

KEY TAKEAWAYS

Since 2008 BRICS declarations often refer to the G20

BRICS finance ministers usually meet at G20 finance ministerial meetings

Spotlight on BRICS

G20-BRICS cooperation will make global governance more effective, write Marina Larionova and Andrey Shelepov



The G20 and the BRICS group of Brazil, Russia, India, China and South Africa have been working on shared agendas since the BRICS leaders' first meeting in 2009. Despite the widespread belief that the BRICS competes with the G20, the BRICS recognises the G20 as a key forum for dialogue and coordination on international economic and financial issues. Its members support G20 decisions and work with other G20 members to implement them. They coordinate their own positions within the G20 to achieve the common goals of stimulating economic growth, reforming international financial institutions (IFIs), improving financial market regulation and ensuring a fair world order. BRICS declarations frequently refer to the G20 since 2008, with the highest number (44) during the Russian BRICS presidency in 2015.

Since 2011, the BRICS has organised an informal meeting on the sidelines of G20 summits to deal with its own priorities and the issues on the G20 agenda, with the balance depending on the current situation in the global economy and international relations. Before the G20's Cannes Summit in 2011 BRICS leaders discussed restoring global stability and resuming growth,

and obstacles to IFI reform. In 2012 in Los Cabos, they discussed intra-BRICS cooperation, including swap arrangements among national currencies and reserve pooling, and dealt with the eurozone crisis then threatening global financial and economic stability; they agreed to increase their contributions to the International Monetary Fund (IMF) by \$75 billion. In 2013 in St Petersburg, BRICS leaders focused on their own priorities and endorsed the progress in negotiating their New Development Bank and Contingent Reserve Arrangement. The establishment of these new BRICS institutions also dominated the discussion before the 2014 Brisbane Summit. At Antalya in 2015, the balance shifted towards the G20 priorities. BRICS leaders condemned major terror attacks and committed to cooperate beyond the forum membership to combat this threat. Last year, during the Chinese G20 presidency, wide-ranging discussions were held on the Hangzhou Summit agenda, including strong, sustainable and balanced growth, innovation, free trade, the IMF quota review, corruption, energy and the 2030 Agenda for Sustainable Development.

BRICS finance ministers also usually meet on the margins of the G20 finance ministerial meetings and BRICS foreign

BRICS leaders could develop a more coordinated strategy for their joint work in the G20

The BRICS intention to act in alliance with the G20 remains largely unrealised

Hamburg could improve the effectiveness of BRICS cooperation



ministers coordinate their positions on the eve of the G20 summits.

However, this engagement is not mutual. The BRICS is mentioned only once in all G20 documents, in the Action Plan to Support the Development of Local Currency Bond Markets.

The BRICS intention to act in alliance with the G20 remains largely unrealised. It cannot find a balance between its broader agenda and specific economic and financial challenges discussed by the G20. When they meet just before the Hamburg Summit, BRICS leaders could develop a more coordinated strategy for their joint work in the G20 to move from articulating mutual interest and declarative support to enhancing practical cooperation.

The potential for intra-BRICS cooperation within the G20 is also underutilised. Despite the commitment to exchanging and coordinating positions on the G20 agenda to accommodate the interests of emerging market economies and developing countries, the BRICS has been unable to come up with a consolidated stance that significantly affected G20

outcomes. It has only managed to represent an alternative voice on IMF and World Bank reform. The Hamburg Summit could improve the effectiveness of BRICS cooperation within the G20, given that China held the G20 presidency in 2016 and holds the 2017 BRICS presidency and its priority to “enhance communication and coordination in the G20, UN, World Bank, IMF, WTO and other major international organizations and cooperation frameworks to improve global economic governance and promote a more equitable, reasonable and efficient international order”.

The G20 for its part should pay more attention to the BRICS. Although G20 documents do not refer directly to the BRICS, the New Development Bank is included in the G20 alliance of multilateral development banks to facilitate infrastructure

investment. Given the common challenges facing advanced and developing economies in the G20, recognising the role of the BRICS in achieving G20 commitments in the Hamburg communiqué could be a major step towards improving G20 effectiveness and strengthening its leadership in global governance. **G20**



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