



IBSA to BRICSA: China churns the new alphabet soup

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Brasilia : As Prime Minister Manmohan Singh experiments with a set of multilateral fora beyond the near dead Non-Aligned Movement, the rapid rise of China is complicating India's geopolitical calculus.

Dr Singh, who arrived last evening to a warm and colourful reception in the Brazilian capital, will join the leaders of Brazil and South Africa in the IBSA forum and then with the presidents of Brazil, Russia and China in a summit of the so-called BRICs. The tragic earthquake in China has forced Brazil to fold the meetings of IBSA and BRICs into a day to let President Hu Jintao rush back home. Inadvertently, the earthquake has reinforced questions about the relevance of IBSA and BRICs.

Despite their different genetic codes, IBSA and BRICs are similar in one important respect. They are not 'regional' organisations; what unites these nations from different continents are big political ideas.

The IBSA forum is about "South-South" cooperation. If you are ideological you might fantasise about 'third world solidarity'. If crass power is your defining category, IBSA is about 'middle powers' aspiring for a larger role by working with each other.

The BRICs was invented at the Wall Street of all the places. Pointing to the importance of rapidly growing markets, Goldman Sachs talked up Brazil, Russia, India and China as a category.

If Goldman Sachs salivated at the possible economic gains from the BRICs, Moscow had a different dream—of promoting a multipolar world. Having already developed the idea of a 'strategic triangle'—with India and China—aimed at limiting the influence of the United States, it was just an extra step for Moscow to draw Brazil into it.

By convening back-to-back meetings of IBSA and BRICs this week, Brazilian President Lula da Silva has muddied the waters further. That South Africa wants to join the BRICs (to make it BRICSA) and is frustrated at the lack of a decision is not a secret. Nor is Russia pleased at the emergence of BASIC — Brazil, South Africa, India and China—as the principal balancer to the US and Europe in the climate change negotiations.

It is known that China is keen to join the IBSA. Many other countries, including Indonesia, Egypt and Mexico, want to join either or both fora. But there is no agreement on either forum on whether membership should be expanded and if so who should be invited.

Well before those questions are answered in any form, the emergence of China as a great power is mutating these two organisations, leaving India scratching its head on how to leverage the IBSA and BRICs.

Take for example, IBSA, whose objective was to promote trade between themselves. There has been some success. Between 2003 to 2007 intra-IBSA trade has grown from about US\$ 2bn to about US\$ 10 bn. Meanwhile, China's own trade with all the three IBSA members has grown by leaps and bounds. Beijing is the largest trading partners for Brazil and India. In a development that is causing some concern in IBSA, as all three export natural resources to China and

import manufactured goods. Worse still, China is on its way to beat the IBSA members in trading with their own neighbours in the subcontinent, Southern Africa and Latin America.

In the case of BRICs, too, the political objective of promoting a multipolar world is looking curious when the international talk is all about the return of bipolarity—this time between the United States and China.

The big economic arguments in the world today—for example the value of China's currency Yuan—are between Washington and Beijing. The IBSA members, for example, know that revaluating Chinese currency would help improve the competitiveness of their exports.

But they may find it hard to press China on the currency issue and be seen as supporting Washington against Beijing. At the same time, Russia and IBSA know that they have the most to lose if US and China embark on a joint economic management of the world— the idea of a Group of Two (G-2).

As he heads back to Delhi on Friday, Dr Singh will have to think hard about a new Indian strategy that recognises China's rising power and the inescapable logic of deeper economic cooperation with Beijing. At the same time, he will have to find some political space for India as China towers over other emerging powers. The talk then of a 'global South' or of a "multipolar world" belongs to another age.