

China's "New Multilateralism" and the Rise of BRIC A Realist Interpretation of a "Multipolar" World Order

Jagannath P. Panda

ASIA PAPER
February 2011



Institute for Security &
Development Policy

**China's
"New Multilateralism" and
the Rise of BRIC
A Realist Interpretation of a
"Multipolar" World Order**

Jagannath P. Panda

China's "New Multilateralism" and the Rise of BRIC: A Realist Interpretation of a "Multipolar" World Order is an *Asia Paper* published by the Institute for Security and Development Policy. The *Asia Papers Series* is the Occasional Paper series of the Institute's Asia Program, and addresses topical and timely subjects. The Institute is based in Stockholm, Sweden, and cooperates closely with research centers worldwide. Through its Silk Road Studies Program, the Institute runs a joint Transatlantic Research and Policy Center with the Central Asia-Caucasus Institute of Johns Hopkins University's School of Advanced International Studies. The Institute is firmly established as a leading research and policy center, serving a large and diverse community of analysts, scholars, policy-watchers, business leaders, and journalists. It is at the forefront of research on issues of conflict, security, and development. Through its applied research, publications, research cooperation, public lectures, and seminars, it functions as a focal point for academic, policy, and public discussion.

The opinions and conclusions expressed are those of the author and do not necessarily reflect the views of the Institute for Security and Development Policy or its sponsors.

© Institute for Security and Development Policy, 2011

ISBN: 978-91-86635-03-9

Printed in Singapore

Distributed in Europe by:

Institute for Security and Development Policy
Västra Finnbodavägen 2, 131 30 Stockholm-Nacka, Sweden
Tel. +46-841056953; Fax. +46-86403370
Email: info@isd.eu

Distributed in North America by:

The Central Asia-Caucasus Institute
Paul H. Nitze School of Advanced International Studies
1619 Massachusetts Ave. NW, Washington, D.C. 20036
Tel. +1-202-663-7723; Fax. +1-202-663-7785
E-mail: caci2@jhuadig.admin.jhu.edu

Editorial correspondence should be addressed to Dr. Bert Edström at: bedstrom@isd.eu

Contents

Executive Summary5

Introduction7

The Conceptual Construction: Reading China’s Multilateral Statements ...11

China and the Evolution of BRIC18

China’s Approach to BRIC31

BRIC as a Platform for China’s Grand Strategy35

An Assessment43

About the Author49

Executive Summary

Strategic thinkers around the world are currently speculating if China will lead the evolution and formation of a new world order. Intellectual consensus confirming at some level that China is emerging as the most significant power and the emergence of a new world order is surrounded by its rise. Many see the People's Republic of China as a rising superpower predicted to emerge as a more mature and accommodative power by the middle of this century. The others foresee a brutal, anachronistic and more authoritarian regime in the making, posing a warning to rest of the world. In the milieu of this complexity, some find it difficult to understand China, whereas others remain skeptical in holding a view about the Chinese model of progress and its international strategic behavior.

Debate gets divided in judging China's progress, but it is generally conceded that it is emerging as a powerful player on the world stage and shaping the contours of a new emerging world order. In prism of this dialogue, greater attention goes to the rise of Brazil–Russia–India–China (BRIC) where China holds its economic supremacy. Within the dialogue of BRIC, the significance of China remains the most attractive phenomenon. The emergence of China as one of the most powerful player at global politics makes everyone cautious and compels to consider if the world is still unipolar in nature. China's post-Deng Xiaoping foreign policy dynamics is concentrated heavily on multilateralism and international regimes and organizations. As China's global interest have expanded over the years, the country has accordingly optimized its use and partaking in global organizations in order to avail more facilities, goods and information from the international system. China's partaking in BRIC is a subject matter that invites debate and discussion.

Moreover, the ever-growing Chinese involvement in multilateral dialogue bodies has generated much debate, prompting many to believe that it seeks to influence, shape and preserve the status quo in regional and global affairs. This is important, as the discourse of history suggests that membership in various multilateral bodies is an unreliable variable for forecasting the intentions of any power or its impact on the global balance of power politics. Therefore, it is speculated that keeping interests in emerging

multilateral dialogue processes might allow Beijing to deflect doubt at multiple levels while continuing to raise its global power and ambitions. It is indeed safe to argue that China possesses greater ability today to shape and form the political, economic and strategic contours of any organizations due to its economic supremacy. This paper is an attempt to verify the debate whether the association with BRIC is instrumental to China's global strategy and key to its various global strategic objectives. The main thrust of this paper is to examine the extent to which China benefits within the frame of BRIC. The paper argues that the club of BRIC permits China to work with mainstream developing countries to expand its clout and formulate new global rules without having to fulfill the requisites of developed countries.

Introduction

Should the emerging global powers – characterized by their growing economic brawn – be facilitated to attain greater geopolitical clout at the global level? This debate concerns the Brazil–Russia–India–China (BRIC) group. Strategic thinkers around the world are speculating on two major issues: Can the world’s largest emerging markets translate their embryonic economic power into larger geopolitical influence? And if yes, is the rise of BRIC the collateral starting point of a “multipolar” world order? The neocon idea of the U.S.-dominated unipolar world is rapidly fading away. Specialists are already debating the nature of global politics around multiple terminologies like “nonpolarity,” “post-American world,” “decline of the West,” or the “rise of the rest.”¹ A highlight of this scenario is the growing political scope and influence of the BRIC countries in world affairs, particularly of the People’s Republic of China (PRC).

While the issue remains unsettled whether China is a developed or developing country, China’s growing assertiveness cannot be missed. Li Hongwei notes in the *People’s Daily* (*Renmin Ribao*):

The increasing popularity of multilateral institutions, and the fact that Beijing is growing up to be a visible player in multilateral cooperation on various occasions, might have prompted China to reset its diplomatic strategies, as a new phenomenon seen currently in many of the international events indicates China is now prepared to play a more active and substantial role and, in a departure from its stereotyped international image, seeking to voice its opinions.²

¹ “Nonpolarity” broadly implies “numerous centers with meaningful powers.” For details, see Richard N. Haass, “The Age of Non-polarity: What Will Follow U.S. Dominance,” *Foreign Affairs*, May–June 2008. Fareed Zakaria argues in his *The Post-American World* (New York: W.W. Norton, 2008) that while the U.S. continues to dominate in political-military power, other countries such as India and China are becoming important powers in other sectors. The phrase “decline of the West,” coined in 1918 by the German author Oswald Spengler is currently in frequent use.

² Li Hongwei, “China’s Embrace of Multilateral Institutions: From a have-to to an active diplomacy,” *People’s Daily* (online), June 23, 2009, <http://english.peopledaily.com.cn/90002/96417/6684316.html> (accessed July 19, 2010).

Similar opinion pieces are common in China now days. Dismissing any notion of becoming aggressive in its global posturing, official Chinese experts maintain that “China’s assertiveness reflects only in confidence in its position in the international community and is based on a more rational perception of its place in the world,”³ that the Chinese focus is on “multilateral diplomacy” and “partnership with the developing countries” to solve the emerging issues.⁴ At the same time, China is advertised as the most effective “participant and builder” of the international system.⁵

The debate is actually densed. China’s growing involvement in multilateral bodies has created much debate, prompting many to believe that it seeks to influence, shape and preserve the status quo in regional and global affairs. As the history of global politics suggests, membership of multilateral bodies is an unreliable variable for forecasting China’s intentions or its impact on the balance of power. Interest in emerging multilateral bodies might allow Beijing to deflect doubt while continuing to raise its global profile and ambitions. It can also allow China to work with mainstream developing countries to expand its influence and formulate new global rules without having to fulfill the requisites of developed countries. China’s partaking in BRIC, in which an adversary power like India is involved, confirms this design. The Chinese acknowledge that BRIC is not entirely an economic entity, that strategic components are an essential part of this grouping.⁶

Main Crux of the Paper

This paper seeks to scrutinize the Chinese advocacy of BRIC order. The aim is to examine the practice and pledge of China’s “new multilateralism” in the context of BRIC as an organization in the Chinese diplomatic stratagem. The paper is not about BRIC *per se*; it’s about a dialogue within China’s diplomatic play within ad hoc and temporary alliances like BRIC. While the

³ Fang Lexian, “Peaceful Rise still way forward,” *China Daily*, June 7, 2010, http://www.chinadaily.com.cn/opinion/2010-06/07/content_9940870.htm (accessed September 21, 2010). Fang Lexian is a researcher with the School of International Studies, Renmin University of China, Beijing.

⁴ Ibid.

⁵ Wu Miaofa, “China’s Flourishing Multilateral Diplomacy,” *China International Studies*, March–April 2010, p. 40. Wu Miaofa is a Senior Research Fellow at CIIS, Beijing.

⁶ Wang Yusheng, “Bright prospects for BRIC,” *China Daily*, April 15, 2010, http://www.chinadaily.com.cn/opinion/2010-04/15/content_9731582.htm (accessed September 20, 2010).

focus would be on analyzing the scope of BRIC in the dialogue of China's "new multilateralism," the paper will also delve into the rationale behind China's interest in and support of institutions like BRIC.

In short, the paper intends to explore the Chinese dialogue on BRIC and highlight its hidden diplomatic objectives in partaking in the BRIC initiative. The aim is to point out the global objectives and issues that are at the core of the Chinese national security interests which BRIC may help to achieve. China's "new multilateralism" is congruent with "multipolarism," indicating a "multitrack" strategy to deal with the "rising" Western opposition, and maximize strategic interests by being counted as a developing country, by formulating an alliance with the developing countries and to shape the Chinese-desired future structure of global politics. This unseen recipe is "Chinese" and "political" in nature, as Beijing adapts to unusual practices and the global idea of multilateralism with its prudence of "Chinese characteristics." More interestingly, the dynamics of China's adjustment with BRIC members invites greater debate.

The Never-ending Dialogue

Goldman Sachs reported in *Dreaming with BRICs: the Path to 2050* (2003) that the "famous four" will outshine the G-7 economies in U.S. dollar terms in less than forty years. BRIC seems to be attracting global attention currently for its economic dynamism. Although Brazil contributes significantly to the phenomenon of BRIC's economic miracle, BRIC is primarily dominated by three prominent Asian powers. Further, China's rapid economic growth is much ahead of and more impressive than the other three BRIC members. The Chinese economy is larger than the other three BRIC economies combined. Chinese exports and its official foreign exchange reserve holdings are more than twice as large as those of the other three BRIC countries. Given the assorted temperaments of BRIC member states, the success of this initiative will to a great extent depend upon two interrelated things – China's rise and how China decides to maintain its relations with India and other powers. Though there is general consensus that China will dominate the evolving global order, there is less agreement about how the BRIC-desired world politics will actually unfold.

In addition, there is also doubt whether individual powers such as China will decide to confront the existing order and try to overthrow it.

Also, will BRIC stay united and grow to the extent of confronting the West? This paper intends to answer some of those related questions: how China's strategy in global cooperation is unfolding, and how much weight it carries in comparison with other powers, particularly in BRIC. A few related questions are: What is the new realist interpretation of China's adherence to "new multilateralism"? As a corollary, how does the scope of BRIC suit China's "multipolarism" theory? Will China always dictate the compass of BRIC? If yes, what role does it leave for Brazil, Russia and India to play? Is it going to be a strongly China-dominated affair?

The Conceptual Construction: Reading China's Multilateral Statements

Cross-disciplinary scholarship argues that decisive causes of a state's external activities may be identified in the structure of the global system.⁷ Three structural paradigms, analyzed here to situate the Chinese state in the evolving world order, are: political structure, economic structure and normative structure.

Political Structure

Realism, which prevailed until the 1970s as a theory of International Relations, overlooks the global structure and presupposes that the political and economic realms are essentially divided. Kenneth Waltz attempted to remedy this anomaly and provided a political theory of global politics as well as global economy. Waltz writes that "a system is composed of a structure and of interacting units," where structures are characterized foremost "according to the principle by which a system is ordered."⁸ This ordering is essentially "anarchy" or "politics in the absence of government."⁹ This anarchical order compels a state to face three types of structural constraints, namely, continued existence or survival, self-help and complementarity, and balancing own acts or behavior.¹⁰

Distribution of capabilities to influence others is a basic construct of global politics. Waltz suggests that the number of states makes the global political structure and the number of markets builds the market structure. The global structure is unipolar, bipolar or multipolar, depending upon the number of great powers. Any change in this order affects the global systemic graph. Anarchy compels a state to worry about its own stability; the polarity

⁷ Chen Zhimin, "Soft balancing and reciprocal engagement: International structures and China's foreign policy choices," in David Zweig and Chen Zhimin, eds., *China's Reform and International Political Economy* (London and New York: Routledge, 2007), p. 42.

⁸ Kenneth N. Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1979), pp. 79 and 100.

⁹ *Ibid.*, p. 89.

¹⁰ Chen Zhimin, "Soft balancing and reciprocal engagement," pp. 43–44.

of the global construction shapes state behavior further. Globalization poses fresh challenges to states, but globalization is not displacing states, because no non-state actor can equal the competence of the state.¹¹ Attempting to build a thrifty structural theory, Waltz restricts himself to two essential characters of the state as an entity: as security maximizer and as a military entity.¹² In an anarchical world, “security maximizer” states would seek to uphold the existing balance against the emerging powers; and the weaker states would form alliances to counter the currently dominant states.

The states of the twenty-first century however also search for capital or wealth and promotion of their identity while being conscious of the need to safeguard their security and survival. Aggressiveness is part of the quest for survival. For example, the Chinese scholar Jiemian Yang writes that “image-building” and “to break the Western monopoly of thoughts on the direction of international system” remain priorities.¹³ Similarly, Yang Wenchang writes that the “rising importance of economic factors in foreign relations” will remain a prime factor in Chinese foreign policy in the years to come.

Economic Structure

Generating wealth and resources is a priority for modern nation-states. According to Robert Gilpin, “economic issues certainly have become much more important since the end of the cold war and have displaced, for the United States and its allies, the prior overwhelming concern with military security.”¹⁴ China’s official “scientific development theory” concurs with this formulation. For example, Vice-President Xi Jinping opines that

¹¹ Kenneth Waltz, “Neo-Realism,” http://www.servinghistory.com/topics/Kenneth_Waltz:sub:Neorealism (accessed September 17, 2010); also see Waltz, *Theory of International Politics*. A similar line of argument is expressed in his paper “Structural Realism after the Cold War,” *International Security*, Vol. 25, No. 1 (Summer 2000), p. 39.

¹² Chen Zhimin, “Soft balancing and reciprocal engagement,” pp. 43–44.

¹³ Jiemian Yang, “Successful Practice and Creative Theory: China’s Diplomacy over 30 Years of Reform and Opening-up,” *Foreign Affairs Journal* [The Chinese People’s Institute of Foreign Affairs, Beijing], Winter 2008, pp. 78 and 81. This perspective is also reflected in non-Chinese (Mainland) scholars’ view. The author had an online interview (by email on October 19, 2010) with Dr. Mumin Chen of the Graduate Institute of International Politics, National Chung-Hsing University, Taichung, Taiwan. Dr. Chen agrees that the “discussions in China focus on how China parallels the U.S. or even can challenge U.S. leadership.”

¹⁴ Robert Gilpin, *Global Political Economy: Understanding the International Economic Order* (Princeton, NJ: Princeton University Press, 2001), p. 22.

Chinese officials must study thoroughly the "scientific outlook on development" to promote China's economic and social development.¹⁵ Scholars on the Chinese economic theory narrate how China has maximized its wealth, blending Marxism with contemporary capitalist theories.¹⁶ Globalization has facilitated privatization in China, without being formally inducted into the systemic practice. While most scholars maintain that privatization weakens the nation-state or the power of the state, privatization has shaped China's policies and politics without affecting its socialist discourse. A report by Xinhua Finance Limited acknowledges that "privately owned firms are generally more efficient than state-owned firms ... contribute to greater output and employment gains. It is therefore understandable that China, like many other countries, is privatizing formerly state-run companies to achieve these gains."¹⁷ China's gradual economic reform in the Deng Xiaoping dispensation has been a path of "creeping privatization," ejecting self-reliance gradually, with foreign investments being seen as the catalyst of China's prosperity.

Normative Structure

The identity of a state remains an important determinant of its future role and progress. Post-Cold War politics has clearly demonstrated a struggle between the Lockean and Kantian cultures. In the Lockean approach the developing and weak states uphold the world structure; the Kantian approach weighs in for the rich, powerful and minority states to fulfill that function. The clash between these two main cultural parameters shapes the modern state's behavior and leads to the phenomenon of states holding different positions at various stages of world history.

¹⁵ "Chinese Vice-President urges thorough study of scientific development theory," *Xinhua*, November 5, 2008, <http://english.people.com.cn/90001/90776/90785/6527421.html> (accessed September 17, 2010).

¹⁶ Bing Zhao, "China's Trade: Theory and Policy," *Asia-Pacific Economic Literature*, Vol. 5, No. 1 (2005), pp. 45–61.

¹⁷ Background Brief, *China Privatization Indicator*, Xinhua Finance and Milken Institute China Indicators, February 2008, p. 2. This report also mentions that seven out of the twenty most prominent companies of the world belong to China. Among them, Petro-China and the Industrial and Commercial Bank of China recently sold their shares to the public.

China's "New Multilateralism"

Seeking to promote its wealth, welfare, security and identity, China would want to bring necessary adjustments to its system in order to integrate with the evolving global structure. BRIC provides an opportunity in this direction for China. Close scrutiny of the Chinese multilateral strategy narrates that. Robert O. Keohane defines multilateralism as a "practice of coordinating national policies in groups of three or more states, through ad hoc arrangements or by means of institutions."¹⁸ This definition implies involvement of multilateral institutions and consequent policy adjustments. Attachment to global bodies or organizations – governmental or non-governmental or global or regional – is an essential practice of modern-states. Multilateralism was restricted in many senses in Chinese foreign policy as late as 1999.¹⁹ But beginning with the twenty-first century China has been integrating with the world vigorously and espousing multilateralism with a flurry of polygonal initiatives. Some of them were the first summit of the permanent members of the United Nations Security Council, promoting the economic integration process in Southeast Asia and East Asia, actively engaging in the launch of the new regional organizations in Northeast Asia and Central Asia, and advocating a multilateral solution package for the North Korean nuclear imbroglio. China has also recently signed several global treaties.²⁰ By associating with various global and regional bodies or groupings China is making a statement that it no longer sees these institutional affiliations negatively as a "potential means of punishing or coercing China."²¹ It also needs to be noted that the Chinese embrace of multilateral institutions is not limited to politics: it has been extended steadily to various areas like economics, culture, science and technology, and includes parameters like arms control, regional security and environment protection.

¹⁸ Robert O. Keohane, "Multilateralism: An Agenda for Research," *International Journal*, Vol. 45 (Autumn 1990), pp. 401–34.

¹⁹ Wang Yizhou, "China in the New Century and Multilateral Diplomacy," *Pacific Journal*, No. 4 (2001), p. 3.

²⁰ Samuel S. Kim, "Northeast Asia in the Local-Regional-Global Nexus: Multiple Challenges and Contending Explanations," in Samuel S. Kim, ed., *The International Relations in Northeast Asia* (Lanham, Md.: Rowman & Littlefield, 2004), p. 16.

²¹ Michael D. Swaine, "China: Exploiting a Strategic Opening," in Ashley J. Tellis and Michael Wills, eds., *Strategic Asia 2004–05: Confronting Terrorism in the Pursuit of Power* (Seattle, WA: The National Bureau of Asian Research, 2004), p. 72; see also Li Hongmei, "China's Embrace of Multilateral Institutions."

China's choice of multilateral involvement also bespeaks its self-confidence as a "rising power" and its perception of other associated powers.²² Undoubtedly, China is eager to have a more purposeful participation in both regional and global institutions to check U.S. influence.²³ China's practices of multilateralism are congruent with its emphasis on "multipolarism" in the post-Cold War world.²⁴ China clearly prefers a multipolar world to a unilateral world.²⁵ Multilateralism is an expedient for China that is "relatively weaker" than the Western powers. China seeks to build its own pole, associating itself with other powers at various levels to maximize its interests or to bargain for a better deal.

In this "new multilateralism" active participation with multilateral institutions or groups of states has been a hallmark of the Chinese foreign relations strategy. Beijing also visualizes a "less instrumental, more rule- and norm-based international order,"²⁶ endorsing dialogue of multipolarism. China's adherence to the dialogue of multilateralism is a consequence of the emerging trends in the global system and China's own maturity regarding the concept of security and its integration with the globe.²⁷ The Chinese discourse is constantly using new terminologies such as interdependence, globalization, win-win diplomacy, cooperative and comprehensive security,

²² Guoguang Wu and Helen Lansdowne, "International multilateralism with Chinese characteristics: Attitude changes, policy imperatives, and regional impacts," in Guoguang Wu and Helen Lansdowne, eds., *China Turns to Multilateralism: Foreign Policy and Regional Security* (London and New York: Routledge, 2008), p. 7.

²³ Author's interviews and interactions with experts from Taiwan (Dr. Mumin Chen), China (scholars from CICIR, SIIS, and SASS, etc.), Europe (SIPRI, ISDP in Sweden), the United States and India.

²⁴ Wu and Lansdowne, "International multilateralism with Chinese characteristics."

²⁵ For example, Liu Mingli argues that "the multipolar world has emerged since the end of the cold war, but the process is very slow. Decline theory was popular from time to time in the U.S. after World War II. But the U.S. remains the only superpower of the world. The emerging of BRIC is part of the process of a multi-polar world" (author's interview with Liu Mingli, CICIR, Beijing). See also Swaine, "China: Exploiting a Strategic Opening," p. 69. Non-Chinese scholars also confirm this aspect. Sangsoo Lee argues that "there is a multipolar world order emerging slowly at least until China becomes a more powerful country....China has strategically used the multilateralism for a while against the U.S. as China's power is still relatively weak comparing with the U.S." (author's interview with Dr. Sangsoo Lee, ISDP, Stockholm).

²⁶ Jianwei Wang, "China's Multilateral Diplomacy in the New Millennium," in Yong Deng and Fei-Ling Wang, eds., *China Rising: Power and Motivation in Chinese Foreign Policy* (Maryland: Rowman & Littlefield, 2005), p. 159.

²⁷ *Ibid.*, p. 160.

multipolarization, common interest and coordination.²⁸ A recent *China Daily* (*Zhongguo Ribao*) editorial states:

The emerging trend in the world today is the gradual evolution of world power towards relative equilibrium. It is an inevitable outcome of the growing move toward multipolarity and of deepening economic globalization and rapid revolution of science and technology.²⁹

This adoption of new terminology attests to the fact that the customary realistic pattern of approaching international thinking is getting refined in Chinese foreign policy to incorporate neo-liberal elements. Chinese elites, specialists and leadership agree that economic globalization makes nation-states inter-reliant: no single country or group can handle the emerging global challenges.³⁰ Interdependence is not limited to economics; it extends to security and political parameters too.³¹ In this milieu, multilateralism is considered an efficient instrument to address national security objectives. Multilateralism is being promoted not only based on changing global politics; it is also partly on account of China's changing position in global relations.³²

China's advocacy of multilateralism reflects its rhetorical concept of "democratic world order" where "all countries are equal and no country has the right to impose its will on others."³³ While the United States still remains the "sole superpower" in the Chinese formulation, a relative decline of U.S. supremacy in global politics has been noted, and the notion of a democratic world order might put some checks and balances on whatever U.S. dominance remains.³⁴ That way, China plans to gather adequate momentum to

²⁸ "FM: 'No Power Shift Eastward'," *China Daily* (online), August 2, 2010, http://www.chinadaily.com.cn/opinion/2010-08/02/content_11078582.htm (accessed August 14, 2010).

²⁹ Ibid.

³⁰ "Global Problems Call for Global Answers: Chinese FM," *People's Daily*, January 18, 2002.

³¹ Statement by Ambassador Hu Xiaodi, head of the Chinese delegation, at the First Committee of the Fifty-eighth Session of the United Nations General Assembly, October 3, 2003.

³² Jianwei Wang, "China's Multilateral Diplomacy in the New Millennium," p. 162.

³³ "U.S. Policy Reeking of Unilateralism," *China Daily*, April 1, 2003; also see Wang Yusheng, "Bright prospects for BRIC."

³⁴ Most Chinese, Taiwanese and Western experts agree with this view (based on my

project itself as a future superpower by granting some space to the other emerging powers around it, such as India. Therefore, Chinese acceptance of the significance of BRIC and pushing this abstract group to the next level remains a constructive formulation of its broader global strategy.

China and the Evolution of BRIC

Though Goldman Sachs is generally credited with first propounding the idea of BRIC, Russian experts and diplomats argue that President Vladimir Putin of Russia first suggested forming a “cooperative coalition of developing countries” as BRIC.³⁵ BRIC does not have a formal agreement, but its leaders have met each other both at bilateral and trilateral levels and have signed a few documents and agreements.

While the BRIC economies appear to have little in common, they were initially lumped together for three primary reasons: the size of population, their rapidly emerging economies and the ability of their governments to seemingly incorporate their economies seamlessly into the global markets and accept certain facets of globalization.³⁶ Collectively, BRIC member-states account for more than a quarter of the world’s land mass and more than 40 percent of the world population. Goldman Sachs suggests that their economic output and stock market values would catch up with those of the developed countries by 2039 and become the centre of world economic growth. The International Monetary Fund (IMF) states that BRIC economies with an annual growth of 10.7 percent between 2006 and 2008 have emerged as major contributors to the world economy.³⁷ “The Weight of BRIC,” an article in *China Daily*, notes: “With a combined GDP accounting for 15 percent of the US\$60.7 trillion global economy, the four BRIC countries are projected to be among the six largest economies in 2050 if the four of them can properly maintain policies and develop institutions that are supportive of growth.”³⁸ In addition to the broad economic prospects of BRIC countries, the growth potential of their equity markets is also something to watch out for. With a huge population of some 2.8 billion people with escalating

³⁵ Personal discussions with several Russian diplomats and scholars at IDSA, New Delhi.

³⁶ David Underwood, “BRIC Economies,” *The Global Dispatches*, March 1, 2010, <http://www.theglobaldispatches.com/articles/bric-economies--2> (accessed October 20, 2010).

³⁷ Liu Junhong, “BRIC building road to global economic recovery,” *China Daily*, June 18, 2009, http://www1.chinadaily.com.cn/opinion/2009-06/18/content_8296080.htm.

³⁸ “The Weight of BRIC,” *China Daily*, June 17, 2009, http://www.chinadaily.com.cn/china/2009sco/2009-06/17/content_8294249.htm (accessed November 12, 2009).

demand and consumption, BRIC member-states are also producers of high technology for the rest of the world.

BRIC markets have grown at 143 percent, while the world's markets grew at 21 percent between January 2002 and October 2009.³⁹ On the whole, BRIC have overcome the global financial crisis much more effectively than the developed countries.⁴⁰ The combined GDP of BRIC economies has more than tripled in the last decade, moving from US\$2.5 trillion to around US\$9 trillion. China is expected to grow at around 8.5 percent in 2010 as compared to the advanced economies' growth of just 0.6 percent. China's GDP growth has been about US\$3.5 trillion over the last ten years while the U.S. GDP rose by US\$4.7 trillion.⁴¹

While there is little doubt about the weight and significance of BRIC as an economic entity, BRIC's growth as a political entity is less certain. The first BRIC summit was held on 16 June 2009 at Yekaterinburg, Russia. Luiz Inácio Lula da Silva (Brazil), Dmitry Medvedev (Russia), Manmohan Singh (India) and Hu Jintao (China) attended it (Table 1). The centrality of this meeting was to tackle the global financial crisis, and how they could benefit by expanding their trade and financial cooperation with each other. They also focused upon reform of the international financial institutions. The foreign ministers of BRIC had met previously on May 16, 2008 in Yekaterinburg. Just before the Yekaterinburg summit, Brazil had offered US\$10 billion to the IMF. Brazil's Finance Minister Guido Mantega was quoted as saying that "Brazil's contribution was a part of a united approach by Brazil, Russia, India and China to help boost the global financial stability."⁴² It was also reported that China had plans to invest US\$50 billion and Russia US\$10 billion in the IMF.⁴³

³⁹ Tee Lin Say, "BRIC economies to peak in 40 years," *The Star* (online), May 22, 2010, <http://biz.thestar.com.my/news/story.asp?file=/2010/5/22/business/6286425&sec=business> (accessed October 20, 2010).

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Gary Duffy, "Brazil to make \$10bn loan to IMF," *BBC News*, June 11, 2009, <http://news.bbc.co.uk/2/hi/business/8094402.stm> (accessed November 8, 2009).

⁴³ Ibid.

Table 1. BRICS at a Glance*

Summit, Date	Location, Host	Issues Discussed	Some Outcome, though not concrete
1st, June 16, 2009	Russia, Yekaterinburg (D. Medvedev)	<ul style="list-style-type: none"> • How to solve the global financial crisis • Expansion of trade and economy • Reform of the global financial institutions • Future of the BRIC countries in world affairs • International terrorism • 16-point joint statement (issues: establishing more democratic and multi-polar world, equal cooperation, and collective decision-making, etc). 	Need for a “global reserve currency” that is “diversified, stable and predictable”
2nd, April 16 2010	Brazil, TBD (Luiz Inácio Lula da Silva)	<ul style="list-style-type: none"> • Climate Change • Energy cooperation 	“collective thinking and preparing the future ground for developing countries”
3rd, to be held 2011	Beijing, China		

* South Africa has recently joined as a member, turning BRIC into BRICS

Table 2. Political Facts about BRIC

- The U.S. investment bank Goldman Sachs predicted that the four key emerging economies – Brazil, Russia, India, and China – would account for an increasingly greater share of the world economy and clubbed them under the acronym BRIC.
- It is reported that China held US\$727 billion in U.S. Treasuries at the end of 2008, and it is estimated that two-thirds of its roughly US\$3 trillion in foreign reserves are parked in dollar assets.
- Brazil is already an agricultural and mining powerhouse, and could become a major player in the world energy market after finding huge deep-sea oil reserves. It is the only BRIC country without nuclear weapons but has the capacity to enrich uranium.
- Russia is the world's second-largest oil exporter but the global financial crisis and a fall in oil prices last year triggered its worst recession in at least a decade.
- India is the only other large economy besides China that is on track to post robust growth this year, in part due to its vast domestic market. It faces potential trouble from domestic militant groups and a long-running border dispute with Pakistan.
- BRIC wants to reduce the world's reliance on a weak U.S. dollar as a global reserve currency. Among the options are baskets of currencies or a system of drawing rates. Brazil is pursuing trade in local currency with China, but analysts caution that Beijing is wary of rocking the boat because of its dollar reserves.
- BRIC wants more representation in the World Bank and the IMF. Discussions to change the voting power in the IMF are on the horizon.
- Brazil hopes to forge a common BRIC position on global climate talks but their carbon footprints and resulting negotiating positions differ sharply. Russia, the third-largest greenhouse gas emitter after China and the United States, ratified the Kyoto Protocol in 2004 while developing countries are not expected to agree to legally binding emissions targets from 2013.

Source: "Emerging BRIC Powers and the New World Order," China Daily, June 10, 2010, http://chinadaily.cn/world/2009-06/10/content_8269537.htm (accessed on September 23, 2010).

The second BRIC summit was more political than economic.⁴⁴ Deliberations in this summit had an accent on expanding and defending the interests of developing countries.⁴⁵ Though the discussions at the summit captured the collective views of BRIC, the summit did not come out with any specific outcome and did not talk about quadripartite cooperation. The first two summits narrate that BRIC is moving towards some sort of “institutionalization.”⁴⁶ Some even call it an “effectively working body, even if it has not been institutionalized.”⁴⁷ It is also said that BRIC as an “ingenious idea takes on a life of its own.”⁴⁸ The mandate of BRIC is now expanded to three continents after the inclusion of South Africa as the fifth member. That transform BRIC to BRICS with voices represented from major continents like Asia, Latin America and Africa.

Individually, BRIC members face important challenges in maintaining growth on track. China needs to tackle the unfledged financial system first. Russia would like to revive its economy and move to a more broad-based economy from one with a heavy tilt towards commodities. India would like to overcome its debt and investment risk proposals,⁴⁹ its farmers find it hard to take further loans; India’s abysmally stumpy education system at the primary and secondary level is also a hindrance to the country’s long-term growth aspirations. Brazil too may have a problem sustaining its impressive growth rate. Both India and Brazil need to do more in infrastructure development and ratchet up their education systems.⁵⁰ India seems to appreciate the Brazilian strides in social inclusion.⁵¹

⁴⁴ Alexey Frolov, “The Second BRIC Summit: The Future Remains Cloudy,” *New Eastern Outlook*, May 6, 2010, <http://www.journal-neo.com/?q=print/451> (accessed September 20, 2010).

⁴⁵ Ibid.

⁴⁶ Wang Yusheng, “Bright prospects for BRIC.”

⁴⁷ Boris Volkhonsky, “South Africa wants to join BRIC,” *Global Research*, August 27, 2010, <http://www.globalresearch.ca/index.php?context=va&aid=20790> (accessed September 21, 2010).

⁴⁸ Gina Caballero, “Global Cooperation Thick as BRIC,” *China Daily* (eclipse) <http://www.cdeclips.com/en/opinion/fullstory.html?id=45778> (accessed September 21, 2010).

⁴⁹ Soumya Kanti Mitra, “India trails Bric peers,” *The Financial Express*, February 6, 2008.

⁵⁰ Ibid.

⁵¹ “Opening statement by the Prime Minister of India Dr. Manmohan Singh at the Plenary Session of the BRIC Summit,” *Speeches*, Ministry of External Affairs, New Delhi, April 15, 2010, <http://meaindia.nic.in/> (accessed September 14, 2010).

There are also clear differences between India and China in their perception of BRIC. At Yekaterinburg, Dr. Manmohan Singh said that BRIC should consider establishing a joint business forum which could identify the areas for cooperation in potential spheres like science and technology, energy, agriculture, aviation, etc.⁵² He also said: "We also recognized the continuing need to redefining the role of institutions of global economic and financial governance to deal with the problems of today and to reflect contemporary realities."⁵³ The 16-point statement of the first BRIC summit, issued on India's initiative, called for "comprehensive reform" of the United Nations and reiterated "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 UN."⁵⁴ The Indian prime minister acknowledged in his speech at the Plenary Session of the BRIC Summit in Brasilia (April 2010) that the emergence of BRIC signifies the growth of "multipolarity" in the world.⁵⁵ For India, the core issues that BRIC should deal with are energy, food security, and climate change.⁵⁶

India would like to keep IBSA (India, Brazil, South Africa) and BRIC, even after the possible inclusion of South Africa in the latter, as separate entities. India sees IBSA as a "democratic" alliance, while BRIC is more an abstract of "four large countries with abundant resources, large populations and diverse societies." Prime Minister Manmohan Singh was quoted saying that "IBSA has a personality of its own. It is three separate continents, three democracies. BRIC is a conception devised by Goldman Sachs. We are trying to put life into it."⁵⁷ The IBSA framework is more of a South-

⁵² "BRIC should consider establishment of a Joint Business Forum: Manmohan," *Thaindian News*, June 16, 2009, http://www.thaindian.com/newsportal/world-news/bric-should-consider-establishment-of-a-joint-business-forum-manmohan_100205776.html (accessed November 17, 2009).

⁵³ Ibid.

⁵⁴ Siddarth Varadarajan, "BRIC should create conditions for fairer world order," *The Hindu*, June 17, 2009, p. 1.

⁵⁵ "Opening statement by the Prime Minister of India Dr. Manmohan Singh at the Plenary Session of the BRIC Summit," *Speeches*, Ministry of External Affairs, New Delhi, April 15, 2010, <http://meaindia.nic.in/> (accessed September 14, 2010).

⁵⁶ Prime Minister Manmohan Singh also said that BRIC has the potential to cooperate in many areas like science and technology, trade and investment, pharmaceuticals and infrastructure.

⁵⁷ Indrani Bagchi, "PM against merger of IBSA, BRIC blocs," *Times of India*, April 17, 2010.

South cooperation of mutual concerns.⁵⁸ Though issues like food security, social inconclusiveness and energy security remain the top concerns both in BRIC and IBSA, India views IBSA as largely a “people’s project.”⁵⁹ IBSA has a special attraction for India in that China is not a part of it.⁶⁰ India has expressed the view that Russia remains a key player in the progress of BRIC. Indian officials state that “Russia is a key state of the BRIC with the participation of which the union was created and will be working further.”⁶¹ B. S. Prakash, India’s Ambassador to Brazil, has expressed the view that BRIC’s role should grow as BRIC member countries are “better regulated.”⁶²

The Chinese in their turn see BRIC as a “bloc of emerging powers ... while BASIC (Brazil, South Africa, India and China) is a bloc of developing countries.”⁶³ They maintain that South Africa should be included in BRIC and there should be adequate cooperation between BRIC and BASIC in order to protect the interest of developing societies.⁶⁴ There is also great interest within the Chinese strategic communities to merge together BRIC, IBSA and BASIC to have a greater view from the developing world for countering the Western and European supremacy in global politics.

On the surface, both India and China appear to be the most tenable options in BRIC for future investments. Both markets have been the prime destinations for global investors. The post-Olympics Chinese market is riding a super cycle of investment, and keeps on building world-class infrastructure in prime destinations. Problems however remain in the political aspect of the Chinese economic growth. Its state-dominated economy, absence of any major political reform, a range of social instabilities and growing urban-rural divide may derail the Chinese economic miracle. India seems to be a safer destination for investments in the longer run. India’s

⁵⁸ “Prime Minister’s Opening Remarks at the Press Conference after the IBSA Summit,” *Speech*, Ministry of External Affairs, New Delhi, April 15, 2010, <http://meaindia.nic.in/> (accessed September 14, 2010).

⁵⁹ Ibid.

⁶⁰ Bagchi, “PM against merger of IBSA, BRIC blocs.”

⁶¹ “India Sees No BRIC Future without Russia,” *ITAR-TASS*, April 9, 2010, OSC Transcribed Text, World News Connection (dialog.com), 201004091477.1_9d6800283dd08e59, accession number 297151692.

⁶² “BRICs Need Bigger Role in International Financial Institutions: Indian Diplomat,” *Xinhua*, April 13, 2010, OSC Transcribed Text, World News Connection (dialog.com), 201004131477.1_22480088adc14d40, accession number 297350286.

⁶³ Wang Yusheng, “Bright prospects for BRIC.”

⁶⁴ Ibid.

political setup and its democratic stability provide a good guarantee to its economic sustainability. The problem with India however is how to finance the modernization of its doleful infrastructure given its high debt and ambivalence towards the global investment and privatization process.

The leaders of BRIC countries are repeatedly talking about the rise of a new "multipolar world order" with the lead of developing countries. While the economic aspect of this vision is never in question, the primary lingering doubt is: apart from the economic similarities that the BRIC countries have, is there anything that can tie them together forever to form a multipolar world order? How would the two leading powers of the group – China and India – approach the idea of a multipolar world order? From a political perspective, the answer to these questions seems to be ridden with riders. Geographically, Brazil is too distant from the other three to have any common interest. From a regional perspective, though the other three major powers are located close to each other, strategic contradictions hardly help them to form any credible alliance. Combined with these strategic imbalances is China's rapid growth and potential in surpassing others while using BRIC as a platform. In fact, the growing Chinese diplomatic and economic weight was the highlight of the recent Copenhagen and Cancun climate talks, where China refused to get into any binding agreement to reduce its emissions.

China Stays Apart in BRIC

China is in a league of its own in the BRIC setup, being the biggest economy, the biggest potential market, and partner of the United States in G-2. In the last two decades, an amazing US\$997.9 billion investment has poured into China.⁶⁵ While there were around 26 million foreign visitors in China by 2009, reports indicate that there are at least 170,000 foreigners in Beijing itself.⁶⁶ Vital data for BRIC and China are given in Tables 3–7.

⁶⁵ Chris Devonshire-Ellis, "The China BRIC: Questions Ahead for Global Manufacturing's Bride," *2point6billion.com*, September 30, 2009, <http://www.2point6billion.com/news/2009/09/30/the-china-bric-questions-ahead-for-global-manufacturings-bride-2426.html> (accessed October 20, 2010).

⁶⁶ Ryan Ulrich, "China should exercise more caution in importing foreigners," *Global Times*, October 12, 2010, p. 11.

Table 3. Potential of BRIC Countries in Terms of World Ranking

Category	Brazil	Russia	India	China
Area	5	1	7	3
Population	5	9	2	1
Population growth rate	107	221	90	156
Labour force	5	6	2	1
GDP (nominal)	10	8	12	3
GDP (PPP)	9	6	4	2
GDP (real) growth rate	81	69	28	16
Exports	21	11	23	2
Imports	27	17	16	3
Current account balance	47	5	169	1
Received FDI	16	12	29	5
Foreign exchange reserves	7	3	6	1
External debt	24	20	27	19
Public debt	47	117	29	98
Electricity consumption	10	3	7	2
Number of mobile phones	5	4	2	1
Number of internet users	5	11	4	1
Military expenditures	14	8	9	2
Active troops	14	5	3	1

Source: From open sources: <http://en.wikipedia.org/wiki/BRIC> (accessed on November 2, 2010).

Table 4. Development of China's Economy by 2010: An Overview

- China's economy during the past thirty years has changed from a centrally planned system that was largely closed to international trade to a more market-oriented economy that has a rapidly growing private sector and is a major player in the global economy.
- Reforms started in the late 1970s with the phasing out of collectivized agriculture, and expanded to include gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, foundation of a diversified banking system, development of stock markets, rapid growth of the non-state sector, and opening to foreign trade and investment. Annual inflows of foreign direct investment (FDI) rose to nearly US\$108 billion in 2008.
- China has generally implemented reforms in a gradualist or piecemeal fashion. In recent years, China has reinvigorated its support for leading state-owned enterprises in sectors it considers important to "economic security," explicitly looking to foster globally competitive national champions.
- China has generally implemented reforms in a gradualist or piecemeal fashion. In recent years, China has reinvigorated its support for leading state-owned enterprises in sectors it considers important to "economic security," explicitly looking to foster globally competitive national champions.
- After keeping its currency tightly linked to the U.S. dollar for years, China in July 2005 revalued its currency by 2.1 percent against the U.S. dollar and moved to an exchange rate system that references a basket of currencies. Cumulative appreciation of the renminbi against the U.S. dollar since the end of the dollar peg was more than 20 percent by late 2008, but the exchange rate has changed little since the onset of the global financial crisis.
- The restructuring of the economy and resulting efficiency gains have contributed to a more than tenfold increase in GDP since 1978. Measured on purchasing power parity (PPP) basis that adjusts for price differences, China in 2009 was the second-largest economy in the world after the United States, although in per capita terms it is still lower middle income.
- The Chinese government faces numerous economic development challenges, including: (a) strengthening its social safety net, including pension and health system reform, to counteract a high domestic savings rate and correspondingly low domestic demand; (b) sustaining adequate job growth for tens of millions of migrants, new entrants to the workforce, and workers laid off from state-owned enterprises deemed not worth saving; (c) reducing corruption and other economic crimes; and (d) containing environmental damage and social strife related to the economy's rapid transformation.
- Economic development has been more rapid in coastal provinces than in the interior, and approximately 200 million rural laborers and their dependants have relocated to urban areas to find work – in recent years many have returned to their villages.

- One demographic consequence of the “one child” policy is that China is now one of the most rapidly ageing countries in the world. Deterioration in the environment – notably air pollution, soil erosion and the steady fall of the water table, especially in the north – is another long-term problem. China continues to lose arable land because of erosion and economic development. In 2006 China announced that by 2010 it would decrease energy intensity by 20 percent from 2005 levels.
- In 2009 China announced that by 2020 it would reduce carbon intensity by 40 percent from 2005 levels. The Chinese government seeks to add energy production capacity from sources other than coal and oil, and is focusing on nuclear energy development.
- Throughout 2009 the global economic downturn reduced foreign demand for Chinese exports for the first time in many years. The government vowed to continue reforming the economy and emphasized the need to increase domestic consumption in order to make China less dependent on exports for GDP growth in the future.

Source: Source: 2010 CIA World Fact Book, http://www.theodora.com/wfbcurrent/china/china_economy.html (accessed February 20, 2010).

Table 5. Country Profile – China

Population	1,338,612,968
GDP	US\$4402 trillion
GDP Per capita	US\$6000
Industrial Production Growth	9.3%
Imports	US\$1.074 trillion
Exports	US\$1.435 trillion

Source: Chris Devonshire-Ellis, "The China BRIC: Questions Ahead for Global Manufacturing's Bride," 2point6billion.com, September 30, 2009, <http://www.2point6billion.com/news/2009/09/30/the-china-bric-questions-ahead-for-global-manufacturings-bride-2426.html> (accessed October 21, 2010).

Table 6. Stock Markets

	Shanghai Stock Markets	Shenzhen Stock Markets
Year Established	1990	1990
Market Capitalization	US\$2.069 trillion	US\$563 billion
Number of Listings	860	540

Source: Same as table 5.

Table 7. Top 5 Fortune Global 500 Companies

Company	2008 Revenue (US\$)
Sinopec	207.8 billion
China National Petroleum	181.1 billion
State Grid	164.1 billion
ICBC	70.6 billion
China Mobile	65 billion

Source: Same as table 5.

The Chinese economy is roaring ahead and helping to pull the rest of Asian economies together and even European economies like Germany, which exports a variety of machine tools to Beijing, to recover from the financial crisis.⁶⁷ It is argued that the PRC economy is one of the reasons why

⁶⁷ Ashley Seager, "China and the other Brics will rebuild a new world economic

global finances did not face a stiffer crisis in 2009. Because of the economic supremacy of China, the Chinese have always highlighted three constructive phenomena which suit their global strategy formula: (a) currency conversion; (b) win-win strategy by developing multilateral diplomacy; and (c) establishment of a democratic and multipolar world order. The Chinese would like the BRIC members to “pay more attention to the developmental issues.”⁶⁸ Hu Jintao in his speech at the second BRIC summit said:

China pursues a win-win strategy of opening up and seeks to promote common development of all countries through mutually beneficial cooperation.... Despite the tremendous difficulties caused by the global financial crisis, we have kept the RMB exchange rate basically stable and have thus made contribution to the stability of the international economic and financial systems ... No matter how the international situation may evolve and what changes the international system may experience, we should remain firmly committed to the goal of mutual benefit, the principle of democracy and equity, the approach of mutual respect and the spirit of solidarity and cooperation.⁶⁹

This approach is congruent with five correlated objectives in Beijing’s current foreign policy dialogue: (a) endorsing multilateral dialogue; (b) boosting links with neighboring countries, developing countries and big powers at different levels; (c) maintaining strong economic diplomacy with energy and climate change as main thrusts; (d) establishing a link between domestic stability and national security; and (e) promoting public diplomacy.⁷⁰

order,” *The Observer*, January 3, 2010, <http://www.guardian.co.uk/business/2010/jan/03/china-brics-global-economy-america-europe> (accessed October 21, 2010).

⁶⁸ Guo Xiangang, “New Bright Spot in China’s Diplomacy: Cooperation with Emerging Countries,” *China International Studies*, January–February 2010, p. 8.

⁶⁹ See “Quotes from Hu’s speech at 2nd BRIC summit,” *Xinhua*, April 16, 2010, http://www.chinadaily.com.cn/china/2010hujintaotour/2010-04/16/content_9741588.htm (accessed September 21, 2010).

⁷⁰ “PRC FM Yang Jiechi Expounds on Focus of China Diplomacy in 2010,” *Wen Wei Po* (Hong Kong), December 18, 2009, OSC Translated Text, Hong Kong Wen Wei Po online in Chinese (Website of the PRC-owned daily newspaper); URL: <http://www.wenweipo.com>; *World News Connections* (dialog.com), 200912181477.1_17cb01f3a27a0ae1, accession number 291501134.

China's Approach to BRIC

Though most Chinese writings express the view that it is too early to conclude that the United States is no more the supreme power, they do recognize the importance of "newly emerging powers" as an essential force in global power politics. If "the rise of China" continues, Nicholas Kristof remarked nearly two decades ago, it "may be the most important trend in the world for the next century."⁷¹ "China benefits from this cooperation by stabilizing the global order, helping the developing countries, strengthening its developing country status, coordinating its position with other BRICs to maximize leverage on issues of mutual interests."⁷² PRC is still learning how to build partnerships to exert influence over different regions.⁷³ The United States is seen as deriving its superiority partly from its extensive "partnerships" and influence in most parts of the world.⁷⁴ BRIC provides an opportunity for China to bridge this gap.

Just before the second BRIC summit in Brasilia, China's Vice-Foreign Minister Cui Tiankai had called on the four developing countries to push their "representation" and "voting rights" in global organizations,⁷⁵ that "exchanges among the four nations concerning major global challenges would be conducive to increasing the influence of emerging and developing countries, and promoting the development of multilateralism."⁷⁶ In the Chinese official opinion, BRIC could be vital in projecting various global issues

⁷¹ Nicholas D. Kristof, "The Rise of China," *Foreign Affairs*, November/December 1993, p. 59.

⁷² Xinhua, "Chinese president makes proposal for tackling global financial crisis at BRIC summit," June 17, 2009, <http://english.peopledaily.com.cn/98373/98460/98506/6770550.html> (accessed November 1, 2009).

⁷³ Li Xiangyang, director of the Institute for Asia-Pacific Studies at the Chinese Academy of Social Sciences (CASS), holds this opinion. See Yu Lan, "An Expert at the Chinese Academy of Social Sciences Says 'China-US Joint Rule' is only a Pseudo-Thesis for the Present," *Zhongguo Xinwen She* (China's official news service for overseas Chinese), OSC Transcribed Text, *World News Connection* (dialog.com), 201004121477.1_df6e00753c4250d6, accession number 299200180.

⁷⁴ Ibid.

⁷⁵ "China Expects BRIC Summit To Push for International Financial Reform," *Xinhua*, April 7, 2010, OSC Transcribed Text, *World News Connection* (dialog.com), 201004071477.1_2595003e8b90ce34, accession number 297052244.

⁷⁶ Ibid.

such as the reform of the global financial organizations, climate change, and the progress of G-20.⁷⁷

At the first BRIC summit President Hu Jintao presented a “four-point” proposal for commitment by BRIC: (a) bring about an early recovery of the world economy; (b) push forward reform of the international financial system; (c) implement the UN Millennium Development Goals (MDGs); and (d) ensure the security of food, energy resources, and public health.⁷⁸ In the Chinese perception, the declining U.S. hegemony⁷⁹ offers adequate scope for multipolar schemes to build up South–South collaboration and to use any divisions within the North to segregate the United States, the linchpin of the existing unequal global order.⁸⁰ The continued weight of the U.S. in individual BRIC countries’ foreign policy dialogue and the potential for intra-BRIC conflict for global resources adds to these complexities.

The Structural Constraints and the Chinese Advocacy of Multipolarism

A liberal interpretation of China’s rising practice of multilateralism would be that China is moving towards “liberal internationalism,” that Beijing has come to a level – seemingly against all odds – of a mechanism for a cross-regional setup. This side of the story points that China is “moving to take advantage” of the global system by staying a step ahead through various measures: in restructuring the global economic system, security dialogues, and cross-regional initiatives. From this perspective, China is driving the process of “multipolarism” by inducing similar initiatives from the United

⁷⁷ Ibid.

⁷⁸ See Hu Jintao’s speech at the BRIC summit, *Beijing Review*, July 16, 2009, http://www.bjreview.com.cn/document/txt/2009-07/13/content_206952.htm (accessed June 12, 2009).

⁷⁹ See Samantha Blum, “Chinese Views of US Hegemony,” *Journal of Contemporary China*, Vol. 12, No. 35 (May 2003), pp. 239–64. Many Chinese scholars also hold this view (the author’s interviews/interactions with leading think-tank scholars in Beijing, Shanghai, Guangzhou and Sichuan).

⁸⁰ Jenny Clegg, “Globalization, Imperialism, and Multipolarization,” in her *China’s Global Strategy: Towards a Multipolar World* (New York: Pluto Press, 2009), p. 97. In an online interview with the author, Dr. Sangsoo Lee agrees: “Yes, there is a multipolar world order emerging slowly at least until China becomes a more powerful country. I think that China has strategically used multilateralism for a while against the U.S. as China’s power is still relatively weak compared with the U.S. Basically, China will need positive relationships with other regional powers that support its domestic economic development plans and stability.”

States, the European Union, and other power blocs. In this context, BRIC is an apposite move.

Contrary to this liberal notion, realism would indicate that China's increasing participation in cross-regional multilateralism is actually a phenomenon of "advantage to advantage" (what China calls "win-win" strategy) with the likes of other superpowers. For instance, China is pushing BRIC primarily to design its own desired world order.⁸¹ This notion suggests a zero-sum dynamics rooted in a struggle for relative power, in which countries vie for strengthened ties with rival powers like India. Seen in this light, BRIC is a gadget of "economic" statecraft as China pursues a "multipolar" strategy.

In the post-Cold War global politics, faced with the phenomenon of a possible unipolar world, several analysts, relying on structural realism and the balance of power premise, forecast that unipolarity would not last long and that new great power would rise and shape a multipolar world order.⁸² Thereafter, new theories came up gradually to discuss the steady decline of unipolarism and distribution of power in global politics. Chinese scholars contend that there is a huge structural constraint of unipolarity today. Almost since the 1980s, Chinese writings have emphasized both the theory of unipolarity and the suggestion that multipolarization has become the major trend of global politics.⁸³ There is, however, less agreement about the nature of the current world order – whether it is unipolar, multipolar, or in transition.⁸⁴ In tandem with these thought processes, building cooperation

⁸¹ Experts like Ivana Karaskova (Head of Asia Programme of the Association of International Affairs of the Prague, Czech Republic) agree with this formulation. She said in an interview with the author (October 20, 2010): "As for the interpretation of China's multilateralist proclamations, a (neo) realist interpretation would probably claim that China's position in the system is simply determined by the system's structure, i.e. the distribution of power – which basically means there is nothing like multilateralism, only a possible multipolar structure of the system. An opposing view, falling roughly into the complex interdependence stream of IR theory, would point to deepening ties between China and the rest of the world; in this view, multilateralism would be a feature of a policy recognizing the increasing complexity of international relations due to the process of globalization."

⁸² Kenneth Waltz, "The Emerging Structure of International Politics," *International Security*, Vol. 18, No. 2 (Fall 1993), pp. 44–79.

⁸³ Author's interview with Liu Mingli, China Institute of Contemporary International Order (CICIR), Beijing (October 1, 2010).

⁸⁴ Michael Pillsbury, *China Debates the Future Security Environment* (Honolulu: University Press of the Pacific, 2005 [2000]), Ch. 1.

and accommodation while bargaining for a better deal has been the stamp of Chinese strategy towards global issues.

BRIC as a Platform for China's Grand Strategy

BRIC does not hold any magic weapon at this stage. It is just an abstract concept.⁸⁵ It is the size, power and growing influence of its constituent countries that hold them together as an ad hoc alliance. Coordinating policy at the level of BRIC is not easy, given that their interests clash at the ground level. For instance, India and Brazil have set their eyes on permanent membership of the United Nations Security Council, while China and Russia respectively are opposed to it. Nevertheless, this group could be a catalyst cluster for resolving many pressing problems like the North Korean and Iranian nuclear ambitions, containing the threats in Pakistan, stability in Central Asia, climate change, running the world trading system, etc.⁸⁶ These premises are well understood by the Chinese and therefore they are still exploring the option if BRIC is the platform where they could build a developing-world understanding for a greater Chinese say in world politics.

Notwithstanding the huge differences among its constituent countries, BRIC has exceeded most expectations in recent times in consolidating the embryonic political grouping. The foundation of Russia–India–China (RIC) facilitated the arrangement of BRIC foreign ministers meeting in 2006. Eventually, BRIC cooperation expanded to cover two finance ministers' meetings, leaders' summits, and a separate BRIC leaders' summit in June 2009. The significance of this summit was noted in the joint communiqué issued after the summit. At the preliminary stage, Russia and Brazil took initiatives to push BRIC from an intangible financial belief to some sort of political grouping. For its part, Russia is trying to push the BRIC agenda and BRIC grouping to the next level. The Russian president does see cooperation among the BRIC countries as having a "huge potential."⁸⁷ Brazil's

⁸⁵ Experts call it a "fashionable term" (author's interview with Dr. Ivana Karaskova).

⁸⁶ David Rothkopf, "The BRICs and what the BRICs would be without China," *Foreign Policy*, June 15, 2009, http://rothkopf.foreignpolicy.com/posts/2009/06/15/the_brics_and_what_the_brics_would_be_without_china (accessed March 28, 2010). Also see Michael A. Glosny, "China and the BRICs: A Real (but limited) Partnership in a Unipolar World," at web.mit.edu/.../Glosny-China%20and%20the%20BRICs-Clean%20Sept%2011%20version%20ISA%20paper.doc (accessed on November 22, 2010).

⁸⁷ "Dmitry Medvedev: BRIC cooperation has great potential," *The Moscow Times*, April 13, 2010, <http://english.ruvr.ru/2010/04/13/6382853.html> (accessed December 6, 2010).

remarkable economic performance helps it to look at the brighter side of BRIC.⁸⁸ The Chinese also seem to have taken a special interest in BRIC. Chinese officials believe that BRIC has evolved from hypothetical (*xuni*) into a realistic platform for international cooperation.⁸⁹

BRIC's vitality as an organization is of much lesser importance to China than for the rest of the members.⁹⁰ What is important for China at the moment is the concept of BRIC as a platform for clubbing together developing countries. BRIC has gained importance because China is clubbed in it. Currently, China is the second-largest economy of the world, a nuclear power, a permanent member of the UN Security Council, with the largest foreign exchange reserves, etc. Even if one assumes that BRIC cooperation is a "logical" one for China, it sounds pricey and perilous. The perception is being built that China wants to push a political bloc whose intention seems to be to replace the existing world order and dominance of the United States. Several statements have been made by the Chinese leaders on the prospects of BRIC. All of them suggest diplomatic nuances.⁹¹ Hence it is important to examine China's real motives for cooperation with BRIC.

The Chinese game plan is global. One of the strategies is to share plans, policies, ideas and discussions with likeminded countries. The post-Cold War Chinese foreign policy has been marked by a desire to share ideas, exchange views and take part in global discussions. The Chinese have been forthcoming to the idea of tying up with adversary powers on global issues. For instance, both China and India agreed to work together on addressing the issue of climate change during the Copenhagen climate conference, with the perspective that as developing countries an increase in their carbon emissions over the foreseeable future is an inevitable concomitant of their economic growth.⁹²

⁸⁸ Brazil is the largest country and the largest economy in South America. In terms of nominal GDP, the Brazilian economy ranks 8th in the world.

⁸⁹ Author's interviews with various Chinese experts and scholars.

⁹⁰ See Bobo Lo, *Axis of Convenience: Moscow, Beijing and the New Geopolitics* (Washington, D.C.: Brookings Institution Press, 2008), pp. 43, 46, 177.

⁹¹ "Yang Jiechi attends the Chinese, Russia, Indian, and Brazilian Foreign Ministers Meetings," *Xinhua*, May 16, 2008, www.mfa.gov.cn/eng/zxxx/t515549.htm

⁹² "India, China walk out of climate summit: Report," *Daily News & Analyses (DNA)*, December 18, 2009, http://www.dnaindia.com/world/report_breaking-news-india-china-walk-out-of-climate-summit-report_1324981 (accessed December 6, 2010). Dr. Sangsoo Lee states that "China will need positive relationships with other regional powers that support its domestic economic development plans and stability" (author's interview

The Chinese media point out that China's traditional bilateral diplomacy is now giving way to multilateral diplomacy in efforts to address global problems which entail global solutions.⁹³ Since the arrival of the twenty-first century, there have been greater public diplomacy initiatives from the Chinese. This is a strategy they have copied from the Americans.⁹⁴ BRIC seems to be one of the platforms to push Chinese objectives for a new global order. Institutional interactions are a hallmark of the BRIC discourse. The broader Chinese strategies vis-à-vis BRIC are: (a) tailor global conditions to a Chinese-desired order and check encirclement by the United States; (b) share plans, policies and ideas among likeminded nations and develop a global strategy; (c) BRIC as a counter to Western dominance; (d) advance national interests as a developing country while being with a bloc of developing countries; and (e) demand greater global financial order which will be conducive to China's economic supremacy.

"Public diplomacy" is a hallmark of the changing Chinese foreign policy.⁹⁵ "Public diplomacy" is the key to China's soft power image. China uses the media and various forms of exchanges as the principal means to strengthen the public diplomacy dialogue.⁹⁶ A recent report in the *Renmin Ribao* points out that since its establishment in 1949, China has invited around 120,000

with Dr. Sangsoo Lee, ISDP).

⁹³ "BRIC Ambassadors Discuss Cooperation, Bigger Role for Emerging Powers," *Xinhua*, April 14, 2010, OSC Transcribed Text, World News Connection (dialog.com), 201004141477.1_82ee0111e8548318, accession number 297401931.

⁹⁴ An article in the *People's Daily* notes that "The methods of adding 'public' before the 'diplomacy' traced back to the United States in 1965. Public diplomacy has, however, gradually become a global 'hot' phrase over recent years, and particularly after the September 11 attacks in the U.S. in 2001." See "Public diplomacy: New luminance color of Chinese diplomacy," *People's Daily* (online), September 1, 2010, <http://english.people-daily.com.cn/90001/90776/90883/7125349.html> (accessed December 5, 2010).

⁹⁵ The office for public diplomacy is called the General Office for Public Diplomacy; it was earlier named Public Diplomacy Department. Among its functions are: (a) opening the foreign ministry for public grievances; (b) introducing Chinese foreign policy and China's views on global issues to the domestic media; (c) maintaining coordination among various units within the foreign ministry and between foreign ministry and other ministries; (d) managing foreign affairs forums in the ministry and its network branches; (e) coordinating with Chinese embassies and consulates abroad; and (f) doing research and investigation on international affairs, etc. See Yang Shilong, "Open up New Situation for Public Diplomacy," *Liaowang* (weekly general affairs journal published under *Xinhua*), June 16, 2010, OSC Translated Text, *World News Connection* (dialog.com), 20100616477.1_4bc907de095ae746, accession number 300551241.

⁹⁶ *Ibid.*

officials, technical staff and foreign dignitaries from more than 170 countries to take part in seminars, discussions, training programs and debates in open forum.⁹⁷ BRIC is one of those multilateral forums which suit China for implementing its strategy of “public diplomacy,” by addressing climate change issue, poverty and unemployment among the rising economies. China has also recently established a Public Diplomacy Research Centre at the Beijing Foreign Studies University (BFSU).⁹⁸ The *People’s Daily* has commented that “public diplomacy and government diplomacy supplement each other, and they are pairing off wing to wing in China’s diplomacy.”⁹⁹ Li Yang, Vice-President of the Chinese Academy of Social Sciences (CASS) noted that intellectuals and scholars from the Chinese think-tanks are a very important source for the government, which should be extended to the relationship between countries.¹⁰⁰

Also, exchanging ideas permits developing countries to coordinate positions and make the most of their bargaining ground with developed countries. Leaders and experts in China believe that in order to maximize its national interest, China needs to face the West at various stages. China is well aware of how Russia has been marginalized in G-8. The most appropriate way to meet the West with sufficient bargaining power is to stay united and create multilateral forums. As a Chinese columnist points out about BRIC, “the four governments, if better coordinated and choreographed, could initiate fresh ideas and grab more decision-making powers from the developed ones.”¹⁰¹ Russia’s Deputy Finance Minister Dmitry Pankin has been quoted as saying that “the G-20 summit showed that if we (BRIC) act in concert we have a very good chance of having our voice heard.”¹⁰² Chinese

⁹⁷ “Developing Countries Meet in Beijing, discuss financial crisis,” *Renmin Ribao*, May 20, 2010, OSC Transcribed Text, *World News Connection* (dialog.com), 201005201477.1_c38600645a591869, accession number 299200180.

⁹⁸ Zhao Qizheng, director of the Foreign Affairs Committee of the Chinese People’s Political Consultative Conference was appointed the first honorary director of this research centre.

⁹⁹ “Public diplomacy: New luminance color of Chinese diplomacy,” *People’s Daily* (online), September 1, 2010, <http://english.peopledaily.com.cn/90001/90776/90883/7125349.html> (accessed December 5, 2010).

¹⁰⁰ “BRIC Countries Think Tanks To Strengthen Cooperation,” *Xinhua*, April 14, 2010, OSC Transcribed Text, *World News Connection* (dialog.com), 201004141477.1_c6c7006463453aa1, accession number 297401768.

¹⁰¹ Li Hong, “BRIC Not Yet Full-Blown,” *People’s Daily*, June 18, 2009.

¹⁰² Vladimir Radyuhin, “BRIC Nations Played Crucial Role at G-20 Summit,” *The Hindu*, November 18, 2008, <http://www.hindu.com/2008/11/18/stories/2008111860611300.htm>

State Councilor Dai Bingguo has expressed his view on how the G-5 countries need to come up with more initiatives to compel the global community to introduce adequate reform at the ground level.¹⁰³ China wants to be in a larger "developing" club rather than falling to the American trap in the G-2 formulation as a "developed" and "responsible" country of the world in sharing global responsibility. Several Chinese scholars call the G-2 arrangement a "pseudo-thesis."¹⁰⁴ They contend that China is not equipped to rule the world together with the United States, and the United States has never planned to share the leadership right with China or the right to formulate rules.¹⁰⁵ Earlier, the United States plumped for "U.S.–Europe joint rule" and "U.S.–Japan joint rule." Now it is the turn of "China–U.S. joint rule" as a means of forcing China to accept more global norms and obligations.¹⁰⁶

Moreover, to preserve its identity as a developing country, China makes it a point to take the initiative to protect the interests of other developing countries.¹⁰⁷ Fu Ziying, the Vice Commerce Minister has been quoted saying that "China is the world's largest developing country and to strengthen relations with developing countries is a focal point of China's foreign policy."¹⁰⁸ The developing world is generally in agreement that U.S. power is adverse to their agenda and interests.¹⁰⁹ Ambassador Zhang Yan once said that "BRIC is a guardian of the interests of developing countries."¹¹⁰

Non-Chinese global experts do read and understand this Chinese grand strategy. In the view of Joshua Kurlantzick, China's global vision "rather than playing defense, rather than just reacting to international affairs, seems to get ready to take the offensive, building a more sophisticated, elite and

¹⁰³ Sun Shangwu, "G5 Leaders Urge Action from G8," *China Daily*, July 10, 2009.

¹⁰⁴ Yu Lan, "An Expert at the Chinese Academy of Social Sciences Says 'China-US Joint Rule' is only a Pseudo-Thesis for the Present."

¹⁰⁵ Ibid.

¹⁰⁶ Ibid.

¹⁰⁷ Gregory T. Chin, "China's Evolving G8 Engagement: Complex Interests and Multiple Identity in Global Governance Reform," in Andrew F. Cooper and Agata Antkiewicz, eds., *Emerging Powers in Global Governance: Lessons from the Heiligendamm Process* (Waterloo, ON: Wilfrid Laurier University Press, 2008), pp. 83–114. Also experts hold similar views.

¹⁰⁸ "Developing Countries Meet in Beijing, discuss financial crisis."

¹⁰⁹ Andrew Hurrell, "Hegemony, Liberalism and Global Order: What Space for Would-be Great Powers," *International Affairs*, Vol. 82, No. 1 (January 2006), p. 18.

¹¹⁰ "Address at the Inauguration of Pre-BRIC Summit Preparatory Meeting by H.E. Zhang Yan, Chinese Ambassador to India," May 13, 2009, www.chinaembassy.org.in/eng/dsxxs/dshdjhh/t562457.htm

powerful foreign policy.”¹¹¹ The broader Chinese strategy is to slowly transform the developing world as a credible counter to the existing Western supremacy. While China’s long-term interest is to bring adequate reform to the global order, if China pushes aggressively and unilaterally to reform the current international order it would risk singling out as being strident.¹¹² A grouping like BRIC provides a good cover for this objective. Besides, China has been able to engage the Western powers in other groups. Therefore, they would not entirely ignore the voice of BRIC. For instance, the financial crisis saw Russia and Brazil being more critical of the Americans and urging a new financial order.¹¹³ Russian policymakers and analysts have become more vocal in their criticism of the United States on issues such as the Balkans, Kosovo, the Iraq War and Iran’s nuclear program.¹¹⁴ Similarly, India and Brazil have gone ahead to take a common stand over the issue of free trade during various rounds of WTO negotiations.¹¹⁵

Currency is another hot issue in Chinese multilateral strategy. A better world currency order is among China’s principal long-term objectives, to attenuate the imbalances resulting from the U.S. fiscal deficits and authoritarian monetary policies of the West. While China is determined to keep inflation down domestically and limit appreciation of the yuan, the real target is to bring modification in its favor in real exchange rates that should happen via declining U.S. domestic prices.¹¹⁶ The plan seems to be to impose a deflationary alteration on the United States, very similar to what Germany seems to be doing to Greece. The heart of the matter is the global current account imbalances, mainly a result of the sizeable U.S. trade deficit with China. At the same time, Chinese diplomats and experts are conscious about U.S. intention of cooperating with China to help the United States out of the economic crisis. Chinese experts believe that “the West exaggerates the fall

¹¹¹ Joshua Kurlantzick, *Charm Offensive: How China’s soft power is transforming the world* (New Haven, CT: Yale University Press, 2007), p. 36.

¹¹² Author’s interviews with many think-tank scholars and experts.

¹¹³ “BRIC Nations Say No IMF Cash without Representation,” *Reuters*, March 13, 2009, <http://in.reuters.com/article/idINIndia-38499220090314>

¹¹⁴ Dmitri Trenin, “Russia leaves the West,” *Foreign Affairs*, July–August 2006.

¹¹⁵ Andrew Hurrell and Amrita Narlikar, “A New Politics of Confrontation? Brazil and India in Multilateral Trade Negotiations,” *Global Society*, Vol. 20, No. 4 (October 2006), pp. 415–33.

¹¹⁶ Martin Wolf, “Why America is going to win the global currency battle,” *Financial Times*, October 13, 2010, p. 11.

of America and the rise of China."¹¹⁷ China remains the biggest debt holder for America, with more than US\$800 billion and accounts for 7 percent of U.S. public debt.¹¹⁸

Most of these Chinese strategies have to be seen through the prism of China's rise as an economic and trading power. The debate is compounded over the developmental model of Chinese economic growth, which seems to guide its contemporary foreign policy.¹¹⁹ "China Inc." has emerged as the world's second-largest economy and speculation abounds as to when, not *if*, China will emerge as the most powerful economy of the world.¹²⁰ Taking into account its economic trend, China's external trade and economic policies have expended much political capital in the developing world, notably Americas, Southeast Asia and, increasingly, Africa. To sustain its robust economy, China is in need of many raw materials, but it is in the area of fossil fuels where its resource diplomacy is being most keenly felt globally. Specialists note that:

In 2001, China officially launched its "Going Global" strategy, which was primarily intended to foster a closer relationship with commodity-producing countries and thereby secure the raw materials the country urgently required for its economic growth. The effect of this policy has been dramatic. In the space of less than a decade, China has forged close ties with many countries in Africa and Latin America, and to a lesser extent the Middle East.¹²¹

Post-Olympics Beijing is fast becoming a large energy consumer and that fact is also influencing its foreign policy conduct, especially with

¹¹⁷ Liu Ming, "China should update foreign policy guidelines," *Zhongguo Wang* (Official portal, China Internet Information Centre under the China International Publishing Group and the State Council Information Group), March 25, 2010, OSC Transcribed Text, *World News Connection* (dialog.com), 201003251477.1_401800896de0750d, accession number 296401778.

¹¹⁸ Ibid.

¹¹⁹ Marc Lanteigne, "China in the World Economy," in his *Chinese Foreign Policy: an Introduction* (London: Routledge, 2009), p. 39.

¹²⁰ Ted C. Fishman, *China Inc.: How the Rise of the Next Superpower Challenges America and the World* (New York: Scribner, 2005).

¹²¹ Martin Jacques, "China as a Rising Global Power," in his *When China Rules the World: The rise of the Middle Kingdom and the end of the Western world* (Harmondsworth: Penguin Books, 2009), pp. 319–20.

resource-rich states. In his keynote speech during the 17th Congress of the Communist Party of China (CPC), Hu Jintao reiterated the need for building a more “effective energy policy” for China.¹²² In its first *White Paper* on energy, China has called for a “cooperative model” through “joint energy exploration,” “maintaining stable political relations” with energy producing states, and preventing the energy trade from being adversely affected by global power politics.¹²³ One may not be convinced entirely about these officially proclaimed “peaceful” approaches of China on energy, but the fact of the matter is that Beijing is in need of massive energy and oil; and that seems to be the key of China’s “cross-regional” diplomacy at various levels. Though China’s cross-regional diplomacy with various regions is still at the beginning stage, the economic benefits to Beijing from this effort have thus far been significant.

¹²² Hu Jintao, *Hold High the Great Banner of Socialism with Chinese Characteristics and Strive for New Victories in Building a Moderately Prosperous Society in All Respects – Report to the 17th National People’s Congress of the CPC* (Beijing: People’s Press, 2007), pp. 29–30.

¹²³ See the White Paper, *China’s Energy Conditions and Policies* (Beijing: Information Office of the State Council of the People’s Republic of China, December 2007), <http://www.china.org.cn/english/whitepaper/energy/237089.htm> (accessed January 6, 2010).

An Assessment

Currently Chinese intellectuals and policymakers are engaged in a debate whether China would take the lead in converting its economic supremacy into enduring geo-strategic and political influence around the world. The central debate is how China would order the (post-Western) world.¹²⁴ Hu Jintao's dialogue of building a "harmonious world" (*hexie shijie*) is a grand official design which carries other hidden elements of Beijing's broader global strategy. In its "harmonious world" dialogue, Beijing holds two hidden elements: (a) a Chinese-desired utopian world society, and (b) a quasi-official depiction of how China can rise to become the Number One power of the world.¹²⁵

Barry Posen suggests that the recipe of grand strategy is a premise on how a state can maximize "security" in light of national assets and global structural constraints.¹²⁶ Grand strategy may not be analogous to its foreign policy. China's foreign policy aims to maximize its diplomatic, military and economic benefits. The realist discourse of International Relations theory suggests that China's grand strategy is to establish itself first as a credible Asian power and eventually as a global power. Though it is yet an unsettled debate if China is a global power or falls short of that claim, China is currently eyeing opportunities and platforms to maximize its national interests. For China, the best way to advance the debate at the moment is to engage at various levels and in both official and non-official spaces. In this perspective, Chinese strategists do not really care what to do about China's many-dimensional rise; but to maintain the right balance and strike along China's developmental course from "provoking a hyper-nationalist backlash."¹²⁷ In that context, China does see BRIC as an "opportunistic platform" at cross-regional levels.

¹²⁴ William A. Callahan, "China's Grand-Strategy in a Post-Western World," *Open Democracy*, July 1, 2010, <http://www.opendemocracy.net/william-callahan/china%E2%80%99s-grand-strategy-in-post-western-world> (accessed December 5, 2010).

¹²⁵ Ibid.

¹²⁶ Barry R. Posen, *The Sources of Military Doctrine: France, Britain, and Germany between the World Wars* (Ithaca, NY: Cornell University Press, 1984), p. 13; see also Stephen M. Walt, *The Origins of Alliances* (Ithaca, NY: Cornell University Press, 1987), p. 2.

¹²⁷ Callahan, "China's Grand-Strategy in a Post-Western World."

A Chinese Global Strategy

Various international theories suggest that China's current actions and behavior are of a "growing great power."¹²⁸ Terminologies like "superpower," "dawn of a new dynasty," or "flagship" are often used with regard to China. Samuel S. Kim describes China as a "major regional power – an incomplete great global power."¹²⁹ Randall L. Schweller is of the view that "China has not developed into a 'jackal' state, possessive of what it currently possesses but also eager to acquire and win more power and influence, but more of a 'lion' state, very keen to guard and preserve what it has currently but unwilling to take unnecessary risks in obtaining more."¹³⁰

China's current traditionalist approach in foreign policy strategy is a result of its many decades of fighting a civil war, international conflict, internal instability and socio-political upheaval. This runs parallel to the neo-realist school, that the great powers are solely concerned about preserving their status in the global hierarchy. But on the surface, the Chinese state discourse seems to match with Kenneth Waltz's paradigm of "sameness effect" – once a nation-state reaches the status of a great power, it tends to act similar to other great powers; progressive powers tend to emulate the success pattern of existing great powers and plan to achieve almost the same set of goals and objectives.¹³¹ It would nevertheless be hasty to describe China as a "superpower" (*chaoji daguo*) at this juncture of the global order; a superpower must be able to project its supremacy around the world, an element that China still very much lacks.¹³²

It would appear that currently China wants to capitalize on what it possesses, and is content to function within a Western-dominated global system of legal order and machinery, keeping intact its policy of conservatism. At the same time, scholars in China are debating how their country could rise further, after assessing its current position in the global order. Experts in China write that "scientific assessment of the international situation and

¹²⁸ Lanteigne, "Who Makes Chinese Foreign Policy Today?" p. 29.

¹²⁹ Samuel S. Kim, "China's Path to Great Power Status in the Globalization Era," *Asian Perspective*, Vol. 27, No. 1 (2003), p. 72.

¹³⁰ Referred in Lanteigne, "Who Makes Chinese Foreign Policy Today?" p. 29. See also Randall L. Schweller, "Bandwagoning for Profit: Bringing the Revisionist State Back In," *International Security*, Vol. 19, No. 1 (Summer 1994), pp. 72–107.

¹³¹ Waltz, *Theory of International Politics*, p. 128.

¹³² Lanteigne, "Who Makes Chinese Foreign Policy Today?" p. 29.

self-positioning constitute the important foundation and prerequisite for an appropriate handling of China's relationship to the world."¹³³ The maxim that seems to dominate the Chinese policy discourse since the days of Deng Xiaoping is to "keep a cool head, maintain a low profile, and never take the lead."¹³⁴ Mark Leonard is of the view that perhaps "China is one of those self-aware rising powers in the history of world politics,"¹³⁵ that China has always been self-conscious of its development and watches closely both its own progress and that of others. China is supposed to be one of those first great powers to develop in the modern era of globalization, and has become self-conscious of its global image (*guoji xingxiang*). Within these self-constrained parameters, the current focus is on the "cross-regional" multilateral dialogue process, including BRIC.

Focus on Cross-regional "Flexible" Multilateral Strategy

Leaders and disciples of leaderships are still learning to push China to the next stage. The course of Chinese leadership history suggests that fundamental differences existed between the approaches of Jiang Zemin and Hu Jintao in China's path to reaching out to the outside world. The latter clearly exudes greater confidence in foreign policy strategy. The Hu Jintao–Wen Jiabao combine has gone "cross-continental" and pushed China's participation in various global bodies and organizations beyond the continental level of Asia, and BRIC stands as a testimony in this Chinese practice. Some have described this as the Hu–Wen "charm offensive" (*meili gongshi*) that took shape in 2002.

In his report to the 17th Party National Congress, Hu Jintao stated: "While securing our own development, we will accommodate the legitimate concerns of other countries, especially other developing countries."¹³⁶ Crucially, the leadership in China has succeeded in convincing its audience about the efficacy of its foreign relations or global approach. The common Chinese citizens also appear satisfied with their country's international deal-

¹³³ Yang Jiemian, "60 Years of New China's Diplomacy: Characteristics of Practice and Evolution in Thinking," *Global Review*, July-August 2009, p. 11.

¹³⁴ Marina Yue Zhang with Bruce W. Stening, *China 2.0: The Transformation of an Emerging Superpower...and the New Opportunities* (Singapore: John Wiley & Sons (Asia) Pte, 2010), p. 232.

¹³⁵ Mark Leonard, *What Does China Think?* (London: Fourth Estate, 2008), p. 84.

¹³⁶ Hu Jintao, *Hold High the Great Banner of Socialism*, p. 48.

ings and growth. A *Pew Global* report suggests that 77 percent of the Chinese feel that China is “generally liked” globally; 55 percent are of the view that China’s economic influence in the world is “positive.”¹³⁷ Although one may not necessarily be convinced about these poll figures, the fact of the matter is that the Chinese have started evaluating their own position and influence in global politics that permits them scopes for correcting themselves and move ahead accordingly. In short, the Hu–Wen team has managed to push China beyond the Asia-Pacific boundary, by developing a “cross-regional” or “cross-continental” approach, exposing China to the outside world more clearly. The rise of BRIC in that context is an opportunity and a step forward for the Chinese agenda.

The eagerness of clubbing themselves within the framework of BRIC is a developmental outcome of the constructive Chinese foreign policy patterns since many years. In the post-Deng Xiaoping period China has been attaching growing importance to adherence to multilateral practices and membership in international institutions and regional bodies. On regional bodies China’s curiosity is primarily a post-Cold War phenomenon. China’s diplomatic practice of dealing with regional bodies has coincided with its larger interest in Asia that emerged in the wake of the breakup of the so-called strategic United States–Russia–China triangle.¹³⁸ The breakup of this coalition seemed to reduce China’s global weight greatly, because of the eventual dominance of the United States and the isolation of China contrived by U.S. policymakers at many global spheres. To deal with this complex order, China went on to initiate its good-neighbor policy (*mulin zhengce*),¹³⁹ in which the diplomatic primacy was to establish institutional linkages between China and different parts of Asia, and also if possible tying Asia with different parts of the globe with its own initiative. The application of this new perspective started haltingly, and primarily with states around China’s periphery (*zhoubian guojia*).

Since then, China has become either the main designer of a few regional organizations or has tried to bracket itself with those bodies as an observer or dialogue partner. Among these are the Shanghai Cooperation Organization

¹³⁷ “The 2008 Pew Global Attitudes Survey in China,” *Pew Global*, July 22, 2008, <http://pewglobal.org/reports/pdf/261.pdf> (accessed January 2, 2010).

¹³⁸ Lowell Dittmer, “China’s New Internationalism,” in Wu and Lansdowne, eds., *China Turns to Multilateralism*, p. 27.

¹³⁹ *Ibid.*

(SCO), the Asia-Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF). In these institutional milieus, attaining observer status in the South Asian Association for Regional Cooperation (SAARC) and clubbing itself in a bloc like BRIC are some of the latest successes of the PRC. From the days of Deng Xiaoping, Chinese diplomatic concern has always been concentrated in creating a stable and peaceful regional vis-à-vis global condition which would favor China's economic and political development. In this regard, reaching out to two immediate neighbors like India and Russia and crafting regional strategy has been a strategic priority in the Chinese foreign policy discourse. China has had troubled relations with both historically. In order to correct this historical legacy to some extent, China intends to cooperate with BRIC, which is a small part of a larger effort through multilateral channels. This is very much a temporary strategy for the time being. BRIC will also create proper conditions for China's rise at the regional level without creating much distrust in Russia and India.¹⁴⁰ China seems to be of the view that engaging with Russia and India at a multilateral forum will make them less likely to join with the Western alliance in encircling China. Though Brazil may not hold priority in the Chinese foreign policy discourse, there is a need for China to maintain "working, friendly and cooperative" relations with almost all countries across the globe in order to facilitate its "rise." It sometimes places the Chinese in a difficult position, but to formulate a broader strategy necessary adjustment has to be done and the Chinese are well aware of that.

Within these developments, speculation abounds in the Western and European world whether the rise of BRIC will disrupt and depose the existing world order with the lead of China. It would appear that China has deepened its cooperation with BRIC and would like to live with the current order of world politics till it grows to a distinctly new higher level, while bringing incremental reform slowly on its own terms. Even if China and other BRIC members have undermined the value of the U.S. dollar and brought pressure to reform the global order, these efforts do not show a grand design of a radical change in the global order. Nonetheless, this could be a short-term strategy.

¹⁴⁰ Many leading Chinese experts and diplomats hold this view (author's interviews and discussions with scholars from CICIR, CIIS, CISS, SISIS, and SAAS, etc.).

China remains the crucial player in BRIC. Following a “cooperative strategy” remains the key feature in Chinese diplomacy, as China steps up its calculated steps to gain in energy supplies, capture vibrant markets and counter the rising powers in the process. As a Chinese expert suggests, “Only by accommodating the interests of all sides, seeking common ground while shelving differences and jointly pursuing cooperation can countries properly advance and deepen the reform of the present international financial and economic system.”¹⁴¹ The 2008 *National Defense White Paper* states that “China has become an important member of the international system, and the future and destiny of China have been increasingly closely connected with the international community. China cannot develop in isolation from the rest of the world, nor can the world enjoy prosperity and stability without China.”¹⁴² There is also eagerness in China’s policy formulation to drop the idea of calling for a “new international political and economic order.”¹⁴³ Chinese officials have also expressed an interest in formulating a more positive evaluation of U.S. interest in East Asia.¹⁴⁴ What China is advocating currently is to advance the global order through an improvement in the global powers’ relations and through overcoming the areas of dissatisfaction¹⁴⁵ for a more transparent and vibrant world order. At the moment, neither China nor the other BRIC countries have any specific goal or vision to reconstruct the current world order; but the process is already started as far as the Chinese are concerned.

¹⁴¹ Shen Qiang, “Subtle Changes of Major Power Relations: A Perspective on the Reform of International Financial and Economic System,” *Global Review*, Vol. 1, No. 1 (July–August 2009), p. 51.

¹⁴² See “China’s National Defense in 2008,” Information Office of China’s State Council, Beijing, January 2009, http://www.gov.cn/english/official/2009-01/20/content_1210227.htm

¹⁴³ “China Eager to Establish New International Order,” *Xinhua*, February 28, 1991.

¹⁴⁴ Fu Ying, “China and Asia in a New Era,” *China: An International Journal*, Vol. 1, No. 2 (September 2003), p. 311.

¹⁴⁵ Shen Qiang, “Subtle Changes of Major Power Relations.”

About the Author

Dr. Jagannath P. Panda is Research Fellow (rank of Associate Professor) at the premier Institute for Defense Studies and Analyses (IDSA), an autonomous body of the Government of India, New Delhi. His current research focus is the emerging competition between China and India in Asia. His other research interests are BRIC, Sino-Indian Relations, Maritime Security, and Tibet. He is also the managing editor of the *Peace and Development Digest* of the Foundation for Peace and Sustainable Development, New Delhi. He received his Ph.D. from the School of International Studies (SIS) of Jawaharlal Nehru University, New Delhi. He is a recipient of the V. K. Krishna Menon Memorial Medal for his excellent academic record in international law and diplomacy from the Indian Society of International Law (ISIL), New Delhi. His writings have been published in various forms in peer-reviewed journals like *Strategic Analyses*, *China and Eurasia Forum Quarterly*, *China Report*, *Asian Politics and Policy*, *Asian Ethnicity*, etc. Dr. Panda was an institutional fellow at the SIIS, Shanghai from June 2009 to September 2009; and a visiting faculty at the National Chung Hsing University, Taichung, Taiwan from May 2010 to July 2010. He has worked as a lead member on various Task Force projects from DRDO and Government of India on issues related to China and Tibet. He is the author of *China's Path to Power: Party, Military, and the Politics of State Transition* (New Delhi: Pentagon Security International, 2010). He was a Visiting Fellow at ISDP, September 6 – November 30, 2010.