

The BRICS: Seeking Privileges by Constructing and Running Multilateral Institutions

Oliver Stuenkel

School of History and Social Science, Fundacao Getulio Vargas

How should we think of the decisions made by China and the other BRICS countries to establish a series of new institutions, such as the Asian Infrastructure Investment Bank (AIIB) and the BRICS-led New Development Bank (NDB)? Does such activism show that rising powers are embracing or confronting today's Western-led order? This article argues that rather than analyzing emerging powers' beliefs about rules and norms, these new institutions can best be understood as a tool to enhance their capacity to gain privileges of leadership, and slowly reduce the United States' institutional centrality which provides it with a hegemonic privilege. Such privilege is seen to allow states to break the rules without asking for a "permission slip" and without fearing institutional punishment. The proliferation of non-Western institutions would appear to complement existing ones and allow rising powers to engage in forum shopping on a trans-regional level. Such forum shopping for the BRICS would seem to provide advantages, including reducing their dependence on Western-led institutions when they are perceived by the BRICS and others to serve the interests of established powers.

Introduction

"Will emerging powers seek to oppose and overturn the existing order or will they integrate?" G. John Ikenberry has often asked in recent years (Ikenberry 2012, 343). The author predicts that China can be integrated into today's order, which he calls "easy to join and hard to overturn." He writes,

Even if China and Russia do attempt to contest the basic terms of the current global order, the adventure will be daunting and self-defeating. These powers aren't just up against the United States; they would also have to contend with the most globally organized and deeply entrenched order the world has ever seen, one that is dominated by states that are liberal, capitalist, and democratic. This order is backed by a US-led network of alliances, institutions, geopolitical bargains, client states, and democratic partnerships (G. J. Ikenberry 2014).

By contrast, Barma, Ratner, and Weber predict that "rising powers could create a parallel system with," as they put it, "its own distinctive set of rules, institutions, and currencies of power, rejecting key tenets of liberal internationalism and particularly any notion of global civil society justifying political or military intervention" (Barma, Ratner and Weber 2007). The hope that China (and, to varying degrees, the other BRICS countries) would integrate into Western-led order long informed U.S. policy, especially following the fall of the Soviet Union. Attempts to engage countries such as China or Russia shrewdly sought to increase interdependence, generate mutual

Correspondence: School of History and Social Science, Fundacao Getulio Vargas, Rio de Janeiro, Brazil; E-mail: oliver.stuenkel@fgv.br

© The Author 2016. Published by Oxford University Press on behalf of Munk School and Rotman School of Management. All rights reserved. For permissions, please e-mail: journals.permissions@oup.com
doi: 10.1093/global/guw008

Advance Access publication 29 July 2016

wealth, and turn others into stakeholders interested in upholding the U.S.-led order.

In this article, I advance two arguments to help us contemplate the institutional entrepreneurship of China and the other BRICS countries. First of all, the approaches above merge two aspects: today's rules and norms on the one hand, and Western stewardship of the system on the other. Yet these perspectives are distinct. This leads to frequent misunderstandings in debates about rising powers and the future of global order. This often results in policymakers from the "Global North" and the "Global South" talking past each other. Contrary to what is sometimes believed in Washington or Brussels, emerging powers agree with the majority of fundamental issues such as international institutions, cooperative security, democratic community, collective problem solving, shared sovereignty, and the rule of law.

Put differently, the BRICS accept the roles and rules of existing institutions and most aspects of liberalism universal, rather than Western. According to BRICS leaders and officials, the problem is not the rules and norms themselves, but the way Western powers operate. Seen from Brasília, Delhi and Beijing, global law and global governance are often used to institutionalize new hierarchies and selective gradations of sovereignty in the case of developing countries. Global governance from these capitals legitimize deprivations of political autonomy and self-determination in ways that are at times reminiscent of nineteenth-century imperialism (Cohen 2014).

On a related note, neither of the two extremes of "integration" and "confrontation" can capture China's and other emerging powers possibly more subtle strategy vis-à-vis the institutions that make up today's global governance. Evading these two extremes, the creation of several non-Western institutions such as the Asian Infrastructure Investment Bank (AIIB) or the BRICS-led New Development Bank (NDB) will strengthen its presence in existing structures. This will allow China and others to copy the West by pursuing their own type of forum shopping: choosing among flexible frameworks and pursuing their respective national interests. China and the other BRICS countries pursue a strategy that defies the all-or-nothing paradigm of either rejecting or upholding existing institutions. While creating new institutions, such as development banks, on a regional level is not new, what is significant and distinctive in the actions of the BRICS is that their new institutions are trans-regional.

Just like the West before it, the Global South is proceeding multilaterally rather than unilaterally. In the case of the BRICS' creation of multilateral banks, this means China is causing itself to be more constrained by others when it has the option to act unilaterally – following the United States' example after World War II. Despite creating an order with restrictive rules, the BRICS will do what established powers have traditionally done and pursue their national interests and deviate from the institutions they have created only when absolutely necessary. Just as the states of the Global North exercise the privileges of leadership, so will the BRICS. The BRICS will enjoy these same kind of privileges in the institutions they create. The fundamental dynamics of power in international affairs remain unchanged.

When analyzing these new institutions, it is therefore necessary to go beyond a purely normative framework. China and other rising powers create new institutions not to reinvent or fundamentally change global rules and norms (in fact, they are fairly conservative when it comes to upholding

them), but simply to institutionalize their newfound power, just like Western powers did after World War II. This will allow BRICS countries to gain the privileges of leadership by constructing and then running these new institutions. The creation of institutions centered on non-Western powers will slowly reduce the institutional centrality of the United States. Emerging powers argue that this centrality provides the US with a hegemonic privilege to break the rules without asking for permission and without fearing institutional punishment (e.g., intervening without United Nations Security Council (UNSC) approval in Kosovo or Iraq). The proliferation of non-Western institutions to complement existing ones also allows rising powers to engage in forum shopping, reducing their dependence on Western-led institutions in cases where they are perceived to serve the interests of established powers.

The West's Stewardship of the System

When trying to predict the role of emerging powers in international order, scholars often wonder whether policy makers in Beijing, Brasília, and Delhi agree with the liberal rules and norms that define today's international system. While Western "optimists" believe rising powers will embrace the rules (i.e. G. John Ikenberry), "pessimists" argue that emerging powers will reject them (Barma, Ratner and Weber 2007). They point out that emerging powers have frequently questioned the foundations that underlie liberal order, expressing diverging opinions on the scope of cooperation, the location of rules, and the allocation of authority. All rising powers, according to this view, have thus voiced fundamental disagreements over substantive policies of the postwar liberal consensus.

The result has been a challenge to the liberal internationalist project in substantive areas as distinct as trade, human rights, the Responsibility to Protect (R2P), and nuclear nonproliferation.

As a consequence, analysts have argued that emerging powers are "not ready for prime time" (Castañeda 2010) or that they may become "irresponsible stakeholders" in global order (Patrick 2012). For example, they have pointed to Brazil's willingness to negotiate a nuclear deal with Iran or its criticism of the NATO-led Libya intervention. Such an assessment fails to acknowledge that the established powers have often been ambiguous about international rules. Take as an example, the West's hesitation about the invocation or R2P in the case of Syria. More importantly, though, the assessment fails to properly understand the concerns emerging powers have with so-called liberal Western order, and confuses rule-based order with Western leadership of it.

In fact, there is overwhelming evidence that non-Western emerging powers systematically adhere to today's rules and norms, in many cases more so than established powers. A brief look at the recent Ufa Declaration, signed at the Seventh BRICS Summit in 2015 (Ufa 2015), shows how these Member States are committed to maintaining and strengthening the UN framework and other multilateral institutions like the WTO. Revisionist states would be unlikely to mention the institutions that best symbolize post-World War II order. Emerging powers agree with the rules and norms that undergird today's global order because, contrary to what is generally recognized, these non-Western powers have been central to the creation of those very rules.

Humanitarian intervention and R2P are good examples. Most Western observers see the R2P, a norm codifying how to protect populations at risk, essentially as an expression of Western enlightened liberal thought. They consider the main challenge to be convincing emerging powers of the usefulness of the concept. Just like Hedley Bull and Adam Watson argue in the opening sentence of their seminal work, today's rules and norms are essentially "the expansion of the international society of European states across the rest of the globe . . ." (Bull and Watson 1984).

Indeed, when it comes to the past, non-Western thought is almost never considered to have had a decisive role in the history of these ideas. Rather, norms are thought to have generally diffused from the center to the periphery. Non-Western actors either adopted or resisted such new ideas, but rarely were they the agents of progress. According to this widely accepted model of "Western diffusionism," history is seen as a Western-led process. The discipline of international relations has so far failed to embrace the far more nuanced perspectives that scholars of global history, anthropology, and other disciplines have accepted for decades.¹ Most mainstream analyses of the history of international affairs begin therefore with the rise of the West, while pre-Western or non-Western histories receive little attention.²

This mistaken dichotomy of an interventionist West against a reactive Rest is not limited to supporters of R2P. Critics of the concept are divided into two groups. The first group of critics is part of a "politically correct Western left," as Rahul Rao writes, "so ashamed of the crimes of Western imperialism that it finds itself incapable of denouncing the actions of Third World regimes" (Rao 2010). The second group of critics, often based in the Global South, regards the concept of an all powerful West against a reactive Rest as an imperialist plot by the powerful that is meant to disguise military interventions conducted to defend economic interests. Both groups, however, err by regarding the principle of R2P as an expression of the difference between sacrosanct Western sovereignty and its weaker version in developing countries.

Yet R2P's origins are far less Western than we are led to believe. Observers are largely unaware of non-Western contributions to global order, and the question about the origins of sovereignty versus human rights is a good example. For example, India played a key role in the UN Temporary Commission on Korea (UNTCOK), and India can be regarded as crucial in establishing the precedents for its participation in subsequent UN operations (Bullion 1997). In 1971, Indira Gandhi—after appealing to the international community in vain—decided to pursue unilateral military action to help Bangladesh achieve its independence. While India effectively ended massive ethnic cleansing perpetrated by the Pakistani military against Bengalis and Hindu minorities in East Pakistan, it was severely criticized for this unilateral action in the international community (Ganguly 1999). Only the Soviet Union's veto in the United Nations Security Council prevented an official condemnation by the UN. While Prime Minister Gandhi's actions may have been driven more by realpolitik than by saving lives, her actions

1 See, for example, *Orientalism* (Said 1994), *No Enchanted Palace* (Mazower 2009), *After Tamerlane* (Darwin 2008) and *Beyond the Anarchical Society* (Keene 2002).

2 Starting in the 1960s and 1970s there has been a massive wave of post-colonial scholarship that explicitly seeks to challenge Western-centrism. This critique focuses on the dominant International Relations scholars and pundits who dominate the field, not historians or anthropologists, who are far less Western-centric.

underline the inaccuracy of the notion that a non-Western powers are “too principled” when it comes to insistence on national sovereignty.

More importantly, few authors recognize that “though heralded as a new paradigm in international response to serious humanitarian catastrophes, elements of what is now known as R2P were already institutionalized in Africa, particularly within the Economic Community Of West African States (ECOWAS) region (Sampson 2011). While many policy analysts around the world still confuse R2P with humanitarian intervention, “ECOWAS has already developed and implemented the operationalization of its mechanisms on conflict prevention, management, and resolution with appreciable success” (Sampson 2011).

African scholars’ and policy makers’ strong focus on prevention largely stems from necessity and the continued phenomenon of weak states: African armies are simply not capable of engaging in a complex intervention such as the one seen in Libya in 2011. The results are notable, such as the ECOWAS Protocol relating to the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security, which was enacted in 1999 and established the creation of a web of institutions and support organs such as the Sub-Regional Peace and Security Observation System otherwise known as the Early Warning System (EWS). This system focuses on conflict prevention. All these mechanisms are designed to cooperate with the African Union (AU) and the UN when necessary – as has been the case, for instance, in the Ivorian post-election crisis.

The same is true for self-determination. It was non-Western activists and policymakers from around the world, not Western policy-makers, who transformed self-determination from a principle into a right. Since the anti-colonial struggle preceded Woodrow Wilson’s ideas of self-determination, it is wrong to argue that non-Western thinkers and activists merely appropriated an idea originally born in the West and that they had not thought of these ideas before.

Non-Western powers support today’s rules and norms for an additional reason. It was this rules-based and relatively open order that significantly contributed to their phenomenal economic rise over the past decades. It assisted, for example, the Chinese government to undertake (and take credit for) the biggest program of poverty reduction in human history. Those who believe that China or other emerging powers have an interest in undoing this international framework fail to take into consideration that these emerging powers need this framework to remain in place for the next decades to modernize their economies and attempt to turn themselves into rich countries. Even if the BRICS leaders personally disliked the rules and norms that undergird today’s system, for purely pragmatic reasons they would likely not fundamentally alter them.

While emerging powers do not consider today’s order as flawed, they argue that it is frequently undermined by the system’s creators (to differing degrees). Brazil, South Africa, and India oppose the implicit and explicit hierarchies of international institutions and the many privileges frequently enjoyed by great powers. China, while more privileged and already well integrated into many structures such as the UN Security Council, equally resents the U.S. advantages hardwired into today’s order. *This is not a criticism of today’s rules-based system, but a criticism of the dominant power’s behavior within the system.*

It is thus BRICS skepticism about the operationalization of liberal norms, rather than an opposition to the goals and values, that guides and shapes the BRICS' relationship to today's global order. This tension between the system's principles and the behavior of the established powers that explains why liberal internationalism continues to be, at times, interpreted by emerging powers as a form of liberal imperialism. This also explains why the power of the United States, at the center of today's liberal order, is portrayed by the BRICS as a menace (Stuenkel and Taylor 2015).

Emerging powers consider the liberal order to be imperfect. This view is due to its creator's transgressions, which frequently undermine the system. These privileges and "special rights" are symbolized in small, and arguably symbolic details, such as the United States' decision not to participate in the International Criminal Court (ICC). As Richard Betts points out, "Hegemons are never entirely constrained, benefitting from exceptions, escape clauses, veto rights and other mechanisms that allow the most powerful countries to use institutions as instruments of political control" (Betts 2011; Schweller 2001). While some of these escape clauses are available to non-hegemonic powers as well, the US systemic centrality allows it to do so at a lower cost.

The Case of Crimea³

Given that BRICS countries largely agree with today's rules and norms, Western analysts ask how we should explain their decision not to criticize Russia for annexing part of Ukraine. Indeed, the BRICS caucus reached unprecedented political visibility when, in a joint communiqué, BRICS representatives rejected calls to exclude Russia from the G20 in the aftermath of the Crimean Crisis, thus decisively undermining Western attempts to isolate Russia (Stuenkel, *BRICS Undermine Western Attempt to Isolate Russia* 2014).

In The Hague in late March 2014, the BRICS foreign ministers opposed restrictions on the participation of Russian president Vladimir Putin in the G20 Summit in Australia. In their joint declaration, the BRICS countries expressed "concern" over Australian Foreign Minister Julie Bishop's comment that Putin could be barred from attending the Summit. "The custodianship of the G-20 belongs to all member-states equally and no one member-state can unilaterally determine its nature and character," the BRICS countries said in a statement (Republic of South Africa, Department of International Relations and Cooperation 2014).

Brazil, India, and China abstained from a UN General Assembly resolution that directly condemned Russia's Ukraine policy, thus markedly reducing the effectiveness of Western attempts to sequester President Putin (Stuenkel, *Why Brazil has not criticized Russia over Crimea* 2014). The BRICS countries' official responses merely called for a peaceful resolution of the situation. The final document of the BRICS meeting stated that "the escalation of hostile language, sanctions and counter-sanctions, and force does not contribute to a sustainable and peaceful solution, according to international law, including the principles and purposes of the United Nations Charter" (Republic of South Africa,

3 A previous version of this section of the article was previously published by the author in Россия в глобальной политике. Оливер Стункель *The G7 and BRICS in the Post-Crimea World Order. A Confrontation to Be Expected?* / . Фонд исследований мировой политики. *Global Affairs*, April 2015.

Department of International Relations and Cooperation 2014). Furthermore, China, Brazil, India, and South Africa (along with 54 other nations) abstained from the UN General Assembly resolution criticizing the Crimea referendum (Keck 31), which was quite notable considering the gravity of Russia's violation of international law.

As Zachary Keck noted, BRICS countries' support for Russia was "entirely predictable," although the group has always been constrained by the differences that exist between its members, as well as the "general lack of shared purpose" among such different and geographically dispersed nations. "BRICS has often tried to overcome these internal challenges by unifying behind an anti-Western (or, in that case, rather pro-Russian) or at least post-Western position. In that sense, it's no surprise that the group opposed Western attempts to isolate one of its own members" (Keck 31).

Perhaps in the most pro-Russia statement of any BRICS member, India's National Security Adviser Shivshankar spoke of Russia's "legitimate interests" in Crimea, in what became the most pro-Russian comment made by a leading policy maker of a major power (The Times of India 2014). India made clear that it would not support any "unilateral measures" against Russia, its major arms supplier, pointing out that it believes in Russia's important role when dealing with challenges in Afghanistan, Iran, and Syria. India's unwillingness to criticize Russia must be seen in the context of a long record of being pro-Soviet, and possibly strengthened by skepticism of the West's tacit support for several attempted coups against democratically elected governments over the past years. Such support included for example Venezuela in 2002, in Egypt in 2013, and finally in Ukraine.

In order to properly understand the BRICS' refusal to criticize Moscow — thus protecting Vladimir Putin from international isolation — one must take the overall geopolitical context into consideration. The BRICS' unwillingness to denounce and isolate Russia had less to do with its opinion on Russia's annexation of Crimea per se — privately, Brazilian diplomats characterized it as a severe violation of international rules and norms — and more to do with the selective way in which established powers treat "misfits." Another potential explanation is the emerging powers' skepticism of the West's belief that sanctions are an adequate way to punish those it sees as rule-breakers.⁴ All BRICS countries have traditionally been opposed to sanctions and have often spoken out against the U.S. economic embargo against Cuba. In the same way, they have all been wary of implementing the most drastic economic sanctions against Iran. What is often forgotten is that the United States Congress imposed sanctions on Brazil as recently as the 1980s, when the latter pursued nuclear enrichment and reprocessing technology. India suffered from international isolation after its nuclear tests. Finally, China often feels threatened by U.S. rhetoric. From the BRICS' perspective, pushing countries against the wall is rarely considered a constructive approach.

Furthermore, even though it is unclear whether Western influence contributed to the anti-Yanukovich riots in Kiyv prior to Russia's annexation of Crimea, the episode did evoke memories of the West's highly selective support of demonstrations and coup d'états in other countries. Western leaders often criticize the BRICS for being soft on dictators, calling the

4 *The BRICS' skepticism of sanctions, however, cannot be the sole explanatory factor, as they could have opposed sanctions but condemned Russia's annexation, which they did not do.*

country an irresponsible stakeholder that is unwilling to step up to the plate when democracy or human rights are under threat. Yet despite this rhetoric, the West, according to observers in Brazil, Russia, India, China and South Africa remember how quickly the established powers were quick to embrace illegitimate post-coup leaders in Venezuela (2002), Honduras (2009), and Egypt (2013), and actively support repressive governments when they used force against protest movements, e.g., in Bahrain. Criticizing Russia in this context would have implied support for the West and its possible engagement with Kiev.

When seeking to understand the BRICS' stance, one must also consider their more general critique of the apparent contradictions in the global order. Why did nobody propose excluding the U.S. from the G8 in 2003 when it knowingly violated international law by invading Iraq, and even attempted to deceive its allies with false evidence of the presence of weapons of mass destruction in the country? Why is Iran an international pariah, while Israel's nuclear weapons are quietly tolerated? Why did the U.S. recognize India's nuclear program, Brazil asked, even though India has never signed the Nuclear Non-Proliferation Treaty? Why are systematic human rights abuses and a lack of democratic legitimacy in countries supportive of the U.S. acceptable, but not in others?

Commentators in the BRICS countries have argued that these inconsistencies and double standards are in their totality more damaging to international order than any BRICS stance to Russian policy in Ukraine. Especially for voices more critical of the U.S., the West's alarm over Crimea was merely proof that established powers still consider themselves to be the ultimate arbiters of international norms, unaware of their own hypocrisy. Russia's annexation of Crimea took place at a time when anti-Americanism around the world still ran high as a consequence of the NSA spying scandals, making aligning with U.S. positions politically costly at home. In such a highly politicized environment, the BRICS countries decided that it was difficult to come out against unprovoked aggression and annexation without being seen as aligning with U.S. and other established power positions. This was particularly the case in Brazil, where the U.S. decision to spy on President Rousseff, but even more so on Petrobras, the national energy company seemed to confirm suspicions that U.S. policymakers would support international rules and norms yet remained unwilling to fully adhere to these rules and norms.

More indirectly, the BRICS' stance on recent events in Ukraine is part of a purely realpolitik-driven hedging strategy by rising powers that are keen to preserve ties to the U.S., but are also acutely aware that the global order is moving towards a more complex type of multipolarity. For the BRICS it remains important to maintain constructive ties with all "poles of power." It is precisely this dynamic that explains their continued, entirely pragmatic interest in the BRICS grouping, despite its being frequently criticized by Western observers.

Beyond Integration vs. Confrontation⁵

Despite their agreement with global rules and norms (and, for the purpose of this analysis, it is largely irrelevant whether this is so due to a calculation

5 Portions of this section were published previously at "Why Washington Struggles to Understand the BRICS." *Post Western World*, January 12, 2015.

of pragmatism or genuine support), emerging powers have engaged in an unprecedented wave of institutional entrepreneurship, as the creation of the NDB, the BRICS' Contingent Reserve Arrangement (CRA), and China's AIIB attest.

However, China and other emerging powers do not engage in any serious confrontational behavior (for example, leaving the World Bank and pressuring other countries to do likewise) that would justify a swift U.S. response. Still as Cynthia Roberts argues, the BRICS "contest the West's pretensions to permanent stewardship of the existing system," a move that has generated confusion and ill-conceived reactions from Washington, symbolized by the decision to oppose the AIIB (Roberts 2015). Washington's attempt to keep others from joining the new bank exposed that while the United States has indeed done much to build a liberal order based on rules and norms, it appears to be uncomfortable with the thought of not being in charge. The problem is that this angst alone will not be enough to rouse traditional U.S. allies into action to contain China and other emerging powers. Countries like Germany or the UK, for example, may not be particularly interested in helping perpetuate U.S. global leadership at all costs if doing so negatively affects their economies. Put differently, when the requisites of liberalism and Washington's preferences diverge, European powers appear willing to side with liberalism rather than just follow the United States. Particularly since the structures set up by the BRICS do not undermine the rules and norms that undergird today's order. China's decision to create the AIIB appears to protect it from future accusations of being an "irresponsible stakeholder" that does not provide any global public goods. Claims that China seeks to "demolish global order from within" amount, to many observers, to little more than a U.S. attempt to prolong U.S. hegemony for U.S. hegemony's sake—even though, of course, it is too early to say whether the AIIB has any tangible impact on U.S. dominance and leadership (Mirski 2014).

It would therefore be wrong to assume that the new institutions—ranging from the AIIB to the NDB—will articulate or promote any fundamentally new norms according to which international affairs should be organized in a post-Western world. Rather, by creating new institutions and leading them, China appears to emulate U.S. policy—gaining the privileges of leadership in constructing and running multilateral institutions. Beijing seems to hold that these privileges may allow it to occasionally break the rules. Other rising powers such as Brazil and India are doing the same, but on a regional level. This is symbolized by Brazil's decision to turn, under President Lula, into a major donor of development aid in the neighborhood, which allowed it to, at a later point, simply ignore (without incurring much of a cost) a request by the Inter-American Commission on Human Rights (IACHR) of the Organization of American States (OAS). This request to halt the construction of a dam in the Amazon forest was made because the Brazilian government had failed to properly consult with indigenous populations. Many powers have enjoyed "regional exceptionalism" in the past, but under today's order, only the United States enjoys "global exceptionalism." Such exceptionalism is symbolized by its freedom to violate some rules and norms without being punished by the international community.

Aside from the right to act without asking for a "permission slip" when national interest is at stake, the United States enjoys additional influence through a series of explicit or implicit agreements. China and others, it is presumed, will seek to emulate those same privileges in the institutions

they create. While the United States' government can appoint the President of the World Bank, the Chinese government will play an outsized role in choosing the leadership of institutions like the AIIB, even though it may initially try to appear less imposing. The importance of controlling the leadership selection process cannot be underestimated. In the case of the World Bank and the IMF, it implies the ability to favor some governments over others based on strategic interests, and the United States and Europe have, over the past decades, made ample use of this privilege.

Rather than directly confronting existing institutions, then, China and others can be expected to continue to support them, but at the same time carve out their own institutional freedom of action. This will help fend off the possibility that occasional violations would lead to its expulsion. So far, the United States and Europe have held a near-monopoly on the practice of using forum shopping to their advantage, picking the institutional venue for specific problems according to its national interest. The new China-led institutions will allow Beijing to embrace that very same strategy, leading to a new form of highly competitive forum shopping, with two major powers supported by their own institutional structures, allowing each one to set up their version of "institutional imperialism" (Betts 2011). Of course, successfully implementing such a strategy is difficult and it is far from clear whether China will succeed. It is worth remembering that it took the United States years to create global alliances necessary to create today's system – facilitated, of course, by the perception of a common threat during the Cold War.

Seen from China, the Liberal Leviathan Is Still a Leviathan

The analysis above points to the decisive element of today's order, both its biggest strength and its greatest weakness: the ambiguity surrounding how to align hierarchical principles with rules that are supposed to apply to all, irrespective of strength. In *Liberal Leviathan*, Ikenberry summarized this contradiction by describing today's order as a "hierarchical order with liberal characteristics" (Ikenberry 2012). Ikenberry attempts to explain this contradiction by arguing that the rules do not restrain the hegemon, as it can "lead through rules," and rules can be "used as more direct instruments of political control" (Betts 2011). He explicitly refers to the hegemon's exceptionalism by discussing "escape clauses, weighted voting, opt-out agreements, and veto rights."

The United States is bound by many rules that are difficult to break. An example the rules at the World Trade Organization (WTO). Still some observers in the BRICS countries may still wonder—particularly when it comes to security, for instance, just how that differs from an entirely unrestrained order, where the strongest operate above the law.⁶ Such a system can work in a frictionless manner in a unipolar order, where the rules are embraced by the weak (or, as was in the case during the Cold War, where other major powers did not participate in it). However, as economic and military power diffuses and other powers emerge, the tension Ikenberry proposes to solve by fusing U.S. leadership with cooperation begins to increase—as seen during the 2003 Iraq War. The U.S. scholars at times imply that when the end of the Cold War destroyed the "Second World," the "in-

6 Of course, the hegemony of the West in terms of the presidency of the IMF and World Bank is not synonymous with hegemonic violations of international law.

side" order of the First World was simply spread out to include the rest of the world. That may be true when it comes to economics, but it is hardly the case in the realm of security. Indeed, such a view is profoundly Western-centric and, as described above, is rejected in China, India, and even "moderate" nations like Brazil (Betts 2011). It often surprises Western scholars to hear that the majority of diplomats in countries like South Africa, India, or Brazil—not generally seen as being anti-Western—when asked about the greatest threat to international security point, not to Syria, North Korea or Iran, but to the United States.

Today, therefore, rather than questioning the intellectual precepts that undergird international order, emerging powers say they seek to create a multilateral system in which the same rules apply to all. In reality this means that, as seen in the case of the Crimean crisis, they will increasingly seek special treatment themselves within the existing global governance regime. This will allow emerging powers to shape the agenda with regards to issues they care about, both through adjustments in the formal rules and enhanced informal influence. Put differently, provided that their positive economic growth trajectories continue, and that may not be the case, the BRICS countries will increasingly demand exceptional treatment, which could include breaking the rules if adhering to them undermines their national interest. While China will seek "global exceptionalism," smaller emerging powers such as Brazil likely will be satisfied with "regional exceptionalism," (the capacity to break rules when necessary on a regional level).

This is not because emerging powers have a specific interest in breaking the rules. Nor do they care less about a rules-based global order than the United States. Rather, as their economic power increases, their sphere of interest expands. China has made a decision, for instance, to send a battalion to Sudan and military advisors to Iraq.

To make such occasional transgressions more acceptable to the international community, rising powers will provide more public goods in the realms of security and economics. In so doing, rising powers hope to ensure that the system provides sufficient benefits to generate support by others. This assists in understanding the BRICS grouping's decision to launch the NDB. In China's case, those public goods include large-scale infrastructure projects in Central Asia (through the Silk Road Fund), Latin America, and Africa. Like the United States today, China and other emerging powers will carefully keep the balance between breaking the rules and providing public goods. The "smaller" rising powers such as Brazil and India provide far fewer global public goods, and the acceptability of breaking the rules is therefore far more limited. Still, India has turned into an important donor of development and humanitarian aid in the region, and Brazil has undertaken similar initiatives in its region and in several African countries.

Gaining Privileges of Leadership by Creating New Institutions

Just as the United States intervened in Iraq outside of international law in 2003, so will China (and possibly other emerging powers) contravene the rules if necessary, or be more selective about the ones they choose to follow. To some degree this is already happening, as China has unilaterally extended a security zone in the South China Sea. This will also include using

international institutions according to rising powers' needs and preferences. For example, in 2009, Western states led by the United Kingdom and the United States sidelined the United Nations General Assembly (UNGA) and assured the UNGA would not play a key role in debating the global financial crisis and its impacts. These states insisted leaving the examination to interstate organizations dominated by the West—which, in turn were careful not to propose any measures that could be harmful to Western interests.

At the time, Susan Rice, United States Ambassador to the United Nations, successfully outmaneuvered those who sought to give the UNGA a larger role in examining the global financial crisis. As a consequence, General Secretary Ban Ki Moon was denied any financial assistance for the Stiglitz Commission. This Commission had been tasked by the UNGA to provide an independent report on the global financial crisis. Despite the Commission's competence, the United States argued that it was its "strong view . . . that the UN does not have the expertise or the mandate to serve as a suitable forum or provide direction" (Sammis 2009). The UK had diplomats pressure the Commission's members to quit. In line with what the West wanted, the G20 held the preliminary discussions, and the IMF reassumed the role of sole legitimate forum for hard discussions and negotiations.

For some time, Western powers were positioned to play this game to their advantage. In so doing they were able to shift debates from one institution to the next to best achieve their objectives. The West's capacity to use rules and institutions in its favor and unite in crucial periods (much more than "the rest" has been capable of) will prolong its influence in global governance. This is largely because the so-called "rest" is not a cohesive group. In fact it remains so diverse that the "rest" can hardly be used as an analytic concept. Even smaller groupings such as the BRICS are incapable of aligning their interests in many cases. This incapacity has historically been a major difficulty in articulating joint proposals.

In the BRICS' Sanya Declaration in April 2011 (BRICS Leaders 2011), Brazil, Russia, India, China, and South Africa vowed that "the voice of emerging and developing countries in international affairs should be enhanced." Yet a month later, when Western powers reneged on their 2009 promise to "appoint the heads and senior leadership of the international financial institutions through an open, transparent and merit-based selection process," instead settling on France's Finance Minister Christine Lagarde. Emerging powers helplessly accepted the fact that Europe would once more pick the IMF's Managing Director. Emerging powers' expectations that Lagarde would step down before 2016 to make place for a non-European also were illusory. The BRICS missed a chance to force the West to break with the antiquated "gentlemen's agreement" that only Europeans could lead the Fund, which discriminates against more than 90 percent of the world's population and reducing the IMF's legitimacy.

How could the reformist zeal among the emerging powers evaporate so quickly? Brazilian and Indian diplomats argued that Strauss-Kahn's departure had caught everyone by surprise, giving the BRICS little time to coordinate a joint response or even a joint candidate. But the same applies to the United States and the European Union, which speedily settled on their candidate. Given the nasty details that emerged about the IMF's sexist work culture, choosing a woman was a smart move by the Europeans, who could thus argue that Lagarde's appointment marked an important change for the

Fund. The emerging powers, on the other hand, vociferously demanded a non-European to occupy the post, without first negotiating among themselves who this candidate should be. They had plenty of suitable individuals to choose from, many of whom were at least as qualified, if not more, than Ms Lagarde when it came to international economics. After all, economists from countries such as Brazil and Turkey have precious experience in successfully managing economic crises that could help Europe's most affected countries.

When a Brazilian official admitted that "Europe is likely to keep its deep stranglehold on the position" (Naím 2011), it was an implicit admission that emerging powers had, by failing to agree on a powerful alternative to the French Finance Minister, been outmaneuvered by the West. While Europe and the United States have enough votes to push through any candidate, it would have been difficult for them to reject a viable choice that enjoyed the full support of China, India, Brazil, Russia, and South Africa.

Finding a "BRICS-candidate" in the end appeared all but impossible given the BRICS member countries' expressed differing opinions, differing strategic interests, and varied points of view. China, the world's second largest economy and the IMF's third largest contributor (after the United States and Japan), may see little difference between a French and a Mexican candidate. In the same way, Brazilians may feel no incentive to spend political capital in a fight for a Singaporean candidate. Brazil may even seek to undermine an Argentinean or Mexican candidate, in the same way that India may prefer a European to a Chinese Managing Director. The emerging powers' lackluster campaign for an alternative head of the IMF reveals that despite their visibility and attractiveness, the BRICS are not nearly as united as they would like to think they are. When push came to shove, as it did after Strauss-Kahn's fall, the alliance of emerging powers crumbled. The BRICS members were unable to measure up to the grand rhetoric heard so frequently at the BRICS summits.

The very same scenario occurred a year later, when Roberto Zoellick announced he would step down as World Bank President. "We will take a position together with the BRICS, making a common choice," Brazil's Minister of Finance Mantega announced, raising hopes that Okonjo-Iweala from Nigeria would win broad support among developing and emerging powers. Yet soon afterward, the Russian government declared its support for Jim Yong Kim, the US candidate, a decision that was "entirely uncoordinated with the rest of the BRICS," as one Indian diplomat commented. According to him, the Indian government had heard about the Russian decision from the media. This shows that even on a relatively uncomplicated matter (the Nigerian candidate is widely seen as better qualified), the BRICS found itself unable to coordinate their positions. The contest of a strong African candidate against a weak American candidate seemed to provide a unique opportunity for the BRICS to show their unity. As Wade rightly noted, the episode showed "how the developing countries' distrust of one another makes it easy for the Americans to split them with bilateral deals" (Wade 2014). It is true that choosing the leading figures of such institutions is largely symbolic. It does, though, point to the difficulties of mounting effective balancing coalitions against the established powers and their supporters (Brooks and Wohlforth 2008). At the same time, it also explains why China and other emerging powers are setting up their own structures,

where leadership choices such as at the IMF and the World Bank can be avoided.

The episodes just described leave observers to wonder whether the established powers have succeeded in transforming today's emerging powers into "useful idiots," who are so pleased that they are part of the G20 that they no longer defend developing countries' interests. Seen from this perspective, the rise of the BRICS may have been a positive development for the West, and that the poor have lost powerful defenders in Brasília, Pretoria, and Delhi. At the same time, emerging powers should not complain: it is natural that the West will do everything to hold on to its power—after all, even China is not fully committed to including Brazil and India permanently in the UN Security Council.

Western established powers have so far been strikingly successful in their efforts to keep control of the commanding heights. Their success can be lately attributed to specific institutional rules they put in place decades ago, long before talk of the rise of the Global South. Still, the rising powers are partly to blame for not being able to unite and present more powerful ideas about why reform is necessary. Divergence among emerging powers is not limited to the IMF and the World Bank. For example, there is no consensus among the BRICS about the need to reform the UN Security Council, most notably because Russia and China are permanent members and therefore less supportive of reforming the body than others including Brazil, India, and South Africa. Confronted with these difficulties, China's institutional entrepreneurship shows that it is seeking to turn the tables and enhance its privileges by creating its own institutions.

Conclusion

Despite successful established power strategies to hold on to power, it will most likely be emerging powers, primarily China, that find themselves able to use the international system to advance national interest. In fact, the aspects of contemporary international order that Ikenberry calls "liberal" (institutions, rule of law, an open trading system, and so on) are essentially welcomed by emerging powers, they will increasingly resist the United States' hegemonic practices that so often have accompanied that order, and slowly seek to make room for their own.

Emerging powers largely accept the global order's liberal characteristics and are likely to maintain them, but they are also likely to change the hierarchy that undergirds the system. Aside from the new institutions created by emerging powers, several existing international institutions may not look that different several decades from now, and neither will the norms and rules they are based on. Although today it is still the United States that can break the rules and go largely unpunished, this privilege will also be possessed by China's and possibly one day other emerging powers. Still, there is no evidence that they will use it any differently than the United States has over the past decades.

The new wave of forum shopping led by China and others will, however, seem unfamiliar to established powers because it will involve a variety of new institutions created by these emerging powers. Playing on China's turf will make agenda setting far more difficult for policy makers from Washington and London. Decisive negotiations about global challenges—say, geopolitical tensions in Central Asia, or a necessary bailout for a

developing country in trouble – will first focus on where such issues will be discussed in the first place.

Most observers will associate forum shopping with an erosion of universal norms and a “race to the bottom” when it comes to global standards. It is certainly true that the multiplication of standards in some fields such as banking may make it necessary for financial institutions to operate in more than one system. But there is little evidence that the growing number of development banks has negatively affected lending practices. The proliferation of institutions may even have had important positive consequences. After all, monopoly can undermine the agility and effectiveness of any institution; competition can possibly help generate new ideas and develop new best practices. As a result, the vast majority of observers have, even within the World Bank, welcomed the rise of the new development banks.

More important, as pointed out above, the BRICS will be careful to balance their exceptionalism with the provision of global public goods and the stability they need to protect their vital interests. Beijing is fully aware of the fact that its hard power sources can likely only translate into political influence when they are bound by agreed-upon rules and norms. China cannot afford to be regarded as a global rule-breaker that cares little about the rest of the world. It was this very understanding that Chinese power must be embedded in a network of rules and norms to be considered legitimate that made policymakers in Beijing create the institutions described above. While the shifts in the distribution of power require that great powers accept the new bargains, the future of global rules and norms may not be condemned.

Works Cited

- Barma, Nazneen, Ely Ratner, and Steve Weber. 2007. *Report and retort: A world without the West*. August. <http://nationalinterest.org/article/report-and-retort-a-world-without-the-west-1658> (accessed June 30, 2016).
- Betts, Richard K. 2011. *Institutional imperialism*. June. <http://nationalinterest.org/bookreview/institutional-imperialism-5176> (accessed June 30, 2016).
- BRICS Leaders. 2011. *Sanya declaration of the BRICS leaders meeting*. April 14. http://www.gov.cn/misc/2011-04/14/content_1844551.htm (accessed June 30, 2016).
- Brooks, Stephen G, and William Curti Wohlforth. 2008. *World out of balance: International relations and the challenge of American primacy*. Princeton: Princeton University Press.
- Bull, Hedley, and Adam Watson. 1984. *The expansion of international society*. Clarendon, Oxford: Taylor & Francis.
- Bullion, Alan. 1997. India and UN peacekeeping operations. *International Peacekeeping* 4(1): 98–114.
- Castañeda, Jorge G. 2010. *Not ready for prime time*. September 15. <https://www.for eignaffairs.com/articles/south-africa/2010-09-01/not-ready-prime-time> (accessed June 30, 2016).
- Cohen, Jean L. 2014. Reply to Scheuerman’s review of globalization and sovereignty. *Global Constitutionalization* 1(3): 126.
- Darwin, John. 2008. *After Tamerlane: The global history of empire since 1405*. New York: Bloomsbury.
- Ganguly, Sumit. 1999. India: Policies, past and future. In *India and Pakistan: The first fifty years*, eds., Selig S Harrison, Paul H Kreisberg and Dennis Kux, 162. Washington, DC: Woodrow Wilson Center.
- Ikenberry, G John. 2012. *The origins, crisis, and transformation of the American world order*. Princeton, NJ: Princeton University Press.

- 2014. *The illusion of geopolitics*. April 30. <https://www.foreignaffairs.com/articles/china/2014-04-17/illusion-geopolitics> (accessed June 30, 2016).
- Keck, Zachary. "Why did BRICS back Russia on Crimea," *The Diplomat*. March 31, 2014. <http://thediplomat.com/2014/03/why-did-brics-back-russia-on-crimea/> (accessed June 30, 2016).
- Keene, Edward. 2002. *Beyond the anarchical society: Grotius, colonialism and order in world politics*. Cambridge: Cambridge University Press.
- Mazower, Mark. 2009. *No enchanted palace: The end of empire and the ideological origins of the United Nations*. Princeton: Princeton University Press.
- Mirski, Sean. 2014. *The false promise of Chinese integration into the liberal international order*. December 3. <http://nationalinterest.org/feature/the-false-promise-chinese-integration-the-liberal-11776?page=show> (accessed June 30, 2016).
- Naím, Moisés. 2011. *In the IMF succession battle, a stench of colonialism*. May 20. https://www.washingtonpost.com/opinions/in-the-imf-succession-battle-a-stench-of-colonialism/2011/05/19/AF5e6n7G_story.html (accessed June 30, 2016).
- Patrick, Stewart. 2012. *Irresponsible stakeholders?* January 10. <https://www.foreignaffairs.com/articles/south-africa/2010-11-01/irresponsible-stakeholders> (accessed June 30, 2016).
- Rao, Rahul. 2010. *Third world protest: between home and the world*. Oxford: Oxford University Press.
- Republic of South Africa, Department of International Relations and Cooperation. 2014. Chairperson's Statement on the BRICS Foreign Ministers Meeting held on 24 March 2014 in The Hague, Netherlands. *International Relations & Cooperation Republic of South Africa*.
- Roberts, Cynthia. 2015. *Are the BRICS building a non-Western concert of powers?* July 8. <http://nationalinterest.org/feature/are-the-brics-building-non-western-concert-powers-13280?page=show> (accessed June 30, 2016).
- Said, Edward W. 1994. *Orientalism*. New York: Vintage.
- Sammis, John F. 2009. Statement by John F. Sammis, Alternate Head of Delegation, on the adoption of the outcome at the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development. June 26. <https://www.youtube.com/watch?v=u1ZvPspLxCg> (accessed June 30, 2016).
- Sampson, Isaac T. 2011. The responsibility to protect and ECOWAS mechanisms on peace and security: Assessing their convergence and divergence on intervention. *Journal of Conflict and Security Law* 16(3): 207–40.
- Schweller, Randall L. 2001. The problem of international order revisited: A review essay. *International Security* 26(1): 161–86.
- Stuenkel, Oliver. "BRICS undermine Western attempt to isolate Russia," *Post-Western World*, March 25, 2014. <http://www.postwesternworld.com/2014/03/25/undermine-attempt-isolate/> (accessed June 30, 2016).
- Stuenkel, Oliver "Why Brazil has not criticised Russia over Crimea," *NOREF*, May 27, 2014. <http://www.peacebuilding.no/Themes/Emerging-powers/Publications/Why-Brazil-has-not-criticised-Russia-over-Crimea> (accessed June 30, 2016).
- Stuenkel, Oliver, and Matthew M Taylor. 2015. Brazil on the global stage: Origins and consequences of Brazil's challenge to the global liberal order. *Brazil on the Global Stage* 1–16.
- The Times of India. "Russian interests in Crimea 'legitimate'," *The Times of India*. March 7, 2014. <http://timesofindia.indiatimes.com/india/Russian-interests-in-Crimea-legitimate-India/articleshow/31557852.cms> (accessed June 30, 2016).
- UFA. 2015. *VII BRICS Summit UFA Declaration*. July 9, 2015. http://brics2016.gov.in/declarations/7th%20Declaration_eng.pdf (accessed June 30, 2016).
- Wade, Robert. 2014. The art of power maintenance. *Challenge* 56(1): 29.