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The BRICS in International Development: The New Landscape

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The IDS programme on Strengthening Evidence-based Policy works across seven key themes. Each theme works with partner institutions to co-construct policy-relevant knowledge and engage in policy-influencing processes. This material has been developed under the Rising Powers in International Development theme.

This report, written by Richard Carey and Xiaoyun Li of the IDS Rising Powers in International Development Programme Advisory Council, provides an overview of key developments in the role of the BRICS in the evolution of the international development landscape. It takes forward the analysis in IDS Evidence Report 58 on *The BRICS in the International Development System: Challenge and Convergence*, published in March 2014, co-authored by Xiaoyun Li and Richard Carey. It also reflects the work of the IDS Rising Powers in International Development Programme over the intervening two years on the BRICS, which has been drawn together in a volume published by Palgrave MacMillan that includes chapters on the development cooperation programmes of each member of the BRICS as well as looking into possible futures for BRICS development cooperation work.

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Abbreviations

AIIB	Asian Infrastructure Investment Bank
BRICS	Brazil, Russia, India, China and South Africa
ICT	information and communications technology
IMF	International Monetary Fund
NDB	New Development Bank
OBOR	One Belt, One Road
OECD	Organisation for Economic Co-operation and Development
SCO	Shanghai Cooperation Organisation
UK	United Kingdom
UN	United Nations
US	United States

Summary

This Evidence Report provides a summary account of the role of the BRICS (Brazil, Russia, India, China and South Africa) in shaping the current global development landscape. It first looks at the origin of the BRICS as a political association, then considers their economic trajectories in the first decade and a half of the new century, followed by an investigation of the political and global governance implications of the involvement of the BRICS in the new economic and political geographies unfolding in the multipolar world of today. Finally, the report considers the BRICS as a vector in the evolving development cooperation scene.

1 In the beginning: what's in an acronym?

It is commonly understood that the political association now functioning under the acronym BRICS was inspired by the acronym BRIC, created in a paper written in 2001 by Jim O'Neill (now Lord O'Neill), then Chief Economist of Goldman Sachs. The Goldman Sachs article proposed that on the basis of their dynamic economic performance in the 1990s, Brazil, Russia, India and China would be the drivers of world economic growth in the foreseeable future and should all be invited to join the G8 (Russia had been part of the G7/8 since 1997) (O'Neill 2001). The first decade of the new millennium validated this economic prognosis. And in 2008, in the midst of severe financial crisis, all of the BRICs were included along with other major players in the global economy in the G20 Heads of State Summit, a historic global governance innovation created overnight by building on the established G20 Finance Ministers process that included South Africa as well.

Yet the etymology of the BRICS can be derived another way, more closely entwined with the ongoing political association that held its first Heads of State Summit Meeting in Yekaterinburg, Russia, in 2009.¹ Here, the history begins with the RIC club – Russia, India and China – meeting informally in New York in the margins of United Nations (UN) General Assemblies from 2003, and annually on a formal basis at the level of foreign ministers since 2005. The idea of establishing a BRICs grouping came as a carefully thought-through Russian initiative worked out by Foreign Minister Lavrov and President Putin. In 2006, Russian Foreign Minister Sergey Lavrov invited Brazilian Foreign Minister Celso Amorim (building on a long-established personal friendship) to an informal lunch of RIC foreign ministers in New York. Following from that first contact and on the initiative of President Putin, a BRIC foreign ministers meeting was convened in September 2006 in New York, and again in 2007, on the fringes of the UN General Assembly. The first stand-alone BRICs Heads of State meeting was convened by President Medvedev in Yekaterinburg in July 2009. After the second BRICs Summit meeting in 2010 in Brasília, an invitation to South Africa to attend the 2011 Summit meeting in Sanya (Hainan, China) as a new member, generated the acronym BRICS (Shubin 2013). Alphabetical serendipity thus complemented the economic and political logic, while serving to reinforce the existential ambiguity of the BRICS acronym with its dual etymology.

¹ A history of the origins of the BRICS as a political association can be found in Kornegay and Bohler-Muller (2013), which assembles a comprehensive set of perspectives by authors from each of the BRICS.

2 The BRICS as an economic vector

As a symbol of the broader emerging markets phenomenon, the BRICS acronym, applied in its broader common usage (Brazil, Russia, India, China and South Africa), captured a remarkable transition in the global economy. According to the Chief Economist of the International Monetary Fund (IMF), in the 1980s, emerging and developing countries accounted for 36 per cent of world output in purchasing power parity terms, and 43 per cent of world growth in that decade. In 2010–15 those numbers leapt to 56 per cent of world output and 79 per cent of world growth. The conclusion to be drawn is that a predominantly advanced developed country lens is an ever more outmoded approach to viewing the world economy (Obstfeld 2016).

The emerging markets story, including the BRICS and beyond, has thus been a powerful catalyst for trade and investment and poverty reduction globally over this period, notably helping to boost growth in the Asian, Latin American and African regions. This 'shifting wealth' phenomenon has underpinned the basic agenda of the BRICS as a political association working to shift global governance norms and arrangements established under a United States (US)-led post-Second World War, to reflect the present and future configuration of world economic and political power.

At the same time, the extraordinary role of China in generating the emerging markets phenomenon in general and the economic trajectories of the BRICS as a particular group is essential to this story. As it integrated into the global trade regime and opened up to foreign investment, China's growth surged, generating a super-cycle in commodities that lifted growth rates in commodity-exporting countries around the world, in rich and poor regions alike. China's own investments in creating commodity supply chains further pushed this process, along with the 'going out' policy to encourage direct investment by Chinese companies, notably in the construction and information and communications technology (ICT) industries. When China countered the global recession of 2009 with a major investment package for provinces and local governments in China, the macroeconomic impact via commodity markets was global, helping commodity exporters to survive the financial crisis generated in the financial markets of the US and Europe. Among the major beneficiaries were fellow members of the BRICS – Brazil, Russia and South Africa.

From 2014, the BRICS economic vector changed. China's move to a lower 'new normal' growth path based on domestic consumption and decarbonisation of the economy rather than investment and exports has pushed the commodity cycle into reverse, exposing the weaknesses in the economic structures and testing the political systems of the commodity-exporting BRICS. Brazil, Russia and South Africa each have particular structural and political challenges of a medium-term nature and are unlikely to be in the ranks of emerging country growth stories again until they find a new way forward. Meanwhile it is India that is moving forward at a fast pace (albeit with major social and structural challenges), spurred by economic reforms that favour private sector development and mass consumption, with ICTs helping to rationalise and improve poverty reduction programmes.²

Assuming that China will be able to manage its ambitious and comprehensive reform agenda in a way that maintains the 'new normal' growth rate of 6.5 per cent, there is hence the

² A key point to note, however, is that poverty reduction in India (which still has far to go) has occurred not only because of economic growth but also because of legislation such as the Right to Food and associated policies such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) as well as empowerment of the local government system (Panchayats) linked with reservations for women and other historically marginalised groups, and other social sector schemes. This is a pattern that also applies to other BRICS countries, notably Brazil, which alone among the BRICS has substantially reduced income inequality over the last decade.

medium-term prospect that together China and India, with a combined population approaching some three billion people, will be major drivers of global growth into the medium- and long-term future. This prospect is important for the other BRICS, but also for the global economy and development prospects at large, underlining the global significance of the issues raised by the financial volatility in China that has emerged in 2015 and early 2016.³

The cogency of the BRICS as an investment category has thus changed radically. For the ten years through 2010, the MSCI BRIC Index had returned 308 per cent compared with a 15 per cent return on the Standard and Poors Index in that period. But with other fast-growing developing countries emerging onto the scene, a new larger category of emerging markets has become a more compelling investment story (O'Neill, Stupnytska and Wrisdale 2011). With this ongoing change, Goldman Sachs's emblematic BRIC Fund declined by 21 per cent over five years and in 2015 was folded into a wider Goldman Sachs's Emerging Markets Equity Fund. The original BRIC investment story was over. But the story of China and India as major global growth engines now forecast at between 6 and 8 per cent growth per annum for the next two years and with the possibility of maintaining such growth through to the middle of the century, would indeed change the shape of the global economy and hence the shape of global governance and development patterns.

³ The ratings agency Fitch, in a study framed by the Oxford Economics Global Economic Model, tests a scenario in which China's growth rate falls to 2.3 per cent (a scenario Fitch judges as unlikely). In these circumstances the model suggests that global growth would fall from a base case of 3.1 per cent to 1.8 per cent in 2017 with the persistence of a world of low interest rates, low growth and low prices for oil and other commodities. Report available at www.fitch.com. The World Bank's 2016 *Global Economic Prospects* report suggests that a 1 per cent decline in the growth of the five BRICS generates a 0.8 per cent decline in the growth of other emerging and developing countries and a 0.4 per cent decline in global growth (World Bank 2016).

3 The BRICS as a political vector

What could be the cogency of the BRICS as a political vector in a scenario, where by mid-century, India's economy would be as large as the US economy and China would be 50 per cent larger than the US and India combined (Merchant 2013)? The three other BRICS, with their complementarities as resource suppliers, would be pulled along by such a China and India growth vector, as would many other developing and developed countries, albeit in a world of declining resource intensity as green growth and broader technological advances change the nature of demand for goods and services and for labour and human capital.

The BRICS as a political vector originated as a Russian initiative, with a logic first articulated in Russian concept notes on foreign policy and on the BRICS and then reflected in the declarations of successive BRICS summit meetings, most recently in the declarations emerging from the Ufa BRICS Summit of July 2015.⁴ The fundamental logic is that the international system is in a process of transformation towards multipolarity – and in that future world, US prominence in the world order would give way to a sharing of voice, initiative and responsibility (Acharya 2014). The vision that continues to permeate the BRICS leaders statements is of a world which is more just and fair, under the rule of international law and the UN, where regime change is not part of the agenda of the most powerful states, and where voting structures in the Bretton Woods institutions are reformed to reflect the new economic balance in the world. It is this central logic that made the proposal to constitute the BRICS from Russia, a country looking to exercise a major role in this global transformation, attractive to the other initial members, all three considering themselves as rising powers, and to South Africa with its aspirations to be the leading voice of a rising Africa.

The Russian initiative came at a time when a US-led coalition had overthrown the regime in Iraq. And at around the same time an acute financial crisis generated significant reputational damage to the countries and institutions at the heart of global economic management. Hence the concept of a group of major countries from outside this circle taking a collective perspective on the shape of the international system of the future did have a logic and an appeal, even if the BRICS geopolitical interests may not always be convergent.

With history as the mother of invention, the G20 was invented on the spot in 2008 to avert major global financial and economic catastrophe. The BRICS fully shared in the G20's self-nomination in 2009 as the world's premier economic forum. Indeed, this is a formula that has been repeated in BRICS statements ever since. For the BRICS, the advent of the G20 has been a validation of the position that global governance systems would need to become multipolar. It was at a G20 meeting in 2010 that the deal was reached to reform the voting structures of the IMF (and hence the voting structures of the World Bank as an automatic follow-on). Opposition in the US Congress to such an overt shift in relative economic power delayed implementation of this change for over five years, widely seen as damaging US longer-term interests in maintaining the legitimacy of the Bretton Woods institutions. Thus it was with evident relief that the US Treasury Secretary, in his press release welcoming the inclusion of the IMF reforms in an Omnibus Spending Bill passed by the Congress in mid-December 2015, stated that they 'reinforce the central leadership role of the US in the global economic system and demonstrate the US commitment to maintaining that position' (US Department of the Treasury 2015). In her announcement on this occasion, the Managing Director of the IMF noted, in counterpoint, that the reforms 'improve the IMF's governance, better reflecting the role of the dynamic emerging and developing countries in the global

⁴ For BRICS documents see BRICS Information Centre: www.bricsutoronto.ca.

economy' bringing four emerging market economies (Brazil, China, India and Russia) among the ten largest members of the IMF while also increasing the voice of African countries (IMF 2015). Hence one of the talismanic concerns of the global South was advanced by the BRICS working inside and outside the G20.

4 Global governance in a world of new political and economic geographies

The dynamic at work as the BRICS seek to shape the global governance system of the future is a process of challenge and convergence (Li and Carey 2014), with the international development system as a key arena. As an example of such a challenge and convergence process in action, the interregnum associated with the stalled Congressional assent to the IMF reform saw the creation by the BRICS of the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). In addition, having initiated the idea of the New Development Bank (on a proposal from Chen Yuan, then President of the China Development Bank), China also launched the establishment of the Asian Infrastructure Investment Bank (AIIB). Much to the consternation of US officials, the United Kingdom (UK) decided to join the AIIB in early 2015, triggering applications from a significant number of other developed countries.

At the Washington summit meeting between President Xi Jinping and President Obama in September 2015, the official Chinese record indicates that an agreement had been reached on the concept of a 'new model major country relationship', acknowledging China's status as a major power while working to ensure that the rising power process would be a peaceful one. As part of this agreement, the US would push forward with the 2010 IMF reform package, while the Chinese side would ensure that the new multilateral institutions it was supporting, and any further such institutions in the future, would be professionally managed and adhere to accepted standards and practices of existing multilaterals. Further, China would participate meaningfully in replenishment rounds of the existing multilateral development finance institutions (People's Republic of China, Ministry of Foreign Affairs 2015).

Though not disclosed by the US side at the time of the Xi–Obama summit in September, this agreement as elaborated in the Chinese record, represented the challenge–convergence dynamic underlying the inclusion of the IMF reform in the December 2015 Omnibus Spending Bill as passed by the US Congress. And according to the US Chief Climate negotiator the 'new model major country relationship', first advanced by the Chinese in 2013, also underlay the China–US diplomacy that led to the joint Xi–Obama statement on climate change policy objectives that contributed decisively to the successful outcome of the Paris Climate Change conference (Brookings Institution 2015). This rare explicit reference to the Chinese concept by a US official provides testimony to the emergence of a multipolar world order, however politically sensitive that remains. In this same time period, the summit meeting between President Xi and the British prime minister David Cameron in the UK produced a number of major financial agreements, including for the co-ownership and construction of nuclear power plants and other major long-term infrastructure investments, and for RMB financial market development in London. The UK also gave its support to the Chinese One Belt, One Road (OBOR) Silk Roads initiative. US officials are reported to have expressed their view that in engaging in such initiatives the UK has been leaping into the unknown, without due caution regarding the future of China and its role in a changing world order and the possible damage to longstanding Western alliances.

The comprehensive and elaborate declarations that have emerged from each of the BRICS Summit meetings carefully track and treat the complex and evolving areas of tension and cooperation in the international political and economic arena. It is evident in these statements that there is no monolithic BRICS position on the major faultlines such as the Ukrainian crisis or the tensions in the South China Sea or the Middle East. Nor is there any ideological or

ideational content in the treatment of economic issues. This reflects the basic position that the BRICS group is not a forum for confrontation with the 'West' or for confrontation among BRICS countries themselves. Any such confrontations take place in other settings. The BRICS process is careful to stay nested within the G20 and to avoid revisiting positions that members have taken in the UN; indeed the BRICS process aims to 'strengthen' an international system through which they look to generate and maintain world order even as they assume a growing role in that world order.

The reluctance at this point to expand beyond the existing membership is an indication of a calculation that the current mode of the BRICS represents an equilibrium that is providing enough of a challenge function in the evolving world order. To expand further would be more complicated than warranted. Rather, the direction is to expand the intra-BRICS programme of knowledge exchange across the wide range of policy areas in which ministerial and expert-level work is conducted, 'slowly laying the foundations for a multipolar order that will allow them to shape global order according to their interests' (Stuenkel 2015). The current horizon, set out in the most recent Action Plan emerging from the Ufa Summit in 2015, includes establishing a virtual secretariat in the form of a permanent open website that would be a repository for all BRICS documents and work programmes (BRICS 2015a). Such a virtual secretariat would leapfrog the G20, which is still discussing how to move beyond the establishment of a new website under every new G20 presidency. The issues here are not insignificant in political management terms and the dynamics of the rotating presidency. But the impact in terms of efficiency, engagement and profile could also be significant. In pursuing the virtual secretariat concept, the BRICS objective is perhaps best understood as becoming and being recognised as a source of initiative and knowledge in a multipolar world, in a system of polycentric multilateralism or 'minilateralism' that is forming to an important degree outside formal institutional structures (Patrick 2016).⁵

Indeed, looking ahead, it is difficult to imagine that the economic dynamics at play in a global economy with China and India with a combined three billion people and an Africa approaching two billion people will not engender profound changes in global governance systems, with the G20 in particular, but also the BRICS, as forums acting as moderators of such changes with their flexible agendas and Heads of State convening powers.

At the same time, there are different views as to whether and how soon there might be a decisive 'global transformation' in which the BRICS become clearly the leading players assuming concomitant roles and responsibilities. One view is that the US is far from being in decline, with its global impact via its policies, corporations, technologies and military capacities even increasing. In the case of Europe, on the other hand, relative decline and political coherence may well be the outcome of adverse demographic dynamics, compounded by the impact of refugee flows from a destabilised Middle East and North Africa, partly a 'blowback' from the 2003 invasion of Iraq and 2011 intervention in Libya. In this reading, the main challenges to world order are likely to be increasing inequality within countries throughout the developed and emerging worlds, linked *inter alia* to the work-replacing bias of contemporary technological change, which could provoke severe social and political disruption. Climate change impacts, including disruptive weather events, would be another of these global problems transcending any global governance transformation. At risk from the economics and politics of rising inequality would be the progress made on reducing poverty, including the encroachment of fiscal pressures and re-emerging debt problems on

⁵ A significant development in this context is the expanding membership and networks of the Organisation for Economic Co-operation and Development (OECD) with its largely soft law and peer review/learning processes. It now embraces 34 members, many more *ad hoc* participating countries, operates a dozen 'Global Forums' and has four of the BRICS as 'Key Partners' of the OECD (Brazil, China, India and South Africa, which are each also full members of the OECD Development Centre). Russia was on the verge of OECD membership until the annexation of the Crimea brought a halt to the accession process. All of the BRICS except for Russia have also become Associate Members of the International Energy Agency.

the fiscal space available for conditional cash transfers that have proved an effective means of tackling extreme poverty. 'The rise of the South, the "decline" of the US, and the "transformation" of the international order should be put into this wider context' (Kiely 2015). The theme announced for the 8th BRICS Summit to be held in Panaji, Goa, in October 2016, 'Building Responsive, Inclusive and Collective Solutions' might be seen as reflecting such a reading of the global problematiques driving agenda-setting for the G20 and BRICS.

5 The BRICS as a development cooperation vector

With the BRICS as an economic vector providing some 80 per cent of global economic growth in 2010–15 (Obstfeld 2016) the impact of the BRICS on development progress and prospects at a macroeconomic level has been critical. It will remain critically important through the complex cyclical and structural transitions now facing the BRICS countries, with China's transition of particular significance. And as the discussion above on the international political impact of the BRICS indicates, the forum has provided a challenge function in the international system, while at the same time its members support and participate in the G20 system. And the BRICS have all supported individually the trio of 2015 UN Agreements on universal sustainable development goals, on development financing beyond official development assistance, and on climate change – three agreements that already introduce significant evolutions in global governance systems (UN 2015a, 2015b; UNFCCC 2015).

In terms of the impact of the BRICS on development cooperation, traditionally divided between North–South and South–South cooperation, the story is mixed. All of the BRICS have agendas for making their development cooperation more effective, but so far there has been no real attempt to pull together a BRICS development cooperation strategy. Indeed, it has been argued that the search for a narrative for Southern providers of development cooperation (i.e. emerging powers) is still a work in progress, 'with few positive results and some worrying side effects' (Bracho 2015). This situation follows from the successive High Level Forums on Aid Effectiveness in Accra (in 2008) and Busan (in 2011), where the special identity and relevance of South-South Cooperation were embedded in the outcome texts, but issues of buy-in and participation to follow-up processes, particularly the Global Partnership for Effective Development Cooperation, remain unresolved to date.

The BRICS as a political association has not attempted to step into this arena or even to assess its opportunities. Indeed, the first meeting of BRICS senior officials responsible for international development cooperation took place only in December 2015, seemingly, however, without the engagement of key officials (BRICS 2015b). This senior officials meeting followed a mandate in the BRICS Ufa Declaration, where the BRICS leaders committed 'to strengthen partnerships for advancing international development cooperation and to begin interaction through dialogue, cooperation and exchange of experience in advancing international development cooperation' (BRICS 2015a). How this promising undertaking might be developed will probably become clearer under the Indian Presidency of the BRICS in 2016, given the active role of India in efforts to generate dialogue and cooperation among South–South actors, and then under the presidency of China in 2017.

Both China and India were present at the Bandung meeting of 1955, where the objectives and principles of South-South Cooperation were first laid out. In the case of China, aid principles were codified in a speech by Zhou Enlai in Accra in 1964, which remain a basic reference today, even if Chinese development finance has evolved massively beyond the realm of concessional aid (Xu and Carey 2015b). Mutual benefit, knowledge-sharing and non-interference remain the framework of South-South Cooperation. Yet it is now much harder to identify the domain of development cooperation as distinct from global business as the multinationals of the BRICS countries engage and compete in the developing countries of the South and as new fields and modes of public/private development cooperation are codified by the OECD countries (OECD 2016). In addition, the non-interference principle becomes less sustainable when BRICS countries have large-scale commercial activities at risk around the world and agendas for building effective states and regional security replace

relationships based on liberation efforts and philosophies (Li and Carey 2014). China is boosting its capacity to engage in peacekeeping efforts.

Meanwhile, the most famous BRICS initiative so far has been to establish a New Development Bank (NDB). Located in Shanghai under an Indian president and now on the threshold of its first operations, the policies and programmes of the NDB will be watched with great interest for signs of new approaches and the manner in which safeguards in the areas of environment and resettlement are handled. Preliminary conversations on policy and positioning have taken place in various international financial centres. Issues include how the NDB may push the envelope on development finance and the international financial architecture in a world where risk capital is at a premium while capital adequacy rules are being tightened and where green finance is a major international agenda. Reputational stakes associated with the functioning of the NDB are high for the BRICS as a political association. Operations are to encompass BRICS countries and sub-Saharan Africa, with an African Regional Centre already established in Johannesburg.

At the same time, Chinese initiatives have created not only the Asian Infrastructure Investment Bank, but also a Silk Roads Fund, and a decision has been taken to establish a Shanghai Cooperation Organisation (SCO) Bank, with India and Pakistan as new members of the SCO. The Ufa SCO meeting held alongside the BRICS Summit agreed to promote synergies between the SCO Development Bank, the OBOR Silk Roads initiative and the Eurasian Economic Union. Hence the RIC association, where the BRICS association was conceived, is now giving birth to a strategic Eurasian economic cooperation system based around connectivity and energy investments and political stability objectives. China has also developed ambitious strategic frameworks and financing facilities for industrialisation and development in the African continent via the Forum on China–Africa Cooperation, as elaborated in the Johannesburg Declaration of December 2015 (Forum on China–Africa Cooperation 2015a, 2015b; Carey and Li 2016). And in Latin America, China has launched a partnership with the Community of Latin American and Caribbean States with triennial meetings and plans for continental connectivity investments. At the level of intellectual and political impetus, China is establishing a new centre for international knowledge on development, a Silk Road Think Tank and a heads of state-level forum for the Silk Road initiative. And in the context of the UN Sustainable Development Goals, President Xi announced a US\$2bn South–South Fund for SDG implementation and a US\$3.1bn South–South Fund for climate change financing. An institute for the study of South–South Cooperation is being established alongside a Centre for New Structural Economics at Peking University concerned with economic transformation, notably in African countries as Chinese wage rates increase and manufacturing jobs migrate out of China.

Systemically, all these Chinese initiatives and the BRICS New Development Bank imply a new economic and political geography of international development cooperation, with BRICS leadership and engagement (Xu and Carey 2015a). They also help to breathe new life into multilateral development finance. Old and new institutions must now compete and cooperate. Prospectively, this should generate a major increase in the demand and supply of development finance at interest rates reflecting sovereign guaranteed funding costs, thus promoting one of the main policy recommendations emerging from the Financing for Development conference in Addis Ababa in July 2015 (Spratt and Barone 2015; UN 2015a).

6 Conclusion

The flowering of the BRICS collectively as an emerging economy category can now be seen in retrospect as a 20-year phenomenon, beginning in the mid-1990s and running to the end of the commodity super-cycle associated largely with China's transition to a 'new normal' growth policy under the administration of President Xi Jinping in 2013. (The BRICS category remains in use in the World Bank's most recent growth projections, but it was never incorporated into the IMF's analytical categories.) Today, three of the BRICS (Brazil, Russia and South Africa) have been severely impacted by the fall in commodity prices from their previous peaks and are confronting the need to adjust current finances and map out new strategies for achieving faster growth and sustainable development progress. At the same time India and China continue to grow at moderately fast rates that, although involving major domestic policy challenges, given the size of their populations and the weight of their economies, especially that of China, means that in three decades India's economy could be as large as that of the US and China's economy could be 50 per cent higher than the US and India combined (Merchant 2013). This is the prospect that will increasingly bear on perspectives for the global economy. The working-age population of sub-Saharan Africa will grow rapidly alongside the expansion of India's working-age population so that China, India and sub-Saharan Africa will each have more or less equal pools of working-age people, far outstripping those of other continents, albeit at very different wage rates although the democratisation of technologies in a zero-marginal-cost world promises large increases in living standards everywhere.

On the geopolitical front, the BRICS are likely to continue to work as an association of states positing a multipolar world, but that vision is already a reality as US power is used more sparingly. And the development partnerships that they engage in will be many and various, extending outside their BRICS identity, as is again already clear. Here, their active membership in the G20 is the most important vector, more important to each of them than the BRICS association although they were ready collectively to defend Russian participation in the Brisbane G20 Summit of 2014 when that came into question following the Russian annexation of the Crimea. Their impact on the international development system has already been palpable in terms of creating new institutions outside of the established multilateral system (Cooper and Farooq 2015). Now much will depend on how the BRICS New Development Bank works out, how China's multiple initiatives in development finance perform and how the BRICS themselves perform over the coming years as 21st-century developmental states, providing new avenues for 'transforming our world', 'leaving no one behind' and contributing to the combat against global warming, in line with global agreements reached in 2015 in the United Nations.

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