Rising Regional Powers and International Institutions: The Foreign Policy Orientations of India, Brazil and South Africa

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How do rising powers relate to international institutions? At the same time as rising regional powers from the South emerge as key players in international politics, they confront a highly institutionalised world order established and maintained by and for the United States and its allies. Traditional perspectives identify three major patterns of behaviour for rising states in international institutions: balancing, spoiling, and being coopted. This article uses these perspectives to ask how the redistributive aspirations of three rising regional powers – India, Brazil, and South Africa (IBSA) – impact on international institutions in the fields of trade, money, and security. The findings indicate that there is strong variation across issue areas. Trade provides support for the spoiling perspective, while the areas of money and security exhibit aspects familiar both to the balancing and cooptation perspectives. A broader picture emerges of IBSA states’ general integration into hegemonic norms and being coopted into existing international institutions, but at the same time as balancing the influence of the established powers and reforming these institutions to conform to a more South-oriented, sovereigntist image of world order.

In the 1990s the OECD countries led by the United States were seen as the unquestioned centre of the world political and economic systems, while discussions of global governance could largely ignore developing countries. But recent shifts in the global political economy have seen the emergence of several newly powerful states from the South. Developing countries are now home to about one half of global economic activity as measured by GDP,¹ and Goldman Sachs have influentially predicted that the four BRIC (Brazil, Russia, India and China) economies could outweigh the members of the G7 by 2035.² Other projections based on

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different models all expect a radical and fundamental shift in the centre of gravity of the global economy from North to South.³

Mirroring these changes has been a sharp and swift change in tone by scholars of world politics. To (unfairly) single out one author: In 2001 John Ikenberry was simply repeating common knowledge when he wrote that, “American power in the 1990s is without historical precedent. No state in the modern era has ever enjoyed such a dominant global position”.⁴ Yet seven years later, the same author made this observation:

Today, a group of fast-growing developing countries – led by China and India – are rising up and in the next several decades will have economies that will rival the United States and Europe. For the first time in the modern era, economic growth is bringing non-Western developing countries into the top ranks of the world system.⁵

While economic expansion has underpinned the emergence of these regional powers, attention is quickly turning to the political implications of their rise. In the eyes of established states, emerging markets have become emerging powers. Prominent in this group are the IBSA states (India, Brazil and South Africa), which share a regional preponderance and certain characteristics and sensibilities in their vision for the emerging world order. The rise of the IBSA states and other powers from outside the Western heartland goes hand in hand with a new Southern multilateralism of the emerging regional powers, such as the diplomatic realisation of a BRICS multilateral forum of emerging economies (Brazil, Russia, India, China, and since 2010, South Africa), and the formation in 2003 of the IBSA Trilateral Forum of India, Brazil, and South Africa, signalling these countries’ intentions to “contribute to the construction of a new international architecture, to bring their voice together on global issues and to deepen their ties in various areas”⁶. Clearly, the redistribution of economic weight on a global scale is beginning to manifest implications for global governance.

The process of global redistribution alters the relative position of major states, but coexists with changes in the nature of the world order in which this redistribution takes place. A ‘Westphalian’ order may have always been more of an ideological rather than historical phenomenon,⁷ but it has constituted the traditional way in which to conceptualise world politics in practice and in theory. In contrast, rising regional powers today face a world order that is characterised by the increasing importance of international institutions. One indicator of this is their simple quantitative increase, accompanied by an increase in the governing capacities of international

institutions. Meanwhile, global trends such as societal and economic denationalisation and the prominence of transnational non-state actors and processes have prompted the question of whether Westphalia is still an adequate basis on which to understand world politics, if indeed it ever was. This indicates a complex relationship between a shifting global distribution of power and the changing nature of international politics. The image of a world order in transformation, or an “emerging world order”, can be juxtaposed to the image of emerging powers or “emerging societies”.

Where authority has been reallocated within global governance, the importance of this authority for the relations between major and regional powers has also grown apace. The noticeable aggregation of political authority away from the traditional national context can be expected to give rise to legitimation problems and resistance. Increasing attention has been turned to the role of new powers and major developing states in challenging aspects of political globalisation and posing new challenges to supranational institutions. The claim particularly that developing countries are more guarded when it comes to sovereignty would lend a North-South dimension to this dialectic of governance/resistance.

As an integral part of the ongoing globalisation of political authority, global governance institutions are also the site of a dynamic process of negotiation between North and South over the constitution of regimes, norms and institutions. It is a widely held view of scholars from many theoretical perspectives, and a frequent political statement by leaders of emerging states, that rising regional powers are portents of change in the world order. But what is the precise nature of this change? Are we heading into a more chaotic period characterised by the emergence of competing regional blocs and the decline in effectiveness and legitimacy of international institutions, or will these tendencies be contained by an expanded system of global management based on existing principles of multilateralism?

After a brief note explaining the rationale for selecting India, Brazil and South Africa (the IBSA states) as regionally-based emerging powers, this article formulates three ideal-typical perspectives through which to understand the orientations of rising regional powers, and applies these perspectives to the IBSA states in three

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institutional areas of global governance. The goal is not to test rival models but to develop conceptual frames through which to interpret the redistributive aspirations of the IBSA states in the three issue areas of trade, money, and security. Empirical material is derived from analysing the countries’ public diplomacy and from secondary literature. The final section summarises the findings and implications for global governance. A broader picture emerges of IBSA states’ general integration into hegemonic norms and being coopted into existing international organisations, but at the same time as balancing the influence of the established powers while reforming these institutions to conform to a more South-oriented, sovereigntist image of world order. The findings reinforce the need for analyses of rising powers to take account of issue-area variation and to go beyond the standard ‘power-transition’ or ‘balancing’ rubrics for understanding their foreign policy orientations.

India, Brazil and South Africa as Rising Regional Powers

The IBSA states occupy a pivotal position in the unfolding power shift that makes them particularly interesting cases to examine. The most obvious of these is the increased share of global economic resources that the IBSA states, along with other rising states, have captured during the latest phase of globalisation. More important however, is the positioning of these states at the centre of non-western multilateralism amongst rising powers, and the self-presentation of India, Brazil and South Africa as being key players in the North-South axis of international politics, which is further boosted by their portrayal as leaders of particular regions of the developing world fostering regional integration projects. The IBSA states therefore appear as states crossing a threshold to be able to actively shape the institutional structures of world politics. For these reasons, the emerging Southern IBSA states in particular have attracted scholarly attention for their perceived importance to the future of global governance. Nonetheless there remains significant confusion as to whether the IBSA states are best analysed as regional, rising, or middle powers in world politics. Indeed, while the middle power category has gained favour with some, the

12. As outlined by Philip Nel, Dirk Nabers and Melanie Hanif, this issue.
concepts and perceived behavioural traits associated with the ‘middle power’ category in international relations seem a less useful rubric for an understanding of the IBSA states. Unlike the classical or traditional middle powers, none of the newly emerging Southern powers are allies of the United States, and each has at some point advocated for a different kind of international order. Furthermore, the growth rates and regional autonomy of the new rising regional powers distinguishes them from the traditional middle power category associated with countries such as Canada, Australia, or the Scandinavian countries.

Rather, the IBSA states are better characterised as occupying a dual role as regional and rising powers. India and Brazil can plausibly aspire to the status of global powers (Indian officials already refer to the coming ‘tripolar’ order), while South Africa has relied on its status as a fast-growing regional power with a global diplomacy to underpin its influence. In a further contrast to traditional middle powers, rather than donning a bridge-building or compromise approach associated with “middlepowermanship”, the IBSA states have adopted orientations more consistent with their status as rising powers, and become major antagonists to the established states in several institutional contexts. The IBSA states “have donned the mantle of spokesmen for the interests of developing countries in general”, taken on a self-appointed role as leaders in various Southern alliances such as the G77 at the UN and the G20 at the WTO, and built cooperation with other rising powers through initiatives such as the IBSA Trilateral Forum, the BASIC group in climate negotiations, and the now annual BRICS summits. Unlike traditional middle powers, the rising regional powers are seen as challenging the legitimacy of the existing world order and favouring a more multi-polar and pluralist system. But to what extent is this image justified, and how can this be understood through the traditional concepts associated with rising powers?

Regional Rising Powers and International Institutions: Three Perspectives

Rising Powers Balancing the Core through International Institutions

The balancing perspective on rising powers states that as rising powers, such as the IBSA states, gain in power and influence, they will seek to ‘balance’ the

17. Jordaan, op. cit makes the compelling argument for distinguishing ‘emerging’ from ‘traditional’ middle powers.
power and influence of the established powers. This fundamental dynamic of the international system will then be played out within international institutions. The traditional notion of balancing entails a deliberate attempt at inter-state redistribution both in absolute and in relative terms, but the central mechanism is that this emerges from the need to secure the relative elevation of the rising regional powers compared with their established rivals.

The balancing perspective emerges from a tradition of international thought, which emphasises the fundamentally different organising principles of domestic and international political orders. India, Brazil, South Africa and other regional powers will be assumed by the logic of inter-state competition to engage in a competition for economic and military resources to maximise their own security.

The balancing perspective emerges most clearly in the domain of security, where it is often assumed that security is the most fundamental goal of regional powers and that their power capabilities will determine their foreign policy options. In particular, because rising regional powers such as the IBSA states are still in a precarious developmental position in relation to the developed world, they will be expected to come together against the established powers to secure greater political and economic autonomy: “Secondary states, if they are free to choose, flock to the weaker side; for it is the stronger side that threatens them”. The balancing perspective leads us to expect that India, Brazil and South Africa will be part of a broader international move to balance the unstable concentration of power in the United States.

The balancing perspective extends into the realm of international institutions, leading to a form of “soft” or “institutional” balancing. The concept of soft balancing argues that the depth of US military power makes balancing in the military sphere unrealistic, and diverts the balancing mechanism to “soft” means such as foreign economic policy and international institutions, which can increase the costs and the difficulty of the hegemon using its extraordinary power, and encourages gradual multipolarisation. Soft balancing can also rely on “territorial denial, entangling diplomacy, economic strengthening, and signalling of resolve to participate in a balancing coalition”. This is compatible with Andrew


27. Pape, op. cit., p. 17.

28. Ibid., p. 36.
Hurrell’s observation that in the current order, the problem of unbalanced power lies primarily in allowing the powerful state to “skew the terms of cooperation in its own favour, to impose its own values and ways of doing things, and to undermine the procedural rules on which stable and legitimate cooperation must inevitably depend”.  

A complement to soft balancing is ‘institutional balancing’, conceived as “initiating, utilizing, and dominating multilateral institutions, as an overlooked realist strategy for states to pursue security under anarchy”.  

Institutional balancing can seek to bind a target state into international institutions in which they can constrain their behaviour (“inclusive institutional balancing”), or it can consolidate unity against a target state by excluding it from international institutions (“exclusive institutional balancing”). The soft balancing perspective on rising regional powers therefore directs our attention to the possibility of IBSA states seeking relative gains in relational and institutional power. IBSA behaviour has indeed been interpreted as conforming to the logic of “soft balancing”.

**Rising Powers Spoiling International Institutions**

At variance to the expectations of the balancing perspective, the spoiler perspective derives from theories of hegemonic stability and power transitions. It states that the arrival of new powers of systemic importance leads, inevitably, to the decline of international institutions. According to this view, as regional powers grow in economic strength they will act as spoilers in the functioning of effective international institutions.

The spoiler hypothesis emerges from hegemonic stability theory. This proposes a correlation between hegemonic dominance of a system and the provision of public goods and functioning international institutions. A liberal international economy characterised by openness and non-discrimination provides the greatest potential for mutual advancement for states, but “a hegemon is necessary to the existence of a liberal international economy”. This encompasses an open trading order, a stable international monetary regime, stable flows of capital, a degree of counter-cyclical domestic macroeconomic management, and possibly even international ‘security’.

Following this classic formulation of hegemonic stability theory, the spoiler perspective states that the ability of a country (e.g., the United States) or a concert of countries (e.g., the G7) to act as custodians for the global capitalist economy...
depends on their relative economic size and consequent ability to assume many of
the costs of providing the public good of economic stability, while at the same time
internalising many of the benefits for their own economic growth. The opposite
effect attends the behaviour of small states: they behave as ‘free riders’ due to
their lack of economic influence.36 The most destabilising impact, however,
emerges from economic rising and middle powers, which are systemically impor-
tant for the maintenance of the world economy but not big enough to stabilise it.37
“Since they tend to act as if they were small free riders, middle-sized countries are
extremely destabilizing and are the ‘spoilers’ of the system”.38
This can be joined to the balancing hypothesis by the argument that new
powers’ attempts at redistribution in relational and institutional terms further
undermine the hegemonic consensus.39 The hegemonic state can no longer
dictate terms to secondary states, and this undermines the strength of inter-
national institutions that depend on the power balance that gave birth to them.
This inevitable conflict between rising and declining powers can only be miti-
gated through the emergence of a new order “that reflects the changed array of
national interests and the distribution of military and political power”.40 Interna-
tional governance is most likely to emerge in the sphere of economic exchanges,
but will remain subordinate to competing state interests. The spoiler perspective
enjoins us to examine whether the IBSA states’ redistributive aspirations really do
undermine existing institutions and the provision of global public goods. It may
be possible for cooperation to continue “after hegemony”, “provided that the
interests and social purposes of the major economic powers are congruent”.41
This admits of the possibility for continued ‘cooperation’, but hangs crucially
on the foreign policy outlooks of rising powers.

Rising Powers Coopted into Liberal International Institutions

A stark contrast to the balancing and spoiler perspectives is the perspective of
rising regional power cooptation: that is, that as regional powers grow in global
influence, the institutional structure of the current world order will integrate
and coopt them into existing international institutions. The cooptation perspective
states that the redistributive aspirations of the IBSA states may imply changes for
some limited procedural structures of international institutions, in line with their
newly developed capacities, but that the basic liberal principles underlying them
will remain intact. There is therefore no contradiction between the supranationa-
lisation of political authority and the rise of new powers.

There are two distinct logics of international order underpinning the cooptation
perspective. The first emerges from a functionalist theory of international

37. Ibid., p. 250.
38. David Lake, “International Economic Structures and American Foreign Economic Policy, 1887-
40. Gilpin, Political Economy of International Relations, op. cit., p. 91.
41. Ibid., citing John G. Ruggie, “International Regimes, Transactions and Change: Embedded Liber-
of course Robert O. Keohane, After Hegemony: Cooperation and Discord in the World Political Economy
institutions, which understands them as expanding the room for ‘cooperation’
between major powers by reducing the uncertainty inherent in making interna-
tional agreements. They lower transaction costs, provide information, and
furnish mechanisms of enforcement. Order between states arises from the
ability to reap joint gains arising from deliberately coordinated action, and inter-
national institutions empower states to reach their own egoistic ends.42 This sits
well with authors for whom ‘world order’ is increasingly maintained not by a
balance of power or a hegemonic state but by international institutions, or “the
rules that govern elements of world politics and the organizations that help
implement those rules”.43 These regimes and institutions are not the product of
power, but devices to solve common problems and increase the delivery of gov-
ernance goods. The mutual interests that rising powers share with established
powers therefore expand the scope for cooperation and integration.

The second logic underpinning the cooptation perspective emphasises the
benefits for regional powers of the distinctly liberal principles underpinning the
post-war institutions created by the West. This emphasises a more historical analy-
sis and explanation of the distinctly liberal characteristic of the order created by
the United States after its victory over alternative modes of international politics
in the Second World War.44 In this view, and in contrast to the functionalist
logic of the first element of the cooptation hypothesis, international institutions
precisely do constrain rather than enable state power and “lock states into patterns
of cooperation that acquire their own imperatives”.45

In contrast to the spoiler hypothesis, whereby the liberal world order and exist-
ing institutions are liable to decline with the rise of new regional powers, struc-
tural liberalism’s cooptation perspective indicates that although the ruling club
may expand to include non-Western powers and perhaps demote a few estab-
lished states, the basic pattern of the existing institutional order will remain
untouched.46

In this view, although the rise of developing countries will increasingly translate
into change in the distribution of rewards from the world institutions for which
the US and the West have been the “creators, owners, managers, and chief bene-
cficiaries”,47 the relatively well entrenched and distinctly ‘liberal’ nature of today’s
institutions makes the existing order “easier to join and harder to overturn”.48
Existing institutions are relatively non-exclusionary and open to newcomers,
with “a wide array of channels and mechanisms that allow the new rising states
to join and to be integrated into the governance arrangements of the old order”.49

p. 27.
44. G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After
Held and Anthony McGrew (eds.), *Governing Globalization* (Cambridge: Cambridge University Press,
46. Ikenberry and Wright, *op. cit.*
In a further contrast to the balancing perspective, the cooptation hypothesis can draw on the thesis of a “democratic peace” which indicates that because liberal states are viewed as particularly peace-minded, “Instead of being seen as threatening and prompting balancing responses, concentrations of liberal power will create a liberal version of bandwagoning”. In contrast to China and Russia, the IBSA states seem to represent the best hopes for liberal cooptation based on common democratic polities and shared values. This implies that any obstacles to the cooptation of rising powers into existing institutions would likely come not from inherent conflict between rising and established powers but from ‘blocking coalitions’ of vested interests at a domestic level, who have something to lose from continued liberalisation or the adaptation to Western liberal ideas and ideologies. In this view, “In more benign and consensual hegemonic orders, where restraints on hegemonic power are sufficiently developed... the expected value of balancing is lowered, and the incentives to pursue it are reduced”. Due to these unique properties, the international institutions created by the US and its allies after the Second World War provide them with an unprecedented degree of stability. They therefore have a remarkable ability to contain and overcome disturbances that might arise as a result of a shifting distribution of power, the emergence of new major powers, and even “changes in the goals and purposes of states”. This perspective therefore concludes that the incentives facing rising regional powers give rise to peaceful cooptation due to their stakes in the existing system.

The IBSA States’ Redistributive Aspirations: Spoiling, Balancing, or being Coopted in International Institutions?

The phenomenon of rising regional powers can therefore be conceptualised through three diverging perspectives on their impact on global governance: balancing, spoiling, and cooptation. How well do the three perspectives reflect the redistributive programme of the IBSA states? The assumption of the argument developed here is that analysing the foreign policy orientations of rising regional powers needs to pay careful attention to variation across issue areas. Although rising states may pursue a ‘grand strategy’ in relation to their rivals, it is more likely that the interaction of rising and declining states gives rise to a complex configuration of competition and cooperation that is issue-specific, reflecting different class structures, societal interests, and domestic and international institutional structures. This section therefore outlines to what extent the redistributive

51. Ibid., pp. 7–8.
52. Ikenberry, After Victory, op. cit., p. 28.
53. Ibid., p. 45.
achievements and further aspirations of the IBSA states are adequately conceptualised by the three perspectives in the domains of trade, money and security.

**Trade**

Transboundary flows of goods, services and knowledge are governed by an increasingly institutionalised and constitutionalised network of agreements that cohere in a global regime complex for trade.\(^{55}\) As rising powers such as IBSA integrate into world flows of trade, they can be expected to take an increasing interest not only in the distributonal issues of their shares of world trade and with whom, but in shaping the institutional regime complex that governs these flows.

Given that trade is regarded as a classical positive-sum interaction, in which the best option for all states is liberalisation and mutually agreeing to forgo imposing tariffs through an international agreement, it is somewhat surprising, at least initially, that the area in which the spoiler perspective is most clearly applicable to rising regional powers is in the area of trade. Here the new assertiveness of developing country representatives from the IBSA states, later joined by China, has contributed to deadlock in WTO negotiations during the Doha Round.\(^{56}\) At the same time, the balancing perspective could help to account for the IBSA states’ attempts to offset the institutional and structural dominance of the developed countries in overseeing selective liberalisation of world trade through regionalised preferential trade agreements and increasing emphasis on traditional South-South linkages through technical cooperation and trade facilitation.

The WTO constitutes the central multilateral institution of global trade governance, and a considerable literature now exists on IBSA as a negotiating coalition at the WTO and an aspiring preferential trade area outside the remit of the WTO (PTA).\(^{57}\) Trade has been one of the most prominent areas in which the

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redistributive aspirations of the IBSA states have been targeted, with already significant results. The IBSA states have invested a great deal of diplomatic resources and political capital in developing greater developing country coordination in the negotiations of the Doha Development Round, in opposition to a Northern agenda focused on further extending ‘behind the border’ agreements concerning investment, competition policy, government procurement and technical issues of trade facilitation (the ‘Singapore Issues’), while maintaining extensive barriers to trade in agriculture. This conflict between developed and developing countries, has been invigorated by the increased bargaining power and diplomatic weight of the rising powers, and came to a head in Cancún in 2003, when the ‘G20’ group of 22 developing countries in favour of agricultural liberalisation put up a coordinated stand, signalling a new politics of “confrontation” in trade negotiations.58 Since this turning point most global powers seem to have focused their efforts outside the global multilateral system and have focused instead on regional and bilateral agreements, where great power interests are less bound by WTO procedures and allowing greater room for “mercantilist power plays”.59

The first dimension of the impact of IBSA’s redistributive aspirations in global trade governance concerns negotiations at the WTO. The IBSA states played a pivotal role in providing diplomatic leadership in prompting the formation of the G20 group of developing countries at the WTO, and boosted their own positions as the major developing country antagonists to the developed triad in negotiations. The creation of the G20 was particularly significant in this regard, which one Brazilian negotiator described as a “political statement” to the developed countries, while a representative of the Brazilian private sector said it “challenged not only the agricultural policies of the developed countries, but the legitimacy of the model adopted by those countries to negotiate multilateral fora, presenting their agreed position as a fait accompli to developing countries”.60 For the then foreign minister of Brazil, Celso Amorim, “I can state with conviction that the G-20 would not exist without IBSA”.61 Furthermore, underpinning the negotiation position of the IBSA countries, as well as China, is the fact that they are emerging as decisive drivers of global economic growth, equating to a stronger bargaining position at the WTO.62 The spoiling capacity of the IBSA countries in tandem with other rising powers indicates that the redistributive aspirations of the rising regional powers are unlikely to be subsumed by hegemonic imposition.

The balancing dynamic of the IBSA approach to trade lies in countering the ‘hub and spokes’ model of international economic and political relations as fostered by the United States. This imperial strategy was formalised firstly under the Clintonite courting of the ‘emerging markets’ (which included all of the BRICS),63 while the

58. Hurrell and Narlikar, op. cit.
EU has engaged in building ‘strategic partnerships’ with all of the BRICS except Russia. In contrast, the IBSA Trilateral Forum and associated Trilateral Commission have focused on expanding trade between the IBSA states, by increasing elite business and government connections, sectoral cooperation and exchanges of expertise through a series of trilateral working groups, and introducing new transport linkages between the three countries.64 This has been supplemented by the active pursuit of free trade agreements between Mercosur and India, Mercosur and SACU, and SACU and India, which are intended to lead to a future tri-continental free trade agreement between India, Mercosur and SACU, which would form the largest trade agreement in the developing world with potentially far-reaching implications for the emerging geography of world trade.65

The notion of ‘soft balancing’ through regional and South-South trade liberalisation may be an appropriate mode for understanding this response to Northern protectionism and trade regionalisation. Indeed, the expansion of an elaborate patchwork of regional trade agreements involving the emerging countries indicates the increasing importance of a global ‘non-WTO’ regime of trade agreements as the WTO remains deadlocked.66 Likewise, Taylor identifies that the pursuit of an intra-IBSA free trade deal is part of the regional powers’ attempts to foster a new trade geography, which reduces their trade dependence on the members of the G7, and “provide[s] alternative trading axes to the hitherto dominant North-South directions in trade”.67 While the limitations of the prospective gains from an intra-IBSA trade deal have been emphasised,68 the traditional view that South-South trade agreements are a waste of time due to limited complementarities and small economic size is changing due to the economic rise of the BRICS and the differentiating global division of labour.69 As trade between non-OECD countries constitutes an increasing share of global trade, political pressures to manage these flows through agreements can be expected to increase.70 A recent UNCTAD report therefore concluded that comprehensive tariff reductions amongst the IBSA states could double their annual mutual trade levels, based on a common market of 1.2 billion people, US $1.8 trillion of GDP and trade of nearly US $600 billion. “This would make the IBSA partnership of immense strategic value not only in terms of multilateral trade negotiations, but also in terms of shaping the respective roles of IBSA member countries in global economic governance.”71

64. Flemes, op. cit., p. 413–415.
68. Ibid., p. 54; Lyal White, “IBSA Six Years On: Co-operation in a New Global Order”, Policy Briefing, No. 8 (Johannesberg: South Africa Institute of International Affairs, 2009).
70. Antkiewicz and Whalley, op. cit.
Rising regional powers have therefore embraced the logic of increasing South-South economic cooperation, i.e. a concerted attempt to overcome the fractured nature of South-South economic relations which are still structured around patterns of comparative advantage engendered by the historical legacy of the (imposed) colonial division of labour. There is remarkably little trade between Africa and the Americas, with both orienting themselves towards the Asian economic boom (trade between Africa and the Americas amounts to only one per cent of total South-South trade). Increased multilateral ties amongst developing regional powers therefore provide a response to the fact that the major part of South-South trade occurs among countries of the same region, with little inter-regional integration.\(^72\) If current trends were left to continue, South Africa and Brazil would increasingly orient their economies towards trade with Asia while connections between their two continental regions languish. The concerted trilateral initiative to boost tricontinental trade between India, Brazil and South Africa can be accounted for precisely as a political intervention to prevent the further uneven distribution of global trade flows. As the South African trade minister recently put it, “Our membership of BRICS gives us huge opportunities to develop different patterns of trade relationships. We’ll seek to building relationships among ourselves”.\(^73\) The corollary, however, is the stagnation of the Doha Round and declining relevance of the WTO.

In addition to these redistributive demands in terms of changing the global distribution of trade, the IBSA states have also called for the reform of the institutional structure of the WTO. This consists primarily in expanding developing country participation in the decisive ‘Green Room’ phases of trade negotiations. The IBSA Brasilia Declaration also called for ‘improved’ rules in the multilateral trade system.\(^74\) This has already been partly successful, as seen in the shift from the old ‘Quad’ group of the US, EU, Canada and Japan, to the G4 group of the US, EU, India and Brazil. Nonetheless in June 2007 the Indian and Brazilian foreign ministers declared the G4 ‘dead’ after repeated demands from the EU and US for liberalisation in services and industry. Indian Trade Minister Kamal Nath then referred negotiations back “for the full WTO membership”.\(^75\) Despite these critiques, IBSA state representatives have made clear their attachment to the existing basic principles and norms of the world trading order, while seeking to reform some of its more egregious selectivity, include developing countries more fully in its informal negotiation procedures, and perhaps to shift the global trade regime closer to one in which “development really mattered”.\(^76\) As a recent IBSA declaration noted:

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A development oriented, balanced and successful conclusion of the Round at an early date would bolster the credibility of the multilateral trading system in the face of increased protectionist pressures. In this respect, they expressed their concern over the excessive demands made on some developing countries without any indication of adequate additional concessions in favour of developing countries.77

Thus while the substance of the global trading regime is criticised, the WTO has avoided calls for fundamental revision, most likely because the consensus principle makes it subject to a status quo deadlock, underlining the IBSA states’ preferences for no deal over a perceived illegitimate deal, while the Dispute Settlement Mechanism allows for an element of rights protection for developing countries. Thus while the IBSA states may have taken on a ‘spoiler’ role in trade, this is likely explained less by the logic of collective action and more by the selectivity and unbalanced structure of the world trade regime. Further, their pursuit of South-South cooperation and a preferential trade agreement between their respective regional trading blocs could be accommodated into a soft balancing perspective.

Money

IBSA states’ redistributive programme has implications for the international organisation of credit and exchange in fields including official development aid, currency policy, and the Bretton Woods institutions.

First, IBSA states have lent their voices to the call for developed countries to stick to their commitments for contributing 0.7 per cent of their gross national products as official development aid, as well as calling for unconditional debt relief for the Highly Indebted Poor Countries,78 thus contributing to pressure for relative redistribution at the inter-state level from North to South.

But these material ‘relative gains’ are subordinated to the discursive relative gains in prestige by their status as ‘rising powers’ catching-up on the first world, with democratic credentials to boot. While the IBSA states lend support to the least developed countries in advocating for more first world aid, they reaffirm their own positions as emerging economic successes stories with no need for developmental aid themselves.79 A related concern for being treated with “respect”80 attends the IBSA states’ statement that South-South cooperation should not be seen as aid, characterised by donors and recipients, but as “a

79. For example, in several high-profile natural disasters India has rejected aid as unnecessary, while examining the prospect of phasing out development aid in the longer-term. This is despite the Government of India’s own estimation that 37 per cent of its population lives in poverty. See, Somini Sengupta, “Pride and Politics: India Rejects aid”, New York Times (19 October 2005); Government of India Planning Commission, Report of the Expert Group to Review the Methodology for Estimation of Poverty (New Delhi: Government of India Planning Commission, 2009), p. 17.
80. Nel, op. cit.
common endeavour of peoples and countries of the South, a partnership among equals, and must be guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit”. The emphasis on non-conditionality means that rising regional powers are coming to be seen as obstacles to conditionality-driven Western attempts at spreading their own ideas of “good governance”, and therefore challenging key Western developmental norms.

Second, the IBSA regional powers have also demonstrated a preference for a relative redistribution in global wealth through a change in the structure of the international monetary system. In Sanya in April 2011, the IBSA states joined with China and Russia at the BRICS summit in moving from using US dollars to their own currencies in intra-BRICS credit and grant transactions. At the same time, the head of the China Development Bank would begin loaning in yuan to the other BRICS countries as part of the overall effort to reduce the use US dollars in bilateral trade and investment. Crucially, the rising powers declared their support for “the reform and improvement of the international monetary system, with a broad-based international reserve currency system providing stability and certainty. We welcome the current discussion about the role of the SDR in the existing international monetary system including the composition of SDR’s basket of currencies”. This coincides with calls from the IMF for greater use of Special Drawing Rights (SDRs) instead of US dollars as reserve assets, while re-examining the basket of currencies of which SDRs are made up (currently limited to US dollars, euros, yen and British pounds). SDRs would need to be greatly expanded for them to become a viable reserve asset, but given that the rising powers are expected to dominate the world economy within the next decades, a gradual shift away from US dollars as a store of value would reduce the US advantage of seigniorage and undermine US structural monetary power. This has been accompanied by calls for better and deeper regulation of transnational capital flows, to subordinate them to developmental needs.

Third, at the institutional level, the Bretton Woods institutions have become a subject of rising regional powers’ redistributive aspirations. The Bretton Woods institutions face challenges both from new powers and from broader changes that undermine their legitimacy even in their own narrow technocratic terms. For many in the developing world, these institutions have become identified with principles associated with market-driven poverty and even state breakdown. What were once seen as technocratic interventions by the International Monetary Fund (IMF) to restore economic fundamentals based on impartial expertise are now widely seen as having aggravated economic difficulties and implemented policies favourable to Washington. Most rising powers have sought as much autonomy as possible from the IMF by setting up regional equivalents or simply stockpiling foreign reserves. The rapid accumulation of foreign reserves was enabled by the broader absolute redistribution of economic resources to the emerging powers, but this also allows them to avoid the prospect of conditionality and the damage this would do to their prestige.

The participatory or input legitimacy of the Bretton Woods institutions in the eyes of developing countries has always been tempered by their plutocratic voting systems, which also serve to enforce a de facto US veto because of the requirement of an 85 per cent majority. In fact the relative increase in tranche votes at the IMF has seen the voting rights of the developing world as a whole actually decrease since its creation, although the increased financial clout of the IBSA states and other emerging powers has also been translated into relative gains at the World Bank and IMF for them. Meeting in South Korea in November 2010, finance ministers and central bank governors of the G20 resolved to redistribute the voting powers of the IMF as well as the International Bank for Reconstruction and Development (IBRD) in favour of major emerging countries. This resulted in a further shift in voting shares for developing countries of 4.59 per cent, and was described by the IMF managing director as the most significant change to the governance of the IMF since its creation.

One month earlier at the World Bank, China and India increased their voting rights at the IBRD branch of the World Bank, while those of the developing world as a whole have reached nearly a half at 47.19 per cent, which the Bank’s President Robert Zoellick said better reflected a multipolar global economy. At the same time, changes have occurred to the distribution of executive positions. For the first time in its history, both the World Bank Chief Economist and the three Managing Directors all came from developing countries, and a third seat...
for Sub-Saharan African countries was added to the World Bank Group’s Board of Executive Directors, which resulted in developing countries holding the majority of seats at the Executive Directors’ table. For Robert Zoellick, “The voices of developing countries are vital to delivering effective development and to reflecting the realities of today’s world”. Nonetheless, not all moves by the rising powers have been successful, with the IBSA states and China and Russia being notably unsuccessful in ending the European prerogative over the leadership of the IMF in 2011, despite their stated preferences for doing so.

In contrast to the issue-area of trade, the IBSA states approaches to international institutions in the domain of money and finance are clearly at odds with a spoiling approach. Rather, these powers call for greater intergovernmental cooperation and regulation in order to limit development-unfriendly instability in global finance. At the same time, cooptation is reflected in calls for reform of the global financial architecture that are interpreted so as to conform to the basic institutional architecture and their neoliberal norms, while seeking a redistribution of voting rights and leadership positions in the Bretton Woods institutions in their own favour. Calls to boost the role of alternative currencies to US dollars and re-denominate SDRs amount to a balancing of the structural privilege attendant on the status of the dollar as the de facto world reserve currency. The cooptation orientation is complemented by balancing behaviour.

Security

In the area of the international institutions governing world security we see again that the three perspectives on rising powers’ orientation to international institutions are not competitive, but rather complementary. State representatives of the IBSA states have of course invested enormous political capital into the goal of reforming the UN Security Council with themselves as leading contenders as ‘representatives’ of their respective regions, although South Africa cannot do so explicitly due to commitments within the African Union. Rather than shunning and therefore ‘spoiling’ this institution, the IBSA states want to be integrated and coopted into it, which would inevitably balance the influence of the established group of permanent members. The IBSA states have made no secret of their aspirations in this regard, declaring at every IBSA Trilateral Forum the goal of making the Security Council more “democratic, legitimate, representative and responsive” by including more developing countries from Africa, Asia, and Latin America as permanent members. To this end, India and Brazil have also joined forces with Germany and Japan as part of the G4 in endorsing each other’s bids for permanent membership. At the third BRICS summit in Sanya, the IBSA states even secured some support from China and Russia, with them


formally recognising the need to reform the UN and the Security Council, in order to make it more “representative and effective”. The BRICS declaration signalled (vague) support for the IBSA states as having an important ‘status’ in international affairs, declaring that they “understand and support their aspiration to play a greater role in the UN”, but falling short of endorsing permanent Security Council membership.95

This is consistent with the regional rising powers’ insistence on an inter-governmental, UN-based vision for the future world order. The rising regional powers often articulate a desire to strengthen aspects of international institutions with an egalitarian redistribution of political decision-making authority, while at the same time championing their own case for special representation. Rising powers tend to equate a more equitable multilateralism with their own relative elevation.96 Most rising powers see the UN General Assembly and its related institutions as more legitimate and representative because they adhere to a one state, one vote procedure, and therefore restrict the ability of Western countries to dominate the agenda or to get their way in the endgame.

This stands in contrast to the selective humanitarianism of established powers. The United States has been the power most likely to favour intrusive interventionism by the UN Security Council, while the European Union has been the most consistent champion of new norms, which emphasise the legitimacy of international institutions in defending human rights and favouring conditional ideas of states sovereignty. US-led interventions with or without a UN mandate have meant that international institutions have been associated with selective rather than impartial application of the rules. The identification of international institutions with the interests of Western states undermines their legitimacy and reinforces the scepticism of the IBSA states and others to the authority of international institutions and new norms of liberal interventionism and majoritarian decision-making. In contrast to the European Union, new powers tend to favour national sovereignty as the primary norm of international society.

Russia and China are identified as the major representatives of the traditional Westphalian view, but what is more interesting is the role played by major democratic powers such as the IBSA states. As a European Council on Foreign Relations policy paper noted recently, while the IBSA states should be “natural partners for Europe”, the conflict over the basic norms of the UN and the security system means that they end up clashing with the EU. “They do not feel they are accorded the respect and organisational status they deserve, and thus prefer to stand with the G77 or regional groups as a way to increase their leverage.”97 While not identified completely with the “axis of sovereignty”, India and South Africa are two of the most consistent critics of selective interventionism and defenders of third world sovereignty.98 Far from representing a case of cooptation into the values

95. BRICS, “Sanya Declaration”, op. cit.
of the dominant powers, rising regional powers tend to side with each other. In the
UN General Assembly, the positions of China and Russia on human rights issues
typically attract more votes than the EU or US.99

At one and the same time, the IBSA states’ desire for integration into the UN
Security Council through permanent representation seems to reflect the coopta-
tion hypothesis, but this is a far cry from integration into the transnational liberal “security community”,100 which would signify the idealised form of coop-
tation. As the regional powers become more influential in this forum, they are
likely to pull it back from the selective interventionism and consistent double stan-
dards adopted by powers such as the US. Where IBSA states are successful at
redistributing seats in the UN Security Council in their favour, this is likely to
exacerbate the tension between the increasing political authority of international
institutions and the principle of non-intervention.101

Conclusion

How do these findings relate to the broader question of the impact of the IBSA
states’ general aspirations for international institutions? There is strong variation
across issue areas. The impact in trade has contributed towards deadlock at the
WTO and therefore conforms to the spoiler perspective, while greater South-
South cooperation and the pursuit of trade agreements with other Southern and
rising powers reflects a balancing logic. The rising powers are committed to the
rules-based system of the multilateral trade regime, but resist further liberalisation
in the absence of greater concessions from developed countries. Changes in distrib-
utional outcomes in the organisation of credit and money, as well as procedural
reforms in international financial institutions, reflect a reformist project that is,
however, restricted to the bounds of existing institutions, substantiating a coopta-
tion process. Meanwhile, IBSA states have oriented themselves towards gaining
permanent Security Council seats, an aspiration traditionally associated with
cooptation, while siding against the established powers over the regulative
norms of the global security governance. This reflects both the aspirations for
enhanced global prestige associated with this “ultimate prestige prize in inter-
national politics”102, as well as active resistance to ham-fisted attempts of the
United States to pioneer new norms of pre-emptive war and selective interven-
tionism, or more subtle European attempts to foster notions of conditional sover-
eignty.103 This no doubt also relates to the desire of post-colonial states for respect
as full members of the society of states with sovereign equality.104

While the increasing authority of international institutions has become an object
of concern for the IBSA states in the area of security, the opposite has been the case
in the economic domains of trade and money, where stronger regulation and

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99. Gowan and Brantner, op. cit.
100. Karl Deutsch, Political Community and the North Atlantic Area (Princeton, NJ: Princeton University
pp. 260–283.
102. Philip Nel, Dirk Naber and Melanie Hanif, this issue.
104. Nel, op. cit.
institutions are preferred and which are seen as requiring greater developing country involvement. Overall, a complex image emerges where the IBSA powers are integrating into existing institutions while attempting to utilise their new-found influence to pursue an institutionally reformist (or limited revisionist) agenda, and even-out some of the power imbalances favouring the developed North within these institutions.\footnote{Nel and Stephen, \textit{op. cit.}; Taylor, \textit{op. cit.}; Zu\ss{}n and Stephen, \textit{op. cit.}. See also similar conclusions regarding China in Gregory Chin, “China’s Rising Institutional Influence”, in A.S. Alexandroff and A.F. Cooper (eds.), \textit{Rising States, Rising Institutions} (Waterloo: Center for International Governance Innovation and Brookings Institution Press, 2010), pp. 83–104.} The approaches of contemporary rising regional powers are therefore difficult to comprehensively encapsulate through any of the traditional conceptual perspectives, whose foreign policy orientations are highly differentiated across institutional sub-systems, and sometimes embody competing logics of behaviour.

Accounting for this behaviour will therefore have to move beyond the traditional approaches to rising powers. Consistently, the commitment of rising states to international regimes has been analysed as if participation is an indicator of acquiescence. Studies in this vein see ‘separation’ or efforts to ‘overturn’ international institutions as counter-posed to the strategy of involvement,\footnote{Alastair Iain Johnston, “Is China a Status Quo Power?”, \textit{International Security}, Vol. 27, No. 4 (2003), pp. 5–56, p. 11; Jeffrey W. Legro, “What China Will Want: The Future Intentions of a Rising Power”, \textit{Perspectives on Politics}, Vol. 5, No. 3 (2007), pp. 515–534, p. 517.} wherein a state’s satisfaction with the rules of a world order can be measured simply by its participation in international organisations.\footnote{Steve Chan, “Can’t Get No Satisfaction? The Recognition of Revisionist States”, \textit{International Relations of the Asia-Pacific}, Vol. 4, No. 2 (2004), pp. 207–238.} Instead, this study of the IBSA states indicates an alternative orientation: integration in order to change international institutions. In this orientation, the IBSA states chart the middle course between the Charybdis of liberal cooptation and the Scylla of counter-hegemonic spoiling of existing institutions.

The findings of this and the other contributions to this special issue therefore confirm that the rise of Southern regional powers will occasion a shift in the procedures and outcomes of global governance favouring redistribution between the states of the North and South.\footnote{See also Leslie Elliott Armijo, “The BRICs Countries (Brazil, Russia, India, and China) as Analytical Category: Mirage or Insight?”, \textit{Asian Perspective}, Vol. 31, No. 4 (2007), pp. 7–42.} In contrast to previous rising powers, the IBSA states are multilateral activists strongly involved in international institutions, which they try to reform from the inside in their own favour. Their further integration into the institutions of global governance can be expected to perpetuate a process of restructuring which will be forced, even on a limited functional logic, to increasingly consider the needs of emerging developing countries. In this respect even Goldman Sachs can endorse the integration of new powers into the fold of global economic governance.\footnote{Goldman Sachs, \textit{op. cit.}, p. 5.} This gives ample reason to conclude that an understanding of the outlooks and preferences of rising regional powers will be increasingly important as they shape the contours of the emerging world order.

\begin{thebibliography}{99}
\item 108. See also Leslie Elliott Armijo, “The BRICs Countries (Brazil, Russia, India, and China) as Analytical Category: Mirage or Insight?”, \textit{Asian Perspective}, Vol. 31, No. 4 (2007), pp. 7–42.
\item 109. Goldman Sachs, \textit{op. cit.}, p. 5.
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