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# Brazil's 2019 Chairship of the BRICS: Priorities & Expectations



**B R I C S**  
B R A S I L 2 0 1 9

Proceedings report of a symposium hosted by the Institute for Global Dialogue (IGD) associated with UNISA, and South African BRICS Think Tank (SABTT)

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This BRICS dialogue was jointly put together by the Institute for Global Dialogue (IGD) and the South African BRICS Think Tank (SABTT) which we are always happy to have as a partner in these types of dialogues. There is immense interest in BRICS and the future of BRICS within South Africa and on a global scale. There is also an interest in the changing chairship from one country to another in terms of the potential changes that could take place or what continuities we might see. Some dialogue participants contribute to BRICS

topics from different perspectives and different work streams and the discussions will unpack the issues from different angles, and all are invited to engage throughout the event.

The previous dialogue held in February 2019, reflected on “South Africa’s Chairship of BRICS: the Key Lessons and Outputs”. South Africa hosted the summit in Johannesburg in 2018, and all from government to think tanks to civil society levels, were actively involved and participating. The task is to take these discussions beyond the individual Chairships and build on relationships between Summits. Today’s dialogue, titled “Brazil’s 2019 Chairship of the BRICS 2019: Priorities and Expectations”, explores the BRICS Brazilian Chairship in 2019.

Communities dealing with foreign policy have expressed general interest in Brazil considering the significant changes that have taken place in the country, including the new government. Moreover, people are curious to see the implications that these changes will have on the Brazilian BRICS Chairship and the future of the BRICS partnership. There is also global speculation whether Brazil’s alliance with the United States of America (USA) will have a detrimental impact on the dynamics and relationships within the BRICS and other partnerships. These dialogues provide us with an opportunity to go beyond sensationalist news headlines, as it is very easy to get caught up in the media reports and take a simplistic stance on what is happening in Brazil and the implications for the region and on a global scale. Brazil will remain an important player in the region, and globally, for the foreseeable future. It is therefore important to unpack some of the dynamics within Brazil and what it will mean for its Chairship this year. This will also assist us in engaging in Track I, governmental level, Track II, academic & private sector level, or Track III, civil society level, diplomacy of BRICS. This dialogue will also assist us to discuss other perspectives that are not alarmist positions and reactions to the Brazilian Workers Party, *Partido dos Trabalhadores*, being voted out and having a new party in power. Global politics and bilateral relations are more complex than face value appearances, hence the need for a more systematic look Brazil’s continued role in the BRICS and beyond. The dialogue’s panel will allow us to move beyond headlines and start thinking beneath the surface in terms of what the implications are for the BRICS presidency, and how South African academics, business, civil society and policy makers can continue to work with Brazil throughout its presidency to ensure its success and that the BRICS continues its work.

## Mr. Bruno Carvalho Arruda, Point of Contact for Economic Affairs, Agriculture and BRICS at the Embassy of Brazil in Pretoria, South Africa

Mr. Carvalho Arruda provided an outlook of the BRICS Brazilian presidency in 2019 and the first meetings that have occurred in Brazil so far. Most are familiar with how the BRICS operates; however, it is important keep discussing the history of BRICS at the beginning of a new presidency for the benefit of new observers. BRICS has come a long way since 2009; initially called BRICs, it included Brazil, Russia, India and China, in 2011, South Africa was included in the partnership and BRICS was created. A major benefit of the partnership allows the BRICS members to better react to the complex nature of global economic crises, enter into discussions on global governance reforms and the reshaping of institutions. The framework has become more inclusive and encompasses more areas of cooperation. The BRICS have also had institutional developments, such as the New Development Bank (NDB), contingent reserve arrangements and the subsequent creation of regional centres. Taking from a successful South African presidency in 2018, South Africa held more than 100 meetings in different areas. This included two summits; one on the margins of the Group of 20 (G20) and another standalone summit which took place in Johannesburg in July, as well as ministerial meetings and other high-level meetings too.



The theme that was chosen for 2019 is “Economic growth for an innovative future”. As the theme suggests, science, technology and innovation are the top priorities. This is in line with the previous work of the BRICS presidencies. The importance of technology and how to be better positioned in the new industrial revolution has been a major theme for BRICS, since the last Chinese presidency in 2017. Thus, it is still important to talk

about it and look for ways to better cooperate in this context as it will be the top priority from Brazil’s perspective. The Brazilian presidency will build upon and endeavour to enhance the cooperation in digital economy as it is a new subject that needs attention.

In addition, the Brazilian presidency aims to energize the cooperation and fight against transnational crime in all its aspects; with a particular focus on organized crime, money laundering, drug trafficking and terrorism. Another priority is to bring the NDB closer to the BRICS business council and stimulate ways in which the private sector and the business council can access funds made available by the NDB. These priorities, associated with the general guidelines, will drive the work throughout the year.

As this is the beginning of the second decade of BRICS, it is important to reflect upon what’s been done and how BRICS partners want the group to proceed in the future. The world has changed significantly since the conception of the BRICS. From the Brazilian perspective, we understand that it is important to continue what was already established by the previous presidencies and not abandon existing initiatives. From December 2018 to January 2019, Brazil has had video conferences

with each of the BRICS members in order to note their concerns and expectations to be included in the agenda. Moreover, Brazil is looking to have a result-oriented presidency and address the objectives and deliverables actively. Brazil believes the time has come for observers to perceive BRICS as a positive initiative and not just a political body that isn't concerned about people. This is not to undermine the efforts made in the past, but rather focus on strengthening the process that has already begun.

In addition, Brazil will strive for structural improvements in science and technology and innovation in infrastructure, health and security, all with the view to promote economic growth which is a challenge in our countries. During the Sherpa's meeting, held in Curitiba, from 13 – 15 March 2019, the following issues were discussed; firstly, the possibility of reorganizing the architecture of how the BRICS addresses the issues of science, technology and innovation. This is an organizational initiative, which should work in a synergy and draw from other complimenting initiatives. Secondly, the possible creation of the iBRICS was discussed, which is an innovation of the BRICS network for start-up companies that connect BRICS partner countries that are struggling in this area. Lastly, improved cooperation in investments were discussed so that investment agencies would be brought together.

Another point of discussion centred on the formalization and consolidation of a more decentralized institution, and not an entirely new institution like the NDB, that aims to bring together Information and communications technology (ICT) infrastructures. The first initiative will be in the area of the digital economy. Next, security and improved cooperation was discussed and Brazil will focus on the following; firstly, the exchange in countering terrorism, which is a top priority for all of the BRICS countries. There is a common understanding that terrorism needs to be tackled by all the different countries from a united front, otherwise, efforts could prove to be unsuccessful. And secondly, a new strategic approach against transnational crimes was discussed. As a first step towards achieving this, the Sherpas discussed asset recovery. Next, detecting and taking back stolen money from illicit activities is one of the main forms of preventing and punishing it, and should therefore be properly addressed.



Lastly, the meeting included cooperation in health, as one of the on-going BRICS priorities. Namely, the research on Tuberculosis (TB) and the importance to continue financing the research and new vaccines for the prevention of TB in the BRICS countries. As well as how to improve BRICS efforts in maternal and child health care with initiatives that encompass breast feeding and general health of mothers and children.

In achieving these objectives, the Brazilian presidency has committed itself to hosting 80 – 100 meetings, 10 – 15 ministerial meetings, the annual summit that will be hosted in Brasilia from 13 – 15 November 2019, the annual academic forum, the BRICS business forum, and other cultural events like the BRICS film festival and BRICS games. However, the final calendar will be finalized in due course.

**Dr Renata Albuquerque Ribeiro, Researcher at the Laboratory of Global Political Analysis (Labmundo), Brazil.**

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Dr Albuquerque Ribeiro divided her presentation into three parts that focused on Brazilian foreign policy: providing highlights of former president Michel Temer's foreign policy due to some similarities with the current president's foreign policy; next providing some context about current president Jair Bolsonaro's foreign policy that is taking a new direction; as well as the Brazilian chairship of BRICS in 2019.

Firstly, Bolsonaro's foreign policy is not only similar to Temer's but faces similar domestic political situations, which is the case in Brazil since 2015. During his two years in government, Temer was moving closer to Western powers, particularly the USA and the European Union (EU). However, the Temer administration did not have much success in this regard. But there was a focus on South America with attempts to reformulate MERCUSOL/MERCOSUR<sup>1</sup> and assist Venezuela. Bolsonaro has taken a similar approach with his foreign policy regarding South America. An important factor to consider here is that Brazil, as a



developing country, is greatly affected by domestic, political or economic instability.

Secondly, it is important to highlight that the new direction of Brazilian foreign policy was founded on Bolsonaro's 'opposite' idea and won the elections on the premise of doing the opposite of everything

done by the Workers Party movement. His message was that he was going to bring new politics, economic values and foreign policy alliances to Brazil. Their attempts at getting closer to the USA is a reflection of this opposite approach. There is an understanding that the focus on South-South cooperation is associated with the Workers Party foreign policy, hence building strong ties with the West is a strong priority for Bolsonaro. The topic of re-technologization is another aspect Bolsonaro is capitalizing on. The Workers Party faced much public scrutiny and criticism during the election period for being too political and getting too close to countries of the global South, which did not benefit of Brazilians. Thus, Bolsonaro's foreign policy is more focused on becoming more technological and professional while pursuing more favourable alliances.

The new Minister of Foreign Affairs, Ernesto Araujo, is considered a controversial figure in Brazilian foreign policy, as diplomats are being quite critical of him and his appointment. Araujo has been criticised that he is not a suitable candidate for such an important and strategic position. Araujo was a political activist for the far right during the elections, something that breaks the hierarchy in the ministry, which is one of the most traditional state institutions in Brazil.

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<sup>1</sup> Mercado Común del Cono Sur (MERCOSUR), also known as the Southern Common Market, is a South American trade bloc that consists of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay. Venezuela's membership was suspended in 2017.

Similar to Trump, Bolsonaro makes use of social media, particularly Twitter and Facebook to bring the political debate to the population, an unprecedented move in Brazilian domestic politics. Foreign policy has not been a priority to the general population, but the use of social media has brought it to their attention. In addition, Bolsonaro is not personally involved in foreign policy and there are a number of groups that are vying to influence the foreign policy direction.

Firstly, Ernesto Araujo is very religious with his own beliefs and ideas about Brazilian foreign policy. Secondly, Bolsonaro's family are professional politicians with the power to influence the presidency. Thirdly, the vice president has the support of the military group, which do not support the current vision of foreign policy and engage in intense disagreements with other groups that try to influence Brazilian foreign policy. And fourthly, public opinion, particularly the Protestant group is a political actor meaning they are able to insert or remove topics from the public debate.



In addition, Dr Albuquerque Ribeiro explained that Bolsonaro admires Donald Trump, hence his efforts to build strong relations with him. Bolsonaro is trying to move Brazilian foreign policy in areas that favor relations with Trump. Previously, Brazil-USA relations were not that close; however, when Brazil recently experienced an environmental crisis, Bolsonaro was able to ask for assistance. During the elections, Bolsonaro's declarations, brusque or rude diplomatic behavior, and alignment with the USA has had some consequences, specifically with Brazil's relationship with China and the Middle East. The alignment with the USA is not new to Brazilian foreign policy. Before, Brazilian policy makers said that they would support the USA in exchange for improved relations, specifically in the areas of industrial and economic cooperation as well as membership to the Organisation for Economic Co-operation and Development (OECD). This desire to join is a controversial issue because the OECD is often described as a club of rich countries that endeavour to promote policies that stimulate economic growth and social change. Brazil is not economically strong enough to be a part of the OECD and therefore there will be political and economic costs because of this alignment and Brazil is losing its influence in the multilateral space, particularly in areas like agriculture and environmental issues. Brazil withdrew its candidacy to host the Conference of the Parties (COP) 25, the global environmental summit, which is another example that shows that Brazil is losing its influence.

The question is: is there space for Brazilian foreign policy to take this new direction? Multilateral organisations, such as BRICS, and South-South cooperation initiatives is still associated with a Workers Party policy. Even if Bolsonaro knows the importance of creating and maintaining strong partnerships with foreign policy pressure groups, there will not be much momentum because the four of five groups around him are pulling foreign policy in different directions. There are a number of scenarios for Brazil's BRICS engagement. Firstly, the construction strategy, where Brazil takes Temer's strategy and tries to get economically stronger and make BRICS stronger; however, Brazil faces a number of challenges in this regard, where leadership is required within BRICS because it has been losing its influence in multilateralism since 2016 and other countries



now have bigger voices within BRICS. For example, China's economic rise is unprecedented and Brazil is facing an economic crisis. This presents a good opportunity to improve the relationship between the two. Secondly, a deconstruction strategy, where BRICS may not be that important to the new Brazilian foreign policy, as the focus shifts entirely on relations with the USA and the EU. This option is not entirely impossible and we can see this already developing in South America. The third and last option is a "no foreign policy approach", which allows policy makers to engage on foreign policy without an overarching strategy and was used during the Temer government. At that point, Brazil was not focusing its attentions as a global player; and currently, Bolsonaro could use the excuse that domestic problems require more attention. Therefore, foreign policy would be shelved for a period and Brazil would then be paralyzed in the multilateral system and south-south relations. In the last 20 to 30 years of Brazilian foreign policy, Brazil had two approaches to foreign policy. The first scenario explores Brazil as a partner with powerful western countries and organisations, such as the USA and the EU. The second approach explores Brazil as a strong partner to developing countries and other multilateral organisations. This links the debate about autonomy and dependency and how a country can create autonomy in the international sphere and overcome economic crisis using foreign policy.

### Mr. Cyril Prinsloo, Researcher at the South African Institute of International Affairs

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Mr. Prinsloo's presentation focused on the Brazilian president, Bolsonaro, and his campaign, presidency, and activities in office from an economic angle. He noted that it is easy to get caught up in the headlines; but it is important to delve deeper



into Bolsonaro's cabinet and some of the policies coming from his administration, and to mitigate some of the exaggerations that were seen in the media. The speaker deliberated on a number of important issues; firstly, what has happened in Brazil that has influenced this traumatic shift and how Operation Lava Jato (Car Wash), and the corruption scandals between business and government became a key driver.

Secondly, the sluggish economic growth and social economic challenges. In this context, the discussion on Brazil's foreign policy and Bolsonaro's administration and the changes in Brazil's foreign policy are vital. More specifically, it is important to interrogate what this means for BRICS as Brazil is chairing BRICS.

The previous discussion noted the different factions that are driving Brazilian foreign policy: the military, the foreign minister, public opinion. The finance minister, Mr. Paulo Roberto Nunes Guedes, is very libertarian and has significant influence in both

Brazil's domestic and foreign policies. In President Bolsonaro's attempt to reduce the cabinet size, he combined some of the departments creating almost a super ministry looking at trade investment strategy, ensuring that Minister Guedes will play a key role in Brazilian foreign policy and will further impact on the BRICS partnership. Under the Bolsonaro administration there are three important drivers: firstly, prioritization of domestic issues. Bolsonaro is aware that if he does not succeed in maintaining public support, the Workers' Party, *Partido dos Trabalhadores* (PT) will be re-elected. Therefore, he needs to address inequality, unemployment issues domestically, and possibly leverage domestic engagements. Bolsonaro can use BRICS as a perfect opportunity that addresses those key socio-economic challenges. As mentioned previously, this is a shift from the Lula da Silva and Dilma Rousseff foreign policy era from South-South cooperation towards an alignment with the North; not something necessarily started under president Bolsonaro because this started under Temer.

The third driver is the ideological turn within the foreign ministry of Brazil. Minister Araujo had stated that the main threat to Brazil's global stability, peace and security comes from non-democratic regimes that export crime, instability and oppression. This is a very clear contrast from previous administrations; it is important for observers not to fall into the exaggeration, but to mitigate their understandings of the changes taking place in the Brazilian government. Firstly, there are many discussions around this "US first" approach that President Trump is following and Brazil's admiration for this approach; however, this kind of "Brazil first" approach cannot be utilised. There is a clear recognition of the value that Brazil's connectedness with multilateral institutions and groupings, such as the BRICS, will bring to the country. Secondly, the hysteria of Bolsonaro's alignment with the US is taken out of proportion as Trump bases his diplomatic relationships on transaction. And while president Trump said he would support Brazil as a North Atlantic Treaty Organization (NATO) ally and Brazil's OECD candidacy, Brazil would have to give up its developing country status at the World Trade Organisation (WTO). The same goes for Brazil's Finance Minister Guedes, who stated that they want more access to the US market; to which the US accepted while indicating that they also want access to the Brazilian market. There is thus a need to mitigate and to not overstate the realignment.



The shift towards the North is not only ideological but also pragmatic; it was seen in the global economic crisis in 2009 where traditional partners, such as Europe and the US were really struggling with economic growth and of course at the time Brazil and India were growing uncontrollably. It made good economic sense to partner with these countries but in the last couple of years we see growth and the markets picking up again, which indicates again that it's more of a pragmatic than a purely

ideological development. Lastly, the anti-China rhetoric that was heard from some of the Bolsonaro administration, a number of the messages were tamed and were not as aggressive anymore which signals a more pragmatic approach. Ultimately, China is Brazil's biggest trading partner and there are certain elements in Bolsonaro's administration that would not want to see an alienation of this big trading partner.

What does Bolsonaro's administration mean for BRICS cooperation? There are a number of options when discussing the newly elected Brazilian president and BRICS. The construction option, which is most plausible as there is still clear alignment between the national interests of the BRICS, and there are still many national interest points for Brasilia, Moscow, New Delhi, Pretoria and Beijing. The BRICS priorities of the 2019 Summit formed three key areas: enhancing Inter-BRICS economic relations; regional and global governance issues; and development finance. A key area for the 2019 BRICS presidency that complements Brazil's domestic economic strategy is to focus on trade and investment and to align investments with dormant factories in Brazil. This will reignite growth, create jobs and address the socio-economic challenges. Looking at BRICS' investment in Brazil; the BRICS countries are still not breaching the top 10 list of investors in Brazil. Finance Minister Guedes spoke about privatization and the potential of strengthening the ties among BRICS countries to improve the economic relations among the groupings. And tracing back to the 2016 Brazil summit, one of the priorities the former Brazilian president proposed

at the time to enhance the Inter-BRICS relationship was the creation of a free trade agreement.

One of the things BRICS should consider is instead of a full trade agreement to look at a more modular approach; there are certain areas of BRICS economies where there are complementarities and value chains that we can



look towards working together and creating a theoretical free trade approach that would help move Inter-BRICS economic relations forward. Another point to consider looks at global governance and the reform thereof, Brazil is expected to host a regional and BRICS plus outreach and it is important for the BRICS to consolidate its position on norms; values, rules and consolidate along with other developing countries and partners from the global South. Consolidating with other countries is very important, we saw an example recently with the World Bank president, Jim Yong Kim, resigning and a number of the countries in the global South were unprepared for this and did not have a collective way forward. The IMF managing director position will come up again in 2021, and it is vital to have a collective input on a candidate that rivals the candidate that the EU will put forward.

In terms of regional discussions, the other key topic that will come up is Venezuela. It has always been said that BRICS members are free to continue to hold their specific stances and therefore disagree in a number of forums whether it's the WTO or United Nations Security Council (UNSC); but the context of Venezuela is different, and perhaps the BRICS should take a particular stance because of the vested interests that the BRICS countries have. For Brazil, it is managing the humanitarian crisis and the Brazilian Development Bank (BNDES) has a number of financial stakes in Venezuela; China and Russia also

have massive financial interests in Venezuela, specifically the oil sector and recently India became the biggest importer of Venezuelan oil. This clearly shows that these four countries have vested interests in resolving the Venezuelan crisis. Although South Africa is a bit of an outsider in Venezuela, it can play the role of a bridge builder on contentious issues. Ultimately addressing the Venezuelan crisis is important firstly for the Venezuelan people, but it can also be a watershed moment for BRICS.

Lastly, the interests of Brazil along with the other members that will align is towards enhancing development finance; specifically, the role of the NDB because the bank will look to establish its regional centre this year in Brazil, but also to date Brazil has had the lowest amount of loan approvals from the bank. The finance minister is pushing the investment agenda and Brazil will try and leverage this opportunity. It will be important for the NDB to align its loan approvals and its lending with national development priorities of these countries. Using Brazil as an example, the NDB can align and invest within Brazil's manufacturing sectors. The NDB is primarily a large scale infrastructure bank, but if it does not respond to the needs of its member countries it will lose its buy-in. It is important for the bank to also diversify its portfolio amongst its members to minimize its operational risk, and it will have to work closely with the likes of BNDES; Development Bank of Southern Africa (DBSA); the local development finance institutions (DFI) will thus be important to ensure alignment between its activities and the national development priorities of its member countries.

In conclusion, it's easy to fall into the hype of the headlines and uncertainty that accompanies changes to foreign policy. However, there are enough areas of mutual cooperation to support the national interests of its members, and for the group to enhance them individually and the group as a whole as well.

**Sanusha Naidu, Senior Research Fellow, Institute for Global Dialogue**

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Ms. Naidu's discussion centred on BRICS and where it is going in its second decade. When Russia held the first conference of the BRICS, the organisation was not consolidated as a formal institution, and didn't have any kind of formal capacity. At that point, observers were speculating what the BRICS would be doing to

the international architectural arena. It is fascinating to look at the partnership in its third cycle of summits and second decade of the 21<sup>st</sup> Century; and to be thinking how the initiative has grown up and matured. The IGD hosted a conference on South Africa and the World, on 28 February 2019, and a discussant there said, "South Africa is 25 years old and is no longer a

teenager and it needs to mature and make its foreign policy much more structured and about what its national interests are". All the countries that make up the BRICS are beyond that issue of whether or not they are at an adolescence stage. They have moved beyond that.

Some of the key points shaping the discourse on BRICS are as follows; the first is the narrative that is very important particularly now in the context of the changing global architecture. Current developments include Brexit, Trump, Europe's political stability, issues in some parts of Asia, pre-emptive strikes and language that talks about a securitized approach to international order. What is the BRICS narrative in this context, especially with regard to this changing global architecture? How has the narrative moved from inclusive development, which has always been a part of every BRICS summit, to one that says what economic growth is for an innovative future? Where is the inclusive development in all of this? Another point about the narrative is the domestic environment, and that affects the positioning of the BRICS and understanding the various national interests within the BRICS.

The second point, the emphasis placed on science and technology for innovation and growth and key agenda points such as transnational crime are important areas. The BRICS have been consistent in building a gradual security agenda; counter-terrorism and transnational crime have become more important. Cyber security or physical security threaten national security architectures that manifest in various ways such as dealing with a humanitarian crisis on the border, trying to flush out insurgency, or the idea of transnational crime in the context of financial architecture to mention a few.

The third point is the foreign policy alignment. To align or not to align is the real question, in the case of Brazil trying to move between a juxtaposition of sorts. Where on one hand Brazil is saying that the Workers Party brought in South-South Cooperation closer to foreign policy, while the new party brings in the US and the EU. However, Brazil cannot afford to align in a way that becomes too narrow in foreign policy. So, this speaks to the idea of construction and the question of how important it is because you have socioeconomic challenges within the country that need to be addressed. The BRICS Business Council needs to be brought closer into the framework, because the forum is able to bring in investment.

By finding a common alignment, Brazil is constructing in some ways and deconstructing in other ways with your national interests. The alignment is key because it demonstrates other countries' perceptions of particular strengths a given country may possess, which complements countries in terms of socioeconomic engagements and security gains. It may be possible to have similar values about security architectures and how to address transnational crime and the issue of insurgency and cyber-security. This could allow the BRICS to start cherry-picking activities for BRICS in the second decade of its consolidation.

Addressing the issue of alignment, the Indian Foreign Minister, Sushma Swaraj, explained that India has moved its foreign policy into a 21<sup>st</sup> Century issue of alignment. The idea of non-alignment is not one that drives Indian Foreign Policy, this is important because the question becomes: what is the alignment of issues? This was defined as aligning national interests to what issues are and then finding who the partners are who are going to carry out these interests. So, foreign policy is still retained in India as the key decision-making tool. In the context of BRICS, it is interesting to see how the group may define common points of a national interest and interests, which will link back to who BRICS partners align with and how they align. Investor partners are important because it informs the recipient countries on how to write the rules of the game and operate within the global dynamics of the world. The key driver for the global governance agenda is reform or transformation in the international system. In the context of reform, international institutions such as the United Nations Security Council (UNSC) are often a point of reference and a seat at the table is important; the power of the pen is also important in order to write the

rules of the game. This is critical so that we can be much clearer about how the foreign policy agenda within Brazil but also in the context of a changing landscape within the four other countries are going to drive this kind of BRICS foreign policy agenda.



The next point is the type of agenda goals that are subsequently set in the broader context of a complex world and BRICS; whether policy makers choose to go for high-hanging fruits or low-hanging fruits in a foreign policy agenda. The BRICS free trade agreement was rejected by India because it said will give an opportunity to China's goods flooding into the Indian market. This showed that the partners still need to think pragmatically about BRICS. Other elements that impact the BRICS and global trade affairs is the trade war between the US and China. The recent meeting of the Chinese legislature discussed legislation that will ease the transparency environment in China for Foreign Direct Investment (FDI) and the 5G fight between Europe and the US. The BRICS all possess individual pragmatic qualities and objectives, especially in their bi-lateral relationships with Africa and countries in the regional outreach process. Venezuela is a test case for the BRICS regional outreach because it would require a proposed solution on the basis of peace and security and navigating the BRICS members' interests in Venezuela. Another test case is China's interest in 5G and using that technology as a basis in limiting competition in the innovation, science and technology sector. This brings the question of whether other countries not part of the BRICS partnership will put pressure on other countries, such as the USA as they attempted to pressure Brazil on the position of Venezuela in return for gaining membership to the OECD. It is becoming increasingly important to develop an agenda that reviews and moves away from developing country status within the WTO.

An overlapping issue of Brazil and South Africa at a domestic level is the level of constraint caused by domestic constituencies and how much leverage they have. There is a new kind of economic imperative in Brazil around the domestic and socioeconomic challenges and how economic investment is created; then Ramaphosa's new dawn in South Africa also aims to stimulate local economies through economic diplomacy. However, the only challenge in South Africa is that the national elections will take place in May 2019 which will impact policy dynamics and the context of what the review panel produces on South African foreign policy. In the case of South Africa, investments are expected to reach the value of 1 billion US Dollars but President Ramaphosa cannot move on that unless he knows for certain that he has a mandate from his party, the African National Congress (ANC) to be supported as a candidate for the next president of the country and what that mandate is. In the case of Brazil, there has been a mandate but there is a constraint in terms of bureaucracy and the constituency that drives foreign policy. Those are interesting dynamics when compared in the context of BRICS.

Another pertinent question is: what is the India, Brazil and South Africa (IBSA) within the BRICS? There is a constant reference to whether IBSA still has relevance in the context of a global architecture, given the fact that the IBSA fund has been managed by the United Nations Development Programme and has financed low-key and low-scaled projects. It is unknown if there is traction within the BRICS for IBSA in the context of alignment, to counter China's influence as the biggest voice and actor in BRICS and major player in how BRICS shapes and consolidates itself. The IBSA dynamic within the BRICS would allow India, Brazil and South Africa to maneuver within the bloc differently. With the example of the meeting of foreign ministers from China, Russia and India regardless of the tension over Pakistan, it is possible to see how BRICS members are able to leverage their relationships differently.



Going forward it is important to keep asking the following points:

1. How does the global architecture for changing power balance impact the BRICS?
2. What is the BRICS narrative in terms of the future and consolidating its position on global government reform? Whether it's the World Bank or the IMF? The question of quotas and reforms around that.
3. Where does IBSA fit within the BRICS? There is a contextual argument to be made for it, because of the ARC.
4. With the issue of Alignment, the notion of alignment changes all the time as the world changes and the international architecture changes.
5. What is very important for the second decade of the BRICS is to see a result-oriented approach. The evidence-



based approach is a key driver particularly on the kinds of studies that the academic forum puts forward with regard to socioeconomic policies.

The key challenges for BRICS in terms of the result-oriented output would be to deal with the inequality gap and marginalization within a country. This time, the BRICS

is facing more structural issues in terms of its dynamics, the first decade was about finding something novel and making it an institutional space. Now the BRICS need to move towards more substantial institutional questions about structure, global politics, about the reform and gender and so forth. The priority areas proposed by Brazil are fascinating and it will make the Brazilian presidency of the BRICS in 2019 stand out. It is very interesting that three or four key agendas may drive the agenda of the BRICS for the next five years as it moves into the fourth cycle of summits.

## Question and Answer Session

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### **The engagement with the audience portion of the dialogue centred around the relationship with the USA, geopolitical alignment, industrial policy, gender, Civil BRICS, trade unions, and climate change**

The audience was interested to see to what extent the role of national policy will play in Brazil aligning with the US and how it would impact Brazilian foreign policy. The panellists explained that there was a shift from South-South Cooperation, which is pragmatic and ideological. Moreover, the rapid changes in geopolitics and geo-economics have raised the issue of the constant need to revise policy. Lastly, there is a connection between innovation and industry. It is important to create an environment for research and support breakthroughs into the market and thus impact on national policy and foreign policy, but with a new government this still needs to become clearer.

Another point of interest linked the theme of the BRICS 2019 summit, innovation as a strategy for economic growth, in the context of the role that industrial policy may play in Brazil. The Panel explained that there is a connection between innovation and industry. Moreover, Brazil's aim to create conditions for the blossoming of an up to date industry is innately linked. The focus mainly settles on research and how to carry these breakthroughs into the markets and into society. In terms of a more traditional Brazilian industrial policy, it would need a much more in-depth explanation to follow up with the secretariat of industry in Brazil. As a new government, some things are still in the making and not all answers can be given at the present moment.



### **Another question considered the prospect of alignments in the context of the Brazil-USA relationship, BRICS and navigating existing relationships with the global North and South.**

The BRICS have always aligned and realigned their foreign policy. If you look at their historical evolution of foreign policy from the late 1970s and early 80s, one could talk about alignment and realignment from an economic perspective. China's entry into the WTO was such an example of an alignment and realignment. The BRICS are not new to the way in which they structure their foreign policy around aligning and how they perceive that alignment. The idea of alignment and realignment is not a new phenomenon in the architecture of the global political arena, it's the way we respond to the changes in that architecture. What makes countries still respond to the USA is that it still exercises structural power in the way that the institutional architectural of the international system is dominated by US soft power. The key is to realign according to your national interests. Another panellist explained that the alignment has two visions and approaches. It's not a hard choice but there are ideas behind these alignments with the US and come with a number of conditions and changes. It is important for Brazil to remain pragmatic which may mean getting closer to the USA. And lastly, internal policy is very important; there is a



general constituency that has to be regarded by the government and therefore there are expectations of change. However, there is also heritage; a new paradigm in the relations with the US does not mean automatic strategic cooperation. There is still a strong national alignment to BRICS. BRICS is about resilience and focuses on what can be done between countries that respect each other. It is important that as a group, BRICS is able to survive government changes and that can be achieved by bringing societies closer together.

Another question raised the promotion of Brazil's engagement of Civil BRICS and trade union forums within the BRICS dialogue process. One of the panellists explained that Civil BRICS is starting to gain more traction, using the platform to showcase the agenda in addressing policies. The challenge is to go back to the more macro vision. The panellist further asked: how do you create the space for improvement where exclusion is very real? The challenge is development for the BRICS and how does the partnership increase it so that everyone gets a piece or their voice heard? Especially when dealing with a generation that is socially interconnected and has various ways of dealing with multidimensional issues. The next panellist explained that the Civil BRICS and the trade union forums are part of the people-to-people exchanges or Track III diplomacy and it is up to these groups to organize accordingly and promote meetings. At government level there is some support to ensure that this forum does not disappear and information is exchanged so that it may contribute to the BRICS calendar of events. However, this actor is independent and Brazil supports the continuity of all the main activities that have been ongoing within the BRICS.

**Another theme that emerged in the discussion was that of gender. The audience member's question considered the spirit of continuity and consolidation of priorities and themes. Particularly, one of the prioritized themes from South Africa's presidency was that of the gender forums and further asked if this theme had fallen off Brazil's prioritized agenda.**

A panellist answered by explaining that Brazil indeed has chosen priorities, however, not all of them were covered in this presentation. As was mentioned earlier, Brazil will take a consultative approach and engage with the BRICS countries to consult with them on the initiatives they would like to move forward on. The discussion about the gender forum or the women's forum is not complete and has not been decided on. It was still undecided before the election of the new government and it is still an ongoing discussion, like many others, within the BRICS at this point.



**The next question considered Brazil's committed to BRICS post 2019 in relation to its relationship with the USA. It was asked if this relationship has not somehow weakened the BRICS.**

A panellist replied and stated that it will be more interesting to see this engagement in the next presidency, which is Russia in 2020. Thus far, Brazil has been fully focused on its own presidency and if it mobilizes efforts and resources into a successful presidency, it means that Brazil will want BRICS to move on to consolidating its initiatives and to deliver on the partnership as Brazil wants to bring BRICS closer to the people in terms of practical outcomes and results. From the perspective of the Brazilian government, they hope that Russia takes this route although it is within their prerogative to steer their presidency in the way that they see fit. Another panellist contributed by adding that Brazil has a forum for trade unions to promote their needs. They are independent and there is no interference from the government. Brazil supports the notion of continuity, with regard to the gender agenda. The discussions are still not complete and most decisions have not been finalized. Regarding the post-2019 commitment of Brazil in BRICS, it is anticipated that it would probably consolidate initiatives further.

The President of India is visiting Latin America at the moment to discuss the option of electric cars to reduce the consumption of oil. In addition, the alignment of Brazil to the USA is based on an economic partnership. This is common in South America for weaker economies to have alignments with bigger regional economies, which speaks to the Brazilian leadership in the region and the dynamics of the region.

**Lastly, an audience member asked how committed Brazil is to BRICS post-2019. In the context of Brazil's relationship with the US and taking into consideration that the Washington Consensus advocates for free trade and stability, is the BRICS partnership a direct opposite and would the relationship with USA weaken BRICS?**

A panelist explained that Brazil is openly going through a number of changes in its foreign policy. For example, the traditional foreign policy act is usually to visit Argentina first, but this new government visited Chile. Moreover, while some would say that Brazil has been slowly losing the role of regional leader in South America in the past 3 months and Brazil has become quiet in the region, they are still committed to arrangements such as BRICS. It is still to be determined what changes Brazil will undergo and how it will present itself, as a protagonist or a quiet country.



## Conclusions

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Mr. Bruno Carvalho Arruda, particularly focused on delivering the outlook for Brazil's Chairship of BRICS in 2019. Brazil believes in the democracy and continuity of the BRICS and does not intend to undo what has been started with the BRICS partnership. Brazil is also hopeful for a successful Chairship and cooperation with the other member states and that such dialogues are important to contribute effectively as officials engage with academic groups and think tanks, and in coming up with ways to make the BRICS group a success. Dr Renata Albuquerque Ribeiro emphasized that the idea of BRICS can be a great opportunity for Brazil to improve its economy to try to focus on the common interests between members. Another interesting point in international relations is the conflicts among the different groups around Bolsonaro that really can try to shape foreign policy according to their interests. The domestic level of Brazilian politics will be an important topic that should be looked at with attention to the interpersonal conflicts.

Mr. Cyril Prinsloo closed by reiterating the following points; firstly, it's important for observers not to get caught up in the hype of a lot of issues, and to be more considerate and more moderate in the approach to engaging and thinking about BRICS. Mr. Prinsloo's final take-away is that there will be policy change under the new administration in Brazil. However, that does not mean the end of BRICS cooperation, to the contrary there are a number of areas where the national interests still align. Over the past 10 years the leadership has changed in almost all the BRICS countries, with Brazil as the recent BRICS member to go through leadership change and yet the bloc has survived these changes. This states that it's no longer a politically driven initiative but instead there is more momentum filtered down to different levels of government, different parts of society which signifies the strength of the bloc and continuity of this initiative.

Lastly, Ms. Sanusha Naidu concluded by explaining that it is important to extrapolate the tone and agenda that is going to be set. It has already been declared that "innovation" is a key driver for growth, specifically in the case of the digital economy. The idea of setting up the institute of networks is critical. For a free trade agreement for BRICS, the network institute is a key driver for creating that level of free trade agreements, and it has the potential to be a space that will be non-politicized. Agenda



2030 is not that far off, and the motto is "leave no one behind"; there is a need to reconcile innovation and policy with regard to the 4<sup>th</sup> Industrial Revolution and digital economy, which point out both positive and negative pointers to globalization. It is important to not marginalize people from the digital economy; they deal with dynamics of the consequences of how they have to use the digital economy responsibly.

## Appendices: Programme



South African  
BRICS Think Tank

### IGD and SABTT Symposium

Programme, 28 March 2019

Burgers Park Hotel, Corner of Lilian Ngoyi and Minnaar Street, Pretoria

#### Brazil's 2019 Chairship of the BRICS: Priorities & Expectations

9:00 – 9:30	Arrival and registration
9:30 – 9:40	Welcome and opening remarks by Dr. Philani Mthembu, Executive Director, Institute for Global Dialogue
9:40 – 12:30	Panel discussion Mr. Bruno Carvalho Arruda, Economic affairs, Agriculture and BRICS Point of Contact, Embassy of Brazil in Pretoria, South Africa Dr. Renata Albuquerque Ribeiro, Researcher at the Laboratory of Global Political Analysis (Labmundo), Brazil Mr. Cyril Prinsloo, Researcher at the South African Institute of International Affairs Ms. Sanusha Naidu, Senior Research Fellow, Institute for Global Dialogue Q & A facilitated by Dr. Philani Mthembu
12:30 – 12:45	Summary of discussions
12:45 – 13:00	Vote of thanks and close
13:00	Lunch

## About the Institute for Global Dialogue, associated with UNISA



The IGD is an independent foreign policy and diplomacy think tank dedicated to the analysis of and dialogue on global dynamics that have a bearing on South Africa in Africa. It advances a balanced, relevant and policy-oriented analysis, debate and documentation of South Africa's role in international relations and diplomacy.

The IGD's research agenda has three broad programmatic focus areas: foreign policy analysis with special reference to the making and management of foreign policy and diplomatic tools like economic, developmental, and public diplomacy; African studies focusing on the role of regional and continental integration in African politics and development as well as the study of peace diplomacy; and international diplomacy, analysing dynamics in international diplomacy that have a bearing on African peace and prosperity.

In 2010, following a strategic review the institute entered into its strategic partnership with the University of South Africa, the biggest university in the southern hemisphere to pursue through research, publications and community engagement the shared vision of a prosperous and peaceful Africa in a progressive global order.

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