Russia’s Strategies towards BRICS: Problems and Opportunities

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Abstract. This article aims to examine Moscow’s policy motives regarding BRICS as well as priority areas in Russia’s strategy towards this grouping. The Russian policies towards and within BRICS represent a combination of ideational and material motives. On the one hand, BRICS is important for the Kremlin in terms of status seeking: with the BRICS’ help Russia tries to return its status of a great power, shape the future world order and to make the West abide by the rules of that order. On the other hand, Moscow values its economic and strategic partnerships with the BRICS states which are important for Russia’s well-being and for counter-balancing the West in the global geopolitical and geoeconomic game. In other words, BRICS provides Russia with additional prestige in the international arena as well as greater legitimacy to its international activities. In contrast to the West’s accusations, in case of BRICS Russia’s foreign policy behavior does not fall into the category of the revisionist one. Rather, Russia (similar to other BRICS countries) prefers to act on the basis of existing international rules and norms rather than to challenge or keep them intact. Russia aims at reforming these rules to adapt them to new global realities and make them acceptable for all the members of the world community.

Key words: Russia, BRICS, strategy, world order, international cooperation

Introduction

Russia’s contemporary foreign policy in general and in the BRICS context in particular is a popular target for the Western criticism. The Western analysts and mass media have often described Russia’s policies as aggressive, expansionist and even jingoistic [Cohen, Hamilton 2011] or as a return to a “gunboat diplomacy”\(^1\). This criticism has been further strengthened with Russia’s takeover of Crimea in 2014, subsequent support for the pro-Russian rebels in Ukraine’s south-eastern Donbas region and military intervention in the Syrian civil war. According to some Western experts, due to its economic weakness and technological backwardness, Russia tends to rely on military-coercive instruments in protecting its national interests in the post-Soviet space and become assertive in its relations with the West\(^2\).

On the other side of the spectrum, there are observers — mostly from Russia — who are inclined to characterize Moscow’s foreign policy in a complimentary way — as “non-aggressive”, “peaceful”, “purely defensive”, oriented to “protection of its legitimate interests” and so on [Lukyanov 2010; Novikov, Skriba 2019; Panova 2013; Sergunin 2016]. In their view, Moscow does not pursue aggressive or revisionist policies. On the contrary, it seeks to solve international disputes by peaceful means, in accordance with international law and within the framework of international institutions including BRICS.

\(^1\) Walt S.M. The Bad Old Days Are Back // Foreign Policy. May 2, 2014. URL: http://foreignpolicy.com/2014/05/02/the-bad-old-days-are-back/ (accessed: 01.04.2020).

\(^2\) Ibid.
a result of the Ukrainian crisis? Or does the Kremlin plan to use BRICS — along with other multilateral institutions it created — to change the world order to its benefit? In order to provide a nuanced and accurate picture of Russia’s participation in BRICS, these questions are addressed in this article.

**Why Is Russia Interested in BRICS?**

Russia’s interests and policy priorities in the case of BRICS are described in the document titled “Concept of Participation of the Russian Federation in BRICS” prepared by the Foreign Ministry on the eve of the BRICS Durban Summit in March 2013. As also indicated by this document, Moscow’s interest in this international grouping is of both geoeconomic and geopolitical nature. Geoeconomically, the Kremlin has favored the creation and development of BRICS due to the following reasons.

Like the other emerging economies, Russia has been discontent with the global economic and financial system which was established to benefit the “club” of highly developed countries. It is not a coincidence that BRICS has institutionally consolidated itself in the context of the global financial crisis of the 2008—2010 period. Its member states strongly believe that the West should be blamed for the “short-sighted” and “reckless” financial policies that led to the financial crisis and that the emerging economies should act together in this critical period. Their decision to establish a “New Development Bank” of 100 billion USD to finance infrastructure projects and a “Contingent Reserve Arrangement” of 100 billion USD to stabilize their currency markets aimed to create safeguards against new global crises and make them less dependent on the economic and financial rules imposed by the Western countries.

Moreover, the BRICS countries share common economic and financial problems as well as the need for large-scale modernization [Chernova, Degtereva, Zobov 2016; Novikov, Skriba 2019; Panova 2013; Toloraya 2015]. For example, Brazil and India are permanently facing serious problems in stabilizing their currencies, since they are under pressure to maintain growth by encouraging domestic demand because of the generally high poverty levels. The Russian ruble has also depreciated considerably since the beginning of 2013 — much earlier than the oil prices started to drop and the Western sanctions were introduced.

As for China, before February 2014, the government was able to ensure exchange rate stability through strict regulatory measures, but later the policy of gradual depreciation of the yuan started. According to the World Economic Forum experts, China is now losing another main economic advantage: a cheap labor force. China now comes only 29th in the World Economic Forum’s Global Competitiveness Index, with South Africa far behind in the 53rd place, while Brazil, India and Russia are in the 56th, 60th and 64th places, respectively.

In the Kremlin’s view, these structural economic problems can be solved through joint efforts. In addition to issues related with trade and finance, cooperation in areas such as industries, energy, agriculture, telecommunications, information technologies, research, healthcare, higher education and culture should be developed.

Moscow believes that the BRICS countries have an immense potential not only to solve the existing problems but also to ensure sustainable and prosperous socio-economic development. However, to see BRICS solely through the lens of economic growth is to miss the point. As many analysts believe, BRICS may also become...

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the main pole of the emerging multipolar world [Novikov, Skriba 2019; Panova 2013; Sergunin, Konyshev, Gao 2020; Sergunin, Gao 2018]. For example, Fyodor Lukyanov, an authoritative columnist and president of the Valdai International Discussion Club, which is an influential Russian think-tank, emphasizes that “BRICS is primarily a political group that emerged in response to the obvious need for a more diverse and less Western-oriented global political structure” [Lukyanov 2011]. Russian Foreign Minister Sergei Lavrov also repeatedly noted that BRICS has been first and foremost a geopolitical association for Russia [Lukyanov 2011].

There are several reasons for Russia’s growing geopolitical interest in BRICS. First, it is becoming increasingly clear for the emerging powers that the structure of global institutions is inadequate for the 21st century’s realities, while the plans to reform these institutions remain mostly on paper. It should be noted that while these five very different countries do not agree on everything, they are nonetheless united in their dissatisfaction with their status in the world, although their reasons are different and sometimes even incompatible [Novikov, Skriba 2019; Toloraya 2015; Stuenkel 2014a; 2014b; 2016].

Existing political structures were built around the bipolar world of the Cold War and they have remained virtually unchanged since then. The BRICS member states rightly question the legitimacy of the existing system and request a global political structure that reflects the multipolar world order that is gradually taking shape. That is, for example, why all the BRICS countries favor a reform in the UN Security Council because the current system is viewed as a relic of the balance of power of 1945. Furthermore, all of the BRICS countries have found it difficult to increase their influence on the world stage within the framework of existing institutions and they have all been looking for ways to strengthen their geopolitical positions by forming a new global politico-economic structure. The fact that they represent different parts of the world gives even more weight to their aspirations.

BRICS is a particularly useful grouping for Russia, which has struggled since 1991 to find a suitable identity in the global political arena. Following the collapse of the Soviet Union, Russia was reduced to the level of a regional power. The BRICS grouping therefore offers Russia a chance to reassert its global aspirations and draw attention to its economic progress [Chernova, Degtereva, Zobov 2016; Novikov, Skriba 2019; Sergunin, Gao 2018; Toloraya 2015].

It is also clear for the five BRICS countries that current global problems demand entirely new approaches. They believe that the West has monopolized the global debate and by doing this impeded the search for fresh ideas and effective solutions that could only emerge from a more inclusive discussion.

The BRICS countries have especially been concerned about the frequent use of military force by the US and its NATO allies in the post-Cold war era. The Russian strategic document on BRICS, for instance, underlines the need “to prevent the use of the UN, first of all the Security Council, to cover up the course towards removing undesirable regimes and imposing unilateral solutions to conflict situations, including those based on the use of force”.

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2015]. Moreover, BRICS allows Russia to do this in a non-confrontational way; even though the US remains unconvinced that the group is not directed against anyone and still views BRICS as a threat to its own global influence.

Given Russia’s proactive foreign policy, BRICS is especially valuable for Moscow for mobilizing political support — either directly or indirectly — for its international initiatives and actions. Having the political support of BRICS became more important for Moscow after its tensions with the West heightened due to the crises in Ukraine and later Syria. While facing strong criticism from the West, it is indispensable for Moscow to cultivate and form a support base in the world so as to avoid international isolation.

Russia also believes that BRICS can be helpful in promoting international security cooperation, more specifically in areas such as conflict resolution, non-proliferation of weapons of mass destruction (WMD), combating international terrorism, drug trafficking, piracy, money laundering and illegal migration. In short, Moscow favors the creation of joint institutions to coordinate the activities of BRICS in the field of international security.

**Russia and BRICS: Priorities for Cooperation**

Given Moscow’s important geoeconomic and geopolitical interests in cooperation with BRICS, the following priority areas in Russia’s strategy can be identified.

First, BRICS is used by Russia for the reform of the international financial system. Motivated by a shared desire to create a more favorable international environment for the development of the emerging and developing countries, the BRICS member states have joined their efforts to facilitate the transformation of the global governance system. They seek to change the hierarchy in the system to obtain privileges that have so far been only enjoyed by the developed countries in the West. Such efforts above all aim to limit the control of the US and European countries in key international institutions by strengthening the representation and voting power of the emerging and developing countries at the International Monetary Fund (IMF) and World Bank and by providing access to senior level positions in the IMF, World Bank and World Trade Organization (WTO) for the representatives of the developing countries.

Despite the resistance of the Western countries, the World Bank agreed to the redistribution of 3% of the voting rights in favor of the developing countries in 2010. As a result of this reform, BRICS strengthened its position within this global financial institution. Currently, with its 4.59% voting share in the International Bank for Reconstruction and Development and 2.21% voting share in the International Development Agency, China occupies the fourth position, while India and Russia occupy the seventh and eighth positions, respectively [Leksyutina 2017: 430; Leksyutina 2018: 92].

In January 2016, the IMF was reformed as well. The quotas of the BRICS countries were increased to 14.7 per cent which came closer to the 15 per cent stake of the US. Currently, China is the IMF’s third-largest stakeholder (following the US and Japan), while India, Russia and Brazil occupy the eighth, ninth and tenth positions, respectively [Leksyutina 2017: 430].

In November 2015, the IMF Executive Board took another important decision. Since October 2016, the Chinese yuan has been included in the special drawing rights (SDR) basket along with other international currencies. The SDR basket now consists of the following five currencies: US dollar — 41.73%, Euro — 30.93%, Chinese yuan — 10.92%, Japanese yen — 8.33% and UK pound — 8.09% [Leksyutina 2017: 431].

Russia and the other BRICS countries, however, believe that the World Bank and IMF reforms are incomplete as their voting power in these financial institutions still does not
correspond to their share in the world’s GDP. Moreover, the global financial institutions have been traditionally governed by the representatives of the developed countries which are perceived by BRICS as a clear manifestation of the Western dominance in the world financial system.

Furthermore, the BRICS countries supplement the existing governance mechanisms with new ones like the New Development Bank and Contingent Reserve Arrangement. Yet, one should bear in mind that the establishment of new institutions is not aimed at changing the global rules or challenging the existing financial institutions. Rather, these institutions have been founded due to the older institutions’ incapacity to adequately integrate the emerging economies. Thus, the newly established institutions are meant to complement the existing order and better project the power of the emerging economies.

The harmonization of the two mega Eurasian integration projects — the Russia-led Eurasian Economic Union (EAEU) and China-inspired “One Belt – One Road” (OBOR) which is later renamed as the Belt and Road Initiative (BRI) — is viewed by the Kremlin as another strategic goal of BRICS. Although Moscow was initially quite suspicious about the OBOR/BRI, Russia’s tense relations with the West in the wake of the Ukrainian crisis forced it to revise its position in a more constructive way. On May 8, 2015, Russian President Vladimir Putin and Chinese President Xi Jinping signed a joint statement on cooperation in the harmonization of the EAEU and OBOR/BRI. The Sino-Russian cooperative plans firstly aim to develop the Eurasian transport infrastructure with the active participation of other European, Central Asian, East Asian and South Asian countries [Leksyutina 2015; 2017].

Among the most promising infrastructure plans, the following projects should be mentioned:

— “Transsib” (Trans-Siberian Railroad): the railway route connecting the European part of Russia with Siberia and the Far East, which makes it a truly Eurasian transport corridor connecting Eastern and Central Europe with the Korean peninsula, China and Mongolia.

— “North—South” transport corridor: a multimodal 7200 kilometer route to transport passengers and cargo from St. Petersburg to the port of Mumbai (through which goods will be carried from India, Iran and the Persian Gulf to Russia and further to Northern and Western Europe).

— The Northern Latitudinal Railway: a project to create a transport infrastructure in the Yamal-Nenets Autonomous District including a 707 kilometer East-West railway between Nadym and Labynngi and an extension to Sabetta port on the Yamal peninsula with the goal of connecting these gas and oil-rich regions with the existing Russian rail system.

— “Belkomur” (White Sea — Komi Republic — Ural): a 1161 kilometer route connecting Northwestern Russia and Scandinavia with the Asian parts of Russia, Central Asia and Asia-Pacific countries.

— The Northern Sea Route (Polar Silk Road as defined by the Chinese): the most promising maritime route for international commercial navigation from East and Southeast Asia (i.e. China, India, Japan, South Korea, and Singapore) to Northern and Western Europe and vice versa [Lagutina, Leksyutina 2019].

Using BRICS as an instrument to overcome the economic crisis and compensate for the damage caused by the Western sanctions is another direction of Russia’s BRICS strategy. Economic recession that began in Russia in 2014 due to the combination of a number of factors such as the volatility of the ruble, plunging oil prices and Western sanctions reconfirmed for Moscow the importance of being a member of the BRICS grouping.

In contrast to Russia’s poor economic performance in the 2014—2016 period, the other BRICS members performed quite well, which means that although Russia is not a successful economy anymore, it still continues to be associated with major emerging economies. In addition, cooperating within the framework of BRICS and using the advantages of the mutually complementary nature of the BRICS economies, Moscow seeks to diversify its foreign economic ties by developing its trade and investment
relations with the other BRICS members as well as the regions under their economic influence.

It was during Russia’s presidency in 2015 that the BRICS Economic Partnership Strategy through 2020 was adopted. Cooperation was developed in areas such as industries, energy, agriculture, telecommunications, information technologies and research. The Xiamen Summit in 2017 witnessed the conclusion of four new agreements in areas of economic and trade cooperation, innovation cooperation, customs cooperation and strategic cooperation between the BRICS Business Council and the New Development Bank\(^{11}\).

Sino-Russian economic cooperation is especially productive. In addition to the steadily growing bilateral trade, numerous industrial projects are being developed including the construction of gas and oil pipelines, building of nuclear plants in China and LNG plants in Russia’s Arctic region, developing the infrastructure of the seaports in Arkhangelsk and Murmansk, scientific and military-technical cooperation and so on [Bratersky, Kutyrev 2019; Chernova, Degtereva, Zobov 2016].

Moscow uses BRICS not only to counter the Western economic sanctions but also to avoid international isolation. In March 2014, for instance, the four BRICS members abstained from voting at the UN General Assembly on a draft resolution condemning Russia’s “annexation” of Crimea. They also issued a joint statement against the proposal of the Australian foreign minister who requested the exclusion of Russia from the G20 Brisbane Summit in November 2014 and thus prevented the geopolitical isolation of Moscow by the West in the aftermath of the crisis in the Ukraine.

Russia also believes that BRICS can play an important role in the field of security cooperation which is exemplified by cooperation in arms trade and defense industry as well as joint military exercises, efforts for the prevention of proliferation of WMD, fighting international terrorism and countering transnational organized and cybercrime [Bratersky, Kutyrev 2019; Chernova, Degtereva, Zobov 2016]. The BRICS leaders also regularly meet to discuss “joint economic security measures” such as information exchange regarding speculative attacks on currency, stock and commodity markets, food security and cooperation in agricultural technology to help combat climate change. At the 2018 BRICS summit, for instance, South Africa proposed establishing a working group on peacekeeping in order to strengthen the role of BRICS in conflict resolution.

Russia also favors strengthening the people-to-people exchanges and fostering closer cooperation in the areas of culture, sport and education. People-to-people exchanges among BRICS countries have already intensified through institutions such as the Young Diplomats Forum, Parliamentarian Forum, Trade Union Forum, Civil BRICS and the Media Forum. In 2018, South Africa also suggested to create a BRICS Gender and Women’s Forum.

In January 2020, Russia took over the BRICS chairmanship from Brazil under the overarching theme of “BRICS Strategic Partnership for Global Stability, Shared Security and Innovative Growth”. Moscow will focus on improving foreign policy coordination between member states focusing on enhancing cooperation primarily within the United Nations. The key priorities of the Russian chairmanship include fighting terrorism, cutting off terrorism funding and combating money laundering. As for the economy, Russia plans to suggest that the participating nations revisit the BRICS Strategy for Partnership in Trade and Investment that they adopted at the summit in the Russian city of Ufa\(^{12}\).

Russia planned to hold about 150 events throughout the year in 16 cities. In July 2020, St. Petersburg was supposed to host the BRICS leaders’ summit. However, because of the coronavirus pandemics these events were either cancelled or transformed to the online format.


Conclusion

Overall Russia’s policies towards and within BRICS represent a combination of ideational and material motives. On the one hand, the BRICS grouping is important for Moscow in terms of status seeking, as it believes that by joining forces with other major emerging economies, it will be easier to regain its great power status, shape the emerging world order and compel the West — particularly the U.S. — to abide by the rules of that order.

On the other hand, the Kremlin prioritizes its economic and strategic partnerships with the BRICS members, since they are important for Russia’s well-being and sustainable development as well as for counter-balancing the West in the global geo economic and geopolitical setting.

Up to now, initiatives that have been developed by BRICS demonstrate that the grouping does not have a revisionist agenda. Instead, through their participation in BRICS, the five countries — and particularly Russia — aim to better incorporate themselves into the existing system and become “responsible” actors with international obligations as well as rights and powers. Russia’s participation in BRICS indicates that Moscow wishes to redesign its foreign policy in a way to support and further develop international norms, rules and institutions and prefers non-coercive and soft power methods.

Moreover, it is safe to assume that Russia uses BRICS as an instrument to enhance its soft power vis-a-vis the other BRICS countries and, even more importantly, increase its soft power globally riding on the back of BRICS in world politics. The BRICS framework provides Moscow with additional prestige in the international community as well as greater legitimacy to its international activities.

In spite of some centrifugal processes within BRICS generated by the change of the Brazilian and South African political leadership who was rather skeptical about this grouping as well as by the Sino-Indian territorial disputes, Moscow is still rather optimistic about the future of this forum. Some recent developments, such the U.S. economic and political pressure on China and Russia, Donald Trump’s global protectionist policies which affect all BRICS countries, the need to cooperate to overcome COVID-19 epidemics’ negative implications, etc., again make BRICS a priority of the five states’ international strategies.

All these factors explain why the Kremlin attaches great importance to BRICS and why strengthening BRICS and its role in global affairs is viewed in Moscow as a basis for solidifying Russia’s political and economic position in the international arena.

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