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From Yekaterinburg to Brasilia: BRICS and the G20, road to nowhere?

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Abstract

The BRICS have forged a collective identity to become a new driving force in Global Governance. They have used bodies such as the G20 to produce changes at global governance levels. This has raised two questions on their role. First, can they hold a common position despite different developmental agendas? Second, has the China's economic leap produced a unique (Chinese) agenda rather than a collective (BRICS) one?

Keywords: BRICS; Emerging powers; China; G20; Global governance.

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Introduction

The BRICS differ from one another culturally, politically, and demographically. What these countries do share, however, is an aspiration to be “rule makers” instead of “rule takers” within global governance. The 2009 BRIC summit's joint declaration outlined foundations for a common “thought” among member states, including the primacy of the rule of law and multilateral diplomacy with a leading role for the UN (Ministério das Relações Exteriores do Brasil 2008, 2). This produced a common standpoint and meant that the BRICS became a new driving force for change within global governance, leading to the promotion of South-South cooperation.

However, the economic decline of G20 economies, including the BRICS', and the rapid growth of the Chinese economy have created a clear imbalance within the group. A contextual analysis of the evolution of BRICS and G20 summits illustrates an increasing willingness of the Chinese leadership to undertake a more proactive role in global governance. Many scholars— such as Hooijmaaijers and Keukeleire (2016) and Hopewell (2017) – have questioned whether the BRICS actually hold a common position.

To answer this question, this paper examines a single branch of global governance: the role of the BRICS nations within the G20, which provides a greater understanding of their common position in this issue. This paper analyses official statements from the group and from individual member states. These statements are considered speech acts. As Nicholas Onuf (2015, 77) has argued, these speech acts are “social performances” with “direct social consequences.” As the realm of foreign policy is socially constructed, speech acts with consequences are thus foreign policy, not just communications.

Understanding the BRICS

As Marek Rewizorski (2018) highlighted, most of the literature on the BRICS can be linked to three groups of scholars. The first considers the ascent of the BRICS a challenge to the current or prospective international order. This group focuses on attempts made by BRICS to increase their power in different areas of global governance, creating a multipolar structure to global politics (Yang 2019). Much of this literature could be interpreted through the structural aspects of power transition theory (PTT), when applied to the rise of the BRICS in global governance. Structurally, PTT views international politics as a hierarchy of nations that compete and cooperate at various levels. Within this structure, the most powerful nation, or the “dominant nation,” stands at the top of this hierarchy (Lemke and Kugler 1996). The dominant nation attempts to manage this system with a coalition of constant supporters. Much of the literature outlines the rise of the group within global governance and its discontent with the current dominant nation (Kahler 2013; Chun 2016). Within this debate, the BRICS push their common interests, such as improving bargaining power at the multilateral level, securing access to the international market, and pushing for a multipolar world order (Kiely 2015).

The second of Rewizorski’s (2018) groups consists of scholars who examine policy coordination and cooperation among the BRICS (Larionova and Shelepov 2016). This group focuses on domestic policies of individual members, and the ways those members encourage cooperation by taking a leading role in a specific sector (Beeson and Jinghan 2018). In terms of global governance functions, this group of scholars assesses where the BRICS have driven a domestic agenda at a global level – that is, agenda setting, decision-making, and implementation (Chin 2014). According to them, the BRICS have a comparative advantage – such as large populations of cheap labour or large amounts of strategically important national resources – and are dissatisfied with the *status quo* of global governance. They use their competitive advantage to push for reforms (Vadell and Ramos 2019). They are, in these cases, attempting to challenge the Western nations, since they have gained advantages in these areas due to differential growth rates (Quiliconi et al. 2016). The differential growth rates across states may result in an increase or a decrease in strategic importance, and this will translate in terms of power gained or lost, or the stagnation of power.

Rewizorski's (2018) third group discusses the role of the BRICS in transforming the world order (Thies and Nieman 2017). This group argues that, through interaction, they have developed layers of collective identity as emerging powers. This group focuses on the formation of a common identity and examines how this identity affects the rules and norms of the current international order (Thakur 2014). For this group of scholars, the BRICS operate on an international level within a rules-based framework – that is, global economic governance – whereby states seek to achieve collective action through a common understanding of the rules of the game (Keukeleire and Hooijmaaijers 2014). Rather than focusing on which states are the dominant nations in the international hierarchy, or analysing the international dynamics that are driving the power growth within individual members of the BRICS, this groups studies how the BRICS are changing the rules and norms of the system.

Common to all three groups is the assumption that the BRICS have undertaken a common position to achieve collective objectives in global governance. This paper focuses on this assumption by honing in on a single branch of global governance – the BRICS' role in the G20 – and examines some of the future global challenges the G20 and the BRICS will face.

The G20 and a common position for the BRICS in global governance

The objective of any international summit is to produce political and economic goals that are understood by the global governance system. The BRICS present an example of how these summits are important in terms of framing goals. The summits also offer an opportunity for countries to extend support for the political actions of the other member nations. However, at these summits, the individual economic and political preferences of states can become barriers to further cooperation.

The individual members differ in terms of economic development and political structure; however, they do share an aspiration to be “rule makers” within global governance. In June 2009, the leaders of the BRIC countries met for their first summit in Yekaterinburg, Russia. The topics of the summit included the 2008 financial crisis, issues of global development and the further strengthening of the BRIC collaboration. This became an opportunity to consolidate the economic position of the members. There was an overall perception in the specialised international media that countries such as Brazil were examples of macroeconomic maturity (Cardenas 2008). Likewise, the IMF and the World Bank praised Russia's consistency and effectiveness in the handling of the financial crisis (Pekka 2010). This, along with China's long-standing economic growth, shone a light on the strength of the block. Meanwhile, India and China were keen to address long-awaited reforms of regulatory bodies in the financial and monetary sectors (Mohan 2009).

The 2009 summit's joint declaration outlined foundations of common thought between BRIC countries, including the primacy of the rule of law and multilateral diplomacy with a leading role for the UN, as well as greater representation of emerging markets and developing countries

in global governance, particularly international financial institutions (IFIs) (Brazil, Russia, India, and China 2009). These principles, as the foundation of the group, became the driving force behind their actions within global governance (Stuenkel 2015).

Ever since the first BRIC summit in 2009, the G20 was a pillar of global governance within which the BRICS could accomplish its mission to achieve more prominence for developing countries. At the 2009 summit, the BRICS highlighted “the central role played by the G20 summits in dealing with the financial crisis. They have fostered cooperation, policy coordination, and political dialogue regarding international economic and financial matters” (Brazil, Russia, India, and China 2009). This was supported by political statements produced by BRIC members a year before. The most significant one was Brazil’s presidential speech at the plenary meeting of ministers of finance at the G20 Summit of 2008. This speech act articulated the idea of reform and cooperation in the context of the economic crisis on four pillars: transparency, accountability, legitimacy, and proper governance. The rhetoric was clear; it stated that the financial crisis was a global problem that could not be solved by one specific group (calling on the G7), but with a greater representation from emerging countries, which was considered essential. Brazil’s 2009 speech at the UN General Assembly meeting claimed that little advance was achieved in reforming the global governance system and accused rich countries of “putting off” any reforms related to the IMF and the World Bank (United Nations 2009).

The interactions presented above turned into strong inputs for the next BRICS summit, which was held in Brasília on April 15, 2010. This meeting outlined how the four pillars would be amplified for the BRICS within the Bretton Woods institutions, as well as a greater role within global energy governance, global food security governance, and the international financial regulatory system (Brazil, Russia, India and China 2010). China honed in closely on this last point, because the Chinese banking system had made significant changes, resulting in a newly emerging global financial power. Aware of this matter, the Chinese Banking Regulatory Commission was striving to decrease risk. It was important for Western institutions to be open to transformation to avoid future crises (Qiwen 2008).

Once again, the BRICS identified the G20 as the international institution to drive this reform within global governance. This is clearly outlined in the 2010 Brasília declaration:

We stress the central role played by the G-20 in combating the crisis through unprecedented levels of coordinated action. We welcome the fact that the G-20 was confirmed as the premier forum for international economic coordination and cooperation of all its member states. Compared to previous arrangements, the G-20 is broader, more inclusive, diverse, representative and effective. We call upon all its member states to undertake further efforts to implement jointly the decisions adopted at the three G-20 summits. We advocate the need for the G-20 to be proactive and formulate a coherent strategy for the post-crisis period. We stand ready to make a joint contribution to this effort (Brazil, Russia, India and China 2010).

It was clear among the political circles in Brazil and the BRIC members that this could renew the opportunities for global reform. Celso Amorim, the Brazilian chancellor at the time, established the idea of common interest and was pushing the BRIC block to handle a new configuration of power (Bismarck 2008). The Brasília Declaration was open to include other topics beyond cooperation as a simple diplomatic strategy.

South Africa officially joined the BRICS at the 2011 summit, which would take place in April of that year in Sanya on the island of Hainan, China. The 3rd BRICS summit had three clear focus points: new areas of cooperation, non-BRICS cooperation, and international conflict. In terms of new areas of cooperation, the BRICS expanded cooperation on the development of clean energy and encouraged technical co-operation in this sector (Brazil, Russia, India, China and South Africa 2011). While the focus did move into other areas, of the 32 statements issued, 15 focused on the group's primary goal— that is, greater representation of emerging markets and developing countries in global governance, particularly within IFIs (Brazil, Russia, India, China and South Africa 2011). Again, the 3rd BRICS summit identified the G20 as the group that could deliver reform within global governance.

Both the 4th BRICS summit – held in New Delhi, India, in March 2012 – and the 5th BRICS summit – held in Durban, South Africa, in March 2013 – focused on non-traditional security issues and linked these issues to reforms needed within global economic governance. Developing and emerging countries are more vulnerable to certain threats associated with non-traditional security. The summit discussed the group's growing importance to the global economy as non-traditional security issues threaten the economies of the members. It also highlighted a pressing need to give these states a greater voice in global governance, in order to respond to these threats (Brazil, Russia, India, China and South Africa 2012; 2013). Much like the first three BRICS summits, the 4th did focus on the G20, stating that “we believe that the primary role of the G20 as the premier forum for international economic cooperation at this juncture is to facilitate enhanced macroeconomic policy coordination, to enable global economic recovery and secure financial stability, including through an improved international monetary and financial architecture” (Brazil, Russia, India, China and South Africa 2012).

However, the focus on the G20 within the 5th BRICS summit was limited. An informal meeting between the BRICS leaders ahead of the G20 summit in Los Cabos in June 2012 clearly demonstrated that the group was becoming frustrated with the G20, calling on the body to increase the resource base of multilateral development banks and to expand investment in infrastructure in the social sectors of developing countries. Two critical junctures occurred, creating differences between the G20 and the BRICS. The first one was the endeavour to save the eurozone, which was suffering from an economic recession in the aftermath of the financial crisis. The second was that the recommendations and proposals offered by the BRICS had been consistently ignored by Western economies (“G20 leaders declaration.” 2012). The BRICS were frustrated with the G20's lack of action on the proposed 2010 reforms to change the Bretton Woods institutions, especially in the aftermath of the international financial crisis (Ministry of External Affairs of India 2012).

By the end of the 5th BRICS summit cycle, it was clear that the G20 was no longer considered a representative body that could deliver reform within global governance.

The G20 summit of 2013 in Saint Petersburg became an attempt to produce political distress between two defined blocks – the Western economies and the BRICS. The previous coordination between Brazil and Russia in 2012 was the main platform for addressing the agenda of that summit (Ministério das Relações Exteriores do Brasil 2012). The main purpose of the G20 summit was to produce hope and bridge any differences between its G8 and BRICS partners – specifically, the US and China (Kirton 2013). The friction between the BRICS and the G20 is evidence of the fracture between two powerful blocks and shows the resistance and stagnation of the G20 to be more dynamic. In addition, the BRICS group started to assert its agendas as priorities. For example, Russia had already declared in 2009 its intention to become a sphere of influence, an idea that flourished during Medvedev's term (Medvedev 2009). Meanwhile, China moved toward market reforms, including a greater focus on financial institutions and their capacity to influence global governance.

The 6th BRICS summit, held in July 2014 in Fortaleza, Brazil, again called for greater representation of emerging markets and developing countries in global governance, particularly within IFIs. However, the 2014 summit focused far more on developing new institutions outside the current system of global governance. In that matter, the BRICS produced the necessary political platform to allow the most significant emerging markets – in that moment, the BRICS – to establish the Contingent Reserve Arrangement (CRA) for protection against global liquidity pressures, and an agreement to create a multilateral development bank, the New Development Bank (NDB). This new institution was intended as an alternative to the World Bank and the International Monetary Fund (Suchodolski and Demeulemeester 2018; Saran and Pandey 2017). The NDB is an international financial institution (IFI) that claims to be “a partner in development that goes beyond the conventional codes of multilateral banks” (*About us*. 2019). The NDB was founded to mobilize resources for infrastructure and sustainable development projects in the BRICS and other emerging economies. The NDB formally came into existence as a legal entity at the 7th BRICS summit in 2015. Its headquarters are located in Shanghai and it came into operation in 2016. In 2016–2017, the NDB approved loans involving financial assistance of more than \$3.4 billion for projects in the areas of green and renewable energy, transportation, water sanitation, irrigation, and other areas (*About us*. 2019). The NDB's image is one of a development bank run by developing countries. The NDB states that “the true meaning of development is, at the core, the vision of a great leveler – a vision that is inclusive, not selective” (*About us*. 2019). This identity as a development bank run by and for emerging states has shaped the NDB's overall understanding of its mission. In terms of South-South cooperation, the NDB is a development bank created for the global south by the global south. Based on their experiences as recipients of foreign aid from the “global north,” the BRICS are keen to ensure that development funding provided by them is free of political conditionalities, disbursed in a timely fashion, and focused on what the global south believes

it needs for development – that is, infrastructure projects. While the 6th summit went back to perceiving the G20 as “the premier forum for economic coordination,” it also stated that the G20 would remain a “strong voice for the promotion of sustainable development, inclusive growth, financial stability, and of more representative international economic governance” (Brazil, Russia, India, China and South Africa 2014). The creation of the NDB was a clear indication that a push for a greater role for developing and emerging states would no longer be restricted to the traditional institutions of global governance.

The 7th BRICS summit, held in Ufa, Russia in July 2015, came shortly after the BRICS once again called on the G20 to reform the Bretton Woods institutions (Brazil 2014). The lack of further reforms within the Bretton Woods institutions and the call for greater representation for developing states became the main themes of the 7th BRICS summit. Of the 77 statements issued at the summit, 40 called for greater reform in global governance (Brazil, Russia, India, China and South Africa 2015). The renewed focus on global governance reform included a new emphasis on the creation of institutions outside the traditional structures. At the subsequent G20 summit in Antalya in 2015, the BRICS called for further reforms of the Western-dominated mechanisms of global governance, but clearly outlined that they would push further with the development of new such mechanisms, like the NDB and the Chinese-led Asian Infrastructure Investment Bank (Russian Presidency of the 2015 Ufa Summit 2015).

The 8th BRICS summit, held in October 2016 in Goa, India, reflected this trend, with a clear focus on creating and strengthening the mechanisms of global governance that lie outside the traditional structure, like supporting organizations such as BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation), the Shanghai Cooperation Organisation, the Collective Security Treaty Organisation, and the African Capacity for Immediate Responses to Crises (ACIRC) (Brazil, Russia, India, China and South Africa 2016). This summit outlined several new BRICS initiatives, such as the BRICS Agricultural Research Platform, the BRICS Global Research Advanced Infrastructure Network, the BRICS Network University, and the BRICS Joint Task Force on Disaster Risk Management (Brazil, Russia, India, China and South Africa 2016). While the BRICS group still emphasised the G20 as an important actor at the 8th summit, it was clear that the G20 was now seen as a mechanism to allow for an expansion of global governance through the creation of new bodies, rather than through reform of traditional global governance institutions (Brazil, Russia, India, China and South Africa 2017).

The 9th BRICS summit, held in Xiamen, China in 2017, outlined a comprehensive overview of the BRICS initiatives that create new mechanisms of global governance in areas such as health, social security cooperation, and climate change. Under the chairmanship of China, the 9th BRICS summit outlined a new network of institutions beyond the traditional global governance institutions. This network challenged the current global governance architecture. While the G20 was still seen as the premier forum for international economic cooperation, the BRICS no longer called for the G20 to act as a reforming actor in current global governance architecture. Instead, it called upon the “G20 to further enhance macroeconomic policy coordination to

minimize negative spillovers and external shocks to EMDEs” (Brazil, Russia, India, China and South Africa 2017).

By the 10th BRICS summit, held in July 2018 in Johannesburg, South Africa, the G20 had lost its position as the premier forum for international economic cooperation. Of the 102 statements that comprised the summit’s declaration, 58 referred directly to reforming and strengthening global governance (Brazil, Russia, India, China and South Africa 2018). Of these, two only referred to the G20, both of which called for it to include BRICS-created mechanisms of global governance when dealing with specific policy areas (Brazil, Russia, India, China and South Africa 2018). The remaining 44 statements highlighted areas of global governance that need reform, and called for more prominence for developing states. Each one proposed a current or possible BRICS- or Chinese-created mechanism as an alternative to the current system of global governance.

From the first summit in 2009 to the tenth in 2018, the policy position in favour of a greater representation for emerging economies and developing countries in global governance was a clear common position among the BRICS. While it initially focused on introducing new IFIs, it has extended to all areas of global governance. What has changed over this period is how the BRICS wish to achieve this objective. A joint BRICS position within the G20 seemed to be the main tool for reforming global governance, and it was held for eight years, between 2008 and 2016. For the BRICS, the G20’s position as a premier forum for international economic cooperation reduced after the 2016 Hangzhou G20 summit, lowering the expectation that it might produce sound economic and political goals. Overall, the G20 can still be understood as a cohesive articulation of international governance. However, the BRICS do not wish to be defined by this type of governance. In the search for alternatives, individual nations from within the BRICS group are starting to show signs of frustration toward the lack of effectiveness or pace of BRICS-led reforms of global governance.

The 11th summit was held in Brazil in 2019. The rhetoric focused on the lack of willingness of Western powers to produce change. The summit called for reform of global institutions, with the element of inclusiveness to allow for greater participation of emerging economies. These reforms would have to be carried out under the principles of fairness, equality, and representativeness in international affairs (Brazil, Russia, India, China and South Africa 2019). The BRICS reiterated the implementation of a Sustainable Development Agenda 2030, as well as clear actions. It also stressed the involvement of developed countries. This has promoted the emergence of an official development assistance strategy. The strengthening cooperation beyond the BRICS members will channel new resources for development.

Finally, at the 2019 summit, the BRICS insisted in exposing the slow advances of reform within the IMF. The main area of contention was the clear path set by the General Review Quotas Report of 2010. Unfortunately, no structural changes have been achieved since the report was published (Brazil, Russia, India, China and South Africa 2019).

Key challenges and debates on the future of the BRICS in the international order

After a thorough description of the timeline and evolution of the BRICS summits, it is important to question the future effects of the BRICS and the group's capacity to set a new agenda. Table 1 presents the main challenges the BRICS face in the international system.

Table 1. Challenges and Objectives of the BRICS in Future Summits

| Topic | Challenges | Objectives to pursue |
|------------------|--|---|
| Systemic changes | Creating South-South cooperation under the umbrella of wider systemic international cooperation. | Pressure in the use of international forums and enforcement of a common agenda. |
| | Comparative advantage in production cost and population size, enough to claim representation in global governance. | Foundations of cooperation will be under the systemic approach supported by the G20. A follow-up strategy should be considered in order to trace structural changes. |
| Cooperation | G20 erected a series of barriers, which translates into rigid codes: more bureaucracy. | New rules by creating its own mechanisms and institutions. |
| | Creation of the New Development Bank attempts to establish its own dynamic of cooperation. A new agent will allow new dynamics, but within the current system of global governance. | South-South cooperation as an exclusive exercise. |
| New agenda | Financial institutions hold significant power in the economic system. | Diverse range of political models could create a paradox in the promotion of a specific political model. |
| | South-South cooperation agenda is based on liberal market reforms in order to promote confidence in the system. Democracy promotion by the BRICS is not prominent. | Diversity could weaken the position of the BRICS and create power fissures. Diversity will push the rise of individual nations and agendas, leading to overlap with South-South cooperation. |

Source: own elaboration

Systemic changes

The BRICS has been using groups such as the G20 to establish an institutional platform that would allow greater influence in shaping intentional norms, particularly in the case of developmental economic norms. In this new context, the structure of international cooperation has also moved

away from old norms set by the Official Development Assistance (ODA), supported by the OECD, and toward new norms that have evolved in the form of South-South cooperation. This will open the debate on how regional cooperation could challenge the structure of international cooperation. This should be analysed under the need for structural mechanisms, while the ODA needs a greater level of involvement from emerging economies.

Identity criteria are expected to produce a better approach and create a coherent discourse, resulting in the promotion of South-South cooperation. The 3rd BRICS summit was a critical one in the shaping of the group's political identity. It confirmed the importance of international cooperation. However, it failed to produce innovation within global governance.

Cooperation

In a relay race, one athlete runs a section of the race before handing to the next runner both the baton and the opportunity to contribute to the team's effort. Using this metaphor, the BRICS group is the second runner to receive the baton of international cooperation as members of the G20. The objective of global governance reform was outlined in the first four BRICS summits, where the G20 was a strategic backbone for enhanced cooperation between developed and developing states. One phenomenon in this process of relay is that there are changing roles once the baton exchanges hands. Once recipients of cooperation and now donors, the BRICS were set to take a leadership role, having had the baton handed to them from the developed economies. This possible change of leadership focuses on the importance of the BRICS' identity, especially in terms of its concept as a leader of the developing world, where their importance could be significant for further growth (Deepak 2016).

A new agenda

In the creation of an alternative to the ODA, emerging markets have been recognised as an important asset for the BRICS. However, no systemic change has emerged. Bandwagoning is a common practice in the G20, whereby states group together to deal with matters of common interest, allowing for a functioning international structure. As a result, the BRICS group does not act as a collective actor within the G20, as the member states' individual interests are not aligned on key issues. In this scenario, emerging markets have pushed the market deregulation agenda.

The BRICS have neither changed nor produced a new cooperation agenda, which indicates that this new emerging group's power is limited. In addition, a failure to change the system will nurture a competition for alternative power structures that developing states can access. Such a development could create overwhelming expectations and a busy environment, whereby the true goal of aiding emerging economies gets lost. Finally, an overcrowding effect could occur within the relay, ultimately creating a weaker global governance system.

China and the G20: a new path beyond the BRICS

A guiding objective of China's role in global governance since the turn of the century is to increase China's overall influence within the system, both by reforming the existing system and by creating alternative structures within the system. For China, the BRICS have played a key role in achieving this objective (Paradise 2016; 2019). Even at the first BRIC summit in Yekaterinburg in 2009, China had the capacity to shape global economic governance by itself (Katada et al. 2017). As part of China's power capacity, there has been a process of framing the BRICS as a group of emerging states that stand in solidarity against Western domination. Blending into the BRICS's agenda has been an important aspect of China's role as an anti-hegemony actor, and later a key part of China's Peaceful Development policy. The BRICS also fulfilled another key function for China: The members offered a substantial opportunity for Chinese investment and its products to gain a presence in underregulated markets that had low-cost barriers to entry.

China has used the BRICS to expand the internationalization of its economy, including its currency (Wang 2017). The BRICS have played this important role in Chinese foreign policy since 2009. Chinese officials have expressed China's desire to play a more significant role in the financial community, and the ultimate goal is for China to have a more powerful role within the IMF. This could produce a change in the structure of international financial governance. While Western powers are concerned about how unstable the financial markets could be, China is benefitting from the *status quo* (Zhang et al. 2009). By the 2013 summit, it had become clear that China was using the BRICS as a tool for Chinese foreign policy, even though that tool has limitations.

First, the BRICS system, which relies on equality among its members, has resulted in a structure whereby each member is equal in terms of influence within a BRICS-created body. For example, in the NDB, the bank's founding members have an equal share, and therefore vote, in the bank (*About us*. 2019). By its very nature, this structure of equality is limiting for China. However, within the NDB for example, its investment is limited to that of a much smaller actor (Wang 2019). The pattern is clear across all the BRICS-created institutions. This limitation was one of the driving forces behind the creation of the Asia Infrastructure Investment Bank (AIIB) in 2015 (Cai 2018).

The second major limitation of the BRICS for China is that while all members are emerging economies that wish to have a greater representation in global governance, each is developing in its own way. Each BRICS member faces different challenges and requires different aspects of global governance reform. This can lead to clashes among the members –for example, when China and India clashed over the creation of a BRICS credit rating agency. China boasts a strong record of high credit ratings from credit agencies (Helleiner and Wang 2018). India, however, has a lower rating, which the Indian government has protested. While India pushed for the creation of a BRICS credit rating agency, China does not share this position. Credit rating agencies affect China and India in different ways and therefore prevent collective action. Without China's support for

a BRICS credit rating agency, India had less probability of overturning a US-dominated credit rating agency system.

The final limitation of the BRICS for China is the lack of structural power among the other BRICS members. While China, due to its size and significant presence in international markets, has the ability to effect changes in global governance, the other BRICS members, as single states, are not powerful enough to do the same, due to the weak internationalization of their markets and uneven economic results caused by mishandling internal economic factors. When China chooses to act on these endeavours – for example, the launch of the AIIB or the Belt and Road Initiative (BRI) – it can be seen as undermining the wider BRICS agenda. The AIIB has many developing and emerging economies as members, and it focuses on funding much-needed infrastructure in those states (Ren 2016). It is also helping to fund the development of a much-needed transportation network with China at its centre. The BRI has led to Chinese firms constructing and facilitating this transportation network, leading to the presence of Chinese firms and facilities across Central and Southeast Asia, as well as the development of the so-called string of pearls network of ports, which runs from the South China Sea to the West African coast (Blanchard and Flint 2017).

This has led to an increase of China's influence in Central Asia, undermining Sino-Russian relations, and bringing China into conflict with India over its increased presence in the Indian Ocean, as well as its involvement in disputed territories on the Indian-Pakistan border. India perceives the BRI as undermining the BRICS (Kamdar 2019). India has twice rejected invitations to attend the BRI forum and, together with Japan and the United States, has been one of the BRI's biggest critics. India has taken steps to expand and modernize its maritime infrastructure and has started to undertake infrastructure projects in the Indian Ocean to counteract China's BRI maritime projects in the region (Baruah 2018). This clash with India has led to tensions between the two BRICS members. Chinese regional forums such as the Forum on China-Africa Cooperation (FOCAC) and the Forum of China and the Community of Latin American and Caribbean States have also raised tensions with BRICS members, who see these areas as their traditional spheres of influence (Alden and Alves 2016). The AIIB, the BRI, and Chinese regional forums exemplify China's ability to effect change in global governance beyond the BRICS.

While China's relationship with other BRICS members remains positive overall, the Chinese face limitations in using the BRICS as a foreign policy tool. This has diminished the BRICS' role within Chinese foreign policy. This was clear during the 2016 G20 summit. The Chinese presidency of the G20 at the Hangzhou summit in 2016 offered an opportunity for the BRICS to take a common position in the heart of global governance. China's position in the G20 has moved from a defensive role to a leadership role (Kirton 2016). It has also attempted to play the role of a leader of the developing world in the G20. In order to underwrite this role, China has used the G20 to promote BRICS activities, which was outlined by Cooper and Farooq (2016, 89), who stated that "If not the mobiliser of the BRICS as a summit process, China was an important animator of the BRICS caucus meetings on the sidelines of the G20."

While China had been a champion of the BRICS up to the 2016 Hangzhou summit, it thereafter began to promote its own institutional initiatives as the solution to wider global governance issues rather than promoting the BRICS. This was clear from Xi Jinping's 2019 speech at the 14th G20 summit, held in Osaka, Japan, where he highlighted the BRI's importance to the development of global governance (Ministry of Foreign Affairs of the People's Republic of China 2019). This shift fits the timeframe whereby the BRICS' perception of the G20 as a premier forum for the reform of global governance was greatly reduced.

The BRICS' limitation for achieving Chinese foreign policy objectives of global governance reform has been a driving force in China's prioritising its own institutional initiatives, such as the AIIB and the BRI, over the BRICS' institutional initiatives, such as the NDB. The 2016 Hangzhou G20 summit, in a way, served as a crossroads for China in terms of its leadership role within the global south. China had to choose either to continue to act as the mobiliser of the BRICS at the G20, resulting in slower reform of global governance due to the limitations of the BRICS, or to promote its own institutional initiatives to solve wider global governance issues. China's strong promotion of the AIIB and the BRI at the G20 since 2016 has shown that it has chosen the latter option. This has moved the country away from the common position that had allowed for collective action among the BRICS members.

Conclusion

The BRICS differ from one another in countless ways: culturally, politically, demographically, etc. However, the group has forged a collective identity in that they all aspire to be "rule makers" instead of "rule takers" within global governance. One of the key aspects of this aspiration is that it ought to be reached as group, either within the traditional structure of global governance, or via jointly created institutional initiatives to promote South-South cooperation. This principle became the driving force behind BRICS' actions regarding global governance. However, there remains the question of whether BRICS countries hold a common position on key issues on global governance that would allow for a successful integration of South-South cooperation into a wider development agenda.

The BRICS view the G20 as the platform to achieve this common objective, but they have been unable to come to a common position in the G20 that would allow for South-South cooperation. This is because each BRICS member faces different developmental challenges, and each has unique capabilities to deal with these challenges. The cooperation between the BRICS in the G20 was strong at first due to the global financial crisis. This eroded because of the difficulties in reforming the global governance system. Meanwhile, fast economic expansion and the use of foreign policy as an instrument of engagement made China a single significant actor, which any global forum would want to include.

In the schism of G20 and BRICS summits, an opportunity came to reunite both agendas. China was given the presidency of the G20 at the Hangzhou summit in 2016. The BRICS were offered an opportunity to take a common position in the heart of global governance. However, due to the limitation of the BRICS, China opted to promote Chinese solutions to global governance issues. Without China acting as a key mobiliser of the BRICS at the G20, the collective action of the BRICS as a group was reduced, as well as the importance of the G20 for the BRICS. The role of the BRICS in the G20 is, therefore, limited, as China now champions its own institutional initiatives as solutions to global governance issues rather than a broader promotion of South-South cooperation.

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