GLOBAL GOVERNANCE IN CHANGE AND PRACTICAL COOPERATION AMONG BRICS

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Global governance is an important topic catching worldwide attention. As an important mechanism for coordinating major issues in economic, financial and political arena, BRICS has become an important force in promoting global governance. Given the increase of global challenges and the deficiencies of the current governance system, it is necessary to promote global governance through practical cooperation of BRICS countries.

I. NEW CHANGES IN GLOBAL GOVERNANCE.

Emerging as a result of economic globalization, global governance aims at strengthening coordination and management of affairs related to politics, economy, finance, security, environment, and the cyber space, etc. Since the concept of global governance was brought up in the early 1990's, the theories and practices around it have been evolving. In 1992, 28 renowned personnel initiated the Commission on Global Governance. The Commission published a report entitled “Our Global Neighborhood” in 1995, which included a systemic elaboration on the concept of global governance, its value and its relations with global security, economic globalization and the reforms of the UN.

Due to the development of information technology, the spread of global issues and the emergence of NGOs, three major changes have occurred in global governance in the contemporary era.

1. The number of players in global governance has increased. The players of global governance generally fall into three categories: governments of
sovereign states and the ministries under them; international organizations such as the UN, the World Bank, the World Trade Organization, and the International Monetary Fund; informal global civil and social organizations. With the development of emerging countries, the monopoly of developed countries on international power and the discourse on global governance has been broken. Developing countries, the emerging ones in particular, have moved gradually from the periphery of global governance to the center stage. Besides, the emergence of social movements and grassroots organizations in large numbers has filled in the blanks of the legitimacy and representation of governments.

2. New platforms of global governance have emerged. After the international financial crisis, the great readjustment of the global economic structure has brought about deep changes in global governance. The crisis showed that blocs of developed countries such as the G7 or G8 were inadequate in dealing with the crisis. The G20 was born based on G8 in 1999. As a global forum on economic cooperation including both developed and emerging countries, in the decade up to the financial crisis, it mainly carried out policy coordination through the meetings of finance ministers and central bank governors. In the post-crisis era, G20 has been playing an important role in safeguarding international financial stability and promoting world economic growth and has become a new platform in coordinating economic polices, promoting international cooperation and improving the new platform of global economic governance among major economies. The G20 is gaining momentum in transforming from a crisis-response mechanism to a mechanism of global economic governance. Besides, the BRICS cooperation mechanism has also conformed to the new requirements and new expectations for emerging countries to participate in global governance in the era of globalization. The Durban Declaration of the Fifth BRICS Summit in March 2013 stated clearly that “we aim at progressively developing BRICS into a full-fledged mechanism of current and long-term coordination on a wide range of key issues of the world economy and politics” and that “we are committed to exploring new models and approaches towards more equitable development and
inclusive global growth by emphasizing complementarities and building on our respective economic strengths”.

3、New topics have emerged in global governance. The rapid development of globalization has led to the spread of global issues. Reforms of the international financial and monetary system, trade protectionism, the disintegration of the global trade system (the increase of bilateral and regional trade agreements has undermined the multi-lateral trading regime), climate change, health, poverty reduction, nuclear safety and proliferation, cyber security, and the competition of the polar region and outer space have all become important topics of global governance. In global governance, the UN also faces the challenge of linking the “Post-2015 International Development Agenda” with the “Millennium Development Goals”, making it both consistent and forward-looking.

II. STRENGTHEN PRACTICAL COOPERATION AMONG BRICS AND PROMOTE THE REFORMS AND DEVELOPMENT OF GLOBAL GOVERNANCE.

Global governance, in essence, is about dealing with global crisis. Only when there are global crisis and common challenges do countries have the willingness to coordinate multilateral policies. Two basic trends of globalization are reshaping the global system. The first is the distribution and transfer of power, which leads to a more diversified international system, reducing the possibility of effective policy coordination at the international level. Diversified interests lead to diversified interest groups in the international community. The second is the interdependence of interests. All countries are faced with the interconnecting challenges of economic growth, environmental safety and sustainable development. No country can stay immune and fend for itself. Therefore, global governance is facing the contradiction between expanding objective demand and the lack of effective supply. Therefore, it has become an important task for BRICS to strengthen solidarity and cooperation, to promote reform and
development of global governance, and improve the efficiency of global governance.

To play a more active role in global governance, BRICS have to strengthen self-capacity building in the following three areas.

1. Strengthen institutional building of the BRICS cooperation mechanism and enhance the cohesiveness among BRICS. As Francis Kornegay, a scholar of the Institute of Global Dialogue of South Africa, said, “To play a leading role in global governance centered around states, BRICS countries must integrate and develop great solidarity. If the BRICS want to rival the G7 in the G20, at least it must win in cohesiveness first. Since its inception, BRICS have completed the first round of cooperation and have set up a multi-layered and wide-ranging cooperation framework in which the leadership summits are the main channel, supplemented by meetings of high-level security representatives, foreign ministers, finance ministers, central bank governors, Sherpa's, and diplomats in permanent multilateral agencies, and supported by 28 cooperation areas including think tanks, the business community, and development banks. All this cooperation has begun to demonstrate preliminary effects. Progress in the BRICS Development Bank, the BRICS emergency reserve and other arrangements have become highlights in BRICS practical cooperation. At the same time, we should be sober minded that differences in political system, ideology, value, religion and culture, development level and real interests have constrained the further development of the BRICS cooperation mechanism. The current cooperation mechanism is still at a soft and preliminary stage, which needs further improvement in cohesiveness and gravity. Therefore, first of all, we must strengthen political mutual trust, recognize differences among us with an open and inclusive mind, properly handle differences and contradictions so that they would not become obstacles to cooperation; Secondly, we must seek win-win cooperation by aligning our respective development strategies (In March 2010, Brazil is to implement the second phase of the “Accelerated Growth
Program”, with the aim of enhancing important projects related to energy, housing and transportation to promote economic growth. In December 2011, the Russian government rectified the “Strategy 2020 on Innovation and Development”. India is also implementing the “12th Five-Year Plan (2012-2017), with the theme of “faster, more inclusive and sustainable growth”. China began to implement the “12th Five-Year Plan” in 2011, which focuses on scientific development and prioritizes accelerating the transformation of the growth model.) We should build mechanisms for promoting cooperation projects in key areas, specify cooperation plans for important areas like finance, trade, energy, science and technology, climate change and cyber security so that cooperation between BRICS will generate tangible results and avoid endless discussions or lack of implementation. Last but not least, we should set up a day-to-day coordination agency, facilitate the set up of a virtual secretariat at a proper time and improve the operability, standardization, and binding power of BRICS cooperation.

2、Strengthen the modernization of the governance system and governance capability of BRICS countries and consolidate the power foundation of BRICS in global governance. The voice of BRICS countries in global governance lies in their economic and financial power. BRICS have 26% of total land of the world, 42% of global population, 20% of GDP, 15% of trade and 75% of foreign reserves. It has contributed to 15% of global economic growth in the past 10-plus years. However, in recent years, the internal and external environment of BRICS have undergone changes: First, due to the lingering financial crisis and the negative impact of the quantitative easing of developed countries, the growth rate of BRICS has slowed down, in contrast to the accelerating recovery of developed economies. With its contribution to global economic growth declining, it is hard to repeat the rapid growth of the past golden decade. Secondly, structural reforms within BRICS countries have led to the increase of social tensions, the frequent occurrence of mass incidents and escalating civil unrests. BRICS are facing the difficulties of domestic governance
in general. Under this background, to play its part in global governance, BRICS must first of all strive for sustainable development of the domestic economy and promote social harmony and stability through inclusive growth. For China, it must promote the modernization of the governance system and governance capabilities and build a vibrant and sustainable modern market economy.

3. Strengthen policy coordination of BRICS in the current mechanism of global economic governance and improve the collective voice of BRICS. Currently, global economic governance mainly relates to global economic rebalancing and the institutional building of G20, regional trade and investment, international financial regulation, reform of the international financial system, multi-lateral trade negotiations under the WTO framework, and climate change. To translate its economic power into rights and interests in the international system and steer global economic governance to benefit emerging countries, BRICS must seriously step up research of new international economic rules and actively participate in the formulation of new rules. All the five members of BRICS are members of the G20, which signals the start where emerging countries began to equally participate in the formulation of global economic polices and rules. BRICS have also entered global financial governance mechanisms such as the Financial Stability Board, increased its representation and voice in the World Bank and the IMF and have become important players in international financial cooperation. According to the plan of voting right reforms of the World Bank in April 2010, the voting rights of BRICS as a whole have increased to 13.1%. Based on the quota plan deliberated by the IMF in November 2010, the total share of BRICS will increase to 14.81% and the voting rights to 14.14%. BRICS should strengthen policy coordination, jointly facilitate the implementation of the quota reform plan and urge countries that have not rectified it to fulfill international obligations.

This year marks the first year of the second cycle of BRICS cooperation and the last year of implementing the MDGs. The UN is actively formulating the post-
2015 development agenda. The biggest imbalance of the world economy is the imbalance of development. Development should be the keynote for BRICS. BRICS should actively participate in global governance, set up development partners and promote global development. In the process of global governance, BRICS can become important bridges for North-South dialogue and South-South cooperation and make more efforts in narrowing the gap between the North and the South, and improving the representation and voice of developing countries in international economic and financial affairs.