

Five Fingers or One Hand? The BRICS in Development Cooperation

The BRICS countries (Brazil, Russia, India, China, and South Africa) are increasingly prominent in development cooperation activities in low-income countries in Africa and worldwide, presenting a potential alternative to the development aid model of traditional donors. However, there are significant differences as well as overlaps between them, which need further attention in future engagement. This briefing summarises the findings from five IDS *State of the Debate* reports, outlining the contested and shifting discourse on development within and between the BRICS states, and the significant recent changes in the BRICS development cooperation framework.

The BRICS countries (Brazil, Russia, India, China, and South Africa) present a political alternative to the development cooperation model offered by traditional Western donors. Their identity as emerging middle-income countries, with a common experience of successfully generating their own economic development, has lent them significant credibility and legitimacy in development cooperation. New initiatives, such as the BRICS development bank, signal the mobilisation of the BRICS as a bloc in international development. However, modes and discourses of development cooperation promoted by each country remain divergent, with contested views of what ‘development’ actually entails.

‘Aid’ versus ‘partnership’

South–South Cooperation (SSC) is a recurrent theme promoted by the BRICS, with development assistance emphasised as being a ‘partnership’ in contrast to a donor–recipient relationship of ‘aid’. In the case of China, aid and development are two separate concepts in official discourse, and connotations of foreign intervention mean that China’s assistance is not framed as ‘aid’. All of the BRICS share a dual identity as both providers and recipients of aid. However,

they are careful not to portray themselves as donors, but rather equal partners. Although Russia is the exception as the only Northern state, it shares a common critical attitude to aid conditionality, and a commitment to principles of sovereignty, horizontality, and non-interference, as embodied in the idea of SSC.

South Africa is the exception. Its political development discourse explicitly endorses ideals of democracy and human rights globally as exemplified by the African National Congress (ANC)’s 2004 manifesto for global engagement, which endorsed ‘democracy, peace, stability, as well as economic growth and development’. All the same, South Africa is careful to remain in line with the non-interventionist stance of other BRICS countries.

BRICS development cooperation in practice

Modes of development cooperation employed by the BRICS overlap, with technical assistance and education being common initiatives. Russia’s development assistance since the Soviet period focuses primarily on health, education, and energy security, though food security is a growing focus. China and India are

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both active in financial programmes, providing concessionary loans, lines of credit, and resource equity swaps.

South Africa differs from the other BRICS countries in that many of its development initiatives centre on providing security rather than economic goods, including peacekeeping and peace-building efforts across the African continent. Though not recognised as aid contributions under the OECD's Development Assistance Committee (DAC) framework, they nevertheless represent an important contribution to regional development and stability.

Geographically, the BRICS have focused on neighbouring regions, often referred to as 'the near abroad'. China and India's

foreign direct investment (FDI) is largely concentrated in South East Asia and South Asia respectively, while Russia is an active provider of public goods in Central Asia and Caucasus. Brazil's development projects are overwhelmingly located in Latin America; however, the majority of its funds are actually allocated to Africa, indicating a shift in focus from the 'near abroad' to the 'far abroad' in its development engagement. Africa represents a common ground for BRICS involvement, particularly for South Africa, for whom regional development is an important part of its own national interests. While China is commonly perceived to be a dominant economic actor in Africa, South Africa is, in fact, the largest BRICS investor, though driven primarily by the private sector.

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Changing institutional frameworks

Development assistance provided by the BRICS remains highly state-centric. However, institutional changes are occurring as development cooperation initiatives grow.

- The Brazilian Cooperation Agency (ABC) has been a focus for development cooperation coordination; however, Brazil's SSC delivery and decision-making is dispersed across government institutions. A new agency, announced in 2013, could incorporate a combined responsibility for cooperation, investment, and trade with Africa and Latin America.
- Russia's development assistance expenditures and policies are jointly coordinated by the Ministry of Foreign Affairs and the Ministry of Finance. Plans for a new Russian Agency for International Development in 2012 have stalled, and the Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad, and International Cultural Cooperation (Rossotrudnichestvo) remains responsible for bilateral development assistance programmes (since May 2013).
- India's growing development cooperation has been consolidated through the creation of the Development Partnership Administration (DPA) within the Ministry of External Affairs. The DPA is in the process of outlining a 'development compact' under the framework of SSC.
- In China, development cooperation is primarily managed by the Ministry of Commerce (MOFCOM). Under this, the Department of International Cooperation and the Department for Foreign Cooperation are also responsible for receiving and giving aid. Though the former has previously been active in global discussions, the latter's influence domestically has been growing. A new White Paper on foreign aid will be released later in 2014.
- South Africa is forming a new coordinating body, the South African Development Partnership Agency (SADPA), under the Department of International Relations and Cooperation (DIRCO). This builds on the current African Renaissance and International Cooperation Fund (ARF), and will centralise its current development intervention activities.

State, business, and civil society sectors

Lack of institutional capacity and underdeveloped regulatory frameworks are common problems in the BRICS, stimulating trilateral cooperation between Northern and Southern countries. For example, Northern donors and partners have been crucial in building Brazilian SSC, due to its restrictive institutional frameworks on procurement and financial flows. Successful multilateral cooperation on the Russia as a Donor Initiative (RDI), supported by the World Bank and the UK Department for International Development (DFID), also aimed to strengthen ministerial capacity in international aid. South Africa's geostrategic position within Africa has also made it an attractive development partner for Northern as well as Southern countries.

The business sector in BRICS countries has also been highly active in the development landscape, often independently of the state. Alongside technical cooperation, rising levels of trade and investment in Africa reflect growing economic engagement between the emerging powers in the region, as well as potential for competition between BRICS firms. Paralleling China's Go Global strategy, India's development cooperation has moved to support larger Indian firms in the extractive sector, encouraging trade and investment as part of its 'development compact'. In contrast, South African firms and financial institutions receive minimal government support, despite their role in regional infrastructure and development initiatives. Meanwhile Brazil, under the Rousseff presidency, is shifting ideologically from its traditional stance on SSC towards a stronger alignment between development cooperation and trade and investment interests.

On the whole, civil society organisations (CSOs) in the BRICS play a limited role in development cooperation, though many CSOs and NGOs in India, South Africa, and Brazil have extensive experience in domestic social policy innovations. In the peace-building field, South Africa is the only BRICS country developing a policy on civil participation in peace operations;

meanwhile, CSOs and academia in Russia have contributed to development assistance debates through C20 forums. Civil society in Brazil and India has been most actively involved in development cooperation; in India, engagement between civil society and the DPA has been institutionalised through the recently established Forum for Indian Development Cooperation (FIDC). Brazil, however, lacks such a formal dialogue channel.

Media, public opinion, and transparency

Public discourse on development cooperation within the BRICS is diverse, but limited. In China, for example, information on aid and development is classified, and restrictions on policy circles and the media serve to limit public debate. In India, the independent media have played a critical role in development discourse, though public opinion is generally supportive of India's development cooperation.

In contrast to the other BRICS countries, in Russia, public opinion towards overseas aid is generally negative, though humanitarian relief is supported. These contradictory trends are rooted in the lack of information and absence of a media strategy; as a result, public awareness and informed debate is low. Russia, however, remains the only BRICS country to officially report its ODA through the DAC; its strong engagement with multilateral organisations stems in part from insufficient capacity of its institutions. Brazil has also gained significant credibility and legitimacy in promoting transparency in its development activities. Its recent COBRADI report goes furthest of all the BRICS countries in publicly reporting its development cooperation statistics.

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Policy recommendations

- Internationally, development cooperation is in a state of flux, and the BRICS countries sit at a critical juncture in charting the path of their development cooperation practices and institutions. Trilateral cooperation and engagement with Northern partners will continue as the BRICS continue to build their domestic capacity for development cooperation activities. However, this may be a transient phase; as their legal and institutional capacity develops, they may be less dependent on Northern and multilateral partners in future.
- Russia, as a bridge between Northern and Southern states, is interested and well positioned in multilateral forums to spearhead new initiatives for international cooperation; indeed, development featured as a priority during its G20 presidency. As Russia hosts the 2015 BRICS Summit, it holds a prime opportunity to shape the emergence of a BRICS development cooperation architecture and to influence the post-2015 development agenda.
- Norms of non-intervention and non-conditionality continue to inform BRICS development cooperation frameworks. Though several BRICS countries have previous history of collaboration with the DAC, they generally reject the OECD-DAC framework, and are unlikely to commit to Northern-led initiatives such as the Global Partnership for Effective Development Co-operation. These normative disagreements will continue to hinder BRICS involvement and engagement with Northern partners.
- Business is a significant and growing driver of BRICS development cooperation, though relationships and the degree of coordination with governments vary. As outward investment grows, BRICS are moving increasingly towards supporting their own trade and investment interests as part of broader development cooperation. There is already tangible economic competition between BRICS firms in Africa, which may complicate the establishment of a common development cooperation policy.
- CSOs in many BRICS countries are increasingly important, both in development cooperation and in influencing debate and public discourse. As their involvement grows, there is a further need to build mechanisms for engaging CSO expertise, both through institutional forums with government and in building networks across civil society. However, given the wide divergence in government attitudes and civil society influence, it is unlikely that such mechanisms can be employed on a bloc-wide basis.
- Despite a shared rhetoric of horizontality, partnership, and principles of SSC, there is no coherent operational framework among the BRICS, and SSC remains an amorphous, though politically attractive concept. The formation of the BRICS development bank demonstrates that there is a significant drive towards creating common mechanisms and standards for development cooperation, as well as growing institutional coordination and centralisation for international development within each state.



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Further reading

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Watson, N.; Younis, M. and Spratt, S. (2013) *What Next for the BRICS Bank?* IDS Rapid Response Briefing 3, Brighton: IDS

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Credits

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