-BRICS initiative on nuclear legislation, for example?

Professor Renato Baumann – I wish to emphasize a dimension that was already mentioned here. BRICS is a three or four year old exercise. We are all excited with its success. As an economist, however, I see that one of the questions to have in mind is whether these things are going to work in the medium and long run. The risk that the BRICS Bank and the swaps affect the Bretton Woods institutions is real. The threat to each of the five countries is the degree of preparedness to participate in BRICS. Are they prepared to face the currency exchange question, the trade question, and particularly the regional dimension?

It was said and repeated here that the questions of Russia, China and India are ancient and complicated. Is there a BRICS plan to confront the danger of new disputes among them?

Of the five, Brazil is the one that is less clear about what it wants and what it can do with its neighbors, and this is not a minor issue, especially because we are seeing the entry of products, I would not even say from China, but Asian products that compete with ours very intensely. We lack knowledge about the experience of East Asia in terms of productive complementariness and how much this has been important to promote regional growth. Important things are happening in the rest of the world and we have not internalized this dimension.

I want to reinforce Anna Jaguaribe's suggestion regarding the next meetings. It seems to me necessary to debate whether the Brazilian economy is sufficiently large and strong to continue to be invited to the relevant "G's" in the future, or whether for this purpose it needs to consolidate its regional constituency. I tend to think that we lack a regional action that may consolidate our position and lift us to a higher level of competitiveness with regard to our partners. In the commercial and financial fields, in my view, we should not leave aside the regional dimension.

Ambassador José Vicente de Sá Pimentel – Let's go to the final comments. We will start with Paulo Nogueira Batista Júnior. Next, I will give the floor to the other members of the panel.

Paulo Nogueira Batista Júnior – Thank you, Ambassador. I shall address three questions that were raised. Regarding the currency exchange "misalignment" mentioned by Vera, the IMF technicians are revamping the methodologies of calculation. The traditional model, the "consultative group on exchange", is being reformulated. This was recently discussed at the Board of

Directors and several of the members, including myself, insisted that everything should be made public, the whole database, the statistics, so that external specialists can evaluate the quality of the work that is being carried out by the staff of the Fund. I hope that in two months, at the latest, all this becomes available so that it is not considered a "black box" of the International Monetary Fund.

I should like to say to Renato Baumann that at the International Monetary Fund our whole constituency, Brazil plus 8, is formed by countries from South America, Central America and the Caribbean. By the way, a large part of the Brazilian director's time is spent with these countries and their relationship with the Fund. I wish to mention briefly that the reserve fund among the BRICS does not exclude and on the contrary can even reinforce the idea of a reserve fund along the virtual *Chiang Mai* model, encompassing Brazil, South America, the Caribbean and Central America. Personally, I have been saying for years that Brazil needs to make a greater effort to develop a technical, solid, gradual initiative open to participation like *Chiang Mai*, nothing that would be a matter for speeches.

Finally, I would say that the two recent initiatives from the leaders of the BRICS are not a provocation neither an alternative to the World Bank and the IMF. This kind of initiative can be seen as complementary to the Bretton Woods institutions and at the same time as healthy competition. The Eastern Asian countries developed this subtlety when they created the *Chiang Mai* initiative in 2000. It is much different from raising a banner. By the way, I would not be concerned with the hollowing out of the Bretton Woods organizations. They are there, they are solid bureaucracies, they exist since the end of World War II and it is very difficult for the BRICS to erode them. A by-product of these initiatives, although not the main purpose, would be to push

certain transformations within the Bretton Woods institutions, which are becoming anachronistic in certain aspects.

The anachronism was seen in the episode of the succession of the president of the World Bank. The anachronistic, absurdly anachronistic rule that the office of president of the World Bank is reserved to an American national prevailed, just as the office of managing director of the Fund is reserved to a European. In this instance I believe that the joint action of the BRICS was not effective. The directors from the BRICS and other developing countries supported two candidates, one Colombian and one Nigerian, and Russia, a few days before the election, supported by itself the American candidate. This was regrettable. Brazil, as you know, declared its vote in favor of the Nigerian candidate. It was a perfectly correct vote, because from the standpoint of merit the Nigerian lady was more qualified that the American candidate. The Americans had much trouble to come up with a well-known and convincing name. In my view, the fact that the BRICS did not vote as a bloc for the Nigerian candidate in a competition of this kind is not defensible. But the three African seats at the World Bank voted for her, and Argentina and Brazil, besides two European countries, also supported her. She had 7 votes out of 25, a remarkable result in an election whose outcome was pre-determined in view of the agreement between the United States and Europe.

Ambassador Ronaldo Sardenberg – This debate showed what we already knew, but it is always useful to confirm the complexity of the theme and the extension of the agenda, which is absolutely gigantic. We touched here on many of the world's problems. There is no doubt that BRICS will be a challenge for us. I think it is necessary to increase knowledge among the countries, that is, not only among the rulers but also among the societies. The populations must know each other better, since we need to

make a huge effort to be able to reach understandings. I do not believe in diplomacy if people do not know each other. It is harder to trust someone you have never seen, isn't that right?

I would also like to say that some modesty regarding what BRICS can do is advisable. The construction will be made gradually, as we understand each other better. The next Summit meeting should be a critical period to step up the process.

Minister Fernando Pimentel – We already created a group to discuss the BRICS bank. We have a kind of questionnaire and are now working on the answers. Some ideas are clear, starting from the conviction that it is not a bank against anything, rather a bank that looks to finding attractive niches and exploring perspectives, although there is always a by-product that is competition, the challenge for the modernization of the World Bank. Today, a significant part of the capital and the agenda of the World Bank is increasingly being coordinated by the donor countries, which is perhaps good for the climate but restricts the action of the institution. Here is a typical case: an African country asked for a loan to create bus transportation corridors in a capital with a very complicated traffic system. The argument was that the project was "good for the climate", "it is going to improve traffic, it will save fuel". The reaction of the countries that control the Fund was negative, because the buses ran on diesel. Exaggerations of this kind can be contested by the BRICS; with such a high level of requirements, it is not possible to promote short term improvement. The real possibilities of certain countries do not allow for demanding an optimal solution, they cannot suddenly absorb the technology of the rich countries. It does not make sense to try to impose hydrogen buses in the Africa of today. Modernization is a process, it requires sensitivity to incorporate the conditions of developing countries, and the BRICS have that sensitiveness.

Regarding *soft balancing*, there are several geometries in the financial field. In some of the struggles for the reform of the Monetary Fund, the United States are important allies of the BRICS, because there is in fact a large European over-representation. The platform for changes in the Bretton Woods institutions is flexible. It is not necessarily a question of *soft balance,* but rather of looking for a more reasonable space of distribution of power.

My last observation is that I believe it is an exaggeration to say that among all BRICS countries Brazil is the one with the worst regional insertion. The other BRICS do not boast an excellent regional insertion, they have several border conflicts. In some cases there is good economic complementariness, but not always, and the political problems are a hindrance. All countries are trying to improve their insertion in their respective regions – this is a priority common to all – and Brazil starts from a very reasonable regional coordination.

Ambassador Valdemar Carneiro Leão – I am going to answer only two questions. With regard to the election of the managing director of the IMF and the president of the World Bank, I go back to the idea I defended at the beginning. BRICS succeeds and obtains results when there is a clear unanimity. In this case the unanimity was not clear and the BRICS have extreme difficulty in resolving internal conflicts. I have always understood as a declaration of principles the position of BRICS that it is necessary to put an end to the idea that a European should occupy the directorship of the Fund. The declaration did not reveal the intentions or the preferences of the different members. I mean, I did not see in that declaration, and I believe no one saw either, an expression of unanimity among the BRICS. And BRICS does not work when unanimity is not consolidated.

Problems in political issues can also be seen. There is an interest from the different members to act on the political agenda,

but in the long run the division in two categories of power within the BRICS, one that is formally consolidated and established at the United Nations while the other is not, will inevitably generate tensions. It does not seem normal to me that the non-members accept much longer to coordinate political positions with two countries that have a privileged position within international political institutions. Until when will the non-permanent members of the UNSC accept to sit and hold discussions with countries that have a different kind of power? I have doubts about how long this can remain so.

How much longer will the BRICS last? There are centrifugal forces within the BRICS and one of such forces is China's detachment. China is achieving a different dimension and it is possible that this increases. Another is Russia's adherence to the Organization for Economic Cooperation and Development (OECD). It is somewhat disconcerting for the BRICS to see one of its members in a process of rapprochement with the avowed purpose of becoming a participant at OECD. OECD is not only an ensemble of rules, it is a culture. The Russian attempt to assimilate the culture of the OECD represents another centrifugal force within the BRICS.

I come back to my original idea: BRICS will survive as long as it represents a value for each of its members. It is not very important whether there is a difference in the relative value; as long as the value has a significant weight, BRICS will survive, and it is perfectly possible that this will still drive it forward for a long time.

Minister Flávio Damico – This third roundtable marked a progress in our debates. We have seen that, to a considerable extent, the reflection of our partners in BRICS is similar to ours. The discussion raised by Ambassador Pimentel about the gains that

each country gets from the BRICS is very pertinent. The reality is that all of them perceive advantages. We have also been able to make a kind of inventory of where it is possible to go forward; this is the case, very significantly, in the economic-financial area, where we already have a number of achievements and a very relevant agenda for the future.

In the political area there are more complications, because the very state of the international system does not allow us to see prospects for immediate progress. As has been said here, BRICS encompasses a large section of the agenda of mankind.

This exercise of public diplomacy unfolds in different ways according to the diplomatic style of each country. In Brazil, an open society where Itamaraty does not possess a monopoly of the formulation of global external policy or of the definition of the interests of the country, there are a number of competing agencies that have their own perspectives besides the political, academic and business circles. The final outcome results from the clash among these perceptions. We have noted here a number of suggestions and we will continue to interact with all sectors, for BRICS is not a finished work but rather a process underway.

In this connection, I believe it would be fruitful to continue this kind of interaction, especially when we begin to develop the proposals for the 2014 Summit, which will be held in Brazil.

Embaixador José Vicente de Sá Pimentel – For the closing remarks in this session I give the floor to Ambassador Rubens Barbosa.

Ambassador Rubens Barbosa – First of all, I make a point to congratulate FUNAG for the organization of this seminar and the two preceding ones. I agree that the three debates permitted progress in the analysis of the BRICS. The discussion became more

sophisticated and maybe less academic than at the start of the exercise. Today we had an excellent discussion, especially on two points. First, what the BRICS is, its value and its role in the world. Second, its meaning for Brazilian external policy. I shall make brief comments on those two aspects.

The majority of the interventions made clear that BRICS is a diplomatic fact in today's international relations. Many examples of the action of BRICS were commented here, mainly in the economic area and even more within the scope of the G-20 and the International Monetary Fund. Up to now, the coordination is made preferentially in the economic-financial area and, as Valdemar says, around themes on which there is consensus. In the absence of consensus a joint position is not attempted.

In my view, the BRICS is really very well-behaved in the economic field. It is looking for reforms within the system. As Paulo mentioned, there is not much challenge; what is going on is a struggle for reform and not a revolution within the financial system. This is an important point. BRICS tries to change the system in which it is inserted; it does not act to destroy or replace it. The same attitude prevails in the relations of BRICS with the United States.

It does not seem to me that the BRICS can become a ladder for China. As we discussed here, each of the five countries has its own agenda. The sum of the four will not provide a ladder for China, because the agendas make convergences difficult.

Because of the difficulty in reaching joint positions, except on some economic-financial issues, until now the questions of defense, security, military technology and space, and also the nuclear issues, have not found space. The moment when it will be possible to progress in these areas seems distant.

The last point to be mentioned is that a focus for the Brazilian external policy is still lacking. What does Brazil want from the

BRICS? What is the agenda that interests Brazil in the BRICS? I see BRICS as a way for Brazil to strengthen is external policy objectives, as Russia and China do. China has an ostensible policy of *low profile and never lead*. Attentive to this feature, the representative of China in this seminar, Jin Canrong, suggested the creation of a secretariat, but not in China. The Russian representative, Fyodor Lukyanov, mentioned the importance that the leaders of his country attach to BRICS in real situations of external policy.

What are the interests of Brazil? In the economic area, we have concrete interests. In the political field, the only new idea raised here was the question of a special visa for the BRICS, which would be a joint action of external policy. I suggest, therefore, that at a future meeting we concentrate on the questions of external policy of our primary interest and their development within the BRICS. This is not only an academic exercise. The position of Undersecretary Edileuza at the previous seminar stressed this point. The invitation letter that we received from José Vicente had the same objective; it said that we should make an effort to present suggestions to be examined by Itamaraty. We had few proposals and few comments on them. This is a provocation that remains on the table for the next time we meet.

Ambassador José Vicente de Sá Pimentel – Thank you all, thanks to FIESP for hosting us here. My special thanks to each of our foreign guests, who came from very far to enrich our debate. I am more optimistic than our host; I think that today's discussions and the ones we held last April will provide much ammunition for the academic analysts and also for the formulators and operators of external policy. It would be very useful, in my view, to try to draw up a synthesis of the main criticisms, suggestions and proposals that permeated our debates. Once again, thank you, and I hope to see all of you at a next occasion.

Brief summary of the debates

Brazilian diplomacy attaches very high priority to the BRICS. In an interview to *Folha de S. Paulo* on February 10, 2012[3], Minister Antonio Patriota compared the current coordination with the members of the group with the rapprochement articulated by Baron of Rio Branco between Brazil and the United States at the start of the 20th century. However, the roundtables organized by FUNAG revealed the existence of considerable lack of knowledge and trust among opinion makers in Brazil regarding the importance of the BRICS for our country. Thus, the debates provided a valuable opportunity to learn about the doubts and to clear them up. The discussions also suggested the convenience of wide dissemination of information on the Government's views.

The Different Visions

Several academics and journalists highlighted the asymmetries within the group and stressed that the historic, political and economic differences, as well as those in the evolution of civilization among the BRICS put the group's viability into doubt. Figures quoted in official statements to underline the importance

3 "The coordination at the BRICS forum (Brazil, Russia, India, China and South Africa) is currently for Brazil what rapprochement with the USA represented for Baron of Rio Branco" according to Foreign Minister Antonio Patriota. "A great legacy from him is the ability to absorb change. At a time when economic dynamism and the axis of power shifted from Europe to the USA, he had the capacity to establish a good relationship with the United States. In today's terms, this would be the capacity to coordinate with the BRICS" (PATRIOTA, Antonio. *Os Brics são hoje os EUA da época do Rio Branco.* Rio de Janeiro: Folha de S. Paulo, 10 de janeiro de 2012).

of the five countries did not impress skeptics, according to whom the data on the population, territory, economy and commercial dimensions of the BRICS drop sharply when China is removed from the picture.

Critics stressed that the BRICS have different interests and approaches with regard to the main international problems of the 21st century. For this reason they have difficulty to contemplate a positive agenda that will keep the group together. What kind of political harmonization can there be, they ask, if the five do not agree on basic questions, such as the expansion of the United Nations Security Council?

On the opposite side there are those who see in the BRICS the potential for a new Bretton Woods, capable of changing the world. Some see in the BRICS an adversary of the G-7, rather than a movement aiming at the expansion and democratization of global governance. Others argue soberly that the group will have growing influence in the international scenario as long as it presents common proposals and negotiates on them as a bloc. Respectable voices advise that actions should be limited to the economic-financial area. There are, however, some who favor the adoption of a bold political agenda.

A Brazilian View

During the debates, Brazilian diplomats and negotiators pointed out that one of the difficulties for the public to understand the worth of the BRICS comes from the fact that this is an open project, a construction undertaken by the five member countries in a progressive way. Given its unique character, it is often easier to explain what BRICS is not; it is not a formal institution or organization, it is not an economic or political alliance, it is not

a free trade area and does not wish to express itself on each of the main themes of the international agenda. It is a coordination forum, in which participate a group of countries whose special relevance had already been pointed out in a book by George Kennan published in 1993[4] – prior, therefore, to the 2001 article in which Jim O'Neil created the acronym BRICS. The leaders of these five countries meet to discuss issues of common interest and adopt joint decisions when they deem suitable. The leaders did not always speak with a single voice but there is frequent coordination among them, which is very useful in several economic and political forums. The shared perception by the five on the importance of the unity of the group becomes an incentive for finding common approaches.

The debates highlighted an interesting aspect: an institutionalization of the BRICS would suppose a cross recognition of self-evaluations. Each of the members is self-invested with a special status that is confirmed by the other four. This has an intrinsic value, expressed in an added capacity to act. Besides, each one benefits from the BRICS brand, an element of distinction and prestige.

Indeed, curiosity about the BRICS existed prior to the formation of the group. The brand already had a market value and commanded respect before becoming the present forum. Had the countries not availed themselves of that value, there would have been at least a waste of an opportunity.

It must be noted that participation in the group raises the international prestige not only for Brazil, but also for Russia, India

4 Under the title *Around the Cragged Hill: A Personal and Political Philosophy*, it referred to five *monster countries* – four of which are members of the current BRICS, namely: Brazil, China, India and, Russia; the fifth was the USA – whose territorial and demographic resources gave them particular importance in the international context.

and South Africa, and even China. Although the latter possesses a different weight, it also acquires, via BRICS, *soft power* legitimacy for the expansion of its scope of action in the world.

The Brazilian negotiators minimized the risk that China might make use of the BRICS as a ladder to promote its economic and commercial interests. They argue that the group possesses features *desde afuera*, to use Prebisch's terminology, allowing them to speak in unison at multilateral organisms, but also *hacia adentro*, by identifying areas of mutual cooperation. In this way, enough intimacy is established to permit discussion both joint actions and individual initiatives by the participants. Each of the five countries has its own agenda, making it more difficult for any of them to manipulate the BRICS to its exclusive benefit.

Therefore, BRICS suits each of its five members, raising them to a level of higher visibility and qualifying them to promote common interests more efficiently than they would be able to do by themselves. It increases the influence of its members in decision-making processes and facilitates the utterance of criticism to other countries' views, especially those who hold the reins of power in world governance organs, since one of the primary objectives of the BRICS is to expand its participation in such institutions.

Brazilian diplomats and negotiators pointed out in this regard that BRICS is for Brazil an additional, but not exclusive, platform for its external action. In the light of the fluid dialogue it keeps with the United States, the European Union and Japan, as well as the emerging world, Brazil considers the BRICS as another platform for the exercise of its vocation to articulate consensuses. Additionally, they stressed that the five try to bring changes to the international system of which they are part, but do not intend to destroy it; they pursue the evolution of the system and not a revolution.

Areas of Brics Action

The economic agenda has been a catalyst for BRICS action. Since the Yekaterinburg Summit, the operative paragraphs of the Declarations issued by the leaders of the five countries have been highlighting financial questions and the struggle against the international crisis that began in 2008. The consolidation of the BRICS as a decision-making organ in economic-financial matters is one of the main objectives that became viable through the decisive support of the group. BRICS is influent within the G-20 and together both groups exert influence on other forums. Since the G-20 is a forum that was created to respond to the global crisis, it is only natural that the members of the BRICS have a relevant weight in the organs of financial governance, such as the IMF and the World Bank.

Finance Ministers and Presidents of the Central Banks of the BRICS have been meeting three times a year, in average. From 2008 to 2012 they met eleven times. Between meetings they often talked to each other by telephone. A concrete effect of negotiations among them was seen in the question of the reform of IMF quotas. The issue of the reform of the international financial institutions was placed on the G-20 agenda initially by Brazil. The reform was achieved later and support from the BRICS was essential for this outcome.

Other recent decisions in the financial area are particularly significant. The willingness to create a development bank and a reserve fund reveal the close ties among the five countries. The BRICS bank will function like the World Bank and the BRICS reserve fund's rules will be similar to those of the IMF. Both intend to complement, and not to replace, the Bretton Woods institutions – without, however, failing to pressure them into adjusting to the reality of the contemporary world.

In parallel, there is growing coordination in the political area. The joint Declaration issued at the New Delhi Summit reflects the possible consensuses on complex questions, such as violence in Syria and Iran's nuclear program, for instance. Some academics and journalists wanted to see more assertiveness in the decisions on these and other issues, such as sustainable development, food security, regional innovation, the fight against drug trafficking, defense, security, facilitation of international trade and the future of the WTO, not to mention the reform of the United Nations Security Council. Others suggested that BRICS should choose a precise focus around a concise and realistic agenda.

Sustainability of the Brics

Discussants assessed that the current economic crisis provides a kind of interval in the world order. This interval may yet stretch for many years and would bring a window of opportunity for the BRICS to establish themselves in the international order as group that favors peaceful and negotiated change in the international order.

Nevertheless, centrifugal forces were identified within the BRICS. One of them is the detachment of China, whose dimensions are already superior to that of the other members, a feature that may become more noticeable in the next few years. The irresistible bursting of China in the world scene raises fears that are widely disseminated by opinion makers, mainly in countries whose power experiences a relative decline.

Another centrifugal force regards the evolution of Russia. President Vladimir Putin and others have admitted that what holds the BRICS together is the concept of sovereignty, since all members of the group are proudly sovereign. This would be, by the way, that factor preventing the insertion of countries like

Mexico and Turkey, which, despite having a significant diplomatic projection, keep ties with the United States and NATO that are considered excessive. Well, if this is the case, there were those who deemed Russia's rapprochement with the OECD disconcerting for the BRICS. The Russian attempt to assimilate the culture of that organization was seen as another centrifugal force within the BRICS.

A third one would be the sensitive question of the difference in political power within the group. In the long run, a division of the members into two categories of power within the BRICS, one consolidated and established at the UN and the other not, tends to generate growing tension. One might ask, then, how long the countries that aspire to a permanent seat at the Security Council will admit hesitations from their partners with regard to the opportunity to proceed with the reform of that organ.

However, in the view of several observers, the longevity of the BRICS would seem to be more linked to its capacity of serving as an agent of *soft balancing* vis-à-vis the United States. As it is formed by countries that already have a certain international weight but are kept away from deciding circles, the objective of the group would be to balance American leadership and, if possible, to neutralize it, despite recognizing in the United States the central point of their international relations. Seen from this perspective, the great test for the BRCS in the future would be to remain as a bloc in the inevitable negotiations with the USA, the European Union and Japan. In order to have sufficient bargaining power and influence the political and economic decision-making process, the five need one another, but their capacity of cohesion will be increasingly put to the test as the BRICS are called to assume more responsibilities in global governance.

There is, however, another test involving the question of legitimacy. Several discussants observed that the mission

of reforming global governance should not be perceived as an opportunistic objective. The longevity of the BRICS seems to them to be linked to the ability to interpret and defend the interests of the emerging world, to the benefit of more democratic procedures in the decision-making processes of global governance. The agenda of the BRICS should contemplate, therefore, socio-environmental challenges, poverty, inequality and the shortcomings that affect half of the world's population. Although pursuing realistic goals, the five should be able to propose measures and represent the real interests of mankind. Otherwise, they risk becoming irrelevant.

In sum, it is not possible to predict today whether the five will indeed become a vehicle for structural change in international relations. But there is a need for change and hence the hope that the BRICS will evolve and become a generator of alternative options, a driver of new methods and means to deal with the problems of the world. The creation of the BRICS increases the possibility to admit an international order turned toward greater multilateral solutions and even multi-polarity.

Proposals to Increase Dissemination of Information

In the short run, BRICS will probably remain a platform for coordination that will propose common positions and eventually common action, sometimes more successful and sometimes less so. Evolution toward an institution with negotiated objectives and a specific political sense of direction will entail deepening the convergence among its members, requiring changes in individual attitudes formed from a perspective of national interests. In order to push such changes forward the value of the BRICS would need to be recognized not only by their governments but also by their societies.

One of the *sine qua non* conditions for this is to widen knowledge by each of the five about the others. In order to promote

a global presence, a minimal condition is to know the society where one is going to act, know its history and learn its language.

In this connection, discussants recommended that the Brazilian government make an effort to communicate with society in order to inform it about its vision of the BRICS and its links with the G-20, the Bretton Woods institutions and other global governance organs. Since Brazil will host the Summit of Heads of State and Government in 2014, the occasion is favorable for the government to engage in disseminating information on the depth, diversity and scope of the ties that are being created.

Journalists who participated in the discussion pointed out that the press will join in this effort as long as it receives appropriate information. Newspapers are not prepared to report on "processes", especially in the absence of clear definitions about the objectives pursued. It was suggested that the BRICS consider the possibility of making public a cohesive, succinct long term agenda. At the same time the discussants argued for an increase in interviews with the media, lectures to prestigious audiences and the promotion of other initiatives, besides background conversations. Dissemination of information should not be restricted to press communiqués or the text of a joint Declaration.

Another concrete suggestion, aimed at strengthening the popular perception of the relevance attached to it by governments, would be the creation of stimuli to opportunities for harmonization of their societies, through measures that facilitate the circulation of persons among the BRICS countries. In this connection, in view of the importance of the business and academic sectors as opinion makers, the creation of BRICS visas for businessmen, professors and researchers was suggested.

Wider dissemination of the outcomes of business and academic forums was also recommended. Several of the participants

expressed curiosity to learn, for instance, how the representatives of China and Russia acted at the business forum. The drafting of a report on that forum was suggested, including an explanation on how Brazil is getting ready to deal with the business delegations of the other BRICS.

Participants agreed that the Academic Forum is a positive idea, to the extent that it widens the participation of academics, whose contribution assumes truly strategic significance for the effort of bringing societies together. It was pointed out, however, that the current form of the debates is not academic, since it leads discussants to take positions with regard to the official agenda, as if they were governmental delegates in some international negotiation.

Meetings between the organizers of the next Forum in Brazil and the academics who are going to participate were proposed. Such meetings would be held before and after the event, initially for the Government itself to be aware of the points of coincidence and eventual discordance and then to define the course to be followed, in view of the outcomes.

The attraction of foreign academics to give courses in Brazil was considered, through the use of the structure already existing in CAPES to facilitate visits of professors with recognized intellectual production and ability to contribute to the academic debate. Such missions could vary from 3 weeks to 3 months, with significant scholarships.

FUNAG received two very timely suggestions. As a contribution to the dissemination of information outside Brazil, it would be useful to translate into English books such as this one, in order to acquaint readers in other parts of the world with what is being thought here. There is much interest in the world about Brazilian experiences and views, but language is an obstacle.

Besides, FUNAG could organize, if possible in partnership with organs such as IPEA, courses on specific aspects of the BRICS or on related issues. The courses should elicit interest and stimulate debates that may be productive, helping to disseminate information on issues.

Conclusion

The majority of interventions at the April 27 and July 31, 2012 roundtables recognized that the BRICS is a diplomatic fact with a modernizing and democratic impact in international relations and is important to its members. Up to now, coordination happens preferentially in the economic-financial field and around issues where there is consensus. The widening of the area of consensus would require the commitment of public opinion with the idea of the BRICS, an engagement that would benefit from appropriate dissemination of information on its methods and objectives and that requires, in turn, the engagement of academia as well as that of business circles and the media. The debates suggest that there is an expectation that the effort of communication precede the sixth BRICS Summit to be held in Brazil in 2014, the same year of the World Cup, a coincidence that may favor the creation of an environment favorable to the interests of Brazilian diplomacy.

Joint Communiqué of the Ministerial Meeting in Yekaterinburg

Yekaterinburg, Russia, May 16, 2008

The Foreign Ministers of Brazil, Russia, India and China (BRIC) held their meeting in Yekaterinburg (Russia) on May 16, 2008.

1. They emphasized the prospects of the BRIC dialogue based on mutual trust and respect, common interests, coincidence or similarity of approaches toward the pressing problems of global development.
2. The Ministers agreed that building a more democratic international system founded on the rule of law and multilateral diplomacy is an imperative of our time. They reaffirmed the commitment of the BRICs to work together and with other states in order to strengthen international security and stability, ensure equal opportunities for development to all countries.
3. The Ministers reiterated that today's world order should be based on the rule of international law and the strengthening of multilateralism with the United Nations playing the central role. They reaffirmed the need for a comprehensive reform of the UN with a view to make it more efficient so that it can deal with the current global challenges more effectively. The Ministers of Russia and China reiterated that their countries attach importance to the status of India and Brazil in international affairs, and understand and support India's and Brazil's aspirations to play a greater role in the United Nations.
4. The Ministers noted that sustainable development of global economy in the long-term as well as finding solutions to the acute global problems of our time, such as poverty, hunger

and diseases are only possible if due account is taken of the interests of all nations and within a just global economic system. Among other issues they discussed the current global food crisis. The Foreign Ministers of Russia, India and China welcomed the initiative of Brazil to organize a meeting of economy and/or finance ministers of the BRIC countries to discuss global economic and financial issues.

5. The Ministers expressed their strong commitment to multilateral diplomacy in dealing with common challenges to international security. They reiterated their support for political and diplomatic efforts to peacefully resolve disputes in international relations. A cooperative approach to international security is required that takes into account the concerns of all and addresses them in a spirit of dialogue and understanding. The Ministers emphasized that disarmament and non-proliferation are mutually reinforcing. They also agreed on the need for multilateral efforts to prevent an arms race in outer space.
6. The Ministers unequivocally condemned terrorism in all its forms and manifestations, committed for whatever purposes. They reiterated their perception that terrorism constitutes one of the most serious threats to international peace and security and that the international community should take the necessary steps to enhance cooperation to prevent and combat terrorism. They particularly highlighted the UN cooperation framework and the need for all member states to implement international conventions of the United Nations and UN Security Council resolutions on fighting terrorism.

   The Ministers emphasized the importance of the implementation of the UN Global Counter-Terrorism Strategy in all its aspects and expressed their opinion that all member states should make concerted efforts towards expeditious finalization of a Comprehensive Convention on International Terrorism at the UN.

7. The Ministers noted a close interconnection between energy security, socio-economic development and environmental protection. They reaffirmed their commitment to the multilateral efforts aimed at reaching an optimum balance of interests between producers, transit states and consumers of energy resources. In this respect the parties emphasized the need for supporting programmes to increase access to energy, energy efficiency as well as the development and use of new and renewable sources of energy, including biofuels, compatible with sustainable development.
8. The Ministers spoke in favour of strengthening international cooperation to address climate change in the context of the UN Framework Convention on Climate Change and its Kyoto Protocol.

   They expressed their desire to work closely together in order to carry out the Bali commitments.
9. The Ministers spoke in favour of intensifying the dialogue to achieve the internationally agreed development goals, primarily the Millennium Development Goals, on the basis of global partnership. They support international efforts to combat hunger and poverty.
10. The Ministers noted that the South-South cooperation is an important element of international efforts in the field of development. It was emphasized that the South-South cooperation does not replace but rather complements the traditional forms of development assistance.
11. The Ministers looked forward to continued cooperation between the Group of Eight and its traditional dialogue partners.
12. The Foreign Ministers of Brazil, Russia and India reaffirmed their countries' support for the 2008 Beijing Olympic Games.
13. The Ministers reached an understanding to hold the next BRIC ministerial meeting on the margins of the 63rd session of the UN General Assembly, in New York, in September 2008. The next standalone BRIC Ministerial will be hosted by India.

Joint Statement of the BRIC Countries' Leaders

Yekaterinburg, Russia, June 16, 2009

We, the leaders of the Federative Republic of Brazil, the Russian Federation, the Republic of India and the People's Republic of China, have discussed the current situation in global economy and other pressing issues of global development, and also prospects for further strengthening collaboration within the BRIC, at our meeting in Ekaterinburg on 16 June, 2009.

We have arrived at the following conclusions:

1. We stress the central role played by the G20 Summits in dealing with the financial crisis. They have fostered cooperation, policy coordination and political dialogue regarding international economic and financial matters.
2. We call upon all states and relevant international bodies to act vigorously to implement the decisions adopted at the G20 Summit in London on 2 April, 2009.

   We shall cooperate closely among ourselves and with other partners to ensure further progress of collective action at the next G20 Summit to be held in Pittsburgh in September 2009. We look forward to a successful outcome of the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development to be held in New York on 24-26 June 2009.
3. We are committed to advance the reform of international financial institutions, so as to reflect changes in the world economy. The emerging and developing economies must have greater voice and representation in international financial institutions, and their heads and senior leadership should be appointed through an open, transparent, and merit-based

selection process. We also believe that there is a strong need for a stable, predictable and more diversified international monetary system.

4. We are convinced that a reformed financial and economic architecture should be based, inter alia, on the following principles:
   - democratic and transparent decision-making and implementation process at the international financial organizations;
   - solid legal basis;
   - compatibility of activities of effective national regulatory institutions and international standard-setting bodies;
   - strengthening of risk management and supervisory practices.
5. We recognize the important role played by international trade and foreign direct investments in the world economic recovery. We call upon all parties to work together to improve the international trade and investment environment. We urge the international community to keep the multilateral trading system stable, curb trade protectionism, and push for comprehensive and balanced results of the WTO's Doha Development Agenda.
6. The poorest countries have been hit hardest by the financial crisis. The international community needs to step up efforts to provide liquidity for these countries. The international community should also strive to minimize the impact of the crisis on development and ensure the achievement of the Millennium Development Goals. Developed countries should fulfill their commitment of 0.7% of Gross National Income for the Official Development Assistance and make further efforts in increasing assistance, debt relief, market access and technology transfer for developing countries.
7. The implementation of the concept of sustainable development, comprising, inter alia, the Rio Declaration, Agenda for the 21st Century and multilateral environmental

agreements, should be a major vector in the change of paradigm of economic development.

8. We stand for strengthening coordination and cooperation among states in the energy field, including amongst producers and consumers of energy and transit states, in an effort to decreasing uncertainty and ensuring stability and sustainability. We support diversification of energy resources and supply, including renewable energy, security of energy transit routes and creation of new energy investments and infrastructure.
9. We support international cooperation in the field of energy efficiency. We stand ready for a constructive dialogue on how to deal with climate change based on the principle of common but differentiated responsibility, given the need to combine measures to protect the climate with steps to fulfill our socio-economic development tasks.
10. We reaffirm to enhance cooperation among our countries in socially vital areas and to strengthen the efforts for the provision of international humanitarian assistance and for the reduction of natural disaster risks. We take note of the statement on global food security issued today as a major contribution of the BRIC countries to the multilateral efforts to set up the sustainable conditions for this goal.
11. We reaffirm to advance cooperation among our countries in science and education with the aim, inter alia, to engage in fundamental research and development of advanced technologies.
12. We underline our support for a more democratic and just multi-polar world order based on the rule of international law, equality, mutual respect, cooperation, coordinated action and collective decision-making of all states. We reiterate our support for political and diplomatic efforts to peacefully resolve disputes in international relations.
13. We strongly condemn terrorism in all its forms and manifestations and reiterate that there can be no justification

for any act of terrorism anywhere or for whatever reasons. We note that the draft Comprehensive Convention against International Terrorism is currently under the consideration of the UN General Assembly and call for its urgent adoption.

14. We express our strong commitment to multilateral diplomacy with the United Nations playing the central role in dealing with global challenges and threats. In this respect, we reaffirm the need for a comprehensive reform of the UN with a view to making it more efficient so that it can deal with today's global challenges more effectively. We reiterate the importance we attach to the status of India and Brazil in international affairs, and understand and support their aspirations to play a greater role in the United Nations.
15. We have agreed upon steps to promote dialogue and cooperation among our countries in an incremental, proactive, pragmatic, open and transparent way. The dialogue and cooperation of the BRIC countries is conducive not only to serving common interests of emerging market economies and developing countries, but also to building a harmonious world of lasting peace and common prosperity.
16. Russia, India and China welcome the kind invitation of Brazil to host the next BRIC summit in 2010.

Joint Statement of the II Summit of Heads of State/Government

Brasilia, April 15, 2010

We, the leaders of the Federative Republic of Brazil, the Russian Federation, the Republic of India and the People's Republic of China, met in Brasília on 15 April 2010 to discuss major issues of the international agenda as well as concrete steps to move forward the cooperation and coordination within BRIC.

We have agreed on the following:

Common Vision and Global Governance

1. We share the perception that the world is undergoing major and swift changes that highlight the need for corresponding transformations in global governance in all relevant areas.
2. We underline our support for a multipolar, equitable and democratic world order, based on international law, equality, mutual respect, cooperation, coordinated action and collective decision-making of all States.
3. We stress the central role played by the G-20 in combating the crisis through unprecedented levels of coordinated action. We welcome the fact that the G-20 was confirmed as the premier forum for international economic coordination and cooperation of all its member states. Compared to previous arrangements, the G-20 is broader, more inclusive, diverse, representative and effective. We call upon all its member states to undertake further efforts to implement jointly the decisions adopted at the three G-20 Summits.

   We advocate the need for the G-20 to be proactive and formulate a coherent strategy for the post-crisis period. We stand ready to make a joint contribution to this effort.

4. We express our strong commitment to multilateral diplomacy with the United Nations playing the central role in dealing with global challenges and threats. In this respect, we reaffirm the need for a comprehensive reform of the UN, with a view to making it more effective, efficient and representative, so that it can deal with today's global challenges more effectively. We reiterate the importance we attach to the status of India and Brazil in international affairs, and understand and support their aspirations to play a greater role in the United Nations.
5. We believe the deepened and broadened dialogue and cooperation of the BRIC countries is conducive not only to serving common interests of emerging market economies and developing countries, but also to building a harmonious world of lasting peace and common prosperity. We have agreed upon steps to promote dialogue and cooperation among our countries in an incremental, proactive, pragmatic, open and transparent way.

International Economic and Financial Issues

6. The world economic situation has improved since our first meeting in June 2009, in Ekaterinburg. We welcome the resumption of economic growth, in which emerging market economies are playing a very important role. However, we recognize that the foundation of world economic recovery is not yet solid, with uncertainties remaining. We call upon all states to strengthen macroeconomic cooperation, jointly secure world economic recovery and achieve a strong, sustainable and balanced growth. We reiterate our determination to make positive efforts in maintaining domestic economic recovery and promoting development in our own countries and worldwide.
7. We underline the importance of maintaining relative stability of major reserve currencies and sustainability of fiscal policies in order to achieve a strong, long-term balanced economic growth.

8. We are convinced that emerging market economies and developing countries have the potential to play an even larger and active role as engines of economic growth and prosperity, while at the same time commit to work together with other countries towards reducing imbalances in global economic development and fostering social inclusion.
9. G-20 members, with a significant contribution from BRIC countries, have greatly increased resources available to the IMF. We support the increase of capital, under the principle of fair burden-sharing, of the International Bank for Reconstruction and Development and of the International Finance Corporation, in addition to more robust, flexible and agile client-driven support for developing economies from multilateral development banks.
10. Despite promising positive signs, much remains to be done. We believe that the world needs today a reformed and more stable financial architecture that will make the global economy less prone and more resilient to future crises, and that there is a greater need for a more stable, predictable and diversified international monetary system.
11. We will strive to achieve an ambitious conclusion to the ongoing and long overdue reforms of the Bretton Woods institutions. The IMF and the World Bank urgently need to address their legitimacy deficits. Reforming these institutions' governance structures requires first and foremost a substantial shift in voting power in favor of emerging market economies and developing countries to bring their participation in decision making in line with their relative weight in the world economy.

    We call for the voting power reform of the World Bank to be fulfilled in the upcoming Spring Meetings, and expect the quota reform of the IMF to be concluded by the G-20 Summit in November this year. We do also agree on the need for an open and merit based selection method, irrespective of nationality, for the heading positions of the IMF and the World Bank. Moreover, staff of these institutions needs to better reflect the diversity of their membership. There is a

special need to increase participation of developing countries. The international community must deliver a result worthy of the expectations we all share for these institutions within the agreed timeframe or run the risk of seeing them fade into obsolescence.

12. In the interest of promoting international economic stability, we have asked our Finance Ministers and Central Bank Governors to look into regional monetary arrangements and discuss modalities of cooperation between our countries in this area. In order to facilitate trade and investment, we will study feasibilities of monetary cooperation, including local currency trade settlement arrangement between our countries.
13. Recent events have shattered the belief about the self-regulating nature of financial markets. Therefore, there is a pressing need to foster and strengthen cooperation regarding the regulation and supervision of all segments, institutions and instruments of financial markets. We remain committed to improve our own national regulations, to push for the reform of the international financial regulatory system and to work closely with international standard setting bodies, including the Financial Stability Board.

International Trade

14. We stress the importance of the multilateral trading system, embodied in the World Trade Organization, for providing an open, stable, equitable and non discriminatory environment for international trade. In this connection, we commit ourselves and urge all states to resist all forms of trade protectionism and fight disguised restrictions on trade. We concur in the need for a comprehensive and balanced outcome of the Doha Round of multilateral trade talks, in a manner that fulfills its mandate as a "development round", based on the progress already made, including with regard to modalities. We take note and strongly support Russia's bid for accession to the WTO.

Development

15. We reiterate the importance of the UN Millennium Declaration and the need to achieve the Millennium Development Goals (MDGs). We underscore the importance of preventing a potential setback to the efforts of poor countries aimed at achieving MDGs due to the effects of the economic and financial crisis. We should also make sustained efforts to achieve the MDGs by 2015, including through technical cooperation and financial support to poor countries in implementation of development policies and social protection for their populations. We expect the UN MDG Summit, in September 2010, to promote the implementation of MDGs through policy recommendations. We stress that sustainable development models and paths of developing countries should be fully respected and necessary policy space of developing countries should be guaranteed.
16. The poorest countries have been the hardest hit by the economic and financial crisis. The commitments regarding the aid to the developing states, especially those related to the MDGs, should be fulfilled, and there should be no reduction in development assistance. An inclusive process of growth for the world economy is not only a matter of solidarity but also an issue of strategic importance for global political and economic stability.

Agriculture

17. We express our satisfaction with the Meeting of Ministers of Agriculture and Agrarian Development in Moscow, where they discussed ways of promoting quadripartite cooperation, with particular attention to family farming. We are convinced that this will contribute towards global food production and food security. We welcome their decision to create an agricultural information base system of the BRIC countries, to develop a strategy for ensuring access to food for vulnerable population, to reduce the negative impact of climate change on food

security, and to enhance agriculture technology cooperation and innovation.

Fight against poverty

18. We call upon the international community to make all the necessary efforts to fight poverty, social exclusion and inequality bearing in mind the special needs of developing countries, especially LDCs, small islands and African Countries. We support technical and financial cooperation as means to contribute to the achievement of sustainable social development, with social protection, full employment, and decent work policies and programmes, giving special attention to the most vulnerable groups, such as the poor, women, youth, migrants and persons with disabilities.

Energy

19. We recognize that energy is an essential resource for improving the standard of living of our peoples and that access to energy is of paramount importance to economic growth with equity and social inclusion. We will aim to develop cleaner, more affordable and sustainable energy systems, to promote access to energy and energy efficient technologies and practices in all sectors. We will aim to diversify our energy mix by increasing, where appropriate, the contribution of renewable energy sources, and will encourage the cleaner, more efficient use of fossil fuels and other fuels. In this regard, we reiterate our support to the international cooperation in the field of energy efficiency.
20. We recognize the potential of new, emerging, and environmentally friendly technologies for diversifying energy mix and the creation of jobs.

    In this regard we will encourage, as appropriate, the sustainable development, production and use of biofuels. In accordance with national priorities, we will work together to facilitate the use of renewable energy, through international

cooperation and the sharing of experiences on renewable energy, including biofuels technologies and policies.

21. We believe that BRIC member countries can cooperate in training, R&D, Consultancy services and technology transfer, in the energy sector.

Climate Change

22. We acknowledge that climate change is a serious threat which requires strengthened global action. We commit ourselves to promote the 16th Conference of the Parties to the United Nations Framework Convention on Climate Change and the 6th Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol, in Mexico, to achieve a comprehensive, balanced and binding result to strengthen the implementation of the Convention and the Protocol. We believe that the Convention and the Protocol provide the framework for international negotiations on climate change. The negotiations in Mexico should be more inclusive, transparent, and should result in outcomes that are fair and effective in addressing the challenge of climate change, while reflecting the principles of the Convention, especially the principle of equity and common but differentiated responsibilities.

Terrorism

23. We condemn terrorist acts in all forms and manifestations. We note that the fight against international terrorism must be undertaken with due respect to the UN Charter, existing international conventions and protocols, the UN General Assembly and Security Council resolutions relating to international terrorism, and that the prevention of terrorist acts is as important as the repression of terrorism and its financing. In this context, we urge early conclusion of negotiations in the UN General Assembly of the Comprehensive Convention on International Terrorism and its adoption by all Member States.

24. Brazil and China express their sympathy and solidarity with the people and Governments of Russia and India which suffered from recent barbaric terrorist attacks. Terrorism cannot be justified by any reason.

Alliance of Civilizations

25. We affirm the importance of encouraging the dialogue among civilizations, cultures, religions and peoples. In this respect, we support the "Alliance of Civilizations", a United Nations' initiative aimed at building bridges, mutual knowledge and understanding around the world.

    We praise the Brazilian decision to host, in Rio de Janeiro, in May 2010, the 3rd Global Forum and confirm our intention to be present at the event, in appropriate high level.

Haiti

26. We reaffirm our solidarity towards the Haitian people, who have been struggling under dire circumstances since the earthquake of January 12th, and reiterate our commitment to gather efforts with the international community in order to help rebuilding the country, under the guidance of the Haitian government, and according to the priorities established by the Action Plan for National Recovery and Development of Haiti.

Cooperation

27. We welcome the following sectoral initiatives aimed at strengthening cooperation among our countries:
    a. the first Meeting of Ministers of Agriculture and Agrarian Development;
    b. the Meetings of Ministers of Finance and Governors of Central Banks;
    c. the Meetings of High Representatives for Security Issues;
    d. the I Exchange Program for Magistrates and Judges, of BRIC countries, held in March 2010 in Brazil following the signature

in 2009 of the Protocol of Intent among the BRIC countries' Supreme Courts;

e. the first Meeting of Development Banks;
f. the first Meeting of the Heads of the National Statistical Institutions;
g. the Conference of Competition Authorities;
h. the first Meeting of Cooperatives;
i. the first Business Forum;
j. the Conference of think tanks.

28. We also endorse other important manifestations of our desire to deepen our relationship, such as:
    a. the joint publication by our respective national statistical insti tutions which is going to be released today;
    b. a feasibility study for developing a joint BRIC encyclopedia.
29. We reaffirm our commitment to advance cooperation among BRIC countries in science, culture and sports.
30. We express our confidence in the success of the 2010 World Expo in Shanghai, the 2010 Commonwealth Games in New Delhi, the 2013 World Student Games in Kazan, the 2014 Winter Olympic and Paralympic Games in Sochi, the FIFA 2014 World Cup in Brazil and the 2016 Olympic and Paralympic Games in Rio de Janeiro.
31. We reaffirm the efforts to strengthen our cooperation and assistance for reduction of natural disasters. Russia and India express their condolences and solidarity with the people and Governments of Brazil and China, for the lives lost in the mudslide in Rio de Janeiro, Brazil, and in the earthquake in Yushu, China.

III BRIC Summit

32. Brazil, Russia and India appreciate the offer of China to host the III BRIC Summit in 2011.
33. Russia, India and China express their profound gratitude to the Government and people of Brazil for hosting the II BRIC Summit.

Joint Statement of the III Summit of Heads of State/Government

Sanya, China, April 14, 2011

1. We, the Heads of State and Government of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, met in Sanya, Hainan, China for the BRICS Leaders Meeting on 14 April 2011.
2. The Heads of State and Government of Brazil, Russia, India and China welcome South Africa joining the BRICS and look forward to strengthening dialogue and cooperation with South Africa within the forum.
3. It is the overarching objective and strong shared desire for peace, security, development and cooperation that brought together BRICS countries with a total population of nearly 3 billion from different continents. BRICS aims at contributing significantly to the development of humanity and establishing a more equitable and fair world.
4. The 21st century should be marked by peace, harmony, cooperation and scientific development. Under the theme "*Broad Vision, Shared Prosperity*", we conducted candid and in-depth discussions and reached broad consensus on strengthening BRICS cooperation as well as on promoting coordination on international and regional issues of common interest.
5. We affirm that the BRICS and other emerging countries have played an important role in contributing to world peace, security and stability, boosting global economic growth, enhancing multilateralism and promoting greater democracy in international relations.
6. In the economic, financial and development fields, BRICS serves as a major platform for dialogue and cooperation.

We are determined to continue strengthening the BRICS partnership for common development and advance BRICS cooperation in a gradual and pragmatic manner, reflecting the principles of openness, solidarity and mutual assistance. We reiterate that such cooperation is inclusive and non-confrontational. We are open to increasing engagement and cooperation with non-BRICS countries, in particular emerging and developing countries, and relevant international and regional organizations.

7. We share the view that the world is undergoing far-reaching, complex and profound changes, marked by the strengthening of multipolarity, economic globalization and increasing interdependence. While facing the evolving global environment and a multitude of global threats and challenges, the international community should join hands to strengthen cooperation for common development. Based on universally recognized norms of international law and in a spirit of mutual respect and collective decision making, global economic governance should be strengthened, democracy in international relations should be promoted, and the voice of emerging and developing countries in international affairs should be enhanced.
8. We express our strong commitment to multilateral diplomacy with the United Nations playing the central role in dealing with global challenges and threats. In this respect, we reaffirm the need for a comprehensive reform of the UN, including its Security Council, with a view to making it more effective, efficient and representative, so that it can deal with today's global challenges more successfully. China and Russia reiterate the importance they attach to the status of India, Brazil and South Africa in international affairs, and understand and support their aspiration to play a greater role in the UN.
9. We underscore that the concurrent presence of all five BRICS countries in the Security Council during the year of 2011 is a valuable opportunity to work closely together on issues of peace and security, to strengthen multilateral approaches

and to facilitate future coordination on issues under UN Security Council consideration. We are deeply concerned with the turbulence in the Middle East , the North African and West African regions and sincerely wish that the countries affected achieve peace, stability, prosperity and progress and enjoy their due standing and dignity in the world according to legitimate aspirations of their peoples. We share the principle that the use of force should be avoided. We maintain that the independence, sovereignty, unity and territorial integrity of each nation should be respected.

10. We wish to continue our cooperation in the UN Security Council on Libya. We are of the view that all the parties should resolve their differences through peaceful means and dialogue in which the UN and regional organizations should as appropriate play their role. We also express support for the African Union High-Level Panel Initiative on Libya.
11. We reiterate our strong condemnation of terrorism in all its forms and manifestations and stress that there can be no justification, whatsoever, for any acts of terrorism. We believe that the United Nations has a central role in coordinating the international action against terrorism within the framework of the UN Charter and in accordance with principles and norms of the international law. In this context, we urge early conclusion of negotiations in the UN General Assembly of the Comprehensive Convention on International Terrorism and its adoption by all Member States. We are determined to strengthen our cooperation in countering this global threat. We express our commitment to cooperate for strengthening international information security. We will pay special attention to combat cybercrime.
12. We note that the world economy is gradually recovering from the financial crisis, but still faces uncertainties. Major economies should continue to enhance coordination of macro-economic policies and work together to achieve strong, sustainable and balanced growth.

13. We are committed to assure that the BRICS countries will continue to enjoy strong and sustained economic growth supported by our increased cooperation in economic, finance and trade matters, which will contribute to the long-term steady, sound and balanced growth of the world economy.
14. We support the Group of Twenty (G20) in playing a bigger role in global economic governance as the premier forum for international economic cooperation. We expect new positive outcomes in the fields of economy, finance, trade and development from the G20 Cannes Summit in 2011. We support the ongoing efforts of G20 members to stabilize international financial markets, achieve strong, sustainable and balanced growth and support the growth and development of the global economy. Russia offers to host the G20 Summit in 2013. Brazil, India, China and South Africa welcome and appreciate Russia's offer.
15. We call for a quick achievement of the targets for the reform of the International Monetary Fund agreed to at previous G20 Summits and reiterate that the governing structure of the international financial institutions should reflect the changes in the world economy, increasing the voice and representation of emerging economies and developing countries.
16. Recognizing that the international financial crisis has exposed the inadequacies and deficiencies of the existing international monetary and financial system, we support the reform and improvement of the international monetary system, with a broad-based international reserve currency system providing stability and certainty. We welcome the current discussion about the role of the SDR in the existing international monetary system including the composition of SDR's basket of currencies. We call for more attention to the risks of massive cross-border capital flows now faced by the emerging economies. We call for further international financial regulatory oversight and reform, strengthening policy coordination and financial regulation and supervision

cooperation, and promoting the sound development of global financial markets and banking systems.

17. Excessive volatility in commodity prices, particularly those for food and energy, poses new risks for the ongoing recovery of the world economy. We support the international community in strengthening cooperation to ensure stability and strong development of physical market by reducing distortion and further regulate financial market. The international community should work together to increase production capacity, strengthen producer-consumer dialogue to balance supply and demand, and increase support to the developing countries in terms of funding and technologies. The regulation of the derivatives market for commodities should be accordingly strengthened to prevent activities capable of destabilizing markets. We also should address the problem of shortage of reliable and timely information on demand and supply at international, regional and national levels. The BRICS will carry out closer cooperation on food security.
18. We support the development and use of renewable energy resources. We recognize the important role which the renewable energy plays as a means to address climate change. We are convinced of the importance of cooperation and information exchange in the field of development of renewable energy resources.
19. Nuclear energy will continue to be an important element in future energy mix of BRICS countries. International cooperation in the development of safe nuclear energy for peaceful purposes should proceed under conditions of strict observance of relevant safety standards and requirements concerning design, construction and operation of nuclear power plants.
20. Accelerating sustainable growth of developing countries is one of the major challenges for the world. We believe that growth and development are central to addressing poverty and to achieving the MDG goals. Eradication of extreme poverty and hunger is a moral, social, political and economic imperative of

humankind and one of the greatest global challenges facing the world today, particularly in Least Developed Countries in Africa and elsewhere.

21. We call on the international community to actively implement the outcome document adopted by the High-level Plenary Meeting of the United Nations General Assembly on the Millennium Development Goals held in September 2010 and achieve the objectives of the MDGs by 2015 as scheduled.
22. Climate change is one of the global threats challenging the livelihood of communities and countries. China, Brazil, Russia and India appreciate and support South Africa's hosting of UNFCCC COP17/CMP7. We support the Cancun Agreements and are ready to make concerted efforts with the rest of the international community to bring a successful conclusion to the negotiations at the Durban Conference applying the mandate of the Bali Roadmap and in line with the principle of equity and common but differentiated responsibilities. We commit ourselves to work towards a comprehensive, balanced and binding outcome to strengthen the implementation of the United Nations Framework Convention on Climate Change and its Kyoto Protocol. The BRICS will intensify cooperation on the Durban conference. We will enhance our practical cooperation in adapting our economy and society to climate change.
23. Sustainable development, as illustrated by the Rio Declaration on Environment and Development, Agenda 21, the Johannesburg Plan of Implementation and multilateral environmental treaties, should be an important vehicle to advance economic growth. China, Russia, India and South Africa appreciate Brazil as the host of the 2012 UN Conference on Sustainable Development and look forward to working with Brazil to reach new political commitment and achieve positive and practical results in areas of economic growth, social development and environmental protection under the framework of sustainable development. Brazil, Russia, China and South Africa appreciate and support India's hosting of

the eleventh meeting of the Conference of the Parties to the Convention on Biological Diversity. Brazil, China and South Africa also appreciate and support the sixth meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety to be held in October 2012.

24. We underscore our firm commitment to strengthen dialogue and cooperation in the fields of social protection, decent work, gender equality, youth, and public health, including the fight against HIV /AIDS.
25. We support infrastructure development in Africa and its industrialization within framework of the New Partnership for Africa's Development (NEPAD).
26. We have agreed to continue further expanding and deepening economic, trade and investment cooperation among our countries. We encourage all countries to refrain from resorting to protectionist measures. We welcome the outcomes of the meeting of BRICS Trade Ministers held in Sanya on 13 April 2011. Brazil, China, India and South Africa remain committed and call upon other members to support a strong, open, rule-based multilateral trading system embodied in the World Trade Organization and a successful, comprehensive and balanced conclusion of the Doha Development Round, built on the progress already made and consistent with its development mandate. Brazil, India, China and South Africa extend full support to an early accession of Russia to the World Trade Organization.
27. We reviewed the progress of the BRICS cooperation in various fields and share the view that such cooperation has been enriching and mutually beneficial and that there is a great scope for closer cooperation among the BRICS. We are focused on the consolidation of BRICS cooperation and the further development of its own agenda. We are determined to translate our political vision into concrete actions and endorse the attached Action Plan, which will serve as the foundation

for future cooperation. We will review the implementation of the Action Plan during our next Leaders Meeting.

28. We intend to explore cooperation in the sphere of science, technology and innovation, including the peaceful use of space. We congratulate the Russian people and government upon the 50th anniversary of the flight of Yury Gagarin into the space, which ushered in a new era in development of science and technology.
29. We express our confidence in the success of the 2011 Universiade in Shenzhen, the 2013 Universiade in Kazan, the 2014 Youth Olympic Games in Nanjing, the 2014 Winter Olympic and Paralympics Games in Sochi, the FIFA 2014 World Cup in Brazil, the 2016 Olympic and Paralympics Games in Rio de Janeiro and the FIFA 2018 World Cup in Russia.
30. We extend our deepest condolences to the people of Japan with the great loss of life following the disasters that struck the country. We will continue our practical support to Japan in overcoming consequences of these catastrophes.
31. The leaders of Brazil, Russia, India and South Africa extend our warm appreciation to China for hosting the BRICS Leaders Meeting and the Hainan Provincial Government and Sanya Municipal Government and their people for their support to the Meeting.
32. Brazil, Russia, China and South Africa thank India for hosting the BRICS Leaders Meeting in 2012 and offer their full support.

Action Plan

We formulated the Action Plan, laying the foundation for the BRICS cooperation, with the purpose to strengthen BRICS cooperation and benefit our peoples.

I. Enhance existing cooperation programs

1. Hold the third Meeting of High Representatives for Security Issues in the latter half of 2011 in China.

2. Hold the meeting of Ministers of Foreign Affairs during the 66th Session of the United Nations General Assembly.
3. Hold sherpas/sous-sherpas meeting in due time.
4. Representatives to international organizations based in New York and Geneva meet periodically in an informal manner.
5. Ministers of Finance and Governors of Central Banks meet under the G20 framework and during the annual meetings of the World Bank and International Monetary Fund.
6. Hold the Meeting of Agriculture Expert Working Group and the second Meeting of Ministers of Agriculture in 2011 in China, and cooperate in issues including establishment of BRICS System of Agricultural Information and holding a seminar on food security.
7. Hold the Meeting of the heads of the National Statistical Institutions in September 2011 in China.
8. Hold the second BRICS International Competition Conference in September 2011 in China, and explore the possibility of signing an Agreement on Cooperation between Antimonopoly Agencies.
9. Continue to hold the BRICS Think-tank Symposiums, and consider establishing a network of research centers of all BRICS countries.
10. Hold another Business Forum prior to the next BRICS Leaders Meeting.
11. Strengthen financial cooperation among the BRICS Development Banks.
12. Implement the Protocol of Intent among the BRIC Countries' Supreme Courts.
13. Release the Joint Statistical Publication by BRICS Countries.
14. Continue to hold the Meeting of Cooperatives.

II. New areas of cooperation

1. Host the first BRICS Friendship Cities and Local Governments Cooperation Forum in 2011 in China.

2. Host the Meeting of Ministers of Health in 2011 in China.
3. Engage in joint research on economic and trade issues.
4. Update, as appropriate, the Bibliography on the BRICS countries.

III. New proposals to explore

1. Cooperate in the cultural field according to the agreement of the BRICS leaders.
2. Encourage cooperation in sports.
3. Explore the feasibility to cooperate in the field of green economy.
4. Hold a meeting of Senior Officials for discussing ways of promoting scientific, technological and innovation cooperation in BRICS format, including by establishment a working group on cooperation in pharmaceutical industry.
5. Establish, at UNESCO, a "BRICS-UNESCO Group", aiming at developing common strategies within the mandate of the Organization.

Joint Statement of the IV Summit of Heads of State/Government

New Delhi, India, March 29, 2012

BRICS Partnership for Global Stability, Security and Prosperity

Delhi Declaration

1. We, the leaders of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, met in New Delhi, India, on 29 March 2012 at the Fourth BRICS Summit. Our discussions, under the overarching theme, "BRICS Partnership for Global Stability, Security and Prosperity", were conducted in an atmosphere of cordiality and warmth and inspired by a shared desire to further strengthen our partnership for common development and take our cooperation forward on the basis of openness, solidarity, mutual understanding and trust.
2. We met against the backdrop of developments and changes of contemporary global and regional importance - a faltering global recovery made more complex by the situation in the euro zone; concerns of sustainable development and climate change which take on greater relevance as we approach the UN Conference on Sustainable Development (Rio+20) and the Conference of Parties to the Convention on Biological Diversity being hosted in Brazil and India respectively later this year; the upcoming G20 Summit in Mexico and the recent 8th WTO Ministerial Conference in Geneva; and the developing political scenario in the Middle East and North Africa that we view with increasing concern. Our deliberations today reflected our consensus to remain engaged with the

world community as we address these challenges to global well-being and stability in a responsible and constructive manner.

3. BRICS is a platform for dialogue and cooperation amongst countries that represent 43% of the world's population, for the promotion of peace, security and development in a multi-polar, inter-dependent and increasingly complex, globalizing world. Coming, as we do, from Asia, Africa, Europe and Latin America, the transcontinental dimension of our interaction adds to its value and significance.
4. We envision a future marked by global peace, economic and social progress and enlightened scientific temper. We stand ready to work with others, developed and developing countries together, on the basis of universally recognized norms of international law and multilateral decision making, to deal with the challenges and the opportunities before the world today. Strengthened representation of emerging and developing countries in the institutions of global governance will enhance their effectiveness in achieving this objective.
5. We are concerned over the current global economic situation. While the BRICS recovered relatively quickly from the global crisis, growth prospects worldwide have again got dampened by market instability especially in the euro zone. The build-up of sovereign debt and concerns over medium to long-term fiscal adjustment in advanced countries are creating an uncertain environment for global growth. Further, excessive liquidity from the aggressive policy actions taken by central banks to stabilize their domestic economies have been spilling over into emerging market economies, fostering excessive volatility in capital flows and commodity prices. The immediate priority at hand is to restore market confidence and get global growth back on track. We will work with the international community to ensure international policy coordination to maintain macroeconomic stability conducive to the healthy recovery of the global economy.

6. We believe that it is critical for advanced economies to adopt responsible macroeconomic and financial policies, avoid creating excessive global liquidity and undertake structural reforms to lift growth that create jobs. We draw attention to the risks of large and volatile cross-border capital flows being faced by the emerging economies. We call for further international financial regulatory oversight and reform, strengthening policy coordination and financial regulation and supervision cooperation, and promoting the sound development of global financial markets and banking systems.
7. In this context, we believe that the primary role of the G20 as premier forum for international economic cooperation at this juncture is to facilitate enhanced macroeconomic policy coordination, to enable global economic recovery and secure financial stability, including through an improved international monetary and financial architecture. We approach the next G20 Summit in Mexico with a commitment to work with the Presidency, all members and the international community to achieve positive results, consistent with national policy frameworks, to ensure strong, sustainable and balanced growth.
8. We recognize the importance of the global financial architecture in maintaining the stability and integrity of the global monetary and financial system. We therefore call for a more representative international financial architecture, with an increase in the voice and representation of developing countries and the establishment and improvement of a just international monetary system that can serve the interests of all countries and support the development of emerging and developing economies. Moreover, these economies having experienced broad-based growth are now significant contributors to global recovery.
9. We are however concerned at the slow pace of quota and governance reforms in the IMF. We see an urgent need to implement, as agreed, the 2010 Governance and Quota Reform before the 2012 IMF/World Bank Annual Meeting,

as well as the comprehensive review of the quota formula to better reflect economic weights and enhance the voice and representation of emerging market and developing countries by January 2013, followed by the completion of the next general quota review by January 2014. This dynamic process of reform is necessary to ensure the legitimacy and effectiveness of the Fund. We stress that the ongoing effort to increase the lending capacity of the IMF will only be successful if there is confidence that the entire membership of the institution is truly committed to implement the 2010 Reform faithfully. We will work with the international community to ensure that sufficient resources can be mobilized to the IMF in a timely manner as the Fund continues its transition to improve governance and legitimacy. We reiterate our support for measures to protect the voice and representation of the IMF's poorest members.

10. We call upon the IMF to make its surveillance framework more integrated and even-handed, noting that IMF proposals for a new integrated decision on surveillance would be considered before the IMF Spring Meeting.
11. In the current global economic environment, we recognise that there is a pressing need for enhancing the flow of development finance to emerging and developing countries. We therefore call upon the World Bank to give greater priority to mobilising resources and meeting the needs of development finance while reducing lending costs and adopting innovative lending tools.
12. We welcome the candidatures from developing world for the position of the President of the World Bank. We reiterate that the Heads of IMF and World Bank be selected through an open and merit-based process. Furthermore, the new World Bank leadership must commit to transform the Bank into a multilateral institution that truly reflects the vision of all its members, including the governance structure that reflects current economic and political reality. Moreover, the nature of the Bank must shift from an institution that essentially

mediates North-South cooperation to an institution that promotes equal partnership with all countries as a way to deal with development issues and to overcome an outdated donor-recipient dichotomy.

13. We have considered the possibility of setting up a new Development Bank for mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development. We direct our Finance Ministers to examine the feasibility and viability of such an initiative, set up a joint working group for further study, and report back to us by the next Summit.
14. Brazil, India, China and South Africa look forward to the Russian Presidency of G20 in 2013 and extend their cooperation.
15. Brazil, India, China and South Africa congratulate the Russian Federation on its accession to the WTO. This makes the WTO more representative and strengthens the rule-based multilateral trading system. We commit to working together to safeguard this system and urge other countries to resist all forms of trade protectionism and disguised restrictions on trade.
16. We will continue our efforts for the successful conclusion of the Doha Round, based on the progress made and in keeping with its mandate. Towards this end, we will explore outcomes in specific areas where progress is possible while preserving the centrality of development and within the overall framework of the single undertaking. We do not support plurilateral initiatives that go against the fundamental principles of transparency, inclusiveness and multilateralism. We believe that such initiatives not only distract members from striving for a collective outcome but also fail to address the development deficit inherited from previous negotiating rounds. Once the ratification process is completed, Russia intends to participate in an active and constructive manner

for a balanced outcome of the Doha Round that will help strengthen and develop the multilateral trade system.

17. Considering UNCTAD to be the focal point in the UN system for the treatment of trade and development issues, we intend to invest in improving its traditional activities of consensus-building, technical cooperation and research on issues of economic development and trade. We reiterate our willingness to actively contribute to the achievement of a successful UNCTAD XIII, in April 2012.
18. We agree to build upon our synergies and to work together to intensify trade and investment flows among our countries to advance our respective industrial development and employment objectives. We welcome the outcomes of the second Meeting of BRICS Trade Ministers held in New Delhi on 28 March 2012. We support the regular consultations amongst our Trade Ministers and consider taking suitable measures to facilitate further consolidation of our trade and economic ties. We welcome the conclusion of the Master Agreement on Extending Credit Facility in Local Currency under BRICS Interbank Cooperation Mechanism and the Multilateral Letter of Credit Confirmation Facility Agreement between our EXIM/Development Banks. We believe that these Agreements will serve as useful enabling instruments for enhancing intra-BRICS trade in coming years.
19. We recognize the vital importance that stability, peace and security of the Middle East and North Africa holds for all of us, for the international community, and above all for the countries and their citizens themselves whose lives have been affected by the turbulence that has erupted in the region. We wish to see these countries living in peace and regain stability and prosperity as respected members of the global community.
20. We agree that the period of transformation taking place in the Middle East and North Africa should not be used as a pretext to delay resolution of lasting conflicts but rather it should serve as an incentive to settle them, in particular the Arab-Israeli

conflict. Resolution of this and other long-standing regional issues would generally improve the situation in the Middle East and North Africa. Thus we confirm our commitment to achieving comprehensive, just and lasting settlement of the Arab-Israeli conflict on the basis of the universally recognized international legal framework including the relevant UN resolutions, the Madrid principles and the Arab Peace Initiative. We encourage the Quartet to intensify its efforts and call for greater involvement of the UN Security Council in search for a resolution of the Israeli-Palestinian conflict. We also underscore the importance of direct negotiations between the parties to reach final settlement. We call upon Palestinians and Israelis to take constructive measures, rebuild mutual trust and create the right conditions for restarting negotiations, while avoiding unilateral steps, in particular settlement activity in the Occupied Palestinian Territories.

21. We express our deep concern at the current situation in Syria and call for an immediate end to all violence and violations of human rights in that country. Global interests would best be served by dealing with the crisis through peaceful means that encourage broad national dialogues that reflect the legitimate aspirations of all sections of Syrian society and respect Syrian independence, territorial integrity and sovereignty. Our objective is to facilitate a Syrian-led inclusive political process, and we welcome the joint efforts of the United Nations and the Arab League to this end. We encourage the Syrian government and all sections of Syrian society to demonstrate the political will to initiate such a process, which alone can create a new environment for peace. We welcome the appointment of Mr. Kofi Anan as the Joint Special Envoy on the Syrian crisis and the progress made so far, and support him in continuing to play a constructive role in bringing about the political resolution of the crisis.
22. The situation concerning Iran cannot be allowed to escalate into conflict, the disastrous consequences of which will be in no one's interest. Iran has a crucial role to play for the

peaceful development and prosperity of a region of high political and economic relevance, and we look to it to play its part as a responsible member of the global community. We are concerned about the situation that is emerging around Iran's nuclear issue. We recognize Iran's right to peaceful uses of nuclear energy consistent with its international obligations, and support resolution of the issues involved through political and diplomatic means and dialogue between the parties concerned, including between the IAEA and Iran and in accordance with the provisions of the relevant UN Security Council Resolutions.

23. Afghanistan needs time, development assistance and cooperation, preferential access to world markets, foreign investment and a clear end-state strategy to attain lasting peace and stability. We support the global community's commitment to Afghanistan, enunciated at the Bonn International Conference in December 2011, to remain engaged over the transformation decade from 2015-2024. We affirm our commitment to support Afghanistan's emergence as a peaceful, stable and democratic state, free of terrorism and extremism, and underscore the need for more effective regional and international cooperation for the stabilisation of Afghanistan, including by combating terrorism.
24. We extend support to the efforts aimed at combating illicit traffic in opiates originating in Afghanistan within the framework of the Paris Pact.
25. We reiterate that there can be no justification, whatsoever, for any act of terrorism in any form or manifestation. We reaffirm our determination to strengthen cooperation in countering this menace and believe that the United Nations has a central role in coordinating international action against terrorism, within the framework of the UN Charter and in accordance with principles and norms of international law. We emphasize the need for an early finalization of the draft of the Comprehensive Convention on International Terrorism in the UN General Assembly and its adoption by all Member

States to provide a comprehensive legal framework to address this global scourge.

26. We express our strong commitment to multilateral diplomacy with the United Nations playing a central role in dealing with global challenges and threats. In this regard, we reaffirm the need for a comprehensive reform of the UN, including its Security Council, with a view to making it more effective, efficient and representative so that it can deal with today's global challenges more successfully. China and Russia reiterate the importance they attach to the status of Brazil, India and South Africa in international affairs and support their aspiration to play a greater role in the UN.
27. We recall our close coordination in the Security Council during the year 2011, and underscore our commitment to work together in the UN to continue our cooperation and strengthen multilateral approaches on issues pertaining to global peace and security in the years to come.
28. Accelerating growth and sustainable development, along with food, and energy security, are amongst the most important challenges facing the world today, and central to addressing economic development, eradicating poverty, combating hunger and malnutrition in many developing countries. Creating jobs needed to improve people's living standards worldwide is critical. Sustainable development is also a key element of our agenda for global recovery and investment for future growth. We owe this responsibility to our future generations.
29. We congratulate South Africa on the successful hosting of the 17th Conference of Parties to the United Nations Framework Convention on Climate Change and the 7th Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP17/CMP7) in December 2011. We welcome the significant outcomes of the Conference and are ready to work with the international community to implement its decisions in accordance with the principles of equity and common but differentiated responsibilities and respective capabilities.

30. We are fully committed to playing our part in the global fight against climate change and will contribute to the global effort in dealing with climate change issues through sustainable and inclusive growth and not by capping development. We emphasize that developed country Parties to the UNFCCC shall provide enhanced financial, technology and capacity building support for the preparation and implementation of nationally appropriate mitigation actions of developing countries.
31. We believe that the UN Conference on Sustainable Development (Rio+20) is a unique opportunity for the international community to renew its high-level political commitment to supporting the overarching sustainable development framework encompassing inclusive economic growth and development, social progress and environment protection in accordance with the principles and provisions of the Rio Declaration on Environment and Development, including the principle of common but differentiated responsibilities, Agenda 21 and the Johannesburg Plan of Implementation.
32. We consider that sustainable development should be the main paradigm in environmental issues, as well as for economic and social strategies. We acknowledge the relevance and focus of the main themes for the Conference namely, Green Economy in the context of Sustainable Development and Poverty Eradication (GESDPE) as well as Institutional Framework for Sustainable Development (IFSD).
33. China, Russia, India and South Africa look forward to working with Brazil as the host of this important Conference in June, for a successful and practical outcome. Brazil, Russia, China and South Africa also pledge their support to working with India as it hosts the 11th meeting of the Conference of Parties to the Convention on Biological Diversity in October 2012 and look forward to a positive outcome. We will continue our efforts for the implementation of the Convention and its Protocols, with special attention to the Nagoya Protocol

on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization, Biodiversity Strategic Plan 2011-2020 and the Resource Mobilization Strategy.

34. We affirm that the concept of a 'green economy', still to be defined at Rio+20, must be understood in the larger framework of sustainable development and poverty eradication and is a means to achieve these fundamental and overriding priorities, not an end in itself. National authorities must be given the flexibility and policy space to make their own choices out of a broad menu of options and define their paths towards sustainable development based on the country's stage of development, national strategies, circumstances and priorities. We resist the introduction of trade and investment barriers in any form on the grounds of developing green economy.
35. The Millennium Development Goals remain a fundamental milestone in the development agenda. To enable developing countries to obtain maximal results in attaining their Millennium Development Goals by the agreed time-line of 2015, we must ensure that growth in these countries is not affected. Any slowdown would have serious consequences for the world economy. Attainment of the MDGs is fundamental to ensuring inclusive, equitable and sustainable global growth and would require continued focus on these goals even beyond 2015, entailing enhanced financing support.
36. We attach the highest importance to economic growth that supports development and stability in Africa, as many of these countries have not yet realised their full economic potential. We will take our cooperation forward to support their efforts to accelerate the diversification and modernisation of their economies. This will be through infrastructure development, knowledge exchange and support for increased access to technology, enhanced capacity building, and investment in human capital, including within the framework of the New Partnership for Africa's Development (NEPAD).

37. We express our commitment to the alleviation of the humanitarian crisis that still affects millions of people in the Horn of Africa and support international efforts to this end.
38. Excessive volatility in commodity prices, particularly those for food and energy, poses additional risks for the recovery of the world economy. Improved regulation of the derivatives market for commodities is essential to avoid destabilizing impacts on food and energy supplies. We believe that increased energy production capacities and strengthened producer-consumer dialogue are important initiatives that would help in arresting such price volatility.
39. Energy based on fossil fuels will continue to dominate the energy mix for the foreseeable future. We will expand sourcing of clean and renewable energy, and use of energy efficient and alternative technologies, to meet the increasing demand of our economies and our people, and respond to climate concerns as well. In this context, we emphasise that international cooperation in the development of safe nuclear energy for peaceful purposes should proceed under conditions of strict observance of relevant safety standards and requirements concerning design, construction and operation of nuclear power plants. We stress IAEA's essential role in the joint efforts of the international community towards enhancing nuclear safety standards with a view to increasing public confidence in nuclear energy as a clean, affordable, safe and secure source of energy, vital to meeting global energy demands.
40. We have taken note of the substantive efforts made in taking intra-BRICS cooperation forward in a number of sectors so far. We are convinced that there is a storehouse of knowledge, know-how, capacities and best practices available in our countries that we can share and on which we can build meaningful cooperation for the benefit of our peoples. We have endorsed an Action Plan for the coming year with this objective.
41. We appreciate the outcomes of the Second Meeting of BRICS Ministers of Agriculture and Agrarian Development at

Chengdu, China in October 2011. We direct our Ministers to take this process forward with particular focus on the potential of cooperation amongst the BRICS to contribute effectively to global food security and nutrition through improved agriculture production and productivity, transparency in markets and reducing excessive volatility in commodity prices, thereby making a difference in the quality of lives of the people particularly in the developing world.

42. Most of BRICS countries face a number of similar public health challenges, including universal access to health services, access to health technologies, including medicines, increasing costs and the growing burden of both communicable and non-communicable diseases. We direct that the BRICS Health Ministers meetings, of which the first was held in Beijing in July 2011, should henceforth be institutionalized in order to address these common challenges in the most cost-effective, equitable and sustainable manner.
43. We have taken note of the meeting of S&T Senior Officials in Dalian, China in September 2011, and, in particular, the growing capacities for research and development and innovation in our countries. We encourage this process both in priority areas of food, pharma, health and energy as well as basic research in the emerging inter-disciplinary fields of nanotechnology, biotechnology, advanced materials science, etc. We encourage flow of knowledge amongst our research institutions through joint projects, workshops and exchanges of young scientists.
44. The challenges of rapid urbanization, faced by all developing societies including our own, are multi-dimensional in nature covering a diversity of inter-linked issues. We direct our respective authorities to coordinate efforts and learn from best practices and technologies available that can make a meaningful difference to our societies. We note with appreciation the first meeting of BRICS Friendship Cities held in Sanya in December 2011 and will take this process forward with an Urbanization and Urban Infrastructure Forum

along with the Second BRICS Friendship Cities and Local Governments Cooperation Forum.

45. Given our growing needs for renewable energy resources as well as on energy efficient and environmentally friendly technologies, and our complementary strengths in these areas, we agree to exchange knowledge, know-how, technology and best practices in these areas.
46. It gives us pleasure to release the first ever BRICS Report, coordinated by India, with its special focus on the synergies and complementarities in our economies. We welcome the outcomes of the cooperation among the National Statistical Institutions of BRICS and take note that the updated edition of the BRICS Statistical Publication, released today, serves as a useful reference on BRICS countries.
47. We express our satisfaction at the convening of the III BRICS Business Forum and the II Financial Forum and acknowledge their role in stimulating trade relations among our countries. In this context, we welcome the setting up of BRICS Exchange Alliance, a joint initiative by related BRICS securities exchanges.
48. We encourage expanding the channels of communication, exchanges and people-to-people contact amongst the BRICS, including in the areas of youth, education, culture, tourism and sports.
49. Brazil, Russia, China and South Africa extend their warm appreciation and sincere gratitude to the Government and the people of India for hosting the Fourth BRICS Summit in New Delhi.
50. Brazil, Russia, India and China thank South Africa for its offer to host the Fifth BRICS Summit in 2013 and pledge their full support.

Delhi Action Plan

1. Meeting of BRICS Foreign Ministers on sidelines of UNGA
2. Meetings of Finance Ministers and Central Bank Governors on sidelines of G20 meetings/other multilateral (WB/IMF) meetings.
3. Meeting of financial and fiscal authorities on the sidelines of WB/IMF meetings as well as stand-alone meetings, as required.
4. Meetings of BRICS Trade Ministers on the margins of multilateral events, or stand-alone meetings, as required.
5. The Third Meeting of BRICS Ministers of Agriculture, preceded by a preparatory meeting of experts on agro-products and food security issues and the second Meeting of Agriculture Expert Working Group.
6. Meeting of BRICS High Representatives responsible for national security.
7. The Second BRICS Senior Officials' Meeting on S&T.
8. The First meeting of the BRICS Urbanisation Forum and the second BRICS Friendship Cities and Local Governments Cooperation Forum in 2012 in India.
9. The Second Meeting of BRICS Health Ministers.
10. Mid-term meeting of Sous-Sherpas and Sherpas.
11. Mid-term meeting of CGETI (Contact Group on Economic and Trade Issues).
12. The Third Meeting of BRICS Competition Authorities in 2013.
13. Meeting of experts on a new Development Bank.
14. Meeting of financial authorities to follow up on the findings of the BRICS Report.
15. Consultations amongst BRICS Permanent Missions in New York, Vienna and Geneva, as required.
16. Consultative meeting of BRICS Senior Officials on the margins of relevant environment and climate related international fora, as necessary.

17. New Areas of Cooperation to explore:
    i. Multilateral energy cooperation within BRICS framework.
    ii. A general academic evaluation and future long-term strategy for BRICS.
    iii. BRICS Youth Policy Dialogue.
    iv. Cooperation in Population related issues.

Participants in the Roundtables



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Rezkallah Tuma

Member of the Superior Council of External Trade of the Federation of Industries of the State of São Paulo (FIESP). President of the Parliamentary State Council of Communities of Foreign Roots and Cultures - CONSCRE (2004-2005). Member of the Brazilian delegation to the XVI Pan American Arab Congress, where he was elected to participate in the Executive Council of the Federation of American-Arab Entities. Graduated in Law.



Ronaldo Mota Sardenberg

Brazilian diplomat. Graduated in Law from the National Faculty of Law – University of Brazil (RJ) in 1963. Graduated from the Rio Branco Institute (IRBr) in 1964. Joined the Foreign Service and became First Class Minister in 1983. Ambassador of Brazil in Moscow and Madrid. Twice appointed Permanent Representative of Brazil to the United Nations. Head of the Brazilian delegation to the Security Council (1993-1994 and 2004-2005). Head of the Secretariat for Strategic Affairs of the Presidency of the Republic, responsible for nuclear and space policies and for issues linked to Project SIPAM/SIVAM, research for the security of communications, Project Brazil 2020 and Calha Norte Program (PCN). Minister for Science, Technology (MCT) and Innovation (July 1999 to 2002). President of the National Conference on Science, Technology and Innovation. Responsible for the launching and institutionalization of the Sectoral Scientific Development Funds, creation of the Strategic Management and Studies Center (CGEE), National Programs of Information Society, Basic Industrial Technology, Technological Services for Innovation and Competitiveness, and Science and Technology for Social Development. Also responsible for structuring international cooperation at the MCT and nuclear and space policies. President of the Inter-Ministerial Committee on Global Climate Change.



Rubens Antônio Barbosa

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Tatiana Prazeres

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