

ISSN 1996-7845 (Print)
ISSN 2542-2081 (Online)

ВЕСТНИК
МЕЖДУНАРОДНЫХ
ОРГАНИЗАЦИЙ

INTERNATIONAL ORGANISATIONS RESEARCH JOURNAL

 HIGHER SCHOOL OF ECONOMICS
NATIONAL RESEARCH UNIVERSITY

Vol. 17. No 2 (2022) English Version

ISSUE TOPIC:

**Challenges to Robust
Global Governance
for a Resilient World**

INTERNATIONAL ORGANISATIONS RESEARCH JOURNAL

 HIGHER SCHOOL OF ECONOMICS
NATIONAL RESEARCH UNIVERSITY

Vol. 17 No 2 (2022)

E D U C A T I O N • S C I E N C E • N E W E C O N O M Y

Q u a r t e r l y J o u r n a l

Moscow 2022

ВЕСТНИК МЕЖДУНАРОДНЫХ ОРГАНИЗАЦИЙ

 ВЫСШАЯ ШКОЛА ЭКОНОМИКИ
НАЦИОНАЛЬНЫЙ ИССЛЕДОВАТЕЛЬСКИЙ УНИВЕРСИТЕТ

Т. 17 № 2 (2022)

ОБРАЗОВАНИЕ • НАУКА • НОВАЯ ЭКОНОМИКА

Н а у ч н ы й п е р и о д и ч е с к и й ж у р н а л

Москва 2022

INTERNATIONAL ORGANISATIONS RESEARCH JOURNAL

EDUCATION • SCIENCE • NEW ECONOMY

Quarterly Journal

ISSN 1996-7845 (Print)
ISSN 2542-2081 (Online)

International Organisations Research Journal (IORJ) is published by the National Research University Higher School of Economics since January 2006. It is published quarterly since 2009. Generally, each issue is dedicated to one theme. The Journal is on the list of reviewed scholarly journals approved by the Higher Attestation Commission of the Ministry of Education and Science of Russia for publishing key research findings of PhD and doctoral dissertations. The journal's main themes are: global governance and international affairs, world economy, international cooperation in education, science and innovation.

The journal's mission is to disseminate the findings of research on global governance, international cooperation on a wide range of social and economic policies, including in the sphere of education, science and new economics, as well as creating a professional framework for discussion of trends and prognoses in these areas.

International Organisations Research Journal publishes academic and analytical papers by Russian and international authors on activities of international multilateral institutions: G8, G20, BRICS, OECD, the World Bank, IMF, WTO, UN, and alliances including the European Union, Eurasian Economic Union, Shanghai Cooperation Organisation and others.

The journal is aimed at researchers, analysts, practitioners in international affairs and world economics and at a wide audience interested in political issues of international affairs and global development.

The editorial position does not necessarily reflect the authors views.

Copyrights are owned by authors and editorial office. The reproduction of materials without permission of the editorial office is prohibited. The reference to the materials is obligatory.

Subscription

To subscribe to the International Organisations Research Journal contact postal department:
United catalog "Press of Russia"
<https://www.pressa-ru.ru>
Subscription index: **20054**

Sale

To purchase the International Organisations Research Journal contact specialized bookshop of the Higher School of Economics Publishing House.
1/20 Myasnitskaya Ulitsa, Moscow, Russia
Tel: +7 495 621-49-66, 628-29-60

Yaroslav Kuzminov, *Scientific Advisor*, HSE University, Russia

Marina Larionova, *Editor-in-Chief*, Professor, HSE University; Head CIIR, RANEPa, Russia

Olga Kolmar, *Executive Secretary*, HSE University, RANEPa, Russia

EDITORIAL COUNCIL

Andrew Baker (University of Sheffield, United Kingdom)
Alexander Sokolov (HSE University, Russia)

Andrei Kortunov (Russian International Affairs Council, Russia)

Andrei Yakovlev (HSE University, Russia)

Jan Wouters (KU Leuven, Belgium)

Isac Frumin (HSE University, Russia)

Jane Knight (University of Toronto, Canada)

John Kirton (University of Toronto, Canada)

Leonid Gokhberg (HSE University, Russia)

Lev Yakobson (HSE University, Russia)

Peter Hajnal (University of Toronto, Canada)

Robert Wagenaar (University of Groningen, Netherlands)

Shuyong Guo (Shanghai International Studies University, China)

Sven Biscop (Egmont – The Royal Institute for International Relations, Belgium)

Tatiana Parkhalina (Institute of Scientific Information for Social Sciences of the Russian Academy of Science, Russia)

Vladimir Shadrinov (HSE University, Russia)

Yuri Borko (Institute of Europe of the Russian Academy of Sciences, Russia)

Yuri Borko (Institute of Europe of the Russian Academy of Sciences, Russia)

EDITORIAL STAFF

Executive editor – Anna Zaichenko

Pre-Press – Yulia Petrina

Designer – Andrey Pavlov

Address

National Research University Higher School of Economics
17 Malaya Ordynka Ulitsa, 119017, Russia
Tel: +7 495 772-95-90 *23147 and *23150
E-mail: iorj@hse.ru
Web: <http://iorj.hse.ru/>

Federal Service for Supervision in the Sphere of Telecom, Information Technologies and Mass Communications (ROSKOMNADZOR)

Reg. No. PI № FS 77 – 66563 (21.07.2016)

Publisher

National Research University Higher School of Economics

© National Research University
Higher School of Economics, 2022

ВЕСТНИК МЕЖДУНАРОДНЫХ ОРГАНИЗАЦИЙ

ОБРАЗОВАНИЕ • НАУКА • НОВАЯ ЭКОНОМИКА

Научный периодический журнал

ISSN 1996-7845 (Print)
ISSN 2542-2081 (Online)

Периодичность выхода — 4 раза в год

Научный периодический журнал «Вестник международных организаций: образование, наука, новая экономика» издается Национальным исследовательским университетом «Высшая школа экономики» с января 2006 г.

С 2009 г. публикуется ежеквартально. Каждый номер журнала является тематическим. Включен в перечень российских рецензируемых научных журналов, в которых должны быть опубликованы основные научные результаты диссертаций на соискание ученых степеней доктора и кандидата наук (рекомендован по следующим научным специальностям: 08.00.14 — Мировая экономика (экономические науки), 13.00.08 — Теория и методика профессионального образования (педагогические науки), 23.00.04 — Политические проблемы международных отношений, глобального и регионального развития (политические науки; с 28 декабря 2018 г.)

Миссия журнала — распространение российских и зарубежных исследований в области глобального управления, международного сотрудничества по различным направлениям социально-экономической политики, в том числе образования, науки, новой экономики; а также создание профессиональной площадки для обсуждения тенденций и прогнозов в этих сферах.

Вестник международных организаций публикует статьи и аналитические материалы российских и зарубежных авторов о деятельности многосторонних международных институтов, прежде всего «Группы восьми», «Группы двадцати», БРИКС, ОЭСР, Всемирного банка, МВФ, ВТО, ООН, и интеграционных объединений, в первую очередь Европейского союза, Евразийского экономического союза, Шанхайской организации сотрудничества и др.

Журнал рассчитан на исследователей, аналитиков, практиков в области международных отношений и мировой экономики, а также на широкий круг читателей, интересующихся политическими проблемами международных отношений и глобального развития.

Позиция редакции не обязательно совпадает с мнением авторов.

Авторские права на публикуемые материалы принадлежат редакции журнала и авторам статей. Перепечатка материалов без разрешения редакции запрещена. При использовании материалов ссылка обязательна.

Подписка

Подписка на журнал «Вестник международных организаций» осуществляется во всех почтовых отделениях связи:

Объединенный каталог «Пресса России»

<https://www.pressa-rg.ru>

Подписной индекс: **20054**

Розничная продажа

В университетском книжном магазине «БукВышка»

Адрес: Москва, ул. Мясницкая, д. 20

Телефон: +7 495 621-49-66, 628-29-60

Научный руководитель Я.И. Кузьминов
(НИУ ВШЭ, Россия)

Главный редактор М.В. Ларионова
(НИУ ВШЭ, РАНХиГС, Россия)

Ответственный секретарь О.И. Колмар
(НИУ ВШЭ, РАНХиГС, Россия)

РЕДАКЦИОННЫЙ СОВЕТ

Э. Бейкер (Университет Шеффилда, Великобритания)

Св. Бископ (Королевский институт международных отношений «Эгмонт», Бельгия)

Ю.А. Борко (Институт Европы РАН, Россия)

Р. Вагенаар (Университет Гренингена, Нидерланды)

Я. Ваутерс (Лёвенский католический университет, Бельгия)

Ш. Го (Шанхайский университет иностранных языков, КНР)

Л.М. Гохберг (НИУ ВШЭ, Россия)

Дж.Дж. Киртон (Университет Торонто, Канада)

А.В. Кортунов (Российский совет по международным делам, Россия)

Дж. Найт (Университет Торонто, Канада)

Т.Г. Пархалина (Институт научной информации по общественным наукам РАН, Россия)

А.В. Соколов (НИУ ВШЭ, Россия)

И.Д. Фрумин (НИУ ВШЭ, Россия)

П. Хайнал (Университет Торонто, Канада)

В.Д. Шадриков (НИУ ВШЭ, Россия)

Л.И. Яковсон (НИУ ВШЭ, Россия)

А.А. Яковлев (НИУ ВШЭ, Россия)

РЕДАКЦИЯ

Выпускающий редактор А.В. Заиченко

Компьютерная верстка Ю.Н. Петрина

Художник А.М. Павлов

Адрес редакции

Россия, 119017, Москва,

ул. Малая Ордынка, д. 17

Национальный исследовательский университет

«Высшая школа экономики»

Тел.: +7 495 772-95-90 *23147 и *23150

E-mail: ioj@hse.ru

Web: <http://ioj.hse.ru/>

Издание зарегистрировано Федеральной службой по надзору в сфере связи, информационных технологий и массовых коммуникаций, регистрационный номер ПИ № ФС 77 – 66563 от 21.07.2016

Учредитель

Национальный исследовательский университет

«Высшая школа экономики»

© Национальный исследовательский университет
«Высшая школа экономики», 2022

Content

BRICS at 15

J. Kirton, M. Larionova

The First Fifteen Years of the BRICS.....7

A. Cooper

Reframing the Debate over BRICS Beyond its Conceptual Origins..... 31

A. Wang

China's Leadership in BRICS Governance 50

A. Ignatov

The BRICS Agenda on the Internet Governance..... 86

Climate Governance and Practical Solutions for Green Recovery

J. Kirton, B. Warren

Governing Climate Change at the G20 Rome and UN Glasgow Summits and Beyond 110

S.C. Park

The Fourth Industrial Revolution in the Digital Economy:
How to Realize It With Smart Cities as a Practical Measure..... 135

Trends in Regional and Global Cooperation

E. Katkova, A. Eremin

China's Relations With Latin America and the Caribbean at the Present Stage 164

S. Bokeriya

UN-AU Partnership in Peacekeeping: Trends and Challenges 189

E. Arlyapova, E. Ponomareva, D. Proroković

NATO's Capabilities in Global Governance: on the Balkan Scene 208

R. Davidov

The World Customs Organization's Role in Implementing
the Trade Facilitation Agreement 224

M. Larionova

A Brief History of the G20 Institutional Dynamics (2008–2021) 250

BRICS AT 15

International Organisations Research Journal, 2022, vol. 17, no 2, pp. 7–30

Original article

doi:10.17323/1996-7845-2022-02-01

The First Fifteen Years of the BRICS¹

J. Kirton, M. Larionova

John Kirton—Professor, Co-director of BRICS Research Group, Director of G7 Research Group, Director of G20 Research Group, University of Toronto; Room 209N, 1 Devonshire Place, Toronto, M5S 3K7 Ontario, Canada; john.kirton@utoronto.ca

Marina Larionova—PhD, Head, Centre for International Institutions Research (CIIR), Russian Presidential Academy of National Economy and Public Administration (RANEPA); 11 Prechistenskaya naberezhnaya, Moscow, 119034, Russian Federation; larionova-mv@ranepa.ru

Abstract

At the first BRIC(S) summit in 2009, leaders of the major emerging market countries (Brazil, Russia, India, and China) from different continents committed to build a democratic and transparent economic architecture, support the efforts of the Group of 20 (G20) to reform the international financial institutions, restore growth, and deepen intra-group cooperation. Since then, views expressed in the literature on BRICS (expanded to include South Africa in 2010) have ranged from the harsh dismissal of BRICS as a meaningless investment banker's acronym to its identification as a new power centre with a profound impact on the global economic order.

The authors offer an updated, systematic assessment of BRICS' evolving institutional dynamics, performance, and contribution to cooperation among its members, and to global governance as a whole. Using qualitative and quantitative methods, they identify the major achievements of each of the BRICS' 13 annual summits through the three five-year hosting cycles, the leaders' agreements on 933 collective commitments, and their countries' compliance with them at a level of 77% overall. Further, they highlight the expansion of the group's agenda into 34 subjects, the process of building the intra-BRICS institutions with the New Development Bank (NDB) as its hallmark, and its extensive second track networks including Business, Think Tanks and Academic, Trade Unions, Parliamentarian, Youth and Civil BRICS.

In its first 15 years, BRICS expanded and sustained its institutional dynamics, depth, and performance despite external and domestic challenges, tensions between the members, and the unprecedented tests of the COVID-19 pandemic and the ensuing socio-economic crises since 2020. Established as a dialogue and policy coordination forum, it matured into a transregional governance institution with a comprehensive political-security, socio-economic, and people-to-people agenda. Its dense institutional networks, flexibility, continuity, and foundational principle of moving forward only on issues acceptable to all members were vital factors for BRICS' resilience and evolution. Although broadening of its agenda inhibited deepening cooperation, there was considerable continuity across the annual presidencies. Progress on intra-BRICS cooperation was more tangible than that on international architecture reform, despite the group's unwavering commitment to an equitable international order. Its consensus-based working methods sometimes constrained the group's leadership. However, BRICS proved its value as a platform for facilitating its members' bilateral relations and convergence in approaches, promoting their role in global governance, and advancing a more inclusive, representative, and effective international institutional system.

¹ This article was submitted 22 December 2021.

Keywords: BRICS, international institutions, global world order, New Development Bank, G20

Acknowledgments: the article was written on the basis of the RANEPА state assignment research programme.

For citation: Kirton J., Larionova M. (2022) The First Fifteen Years of the BRICS. *International Organisations Research Journal*, vol. 17, no 2, pp. 7–30 (in English). doi:10.17323/1996-7845-2022-02-01

Introduction

The BRIC group of Brazil, Russia, India and China, whose leaders convened at their first summit in Russia in 2009, united the major emerging market countries from different continents. Their leaders committed to build a democratic and transparent economic architecture and support the efforts of the Group of Twenty (G20) to reform the international financial institutions (IFIs) and restore growth. BRIC leaders pledged to deepen intra-group cooperation in the interests of emerging market and developing countries. Created as a dialogue and policy coordination platform, BRICS (established after South Africa joined BRIC in 2010) has matured into a transregional governance mechanism with a comprehensive political, security, economic and social agenda [Chakraborty, 2018].

The literature on BRICS' evolution and performance ranges widely. It includes a harsh dismissal of BRICS as “a fable of our time” [Wallerstein, 2016], a sceptical assessment of it as a club incapable of developing a collective world order vision due to its political and ideological heterogeneity [Nuruzzaman, 2020], and a critical judgment of it as a disruptive force posing normative and structural challenges to the existing liberal international order [Beeson, Zeng, 2018]. It also includes comprehensive accounts of its development and role in world order [Stuenkel, 2020a], studies of the forum's origin and geopolitical determinants of its evolution [Cooper, 2016], research on individual BRICS countries' international political economy [Li, 2019], and an evaluation of BRICS as an alliance exerting a profound impact on the global economic order [Hopewell, 2017].

Analysis of the bilateral trade and investment relations between BRICS countries supports the claim that there is a gap between the rhetoric and reality of intra-BRICS economic cooperation [Hooijmaaijers, 2021]. China's role is perceived as critical for the success of BRICS' collective actions, yet China's institutional initiatives, such as the Asian Infrastructure Investment Bank and the Belt and Road Initiative, are regarded as China's choice to champion its own solutions to global governance rather than do so through BRICS cooperation [Duggan, Ladines Azalia, 2020]. However, despite the asymmetries between its members and its limited impact on global governance reform [Larionova, Shepelov, 2021], BRICS remains “a core of south—south cooperation, promoting the interests of a group of developing countries in global governance for a more balanced global architecture” [Duggan et al., 2021]. BRICS has created a network of institutions to advance cooperation between the members and has sustained its institutional dynamics, despite domestic and external challenges.

This article contributes to the extensive and expanding literature on BRICS by reviewing the group's institutional dynamics, performance, and engagement with its outreach countries and second track partners, and by exploring the causes of its evolution and resilience. Qualitative and quantitative research methods are applied to do so. The authors draw on content analysis of BRICS documents, including declarations by leaders and ministers, working group and task force plans and reports, statements of officials, outlines of priorities for presidencies, the New Development Bank (NDB) documents and annual reports, and international institu-

tions' and other related documents. The analysis relies on empirical evidence from the studies of BRICS members' compliance with the key commitments made at the summits. Compliance is understood as national governments' actions aimed at implementation through formal legislative or administrative regulations, budgetary or resource allocation, or other measures taken to execute summit commitments. Commitments are defined as discrete, specific, publicly expressed, collectively agreed statements of intent by summit members that they will undertake future actions to move toward identified welfare targets.² Assessment of compliance with priority commitments carried out by the BRICS Research Group at the University of Toronto and the Centre of International Institutions Research of the Russian Presidential Academy of National Economy and Public Administration includes data sets for 89 commitments that reflect the essence of the summits' decisions in a representative way.³

The First, Formative Cycle: Defining Priorities, Building Institutions, Agenda, and Identity (2008–13)

BRICS summitry was preceded by foreign ministers' meetings, held since 2006 on the margins of the United Nations (UN) General Assembly, and by meetings of future-BRIC(S) finance ministers and central bank governors (FMCBG), who held their first consultations on the eve of the G20 FMCBG meeting on 7 November 2008 [BRIC, 2008]. The first BRICS summit communiqué clearly signalled the group's shared aspiration to address the legitimacy crisis of the international financial and monetary order through reforms of the regulatory and supervisory frameworks and multilateral institutions, centred in the International Monetary Fund (IMF), the World Bank (WB), and the Financial Stability Board (FSB). The March 2009 BRIC FMCBG meeting reinforced the message, urging a quota review, a significant realignment of the IMF and WB quotas, a new allocation of IMF special drawing rights (SDRs), and a study of the reserve currencies' role in the international monetary system (IMS). The latter reflected the debate among BRIC members over the idea of supplanting the dollar with a supranational currency, as proposed by China [Zhou, 2009] and supported by Russia [President of the RF, 2009]. However, with no BRIC consensus on creating a multilateral or SDR-based reserve currency governed by the IMF, BRIC did not pursue this further. The foundational principle of moving forward only on issues acceptable to all members became vital for BRIC(S)' development, while also constraining its leadership potential.

At their first summit in Ekaterinburg, Russia in 2009, BRIC leaders committed to support the G20 in dealing with the financial crisis, advance the reform of IFIs, and promote a stable, predictable, and more diversified IMS. They defined the BRIC(S) goals of building a just, multipolar, world order and promoting cooperation among members. Coordination on the key issues of the international institutions (IIs) agenda and pursuit of financial architecture reform became an inherent feature of the BRICS process. The September 2009 FMCBG meeting proposed a shift of quotas and shares of 7% in the IMF and 6% in the WB in favour of emerging

² Full description of the methodology, see Global Governance Program [2020].

³ The assessment methodology uses a scale from -1 to +1, where +1 indicates full compliance with the stated commitment, -1 indicates a failure to comply or action taken that is directly opposite to the stated goal of the commitment, and 0 indicates partial compliance or work in progress, such as initiatives that have been launched but are not yet near completion and whose final results can therefore not be assessed. Each member receives a score of -1, 0, or +1 for each commitment. For convenience, the scores are converted to percentages, where -1 equals 0% and +1 equals 100%. The formula to convert a score into a percentage is $P = 50 \times (S + 1)$, where P is the percentage and S is the score. For full data on BRICS compliance refer to [Global Governance Program, 2020]

market and developing countries [BRIC, 2009]. The proposal eventually became the Seoul G20 summit's decision on quota shifts of 6% and 5%, respectively. BRIC launched its agriculture ministers' meeting to discuss food security. The decision to organize a business forum and a conference of think tanks parallel to the 2010 summit in Brasilia began engagement with the business and epistemic communities.

Support for the G20 as the premier forum for international economic coordination and advancement of II reform remained at the core of the BRIC(S) first four presidencies, amidst a rapidly expanding agenda. At the April 2010 Brasilia summit, chaired by Luiz Inácio Lula da Silva, leaders emphasized the need for a comprehensive and balanced outcome of the Doha round of multilateral trade talks, promised to sustain efforts to achieve the millennium development goals (MDGs) by 2015, pledged to develop cleaner, more affordable and sustainable energy systems, and committed to promote the UN Framework Convention on Climate Change. Institutional expansion continued. Trade ministers met for the first time in Rio de Janeiro to coordinate positions on the Doha round talks. The academic and business forums were institutionalized, launching track two cooperation. The first joint statistical publication was released as a step toward harmonization of BRIC statistical information. South African president Jacob Zuma took part in the Brasilia summit as an attendee. In December 2010, South Africa was invited to join the group as a full member [Besada, Tok, Winters, 2013]. In 2011, BRIC thus became BRICS.

BRICS' pursuit of multilateralism was coupled with the development of intra-BRICS cooperation and a collective response by members to persistent challenges and new risks. At the Chinese-hosted Sanya summit in April 2011, leaders committed to cooperate on strengthening international information security and combating cybercrime. The concurrent presence of all five members in the UN Security Council provided an opportunity and impulse for closer coordination on peace and security issues. Given the impact of food and economic insecurity on health and the financial challenges for global health governance, BRICS launched its ministers of health dialogue. They also agreed to establish a global health agenda for universal access to affordable medicines and health commodities, including collaboration with IIs to increase access to quality and safe medicines, vaccines, and other medical products. To address the excessive volatility of agricultural prices, ensure food security, and advance sustainable agriculture, leaders created the Agricultural Cooperation Working Group and adopted an action plan for 2012–16. An agreement signed among their development banks sought to foster an inter-bank mechanism. Thus, BRICS launched coordination on cyber [Gao, 2018] and health issues [Larionova et al., 2014] long before these challenges loomed large on the global agenda.

BRICS' New Delhi summit in March 2012 faced weak economic recovery prospects, significant downside risks from advanced economies' monetary easing policies, a rise in debt-to-gross domestic product (GDP) ratios in Group of 7 (G7) countries [IMF, 2012], excessive capital flow volatility, and delayed IFI reform. Leaders thus focused on maintaining macroeconomic stability and setting up a new development bank to mobilize resources for infrastructure and sustainable development projects. At their informal meeting on the sidelines of the G20's Los Cabos summit in 2012, BRICS leaders discussed reserve pooling and swap arrangements in national currencies. They asked their finance ministers to examine the feasibility of such initiatives. To enhance intra-BRICS economic cooperation, the BRICS development banks signed the Master Agreement on Extending Credit Facility in Local Currency and the Multilateral Letter of Credit Confirmation Facility Agreement. Amid mounting geopolitical tensions and regional conflicts, especially in the Middle East and North Africa, BRICS cooperation on political and security issues expanded significantly, both among leaders and foreign affairs ministers.

In 2013, the South African presidency produced several institutional and governance innovations. The eThekweni declaration reiterated the BRICS members' concerns over the risks

of, and negative growth consequences for, emerging and developing countries from advanced countries' unconventional monetary policy and the slow pace of global governance architecture reform. Leaders committed to explore new models of equitable development and inclusive growth, building on the members' respective economic strengths. Most importantly, the leaders committed to establish the New Development Bank (NDB) and a contingent reserve arrangement (CRA) with an initial size of \$100 billion to provide mutual support in case of liquidity pressures and contribute to strengthening the global financial safety net [BRICS, 2013].

As host, South African president Jacob Zuma held the first BRICS outreach session to promote cooperation between BRICS and African countries. BRICS promised to support African countries' industrialization through stimulating foreign direct investment, knowledge exchange, capacity building, and the diversification of imports. BRICS leaders also pledged to support the UN and African Union in facilitating the peaceful resolution of conflicts in the Central African Republic and the Democratic Republic of the Congo. BRICS education ministers, at their first meeting, agreed to promote cooperation between universities. The first BRICS Science, Technology and Innovation Ministerial established a strategic framework for cooperation. The newly created BRICS Business Council met with BRICS leaders to provide business perspectives on intra-BRICS cooperation priorities. The BRICS Think Tanks Council was launched to generate ideas on governance innovations.

Thus, in the first cycle, BRIC expanded into BRICS by adding South Africa and launched an outreach dialogue. Its institutional framework evolved rapidly in the formal and informal tracks. After 2011, the leaders held informal consultations on site just before the G20 summits. BRICS steadily expanded its agenda, combining continuity and innovation, and consistently promoting global governance architecture reform.

The Second Cycle: Unity Despite Tensions (2014–18)

These expansions accelerated [Kirton, 2015] in the second five-year cycle of BRICS presidencies. The cycle began at the Fortaleza summit in June 2014 with the agreement to establish the NDB and the Treaty for the Establishment of a BRICS Contingent Reserve Arrangement. The NDB's articles of agreement provided for an initial subscribed capital of \$50 billion distributed equally among the founding members, voting power equal to the member's subscribed shares in the capital stock, and an initial authorized capital of \$100 billion. The bank's primary functions included support of infrastructure and sustainable development projects through the provision of loans, guarantees, equity participation, and other financial instruments; cooperation with IFIs and national development banks; provision of technical assistance; and the establishment of special funds [BRICS, 2014a]. The CRA terms defined the initial total and distribution of committed resources,⁴ the instruments,⁵ access limits, and procedures and conditions for request and approval of swap transactions [BRICS, 2014b]. The leaders pledged to raise economic cooperation to a qualitatively new level and to develop a road map. BRICS reiterated commitments to the UN MDGs and promised to work with the UN to achieve an ambitious proposal on the subsequent SDGs.

Given the role of information and communications technology (ICT) and the Internet in sustainable development, BRICS leaders discussed cooperation on ICT research and development. Their national security advisors were asked to establish a group of experts to develop proposals on cybersecurity cooperation and coordination in the UN. Their national development banks signed the Cooperation Agreement on Innovation. A strategic framework defining the

⁴ China—\$41 billion. Brazil, Russia and India—\$18 billion each. South Africa—\$5 billion.

⁵ Liquidity and precautionary.

institutional structure and modalities for cooperation in science, technology, and innovation was established by the respective ministries. A joint session with the leaders of South American countries was held on multilateralism and international cooperation on peace, security and sustainable development. In response to Australian prime minister Tony Abbott questioning President Putin's participation in the G20 Brisbane summit in light of the events in Ukraine [Mosendz, 2014], BRICS explicitly stated the members' shared position that "custodianship of the G20 belongs to all Member States equally and no one Member State can unilaterally determine its nature and character" [Government of South Africa, 2014c].

Russia's BRICS 2015 presidency continued the institutionalization. The NDB and the CRA became operational. The national development banks signed a memorandum of understanding on cooperation with the NDB providing for the joint mobilization of funds and project financing. In the official track arose the first meetings of ministers of energy, environment, labour and employment, industrial policies, communication, culture and youth, heads of tax authorities, and senior officials in charge of international development cooperation. In the second track, the Civil BRICS, Youth BRICS and Parliamentary Forum launched the dialogue between the members' civil society and legislatures. The Memorandum of Understanding on Establishing the BRICS Network University spurred closer cooperation between the members' universities. The Strategy for BRICS Economic Partnership sought to boost economic cooperation.

The global governance agenda covered a broad range of issues, from UN reform, global health security, and post-2015 development goals to improving sovereign debt restructuring processes. BRICS reiterated its commitment to work in the G20 on macroeconomic policy coordination, financial regulation, base erosion and profit shifting (BEPS), and IFI reform, promoting the priorities of developing countries and emerging markets. The leaders called on the U.S. to ratify the 2010 IFI reforms by mid-September 2015. The Russian presidency continued outreach consultations with regional partners, discussing sustainable economic growth and global and regional governance with the leaders of the Eurasian Economic Union, the Shanghai Cooperation Organisation (SCO) members, and the SCO observer states.

India's 2016 presidency sought to promote implementation, balance innovation and continuity in the agenda, sustain institutionalization, and better integrate cooperation mechanisms. On economic governance, leaders reiterated their commitments on advancing negotiations on the Doha Development Agenda, IFI reform, and cooperation for strong, sustainable and inclusive growth. They expressed support for implementation of BEPS, emphasizing that profits should be taxed in the jurisdiction where the economic activity is performed and the value is created. BRICS adopted the ICT Development Agenda and Action Plan to deepen BRICS cooperation on ICTs. The Digital Partnership provided for coordination of national digital agendas, strengthening business-to-business (B2B) engagement, technology transfer and standardization in ICTs, capacity building, e-government development, and coordination within the International Telecommunication Union and other international organizations. On the political-security agenda, BRICS advanced cooperation on combating terrorism, blocking sources of terrorist finance, fighting money laundering, drug trafficking, and criminal activities, and countering misuse of the Internet and ICT. Leaders confirmed the UN's key role in addressing ICT security and promised to work together for the adoption of the rules, norms and principles of responsible behaviour of states, including through the UN Group of Governmental Experts, which was going through a period of contradictions due to the differences in the U.S.- and Russian-sponsored approaches. They created the BRICS Joint Working Group on

Counter Terrorism to coordinate efforts. The outreach summit focused on expanding trade and investment cooperation with the BIMSTEC members.⁶

In 2017, preserving unity, despite conflicts and contradictions among members, was one of the presidency's priorities. Five days before the summit, India and China began an expeditious disengagement of their border military forces at Doklam [Government of India, 2017], ending an almost three-month stand-off. President Xi Jinping, in his address at the BRICS Xiamen summit, called for doubling the members' efforts "to comprehensively deepen BRICS partnership and usher in the second 'Golden Decade' of BRICS cooperation" [Xi, 2017]. The Chinese presidency sought to produce tangible outcomes on BRICS' economic cooperation and people-to-people engagement and to consolidate BRICS' unity for a more just, equitable, secure, and representative international political and economic order.

Progress on intra-BRICS cooperation was more visible than that on fostering global governance reform. The Framework on Strengthening the Economic and Technical Cooperation, the BRICS E-Commerce Cooperation Initiative, the BRICS Trade in Services Cooperation Roadmap, and the Outlines for BRICS Investment Facilitation defined goals, areas, and actions for trade and investment cooperation. The heads of tax authorities' communiqué specified areas of intra-BRICS and international cooperation on tax, including through a BRICS customs mutual assistance agreement. The establishment of a BRICS local currency bond fund was proposed to promote the development of BRICS local currency bond markets. Expansion of cultural networks⁷ and initiatives⁸ advanced amity between the people. The Chinese initiative on BRICS+ as a new platform for dialogues with other major developing countries or groups of countries did not continue beyond the Chinese presidency. But the dialogue with Egypt, Kenya, Tajikistan, Mexico and Thailand on the 2030 Agenda and building partnerships for development kicked off a debate on outreach as a mechanism for forging regional and bilateral alliances across continents and bringing together the regional integration blocks in which BRICS economies play a leading role [Lissovolik, 2017]. BRICS survived the India-China military conflict unbroken [Verma, Papa, 2021].

In 2018, South African president Matamela Cyril Ramaphosa, who had succeeded BRICS veteran Jacob Zuma in February 2018, was expected to focus on domestic affairs after a political crisis in the African National Congress and Zuma's resignation. Some experts assumed that Ramaphosa would not be an enthusiastic member of the BRICS club that South Africa had joined under his predecessor. However, Ramaphosa used the BRICS presidency to build relationships with the other BRICS leaders. The key message BRICS conveyed was a renewed commitment to stability, multilateralism and prosperity. BRICS emphasized support for the UN's central role in international affairs, building a fair, just and equitable international order, and addressing common traditional and non-traditional security challenges. Amidst the unprecedented crisis in the World Trade Organization (WTO), the leaders pledged to develop the legal framework of the multilateral trading system and overcome the impasse in the WTO Appellate Body.

Intra-BRICS institutional innovations included the establishment of the BRICS Partnership on New Industrial Revolution. The impressive second track programme of 24 events, bringing together youth, business, academics, film-makers, city governors, and media in dif-

⁶ Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation comprising Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand.

⁷ The BRICS Alliance of Libraries, Alliance of Museums, Alliance of Art Museums and National Galleries as well as Alliance of Theaters for Children and Young People.

⁸ BRICS Culture Festival, Action Plan of Promoting BRICS Media Cooperation, Chengdu Initiative of 2017 BRICS Friendship Cities and Local Governments Cooperation Forum, Fuzhou Initiative of the BRICS Political Parties, Think-Tanks and Civil Society Organizations Forum.

ferent parts of South Africa, emphasized the centrality of the people-to-people dimension in BRICS cooperation. The outreach dialogue with the leaders of Rwanda, Uganda, Togo, Zambia, Namibia, Senegal, Gabon, Ethiopia, Angola, and the African Union Chair confirmed South Africa's commitment to making the most of its BRICS membership to foster its members' cooperation with the countries of the continent.

Thus, despite conflicts between the members [Chaulia, 2021], domestic and external challenges, and changes in the members' leaders,⁹ BRICS sustained its institutional dynamics, expanded its cooperation agenda, consolidated its outreach dialogue, and deepened people-to-people engagement and coordination for multilateralism and equitable international order.

The Third Cycle: Standing the Tests of Divisions, COVID-19 and the Pandemic-Induced Crisis (2019–)

Brazil's Jair Messias Bolsonaro, elected in October 2018, took office in January 2019. He promised a drastic change in foreign policy, priorities for deepening trade and investment relations with the U.S., Brazil's accession to the Organisation for Economic Co-operation and Development, and differences with other BRICS members over his intention to invite to the outreach session Venezuela's Juan Guaidó, whom none of the other BRICS countries recognized as president [Stuenkel, 2020b]. Thus, expectations of Brazil's presidency were low. However, despite a late start,¹⁰ cooperation proved productive. Under the theme of economic growth for an innovative future, the agenda centred on strengthening cooperation in science, technology, and innovation, engagement on the digital economy, and invigoration of the fight against transnational crime. The programme included the traditional formal and informal summits—16 ministerial and 66 senior officials' meetings—consolidating cooperation on the full spectrum of issues. BRICS adopted a framework for the iBRICS Network (a mechanism for cooperation between science parks, technology incubators and accelerators) to foster mutual knowledge, capacity building, and advancement of BRICS innovation systems, and endorsed the BRICS Science, Technology and Innovation Work Plan 2019–2022. The leaders supported the launch of the dual-track negotiation process under the auspices of the UN on universally agreed norms, rules and principles for responsible behaviour of states in ICTs. Unable to forge a consensus on establishing legal frameworks for ensuring security in the use of ICTs, BRICS agreed to continue the discussion of both the Russian initiative on a BRICS intergovernmental agreement and the Brazilian proposal on bilateral agreements among BRICS countries. Although BRICS cooperation did not make significant breakthroughs and the outreach meeting was cancelled, the BRICS' spirit and institutional dynamics were sustained.

In 2020, Russia, as host, had prepared to steer BRICS to strengthen multilateralism and deepen economic cooperation and contacts between people, under the theme "Partnership for Global Stability, Shared Security and Innovative Growth." While the theme remained valid, the focus of deliberations and the mode of engagement changed in response to the eruption of the COVID-19 pandemic and the social and economic crisis it caused. The NDB promptly committed \$10 billion for crisis-related assistance, including financing healthcare, social safety-related expenditures, and support for economic recovery. By June, it had provided \$4 billion worth of emergency finance to China, India, Brazil and South Africa. It successfully placed two issues of a \$1.5 billion, 3-year COVID response bond and a \$2 billion, 5-year COVID response

⁹ Narendra Modi, member of Indian People's Party, succeeded Manmohan Singh of the Indian National Congress in May 2014. Xi Jinping assumed office in spring 2013, after Hu Jintao's retirement.

¹⁰ The first sherpas meeting was held mid-March.

bond in international capital markets. The CRA stood ready with its liquidity and precautionary instruments to respond to balance of payments pressures, if needed.

Engagement moved online smoothly. More than 150 events were held, and 30 documents were adopted almost as planned, including the Strategy for BRICS Economic Partnership for 2021–2025 and the Counter Terrorism Strategy. BRICS COVID-19 response actions included an exchange of information, support for the World Health Organization (WHO) and the Access to COVID-19 Tools Accelerator initiative, and a commitment “to work to ensure that, when available, the vaccine is disseminated in a fair, equitable and affordable basis” [BRICS, 2020]. The members coordinated in the G20 and supported its commitments as they had in 2008–09. Stocktaking and publication of a report that assessed the achievements of the Strategy for BRICS Economic Partnership between 2015–2020 introduced accountability in BRICS, which had been absent before 2020. The live-streaming of the virtual summit demonstrated BRICS’ openness to the world and its people, but it was not a true high-table summit of the leaders’ face-to-face informal meeting. The group’s engagement was again affected by the standoff on the China-India Line of Actual Control in Ladakh, which had erupted in June 2020, and by the tensions in the countries’ bilateral relations, including economic cooperation [Madan, 2020].

In 2021, India’s presidency under the theme “BRICS @ 15: Intra-BRICS Cooperation for Continuity, Consolidation and Consensus” was blighted by continued waves of the COVID-19 pandemic. India, Brazil and Russia were among the top five hardest hit countries, with almost 33, 21 and 7 million cases, respectively, by the time of the September summit [WHO, n.d.]. Nevertheless, India advanced cooperation by holding more than 150 events, including almost 30 ministerial meetings and more than 40 virtual events in the people-to-people track. Key deliverables included the BRICS Joint Statement on Strengthening and Reforming the Multilateral System, agreed by the foreign ministers and endorsed by the leaders, the Action Plan 2021–2024 for Agricultural Cooperation of BRICS Countries, and the BRICS Counter Terrorism Action Plan. BRICS reiterated its commitment to promote more responsive, effective, transparent, democratic, action- and solution-oriented global governance institutions, especially the UN, the IMF, the WTO, and the WHO, through enhanced cooperation and close coordination in all relevant multilateral fora, including the G20 [BRICS, 2021a].

To advance recovery and inclusive growth, BRICS pledged to strengthen structural reforms, provide support to the most vulnerable groups of the population and businesses, enhance long-term infrastructure investments, and accelerate socially inclusive digital transformation. Recognizing the nexus between sustainable growth and climate change, finance ministers and central bank governors confirmed their commitment to work with the global community to tackle climate change. Simultaneously, they stressed the group’s shared position that measures to combat climate change should not be used to undermine fair economic competition and expressed concern with unilateral climate-related trade barriers such as the European Union’s proposed carbon border adjustment mechanism. This position was reiterated by the ministers of trade. The leaders reaffirmed BRICS’ commitment to achieve all SDGs and close cooperation in the run up to the 2021 United Nations Framework Convention on Climate Change Conference. The agreement signed by BRICS space agencies on Cooperation on BRICS Remote Sensing Satellite Constellation enhanced capabilities in research on global climate change, disaster management, environmental protection, and sustainable socio-economic development.

The BRICS Joint Working Group on Counter Terrorism, set up during the 2016 Indian presidency, finalized the counter terrorism plan intended to strengthen cooperation between BRICS intelligence, law enforcement, and security agencies for combating terrorism, online terrorist threats, and terrorism financing [BRICS, 2021b]. The plan was adopted before the withdrawal of the U.S. and the North Atlantic Treaty Organization (NATO) from Afghani-

stan in August. The Taliban's rise to power in Kabul, movements of migrants, and threats of actions by militant Jihadi groups created widespread anxiety in the region [Bhatia, 2021], to which BRICS sought to respond. The leaders emphasized three priorities: fostering an inclusive intra-Afghan dialogue to ensure stability, peace, and law and order in the country; fighting terrorism and preventing attempts by terrorist organizations to use Afghan territory to carry out attacks against other countries; and addressing the humanitarian needs [BRICS, 2019]. The commitment's Achilles heel was India's concern with "China's inclination to recognise the Taliban government, support Pakistan and turn a blind eye to extremist Islamic groups as long as they stayed away from China's troubled Uyghur province" [Bhatia, 2021]. Russia's role in overcoming the lack of trust and delivering on the commitment will thus be crucial [Chaulia, 2021].

In 2021, the NDB expanded its membership, project portfolio, support to the members' social and economic recovery, and issuance of bonds in international and Chinese markets. The NDB Board of Directors approved the remaining \$3 billion from the \$10 billion emergency assistance facility endorsed in 2020: \$1 billion for Russia to support incentive payments to health-care personnel, \$1 billion for South Africa to stimulate jobs creation, and \$1 billion for China to revive economic activities and generate employment. The money for financing recovery and sustainable development was raised by issuing a 3-year fixed rate RMB 5 billion bond in the China interbank bond market (CIBM), and a 5-year \$1.5 billion benchmark bond and a 3-year \$2.25 billion bond in the international market. The NDB became one of the first banks to pilot the United Nations Development Programme's SDGs Impact Standards for Bond Issuers. Investments into physical sustainable infrastructure projects, accompanied by support for digital infrastructure development, amounted to almost \$1.5 billion.

Thus, in the third hosting cycle, BRICS withstood the triple tests of the health, social and economic crises, tensions between its members, and the new divisive threats over Afghanistan. It expanded cooperation on health, made progress on digital economy, science, and technology and innovation cooperation, adopted the Strategy for BRICS Economic Partnership for 2021–2025 and the Counter Terrorism Action Plan. Though most of the activities moved online, the group sustained its internal institutional dynamics. BRICS combined flexibility, innovation and continuity, but held no outreach meetings in 2019, 2020 or 2021. One of the major developments was the NDB's performance.

Dimensions of Performance

BRICS' evolution as an increasingly effective plurilateral summit institution for transregional global governance, with a comprehensive political-security, socio-economic, and people-to-people agenda, is evident in its performance on the key dimensions of producing collective, precise, future-oriented, politically binding commitments, and in having its members comply with them before the next summit takes place.

Commitments

In producing commitments, performance generally rose (See Appendix A). From 2009–21, the 13 BRIC(S) regular summits made 933 commitments. They began at Yekaterinburg in 2009 with only 15, then climbed somewhat steadily to 127 in 2015, to 128 in 2017, and to a peak of 194 in 2020. By host, Russia averaged 112, Brazil averaged 60, China averaged 83, India averaged 47, and South Africa averaged 56.

By subject, most commitments came on international cooperation, with 99, followed in turn by trade with 68, regional security with 65, and crime and corruption with 61. Then came

macroeconomic policy with 58, development and energy with 47 each, food-agriculture and ICT and digital economy with 42 each, IFI reform with 37, fighting terrorism with 34, climate change with 32, and health and financial regulation with 28. Those subjects that have been of continuous concern are international cooperation, trade, and IFI reform with 13 years each, followed by macroeconomic policy, development, and regional security at 12 each. This suggests that BRICS has indeed focused on its distinctive mission of representing developing countries, and substantially on strengthening intra-BRICS co-operation, supporting the G20, reforming international institutions, and promoting economic growth.

The 99 commitments on international cooperation have been highest at summits hosted by South Africa and Russia with an average of 12 and 10, respectively. The 47 commitments on development have been led by South Africa and China, which averaged 6, while Brazil averaged 4, and Russia and India averaged 2. South Africa has a prominent position on both.

Compliance

Compliance with these commitments by members averaged 77% on the popular scale (or +0.53 on the scientific scale ranging from -1.00 to +1.00) (See Appendix B). Each year, performance has only been in the positive range and usually at a substantial level.

Over time, compliance generally rose to a peak at 89% in 2016 and then slid. Compliance with the assessed 2009 commitments was 100%, with those for 2010 at 63%, those for 2011 at 74%, those for 2012 at 64%, and those for 2013 at 74%. During the first five-year hosting cycle, annual compliance averaged 75%. During the second hosting cycle, compliance rose a little and stayed steady at that higher level. For 2014 it was 70%, in 2015 it was 78%, in 2016 it was 89%, in 2017 it was 79%, and in 2018 it was 85%, for an annual average of 80%. During the third cycle, 2019 had 75% and 2020 had 72%.

Among the members, compliance has been led by India and China, at 83% and 81%, respectively, followed in turn by Russia at 80%. Brazil has 70% and the most recent member, South Africa, has 68%.

By subject, compliance has been led by health and macroeconomic policy at 90%, climate change at 86%, fighting terrorism at 85%, development and energy at 83% each, ICT and digital economy at 80%, and trade and sustainable development at 78% each. BRICS showed below average compliance for crime-corruption at 75%, IFI reform at 62%, finance at 60%, and regional security at 41%. Commitments with fewer than five compliance assessments are led by food-agriculture, the environment, and employment, with 90% each. This pattern shows that BRICS does deliver highly on its mission to support economic growth and promote development. However, progress on the IFI reforms has been inadequate.

Conclusion

In its first 15 years of cooperation, BRICS held 13 annual summits and nine informal summits, produced 933 collective decisions, and complied with them at a level of 77% [CIIR, n.d.]. BRICS established almost 60 intra-group institutions [Larionova et al., n.d.] and an extensive people-to-people network including Business, Think Tanks and Academic, Trade Unions, Parliamentarian, Youth, Civil, and Women Business Alliance dialogues. The group expanded its agenda to 34 subjects. While this broadening sometimes came at the expense of deepening, the members ensured continuity across presidencies. Each of the members revisited the past presidency's priorities at a new level, providing additional impetus to the agenda. By the time of the 13th summit, the NDB had mounted 80 projects amounting to \$30 billion and

had admitted the United Arab Emirates, Uruguay, Bangladesh and Egypt as new members, increasing its representation and legitimacy. With seven bond programmes, the NDB generated liquidity for funding in financial markets, enhancing its financial sustainability through market instruments [Duggan, Ladines Azalia, Rewizorski, 2021]. BRICS sustained its institutional dynamics despite domestic challenges, contradictions between the members, and the unprecedented tests of the COVID-19 pandemic and ensuing socio-economic crises. Progress on intra-BRICS cooperation was more tangible than that on advancing international architectural reform, despite the group's unwavering commitment to a more equitable international order.

The dense institutional networks, flexibility, continuity, and BRICS' foundational principle of moving forward only on issues acceptable to all members were vital for BRICS' resilience and expansion. Though the consensus-based working method, coupled with the principle of refraining from imposing any decisions on members of other IIs, sometimes constrained the group's leadership, BRICS proved its value as a platform for facilitating its members' bilateral relations and convergence in approaches, fostering dialogue between its peoples, promoting its members' role in global governance, and advancing inclusive, representative and effective global governance.

References

- Beeson M., Zeng J. (2018) The BRICS and Global Governance: China's Contradictory Role. *Third World Quarterly*, vol. 39, issue 10, pp. 1962–78. Available at: <https://doi.org/10.1080/01436597.2018.1438186>.
- Besada H., Tok E., Winters K. (2013) South Africa in the BRICS: Opportunities, Challenges and Prospects. *Africa Insight*, vol. 42, no 4, pp. 1–15. Available at: <http://www.nsi-ins.ca/wp-content/uploads/2013/10/2013-South-Africa-in-the-BRICS.pdf> (accessed 9 June 2022).
- Bhatia R. (2021) Measuring 15 Years of BRICS. *Hindustan Times*, 14 September. Available at: https://www.gatewayhouse.in/measuring-15-years-of-brics/?utm_source=MadMimi&utm_medium=email&utm_content=U_S_+2001-21%3A+Of+Friends+and+Foes+%7C+Measuring+15+years+of+BRICS+%7C+Automotive+industry+zooming+into+space+%7C+India+and+the+SCO+in+the+21st+century&utm_campaign=20210915_m164748610_Weekly+Briefing+2021+%281%29&utm_term=Measuring+15+years+of+BRICS (accessed 10 June 2022).
- BRIC (2008) Brazil, Russia, India and China Finance Ministers Joint Communiqué. São Paulo, 7 November. Available at: <http://www.brics.utoronto.ca/docs/081107-finance.html> (accessed 14 June 2022).
- BRIC (2009) Meeting of BRIC Finance Ministers and Central Bank Governors Communiqué. London, 4 September. Available at: <https://www.ranepa.ru/images/media/brics/ruspresidency1/finance%202009.pdf> (accessed 9 June 2022).
- BRICS (2013) Statement by BRICS Leaders on the Establishment on the BRICS-Led Development Bank. eThekweni, 27 March. Available at: <https://www.ranepa.ru/images/media/brics/sapresidency1/Statement%20by%20BRICS%20Leaders%20on%20the%20establ..%20the%20BRICS-Led%20Development%20Bank.pdf> (accessed 10 June 2022).
- BRICS (2014a) Agreement on the New Development Bank. Fortaleza, 15 July. Available at: <https://www.ndb.int/wp-content/themes/ndb/pdf/Agreement-on-the-New-Development-Bank.pdf> (accessed 10 June 2022).
- BRICS (2014b) Treaty for the Establishment of a BRICS Contingent Reserve Arrangement. Fortaleza, 15 July. Available at: <https://www.ranepa.ru/images/media/brics/brazpresidency2/CRA.pdf> (accessed 10 June 2022).
- BRICS (2019) XIII BRICS Summit: New Delhi Declaration. 9 September. Available at: <http://www.brics.utoronto.ca/docs/210909-New-Delhi-Declaration.html> (accessed 10 June 2022).
- BRICS (2020) XII BRICS Summit Moscow Declaration. 17 November. Available at: <https://eng.brics-russia2020.ru/images/114/81/1148126.pdf> (accessed 10 June 2022).

BRICS (2021a) BRICS Joint Statement on Strengthening and Reforming the Multilateral System. Video Conference, 1 June. Available at: <https://brics2021.gov.in/brics/public/uploads/docpdf/getdocu-22.pdf> (accessed 10 June 2022).

BRICS (2021b) BRICS Counter Terrorism Action Plan. Available at: <https://brics2021.gov.in/brics/public/uploads/docpdf/getdocu-52.pdf> (accessed 10 June 2022).

Center for International Institutions Research (CIIR) (n.d.) Analytics BRICS: BRICS Compliance Studies. RANEPa. Available at: <https://www.ranepa.ru/eng/ciir-ranepa/research-areas/brics/analytics/> (accessed 10 June 2022).

Chakraborty S. (2018) Significance of BRICS: Regional Powers, Global Governance, and the Roadmap for Multipolar World. *Emerging Economy Studies*, vol. 4, issue 2, pp. 182–91. Available at: <https://doi.org/10.1177%2F2394901518795070>.

Chaulia S. (2021) In Spite of the Spite: An Indian View of China and India in BRICS. *Global Policy*, vol. 12, issue 4, pp. 519–23. Available at: <https://doi.org/10.1111/1758-5899.13009>.

Cooper A. (2016) *BRICS: A Very Short Introduction*. Oxford University Press. Available at: <http://doi.org/10.1093/actrade/9780198723394.001.0001>.

Duggan N., Hooijmaaijers B., Rewizorski M., Arapova E. (2021) Symposium: “The BRICS, Global Governance, and Challenges for South–South Cooperation in a Post-Western World.” *International Political Science Review*. Available at: <https://doi.org/10.1177%2F01925121211052211>.

Duggan N., Ladines Azalia J. C. (2020) From Yekaterinburg to Brasilia: BRICS and the G20, Road to Nowhere? *Revista Brasileira de Política Internacional*, vol. 63, no 1, pp. 1–18. Available at: <https://doi.org/10.1590/0034-7329202000109>.

Duggan N., Ladines Azalia J. C., Rewizorski M. (2021) The Structural Power of the BRICS (Brazil, Russia, India, China and South Africa) in Multilateral Development Finance: A Case Study of the New Development Bank. *International Political Science Review*. Available at: <https://doi.org/10.1177%2F01925121211048297>.

Gao W. (2018) BRICS Cybersecurity Cooperation: Achievements and Deepening Paths. *China International Studies*, no 1, pp. 124–39. Available at: <http://www.ciijournal.com/Magazine/GetIssueContentList?year=2018&issue=1&pageSize=10> (accessed 9 June 2022).

Global Governance Program (2020) Compliance Coding Manual for International Institutional Commitments. University of Toronto. Available at: http://www.g7.utoronto.ca/compliance/Compliance_Coding_Manual_2020.pdf (accessed 9 June 2022).

Government of India (2017) Press Statement on Doklam Disengagement Understanding. Press Release, 28 August. Available at: https://mea.gov.in/pressreleases.htm?dtl/28893/Press_Statement_onDoklam_disengagement_understanding (accessed 10 June 2022).

Government of South Africa (2014) BRICS Ministers Meet on the Sidelines of the Nuclear Security Summit in the Hague. 24 March. Available at: <https://www.ranepa.ru/images/media/brics/brazpresidency2/nuclear.pdf> (accessed 10 June 2022).

Hooijmaaijers B. (2021) The BRICS Countries’ Bilateral Economic Relations, 2009 to 2019: Between Rhetoric and Reality. *SAGE Open*, vol. 11, issue 4, pp. 1–16. Available at: <https://doi.org/10.1177%2F21582440211054128>.

Hopewell K. (2017) The BRICS—Merely a Fable? Emerging Power Alliances in Global Trade Governance. *International Affairs*, vol. 93, issue 6, pp. 1377–96. Available at: <https://doi.org/10.1093/ia/iix192>.

International Monetary Fund (IMF) (2012) World Economic Outlook: Growth Resuming, Dangers Remain, April 2012. Available at: <https://doi.org/10.5089/9781616352462.081>.

Kirton J. J. (2015) Explaining the BRICS Summit’s Solid, Strengthening Success. *International Organisations Research Journal*, vol. 10, no 2, pp. 9–38. Available at: <http://doi.org/10.17323/1996-7845-2015-02-09>.

Larionova M., Ignatov A., Popova I., Sakharov A., Shelepov A. (n.d.) BRICS at Ten: The Way Forward. Center for International Institutions Research (CIIR), RANEPa. Available at: https://www.ranepa.ru/images/News_ciir/Project/BRICS_new_downloadings/BRICS-at-Ten_en_1227.pdf (accessed 10 June 2022).

- Larionova M., Rakhmangulov M., Sakharov A., Shelepov A. (2014) BRICS: Emergence of Health Agenda. *International Organisations Research Journal*, vol. 9, no 4, pp. 73–88. Available at: <https://iorj.hse.ru/data/2014/12/26/1103993997/BRICShealth.pdf> (accessed 9 June 2022).
- Larionova M., Shelepov A. (2021) BRICS, G20 and Global Economic Governance Reform. *International Political Science Review*. Available at: <https://doi.org/10.1177/01925121211035122>.
- Li X. (ed.) (2019) *The International Political Economy of the BRICS*. Routledge.
- Lissovlik Y. (2017) BRICS-Plus: Alternative Globalization in the Making? Valdi Papers, Russia in Global Affairs. Available at: <https://eng.globalaffairs.ru/articles/brics-plus-alternative-globalization-in-the-making/> (accessed 10 June 2022).
- Madan T. (2020) Emerging Global Issues: The China-India Boundary Crisis and Its Implications. Brookings, 9 September. Available at: <https://www.brookings.edu/testimonies/emerging-global-issues-the-china-india-boundary-crisis-and-its-implications/> (accessed 10 June 2022).
- Mosendz P. (2014) Angry Australian Prime Minister Aims to Remove Russia from G-20 Summit. *The Atlantic*, 21 July. Available at: <http://theatlantic.com/international/archive/2014/07/australia-aims-to-remove-russia-from-g-20-summit/374748/> (accessed 10 June 2022).
- Nuruzzaman M. (2020) Why BRICS Is No Threat to the Post-War Liberal World Order. *International Studies*, vol. 57, issue 1, pp. 51–66. Available at: <https://doi.org/10.1177%2F0020881719884449>.
- President of the Russian Federation (RF) (2009) Russian Proposals to the London Summit (April 2009). Available at: <http://en.kremlin.ru/supplement/4401> (accessed 10 June 2022).
- Stuenkel O. (2020a) *The BRICS and the Future of Global Order*. Lexington Books.
- Stuenkel O. (2020b) Why the BRICS Grouping is Here to Stay. *The Diplomat*, 20 November. Available at: <https://thediplomat.com/2020/11/why-the-brics-grouping-is-here-to-stay/> (10 June 2022).
- Verma R., Papa M. (2021) BRICS Amidst India-China Rivalry. *Global Policy*, vol. 12, issue 4, pp. 509–13. Available at: <https://doi.org/10.1111/1758-5899.12977>.
- Wallerstein I. (2016) The BRICS: A Fable for Our Time. *Toward Freedom*, 7 January. Available at: <https://towardfreedom.org/archives/globalism/the-brics-a-fable-for-our-time> (accessed 9 June 2022).
- [Dataset] World Health Organization (WHO) (n.d.) WHO Coronavirus (COVID-19) Dashboard: Situation by Region, Country, Territory & Area. Available at: <https://covid19.who.int/table> (accessed 10 June 2022).
- Xi J. (2017) Stronger BRICS Partnership for a Brighter Future. Remarks at Plenary Session of BRICS Xiamen Summit. 4 September. Available at: http://eg.china-embassy.gov.cn/eng/rdwt/20170903/201709/t20170905_7243256.htm (accessed 10 June 2022).
- Zhou X. (2009) Reform the International Monetary System. BIS Review No 41, Bank for International Settlements. Available at: <https://www.bis.org/review/r090402c.pdf> (accessed 9 June 2022).

Appendix A: BRICS Commitments by Year and Subject, 2009–21

SPHERE HOST	RU 2009	BRA 2010	CHI 2011	IND 2012	SA 2013	BRA 2014	RU 2015	IND 2016	CHI 2017	SA 2018	BRA 2019	RU 2020	IND 2021	Total
International cooperation	1	2	2	2	10	6	21	6	12	14	7	9	7	99
Trade	1	2	5	9	3	4	6	2	5	4	4	20	3	68
Regional security	1	0	1	4	5	11	6	4	12	7	6	7	1	65
Crime and corruption	0	0	0	1	1	7	9	3	8	6	11	8	7	61
Macroeconomics	0	2	4	2	3	8	2	3	4	3	4	21	2	58
Development	1	5	1	2	6	7	3	2	11	5	0	3	1	47
Energy	5	9	1	2	0	0	0	0	6	2	2	20	0	47
Food and agriculture	2	0	1	1	0	4	17	0	5	3	0	7	2	42
ICT and digital economy	0	0	0	0	0	0	12	1	5	2	2	16	4	42
IFI reform	1	2	1	4	6	2	3	2	5	2	3	5	1	37
Terrorism	0	0	1	2	2	2	1	4	7	3	1	4	7	34
Science and education	1	1	1	0	0	4	4	0	8	0	0	13	1	33
Climate change	0	1	6	2	1	0	2	1	3	1	2	10	3	32
BRICS cooperation	0	0	3	0	0	3	5	2	6	2	1	8	0	30
Finance	0	4	2	1	0	2	5	1	4	4	1	4	0	28
Health	0	0	1	1	0	0	6	2	5	1	0	7	5	28
International taxation	0	0	0	0	0	3	4	4	5	4	5	2	0	27
Socioeconomics	1	0	3	2	0	5	3	0	0	0	0	10	0	24
Environment	0	0	0	0	0	2	0	1	3	3	4	6	2	21
International information security	0	0	2	0	0	4	7	2	2	1	0	0	0	18
Human rights	0	0	1	0	1	2	5	0	2	0	1	0	3	15
Culture	0	1	0	1	0	3	1	1	6	0	0	1	0	14
Sustainable development	0	0	0	0	1	2	1	1	1	2	2	2	2	14
Infrastructure	0	0	0	0	0	0	1	0	0	0	1	8	0	10
Non-proliferation	0	0	0	0	0	2	0	1	2	0	2	0	2	9
IGO reform	0	0	0	0	0	0	0	0	0	0	4	0	4	8
Population	0	0	0	0	0	0	2	1	1	1	0	0	0	5
Tourism	0	0	0	0	0	0	1	0	0	1	0	3	0	5
Gender	0	0	0	0	0	3	0	1	0	0	0	0	0	4

SPHERE HOST	RU 2009	BRA 2010	CHI 2011	IND 2012	SA 2013	BRA 2014	RU 2015	IND 2016	CHI 2017	SA 2018	BRA 2019	RU 2020	IND 2021	Total
Natural disasters	1	1	1	0	0	0	0	0	0	0	0	0	0	3
Peace and security	0	0	0	0	0	0	0	0	0	0	1	0	1	2
Accountability	0	0	1	0	0	0	0	0	0	0	0	0	0	1
Employment	0	0	0	0	0	0	0	0	0	1	0	0	0	1
Sport	0	1	0	0	0	0	0	0	0	0	0	0	0	1
TOTAL	15	31	38	36	39	86	127	45	128	72	64	194	58	933

Source: Calculations made on the basis of the data compiled by the CIIR RANEPa and the University of Toronto.

Appendix B: BRICS Compliance by Member and Subject, 2011–20

Subject	NAsst	ALL	Brazil	Russia	India	China	South Africa
All	89	+0.53 77%	+0.40 70%	+0.60 80%	+0.65 83%	+0.63 82%	+0.35 68%
Trade	10	+0.56 78%	+0.40 70%	+0.60 80%	+0.60 80%	+0.60 80%	+0.60 80%
Regional security	9	-0.18 41%	-0.78 11%	+0.33 67%	+0.33 67%	+0.22 61%	-1.00 0%
Macroeconomics	8	+0.80 90%	+0.88 94%	+0.75 88%	+0.75 88%	+1.00 100%	+0.63 82%
Development	8	+0.65 83%	+0.38 69%	+0.63 82%	+0.88 94%	+0.88 94%	+0.50 75%
Health	6	+0.80 90%	+0.67 84%	+0.83 92%	+0.50 75%	+1.00 100%	+1.00 100%
Terrorism	6	+0.70 85%	+0.33 67%	+1.00 100%	+1.00 100%	+0.67 84%	+0.50 75%
International taxation	6	+0.63 82%	+0.83 92%	+0.50 75%	+0.83 92%	+0.67 84%	+0.33 67%
ICT and digital economy	6	+0.60 80%	+0.67 84%	+0.67 84%	+0.67 84%	+0.33 67%	+0.67 84%
Crime and corruption	6	+0.50 75%	+0.50 75%	+0.50 75%	+0.50 75%	+0.67 84%	+0.33 67%
Climate change	5	+0.72 86%	+0.80 90%	+0.60 80%	+0.80 90%	+0.80 90%	+0.60 80%
Energy	4	+0.65 83%	+0.75 88%	+0.75 88%	+0.75 88%	+0.50 75%	+0.50 75%
IFI reform	4	+0.23 62%	0.00 50%	+0.25 63%	+0.25 63%	+0.25 63%	-0.25 38%
Finance	4	+0.20 60%	0.00 50%	+0.25 63%	+0.75 88%	+0.50 75%	-0.50 25%
Environment	2	+0.80 90%	+1.00 100%	+0.50 75%	+1.00 100%	+0.50 75%	+1.00 100%
Food and agriculture	1	+0.80 90%	+1.00 100%	+1.00 100%	0.00 50%	+1.00 100%	+1.00 100%
Employment	1	+0.80 90%	+1.00 100%	0.00 50%	+1.00 100%	+1.00 100%	+1.00 100%
Gender	1	+0.60 80%	+1.00 100%	+1.00 100%	0.00 50%	0.00 50%	+1.00 100%
Sustainable development	1	+0.56 78%	0.00 50%	+1.00 100%	0.00 50%	0.00 50%	+1.00 100%
Human rights	1	+0.20 60%	-1.00 0%	0.00 50%	+1.00 100%	+1.00 100%	0.00 50%

Source: Calculations made on the basis of the data compiled by the CIIR RANEPa and the University of Toronto.

Reframing the Debate Over BRICS Beyond Its Conceptual Origins¹

A.F. Cooper

Andrew F. Cooper—University Research Professor, the Department of Political Science, Professor, Balsillie School of International Affairs, University of Waterloo, Canada; Associate Research Fellow-UNU CRIS (Institute on Comparative Regional Integration), Bruges, Belgium. 200 University Ave West, Waterloo, Ontario, Canada; acooper@uwaterloo.ca

Abstract

BRICS has commonly been framed through a strictly economic perspective, with a focus on the growth patterns of the individual members: Brazil, Russia, India, China, and South Africa. Viewed in this fashion, the grouping is judged in a negative manner, with a sense of disappointment and frustration. Yet, framed in a wider diplomatic context, the image of BRICS is quite different, with an accent on several features that cast a more positive interpretation. BRICS: A Very Short Introduction highlighted these features in 2016. And, notwithstanding some unanticipated developments that exaggerated the differences—and tensions—between the members of BRICS, it is the staying power and pattern of evolution in a creative fashion of the BRICS club that stands out. Although overshadowed by other multilateral institutions, the achievements of the New Development Bank (NDB) should not be downplayed. Moreover, BRICS has developed problem (or even crisis) management techniques. As with other informal institutions with club-like attributes, some of these tensions were dealt with by avoiding issues that divided the members. Over time, though, this template has been complemented by more active forms of problem-solving relating to internal differences.

Keywords: BRICS, New Development Bank, China, India, Russia

For citation: Cooper Andrew F. (2022) Reframing the Debate over BRICS Beyond its Conceptual Origins. *International Organisations Research Journal*, vol. 17, no 2, pp. 31–49 (in English). doi:10.17323/1996-7845-2022-02-02

BRICS has commonly been framed through a strictly economic perspective, with a focus on the growth patterns of the individual members: Brazil, Russia, India, China, and South Africa. Viewed in this fashion, the group is judged in a negative manner, with a sense of disappointment and frustration. The classic case of this “fail to deliver” interpretation is in the analysis of Goldman Sachs’ Jim O’Neill, the first to use the acronym “BRIC” (without inclusion of South Africa). Publishing an op ed in the *Financial Times*, O’Neill presented a picture of pessimism [2021].

Yet, framed in a wider diplomatic context, the image of BRICS is quite different, with an accent on several features that cast a more positive interpretation. My *BRICS: A Very Short Introduction (BRICS VSI)* [Cooper, 2016] highlighted these features. And, notwithstanding some unanticipated developments that exaggerated the differences—and tensions—between the

¹ This article was submitted 23 February 2022.

members of BRICS, it is the staying power and creative pattern of evolution of the BRICS club that stands out.

To begin with, there is the obvious point that O'Neill glossed over; the shift of the meaning of BRICS from a loose cluster of countries that were deemed to have, as their central point of commonality, bigness in size and potential, to a durable informal institution. This in and of itself is a major success. As R. Putnam and N. Bayne highlighted with reference to the Group of 7 (G7), hanging together is not easy. In many respects, BRICS borrowed organizational features from the G7 [Putnam, Bayne, 1987]. Nonetheless, this theme of association should not be exaggerated. On a variety of organizational features, BRICS has built up a distinctive collective culture.

A second point, again minimized by O'Neill, is the creative extension of organization via the New Development Bank (NDB). Although overshadowed by other multilateral institutions, the achievements of the NDB should not be downplayed. Not only does the NDB signal an ability to create formal institutions beyond BRICS. BRICS has demonstrated a capacity to go beyond some of the orthodox features associated with multilateral development banks (MDBs), in terms of its model of green growth and its capacity to bring in new members beyond BRICS.

And a third point relates to problem (or even crisis) management techniques. As with other informal institutions with club-like attributes, tension over specific issues (for example, the question of support for India, Brazil and South Africa to be elevated to United Nations (UN) Security Council membership) can be dealt with by omission, in other words, by avoiding issues that divided the members. Over time, though, this template has been complemented by more active forms of problem-solving relating to internal differences.

The BRICS From Parallelism to Club Collectively

As underscored in *BRICS VSI*, despite its increasing prominence in academic and popular commentary on international economic and political affairs, the nature of BRICS is not well understood. This confusion stems largely from the multiple meanings that have been attached to the BRICS label since it was first introduced by Goldman Sachs' Jim O'Neill in the early 2000s. Initially created to highlight shifts in the underlying economic dynamics of the international system, BRICS has grown to encompass an economic, diplomatic, and geopolitical phenomenon with significant momentum and geostrategic implications.

At the most basic level, BRICS remains an indicator of the impressive rise in economic size from a cluster of big emerging markets beyond the West and, particularly, beyond the traditional economic power of the G7 countries. Publications since the early 2000s have interpreted this evolution as a dynamic and favourable trend driven largely by the BRICS countries' embrace of globalization and high levels of economic growth. The hallmark of these success stories lies in the perceived ability of BRICS to catch-up and eventually surpass the established G7 countries in terms of economic and, potentially, political weight.

The BRICS concept is thus closely linked with a narrative about the growing economic weight of large emerging market economies. Early accounts of the phenomenon put forward by financial analysts, consultancy firms, and asset fund managers stressed the positive nature of these shifts for both the countries themselves and the broader global economy. Academic assessments, in contrast, have embraced a degree of scepticism about the relevance of an investment-marketing concept to the serious study of international affairs. From this perspective, while the growing impact of the individual countries is evident, the BRICS concept as a framing device suffers from significant limitations. Indeed, examining the economic profiles of the BRICS countries individually, it is the contrasts—rather than the commonalities—that

stand out. On almost any criteria related to gross domestic product (GDP), trade, investment, or currency reserves, China stands out. In terms of high growth sectors, China, as the world's manufacturer, diverges appreciably from India, with its technology and global call centre hubs, as well as from resource-oriented Russia, Brazil and South Africa.

What fundamentally differentiates BRICS from its competitors, however, is the ongoing transformation of the original descriptive and predictive concept into diplomatic practice, beginning with the creation of the BRICS summit in 2009. Moreover, in addition to specific institutional innovations, the diplomatic practice of BRICS can be viewed as both an example and extension of informality in global affairs. During the post-1945 era, the universally oriented formal international organizations, notably the United Nations (UN), the international financial institutions (the International Monetary Fund (IMF) and the World Bank), and the World Trade Organization (WTO) held dominant sway. In light of the centrality of these institutions, winning recognition within these organizations became a central challenge for the countries of the Global South. However, as the campaign of Global South countries granted these states a greater voice within some formal international organizations, the advanced industrialized countries increasingly sidelined them in favour of more informal and exclusive modes of economic and political cooperation through forums such as the G7. In this context then, as a form of diplomatic practice the BRICS phenomenon represents an extension of this exclusivity and informality beyond the G7 states. This turn toward informality by a group of emerging market economies thus creates a dilemma within the Global South. While the descriptive element of the BRICS concept highlights the movement of emerging market economies from the periphery to the core of the international system as a result of globalization and economic growth, the translation of BRICS into diplomatic practice has had the effect of bifurcating the Global South, opening up a divergence between BRICS and the "Rest."

Nevertheless, despite its important symbolic and diplomatic properties, the ongoing weight and relevance of the BRICS summit and related institutions has yet to be conclusively demonstrated. Indeed, just as the acronym of "BRICS" overlooked individual differences between entities in terms of economic profile, the framing of BRICS in terms of operational practices ignores several important constraints on its ability to undertake collective action. In this regard, the major differences between the BRICS countries, with respect to both interests and identities, stand out as important barriers to effective cooperation. Institutionally, there is a marked contrast between the advantages enjoyed by Russia and China in the global system—permanent, veto-wielding members of the United Nations Security Council (UNSC)—and India, Brazil and South Africa.

Through their collective action, the BRICS countries have worked hard to present themselves as a cohesive, like-minded group. This effort, however, belies sharp differences in the political, economic, and policy approaches of the member states. Yet, there are fundamental sources of competition between the BRICS states. China and India, as well as Russia and China, have sharp legacies of territorial disputes. In 2017, the BRICS summit was caught up in an intensifying geopolitical contest between India and China punctuated by a dramatic escalation of tensions around the Doklam standoff, with armed forces of the two countries facing off in the Sikkim sector of the China-India boundary.

Notwithstanding these constraints, however, the transition of BRICS from concept to operational practice continues to serve as a major transition point in the relations between the West and non-West. Up to the creation of BRICS, the Global South acted as a demandeur with respect to reform of international institutions from a position of weakness. The global financial crisis (GFC) reversed this relationship. Unlike the Asian crisis of the late 1990s, the epicentre of the GFC was not located in the Global South, radiating out with worries about a contagion

effect to the West. The “made in the U.S.” and subsequently the Euro-crisis character of the shocks around the GFC added to the legacy of grievance in BRICS, but in the context of a new-found sense of confidence. Instead of advocating for reforms on normative grounds about fairness, the push by BRICS countries was predicated on the existence of their revised upward movement based on competitive performance in the global institutional architecture.

While BRICS summits have grown increasingly visible to policy professionals and casual observers alike, questions remain with respect to the underlying logic of the group itself, as well as the motivations of the participant countries. For example, is the move to translate the Goldman Sachs’ concept to operational reality simply a means to establish a platform signalling the quantitative gaps in economic performance between BRICS and other entities in the Global South? Or, alternatively, is it a mechanism designed instrumentally to allow the bridging of barriers between the BRICS countries themselves?

That said, BRICS continues to lack enough internal cohesion or demonstrated ability to undertake collective action necessary to be termed an alliance. Certainly, BRICS cannot be compared to deep and long-standing alliances such as the North Atlantic Treaty Organization (NATO) or the G7, which are rooted both in clear common interests and a shared set of underlying values. Rather, the most impressive feature of the group so far has not been a sizeable advance in intra-BRICS trade, nor the projection through what President Vladimir Putin of Russia has termed “a full-scale strategic management system” [Sputnik, 2013], but rather the group’s ability both to come into being and sustain its existence as a forum beyond the West over a substantial period of time.

To understand this measure of success necessitates a closer look at BRICS as a diplomatic project. Ultimately, some BRIC-like formation would have appeared on the international stage as a result of the shocks of the GFC and the operational culture of trust built up during the outreach process with the G7/8. Notwithstanding the structural obstacles in the way of sustainability, the agency of the BRICS countries made sure the forum worked by the utilization of an informal “club” mechanism of cooperation, working in the absence of a set physical site, a constitution or charter, or set schedule.

More generally, questions remain about the future of BRICS as an international institution or set of institutions. How much mortar—in the form of formal institutionalization—will be placed on BRICS? The initial stages of BRICS cooperation were driven largely by external forces, with emphasis placed on reforms that the BRICS countries wished to see enacted in other areas of the international institutional system. Early BRICS cooperation focused heavily on reforms of the IMF and the World Bank. From the 2012 New Delhi summit, by way of contrast, the focus of BRICS turned inward with an initiative designed to establish a South-South development bank independent of the existing hub institutions located in the West. Given the importance of this activity, some detailed analysis is required with respect to the NDB and its implications for the future of BRICS. At one level, the ability of BRICS to mobilize collectively in this fashion offers a test of how ingrained the club culture has become. At another level, the NDB provides indicators of whether BRICS is able to forge new, institution-driven links with the Rest of the Global South, or whether the NDB has become a new source of division, viewed by the Rest as a means by which BRICS pursues its own interests.

The NDB as a Success and Source of Tension

The NDB presents a puzzle beyond the minimal attention given by O’Neill. At one level, the puzzle relates to why and how the NDB initially grabbed major attention as the “mortar” in BRICS, but subsequently fell back in profile in relation to the China-backed Asian Infrastruc-

ture Investment Bank (AIIB). At another level, the puzzle relates to the relative lack of controversy for the NDB. As *The Economist* notes, the NDB “has received far less attention than another multilateral lender launched a short time later, the Asian Infrastructure Investment Bank (AIIB)... Take *The Economist's* own coverage: a dozen articles have mentioned the NDB, whereas the AIIB has cropped up in roughly 60.” Yet, notwithstanding BRICS’ overall weakness, *The Economist* continues: “their most tangible creation—a bank that aims to reshape the world of development finance—is making surprising headway” [*The Economist*, 2018. See also Chin, 2014; Cooper, 2017; Wang, 2017].

The two puzzles could go hand in hand, with the more modest, albeit constructive, performance of the NDB minimizing controversy. Rather than the emphasis on big infrastructure projects at the core of the established model, the NDB has advanced product innovation by smaller projects, as witnessed by the preference for sustainable development via green infrastructure. Yet, this argument about a low profile keeping away contention does not fit with the more generalized—and increasingly building—image of BRICS as a club of rising powers under increased stress.

If not just the NDB’s low profile, why then has the BRICS’ bank attracted so little controversy? Indeed, the puzzle is more striking because of the unorthodox culture of the NDB. In contradistinction to the AIIB, the NDB departs not only from the embedded model of these core multilateral financial institutions [*The Economic Times*, 2015] but also from earlier initiatives promoted by components of the Global South. From this perspective the NDB has a claim of originality that belies the suggestion that it represents a continuation of “familiar initiatives by newly arrived economies” such as the creation of development banks by the Middle Eastern oil producers in the 1970s [Kahler, 2016]. If indeed there are similarities with this category of initiatives—such as the Islamic Development Bank or the Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development—due to the combination of material weight, geopolitical purpose, a push to recycle surplus savings into investment, and an asymmetrical distribution of power among members, this semblance is with the AIIB, not the NDB.

In part, the lack of controversy may stem from the fact that the NDB is a formalized institution, while BRICS remains imbued in a culture of club informality. If the NDB still needs to be cast in a revised manner due to the prominence of several distinctive features that separate it from other multilateral banks, the NDB has taken on some distinctive features of formality. The NDB—unlike BRICS—has a headquarters. It has a specific organizational structure which has been negotiated in the long build-up to the launch. Above all else, the corporate governance of the NDB features not only a rotating president, but four vice presidents from each of the other four founding members.

Moreover, the NDB has a regularized pattern of operation. Moving away from the traditional practices of the international financial institutions (IFIs), for example, the NDB chose instead a non-resident board on the premise that this format would allow decision-making in a timely and budget-conscious manner. The first round of NDB loans, for example, was announced at the board of governors on the sidelines of the annual meetings of the IMF and World Bank.

Nonetheless, despite this shift to orthodoxy, the origins of the NDB in the BRICS culture still impart some distinctive features that need examining. One is the substitution of the principle of equality for the inequitable representative structure of the traditional MDBs. Although this form of innovation in terms of decision-making has been subject to lengthy negotiations and is far from complete in operational practice, the principle of equality with respect to the NDB’s members’ rights and obligations marks a major shift in the application of the tenets of global governance.

To be sure, there are tensions about how this principle of equality is applied. Certainly, building a culture of cooperation necessitated overcoming serious constraints in terms of national interest and identities [Cooper, 2016; Rewizorski, 2015; Stuenkel, 2015]. Yet, at the same time, the principle of equality does lock the NDB into an operational model that necessitates close interaction within the bureaucracy of the NDB. Although located in Shanghai, the NDB is not a China-controlled bank. But alternatively, it is not a multilateral bank with a wide number of members, as the AIIB has come about as well. Therefore, it is interesting to tease out some of the inner characteristics of NDB practice, if only in a preliminary way.

What stands out here is the ability of the NDB to shield itself from these types of internal tensions, allowing the avoidance (as yet) of becoming dysfunctional in terms of its operations, with the persistence of a high degree of bureaucratic autonomy and a valuable division of responsibilities. Although very preliminary, this neglected component of the NDB merits attention. While the club's tensions within BRICS dominate recent literature, the NDB, up to now, is able to be run independently from those tensions.

Each of the features central to the identity of the NDB were debated at great length over a two-year period. India remained wary of China's potential operational domination of the NDB, especially as it originally took the lead in the creation of the institution. The main source of controversy was in the preparation stage. Here India played a cautious role in BRICS' development. In the early stage of club-development, the Indian foreign minister played down the implications of the forum, saying that: "These four countries are not arranged against any other countries or any other group of countries. It is not even an effort to flex muscles. We are trying to learn from each other" [RT, 2009]. Even when BRICS was elevated to a leaders' level summit at Yekaterinburg in June 2009, Prime Minister Singh took a low-key approach.

This ambivalence did not filter into the creation of the NDB, as India embraced the notion when it hosted the fourth BRICS summit in New Delhi in 2012. Indeed, looking back, it is important to note that it was India, and not China, that took the lead in exploring alternative strategies for development financing in the aftermath of the 2008 global financial crisis. Prime Minister Manmohan Singh built on his own extensive background as chief economic adviser, reserve bank governor, and head of the Planning Commission, as well as his role as secretary general of the South Commission, to champion such efforts. At the Seoul G20 summit in November 2010, for example, Singh argued for the use of a different sort of tool to foster infrastructure development [The Hindu, 2010]. Faced with the challenge of massive imbalances, he proposed a new institutional instrument for recycling surplus savings into investment.

Given this context, it was not surprising that India made the establishment of a development bank the pivotal agenda item at the Delhi summit. The finance ministers' meeting held just prior to the summit endorsed this initiative as a priority. And, signalling the extension of BRICS from an exclusive state-centric club to a wider network, the 2012 BRICS Academic Forum—which included the leading Indian think tank Observer Research Foundation (ORF)—recommended that the summit study "the establishment and operational modalities of financial institutions such as a Development Bank and/or an Investment Fund that can assist in the development of BRICS and other developing countries" [BRICS, 2012].

The more India pushed forward, though, the more the tensions between equity and pragmatism widened [Krishnan, 2014]. The intensity to which India held this stance is testimony not only to the frustration that it felt about the lack of fairness in dealing with the IFIs but also to the sensitivity that its ideational leadership on the NDB initiative was threatened by China's financial clout. In terms of operational practice, Indian officials advocated that there be an initial capital of \$50 billion to launch the fund, with equal contribution of \$10 billion from each BRICS country. With the advantage of massive international monetary reserves well beyond \$3

trillion, in contrast, China pushed for an alternative pragmatic model. Its model highlighted contributions based on a country's financial capacity and an overall capital base of \$100 billion, which would provide China an opportunity to contribute more to the bank's capital base, thus benefiting it with an asymmetric power advantage among the NDB's founding members [Sahu, 2013].

China did not directly block the establishment of the NDB, but its ambivalent reaction to India's initial proposal slowed the process of negotiation and institutional creation. Throughout the protracted negotiating stage, Chinese commentators openly questioned the need for the principle of equality. As Zhu Ning, a professor at the Shanghai Advanced Institute of Finance stated in an interview with China Central Television: "If the five countries have an equal share in the same entity, there will be coordination problems" [Krishnan, 2014].

Ultimately, India was able to mobilize a successful defence of the broad principle of equality, a condition embedded in the declaration of the NDB. But China pushed back, nonetheless, on two other issues that shaped the operational practices of the bank. The first of these centred on the location of the headquarters of the bank. While this was not a major source of debate at the outset, as the initiative slowly took shape tension grew on this issue as the decision on location became equated with the exercise of overall control. India played up its role as the inspirational force behind the bank [Chand, 2013]. China, in contradistinction, took the view that the headquarters should be in Shanghai, a position that was championed as well by key Chinese think tanks [Shanghai Forum, 2013].

Yet, reinforcing the complexity of which country best embodied the spirit of solidarity, it was China, not India, that more practically pushed for some greater inclusion of the Rest in the NDB project. The main issue of this nature focused on the question of whether the NDB could lend to BRICS members only or to non-members as well. China pushed to open the client base beyond BRICS members, while India—looking to meet needs at home—wanted a more concentrated focus. Put another way, while India prioritized building its own infrastructural capacity, China, with its advantage of an enormous current account surplus, sought alternative and less sensitive means to finance development projects on a global basis.

To its credit, the culture of solidarity—with BRICS symbolizing an assertion of the political sovereignty of its members—enabled the members to remain cohesive even under stress. Yet, maintaining organizational cohesion was predicated on a somewhat awkward equipoise on the major issue under debate. While BRICS adhered to the original model on initial subscribed capital, with the allocation of \$50 billion from contributions from each member (divided into paid-in shares of \$10 billion and callable shares of \$40 billion), it was also decided that over time the NDB would move toward achieving a maximum authorized capital of \$100 billion.

On the issue of eligibility for receiving loans, China won out with the acceptance of the idea that the NDB should be able to lend on a global basis. If China gained most of the advantage from this extended reach in terms of delivery, India received some compensation on the resource dimension. This was because assent of the role of the NDB as a lender beyond BRICS went hand in hand with endorsement of the principle to allow a minority voting share (between 40–45%) to other countries, including industrialized states—a position that India had long advocated. This opening up not only allowed some possible dilution of Chinese dominance, but it also contributed to the possibility that the NDB could add to its capital resources from other countries with top-tier credit ratings.

While such disagreements cannot be ignored, they should not be exaggerated to the point where the NDB risked failure. While significant tensions—and displays of power politics—continued to be on display, these attributes were largely contained by improvisation and trade-offs indicative of a viable club culture [Cooper, 2016; Cooper, Farooq, 2015]. In overall terms, the

NDB constituted a distinctive model in the design of collective global policy. While bringing many of the underlying tensions out into the open, the value of the preparatory stage of negotiations locked in many of the core operational practices. It also highlighted the sensitive choices for the administrators of the NDB. One option was to push these administrators into acting as agents of their own country's national interests, as is common within the culture of the IFIs. The other option was to consolidate a culture of solidarity in which NDB officials could put the onus on an instrumental (and creative) process in which a collective form of innovative leadership smoothly overcomes the constraints of divergent positions among the NDB's members.

If China resisted initially the promotion of the principle, equality in governance decision-making became the mantra of the NDB [Zhu, 2015]. In declaratory terms, the dominant theme continued to be that the NDB epitomized a new form of democratically oriented financial institution. Significantly though, incoming Indian president K. V. Kamath (with experience at the Asian Development Bank (ADB) as well as ICICI Bank and software services exporter Infosys) acknowledged the need to navigate around the different interests and identities of the member countries [Wildau, 2015].

In comparative terms, the success of the NDB in maintaining the strong club culture resonates because of the differences with the AIIB. Chinese control over the AIIB systematically reproduces the structural power provided for the U.S. and Europe with respect to the post-1945 IFIs and within regional organizations such as the ADB (where China and India have relatively small shares of voting rights, 5.5% and 5.4%, respectively, in comparison to Japan and the U.S., which each hold 12.8%) [Reisen, 2015; Vestergaard, Wade, 2013]. Along the lines of the IFIs, the basic votes and founding members' votes are set, and the share vote is distributed based on the size of each member's GDP, providing China with a built-in advantage. Considerable autonomy is given as well to the executive management team of the AIIB and to the president, on the selection of which China has a dominant say. Through this lens, the design of the NDB, with its variety of compensatory trade-offs, marks an important departure in the model of collective global policymaking.

The distribution of projects expanded the culture of equality. Eschewing any desire to mirror the repertoire of the traditional financial institutions, or for that matter the AIIB, the NDB set out to constitutionally promote an alternative mode of development, the foundation of which is sustainable development via projects promoting green infrastructure.

From the perspective of product innovation, the feature that stands out in the first round of loans (announced in April 2016), amounting to \$811 million, is not the embrace of a large infrastructural model. Rather, the design privileged small-scale projects with between 12- and 20-year terms related to clean renewable energy in each of the BRICS countries with the exception (at least in the initial announcement) of Russia. Brazil's Banco Nacional de Desenvolvimento Economico e Social received the biggest loan, in the amount of \$300 million, to help build 600MW of renewable energy capacity. The NDB also gave a \$250 million loan to India's Canara Bank, with \$75 million earmarked for 500MW of renewable-energy projects. South Africa's Eskom secured a loan of \$180 million for power lines that can transmit 670MW and transform 500MW of renewable energy generation. China's Shanghai Lingang Hongbo New Energy Development also got an \$81 million loan, to fund 100MW of rooftop solar power [BRICS Post, 2016; Sasi, 2015].

Beyond the instrumental deliver, an ethos of solidarity was reinforced by signs of bonding into a distinctive bureaucratic culture at the operational level. In declaratory terms, the narrative of the NDB bureaucrats is focused on innovative practices different from the traditional financial institutions. As President Kamath stated at the time of his appointment: "One of the areas that we will focus is that lenders want the borrowers to follow a certain timeline. We need

to see what innovation is required to ensure that this timeline is met or to try to reduce this timeline” [The Economic Times, 2015].

At odds with maintaining a low profile, the NDB became more risk-oriented in entertaining a different balance between speed and oversight. Confident that its projects will have little or no impact on the environment, the NDB is far more robust in its break with forms of institutional oversight. The institutional emphasis on catching up in terms of delivery innovation, though, came with a cost in terms of wariness from civil society groups. As noted above in the debate about product innovation, suspicions persisted that a faster pace in the delivery of the projects supported by the NDB is inconsistent with sustainable development goals.

In any case, without the material heft of the AIIB, the NDB had to improvise as it went along. The mantra of the NDB became, not “best practices” reflective of a “too rigid, inflexible, and slow” orthodoxy, but “next practices” showcasing development as a dynamic and flexible process [Financial Times, 2015].

What offers some extra encouragement that the NDB can indeed catch up in terms of delivery innovation is the evolution of the NDB’s management team as an autonomous entity. From the outset, the NDB had to carefully balance the national interests and identities of its members. But using the mantra of speed, the NDB’s professionalized bureaucracy offers a means of cajoling the members to work faster to meet the goals of the NDB, thus signalling that the NDB has an important point of comparative advantage with respect to other institutions.

Among the elements of glue in terms of the collective culture of the NDB was the role of Brazil tempering the tensions between India and China. Initially, President Lula was the high-profile face of BRICS. Although not as strong economically or strategically as China, Brazil took the lead. In doing so, Brazil built on its reputation for out in front activities, both at the international and regional levels. However, Brazil fell behind other BRICS members in its leadership capacity beyond the Lula years. One striking illustration was the failure of the Rousseff government to push forward on the cybersecurity issue, given that Russia, China, and Brazil had all been systematically targeted by the U.S. National Security Agency’s Prism surveillance programme. Media reports at the time of the New Delhi summit reported that Brazil was leading an initiative to create a “BRICS cable” that would independently link the member countries, connecting the cities of Fortaleza to Vladivostok via Cape Town, Chennai, and Shantou. While the operational feasibility of this type of project could be questioned from the start, both in terms of funding and the protection of data, a scenario along these lines presented an image of strength and solidarity, rather than vulnerability, in the face of collective threats. Over time, however, this initiative faded from view.

A more telling example was Brazil’s low-key approach to the creation of the NDB. To be sure, Brazil had some high credentials for taking on a leadership role on this initiative. Lula criticized the performance of the West with his charge that the global financial crisis “was created by white men with blue eyes” [Gillespie, 2012]. Moreover, Brazil was a leader in alternative forms of development financing. Brazil, while eschewing the language of official development because it is associated with an asymmetrical relationship between the North and South, doubled its official development assistance between 2007 and 2008 and tripled it between 2009 and 2010.

Still, despite the advantages, Brazil conceded leadership of the NDB to both India and China. Initially, Brazil seemed more comfortable using the IBSA Dialogue Forum, the other informal grouping of India, Brazil, and South Africa, formed in the early 2000s. But even as BRICS moved to overtake IBSA, Brazil’s role as engine of NDB negotiations should not be exaggerated. As depicted by a Brazilian with an inside view to the process, Brazil stood apart from China, India and South Africa in not making a bid for the location of the NDB headquarters: “a mistake on our part and left Brazil without negotiation chips” [Batista Jr., 2022, p. 36].

Under these circumstances, the focus of Brazil was on playing the role of a helpful fixer.

Pride of place here was the impressive diplomatic effort by Brazilian diplomats to work out a compromise solution between India and China on the institutional architecture of the NDB. Significantly, these concessions were possible because Brazil did not push its own interests. Brazil acted as a facilitator, not a competitor—a role that it played successfully. As one Brazilian diplomat stated: “We pulled it off 10 minutes before the end of the game. We reached a balanced package that is satisfactory to all” [Soto, Boadle, 2014].

Tests Into the Future

Notwithstanding the tendency to downplay the NDB as a smaller, less significant counterpart to the AIIB, the puzzles around the bank are interesting and significant. Although acknowledging that the NDB has far fewer resources than the AIIB, there is both a normative and instrumental purpose to the institution that departs from—and improves upon—the model of other financial institutions. This originality is especially evident in terms of the features of the privileging of the principle of equality that guides its culture.

The commitment to the principle of equality will be tested in a variety of ways. As M. Kahler pointed out, the NDB cannot avoid touching on sensitive governance issues [2016]. Institutionally, the NDB must constantly balance its collective culture against the interests of its members, especially China and India.

The main test up to now has been to segment and shield the NDB from the wider tensions with respect to the BRICS club. These tensions are most pronounced between China and India, both because of specific differences relating to the BRICS agenda and due to the wider context of China-India relations.

In the initial stages, BRICS was held together by an effective club culture. The highest level of attention in communiqués was devoted to the cluster of issues on which BRICS could express its traditional sense of grievance at being marginalized within the global institutional architecture and its members’ shared sense of criticism about the West’s poor management of the global economy. Global financial issues received significant coverage in the summit declarations, above expressions of solidarity with the rest of the Global South, environmental/climate change issues, and promotion of the G20 and trade. By way of contrast, issues on which BRICS was most divided, such as the reform of the UNSC, received a minimal level of coverage in the context of BRICS summits.

BRICS has hung together on key geopolitical issues. BRICS rejected suggestions that Russia would be excluded from the G20’s Brisbane summit in November 2014 [Panova, 2021]. At Ufa, the leaders did not refer specifically to Russia’s actions but only to BRICS’ “deep concern about the situation in Ukraine” and the need to resolve the situation through “inclusive political dialogue.” What is more, this delicate process of navigation appears to have been in play in February 2022 amid scenarios of escalating tensions.

Moreover, BRICS was successful in crisis management of the Doklam standoff—notwithstanding media outlets in both countries stoking the tensions. Indeed, a de-escalation was facilitated by meetings between Chinese president Xi Jinping and Indian prime minister Narendra Modi at the informal BRICS meeting on the sidelines of the Hamburg G20 summit at the end of August 2017.

The main question for BRICS is whether this type of crisis management can be repeated when necessary. For, as witnessed by the physical clash between Chinese and Indian forces (with at least 20 deaths) in the Galwan, in the middle of June 2020, this type of scenario remains possible as border tensions remain highly sensitive and volatile. In the assessment of Paulo

Nogueira Batista Jr.: “How could this not affect the NDB? Every low point of China/India relations was a risk for the institution” [2022, p. 53].

Still, amid the amplification of these stakes, hanging together is a more likely scenario than breaking apart for BRICS [Papa, Verma, 2021]. For one thing, the successful expansion of the membership of the NDB takes the focus away from the China-India bilateral relationship. Originally, the issue of expansion of membership was another source of bilateral tension—it was widely viewed in India as a vehicle for adding to the leverage of China at the expense of India, especially if it targeted Beijing-friendly countries such as Pakistan. With the addition of Bangladesh to the NDB in September 2021, these concerns have been allayed.

And, arguably more importantly, there is no sign of a downgrading of BRICS by either China or India, or indeed the other members of BRICS. At odds with speculation in 2017 that Prime Minister Modi would pressure China on Doklam by signalling that he would not attend the Xiamen summit, such a highly visible gesture (which would have inflicted severe damage on the image and delivery of BRICS) did not transpire. Most notably, the transition from India’s tenure as chair in 2021 to China’s in 2022 has been a smooth one: the first BRICS sherpas meeting under China’s leadership was held virtually on 18–19 January 2022, amid gestures of appreciation for India’s performance in the previous year.

All of this is not to exaggerate the implant of BRICS’ identity on the members. Each of these countries uses or loses this image on an intermittent basis. However, it is precisely this looseness and flexibility that underscores BRICS’ staying power. Underneath the surface there have been all sorts of internal disputes. Yet, through all these rifts, BRICS countries have not only stuck together, but have become far more closely entangled, not least through the NDB.

Ultimately BRICS has skillfully navigated its transition from a contested concept, through its operational take off in the context of the GFC, tests of club culture, and a ramp up of collective action with impressive staying power. BRICS is not just a harbinger of fundamental economic transition, as witnessed by the animation of the Goldman Sachs predictions, but also with respect to the detailed contours of practice as a sustained club. If, in institutional form, it has evolved with an unanticipated trajectory, above all else, BRICS conjures up an image that the global system has shifted dramatically, if unevenly, into the 21st century.

References

Batista Jr. P. N. (2022) *The BRICS and the Financing Mechanism They Created: Progress and Shortcomings*. London: Anthem.

BRICS (2012) BRICS Academic Forum Recommendations to the 4th BRICS Leaders Summit in New Delhi. 6 March. Available at: <http://www.brics.utoronto.ca/docs/120306-academic-forum.html> (accessed 14 June 2022).

BRICS Post (2016) BRICS Bank Announces First Set of Loans. 16 April. Available at: <http://www.thebrics-post.com/brics-bank-announces-first-set-of-loans/#.Yqir4C9h1bW> (accessed 14 June 2022).

Chand M. (2013) BRICS Birth a New South-South Revolution in Durban. *Russia Beyond*, 28 March. Available at: https://www.rbth.com/world/2013/03/28/brics_birth_a_new_south-south_revolution_in_durban_23305 (accessed 14 June 2022).

Chin G. T. (2014) The BRICS-Led Development Bank: Purpose and Politics Beyond the G20. *Global Policy*, vol. 5, issue 3, pp. 366–73. Available at: <https://doi.org/10.1111/1758-5899.12167>.

Cooper A. F. (2016) *The BRICS: A Very Short Introduction*. Oxford: Oxford University Press.

Cooper A. F. (2017) The BRICS’ New Development Bank: Shifting From Material Leverage to Innovative Capacity Global Policy. *Global Policy*, vol. 8, issue 3, pp. 275–84. Available at: <https://doi.org/10.1111/1758-5899.12458>.

- Cooper A. F., Farooq A. B. (2015) Testing the Club Dynamics of the BRICS: The New Development Bank From Conception to Establishment. *International Organisations Research Journal*, vol. 10, no 2, pp. 32–44. Available at: <http://doi.org/10.17323/1996-7845-2015-02-39>.
- Financial Times (2015) New BRICS Bank in Shanghai to Challenge Major Institutions: Developing Countries Aim to Create Alternative to World Bank. 21 July. Available at: <https://next.ft.com/content/d8e26216-2f8d-11e5-8873-775ba7c2ea3d> (accessed 14 June 2022).
- Gillespie P. (2012) BRICS Highlight Skewed Nature of Global Power. *Irish Times*, 31 March. Available at: <https://www.irishtimes.com/opinion/brics-highlight-skewed-nature-of-global-power-1.492814> (accessed 14 June 2022).
- Kahler M. (2016) The Global Economic Multilaterals: Will Eighty Years Be Enough? *Global Governance*, vol. 22, issue 1, pp. 1–9. Available at: <https://doi.org/10.1163/19426720-02201001>.
- Krishnan A. (2014) China Displays Economic Clout With Push for New Bank. *The Hindu*, 16 July. Available at: <http://www.thehindu.com/news/international/world/china-displays-economic-clout-with-push-for-new-banks/article6217758.ece> (accessed 14 June 2022).
- O'Neill J. (2021) Twenty Years On, the BRICS Have Disappointed. *Financial Times*, 30 November. Available at: <https://www.ft.com/content/034ba0e7-7518-437e-854c-7c0dd5d74e34> (accessed 14 June 2022).
- Panova V. V. (2021) Age of Multilateralism: Why Is BRICS Important Despite Possible Weaknesses? A Perspective From Russia. *Global Policy*, vol. 12, issue 4, pp. 514–8. Available at: <https://doi.org/10.1111/1758-5899.13013>.
- Papa M., Verma R. (2021) Scenarios for BRICS Evolution in Light of the India-China Conflict. *Global Policy*, vol. 12, issue 4, pp. 539–44. Available at: <https://doi.org/10.1111/1758-5899.13010>.
- Putnam R., Bayne N. (1987) *Hanging Together*. Cambridge: Harvard University Press.
- Reisen H. (2015) Will the AIIB and the NDB Help Reform Multilateral Development Banking? *Global Policy*, vol. 6, issue 3, pp. 297–304. Available at: <https://doi.org/10.1111/1758-5899.12250>.
- Rewizorski M. (ed.) (2015) *The European Union and the BRICS: Complex Relations in the Era of Global Governance*. Berlin/Heidelberg: Springer.
- RT (2009) BRIC Growth Will Change the World: Indian Foreign Minister. 23 October. Available at: <http://rt.com/news/bric-emerging-economies-india/> (accessed 14 June 2022).
- Sahu P. (2013) BRICS Nations Broadly Agree on Capital Structure of Bank. *Wall Street Journal*, 28 August. Available at: <http://www.wsj.com/articles/SB10001424127887324463604579040742992443078> (accessed 14 June 2022).
- Sasi A. (2015) BRICS Bank to Extend First Loans by April 2016. *Indian Express*, 10 July. Available at: <http://indianexpress.com/article/business/business-others/brics-bank-to-> (accessed 14 June 2022).
- Shanghai Forum (2013) Will the BRICS Development Bank Settle in Shanghai? Available at: <http://www.shanghaiforum.fudan.edu.cn/index.php?c=publication&a=list&typeid=10027> (accessed 14 June 2022).
- Soto L., Boadle A. (2014) BRICS Set Up Bank to Counter Western Hold on Global Finances. 16 July. Available at: <https://www.reuters.com/article/cbusiness-us-brics-summit-bank-idCAKBN0FK08V20140716> (accessed 14 June 2022).
- Sputnik (2013) Putin Says BRICS Should Focus on Key World Issues. 22 March. Available at: <https://sputniknews.com/20130322/Putin-Says-BRICS-Should-Focus-on-Key-World-Issues-180174140.html> (accessed 14 June 2022).
- Stuenkel O. (2015) *The BRICS and the Future of Global Order*. Lanham: Lexington.
- The Economic Times (2015) New Development Bank to Set Its Own Standards; No Rivalry With Others: K. V. Kamath. 8 July. Available at: <https://economictimes.indiatimes.com/industry/banking/finance/banking/new-development-bank-to-set-its-own-standards-no-rivalry-with-others-k-v-kamath/article-show/47991565.cms> (accessed 14 June 2022).
- The Economist (2018) The Beleaguered BRICS Can Be Proud of Their Bank. 29 September. Available at: <https://www.economist.com/finance-and-economics/2018/09/29/the-beleaguered-brics-can-be-proud-of-their-bank> (accessed 14 June 2022).

The Hindu (2010) PM Arrives for G20 Summit, Against Protectionist Sentiments. 10 November. Available at: <https://www.thehindu.com/business/Economy//article60592984.ece> (accessed 14 June 2022).

Vestergaard J., Wade R. H. (2013) Protecting Power: How Western States Retain the Dominant Voice in the World Bank's Governance. *World Development*, vol. 46, pp. 153–64. Available at: <https://doi.org/10.1016/j.worlddev.2013.01.031>.

Wang H. (2017) New Multilateral Development Banks: Opportunities and Challenges for Global Governance. *Global Policy*, vol. 8, issue 1, pp. 113–8. Available at: <https://doi.org/10.1111/1758-5899.12396>.

Wildau G. (2015) New BRICS Bank in Shanghai to Challenge Major Institutions. *Financial Times*, 21 July. Available at: <https://www.ft.com/content/d8e26216-2f8d-11e5-8873-775ba7c2ea3d> (accessed 14 June 2022).

Zhu J. (2015) New South-South Co-operation and the BRICS New Development Bank. BRICS Insight Paper No 2, South African Institute of International Affairs (SAIIA). Available at: <https://saiia.org.za/wp-content/uploads/2015/03/BRICS-Insights-2.pdf> (accessed 14 June 2022).

China's Leadership in BRICS Governance¹

A.X. Wang

Alissa Xinhe Wang—JD/PhD Candidate, Department of Political Science, University of Toronto, Toronto, ON, Canada; alissa.wang@mail.utoronto.ca

Abstract

The BRICS is an international summit institution that provides a platform for the world's leading emerging economies to discuss issues of global governance from a development-centered perspective. This article examines of China's leadership role in the BRICS, drawing on quantitative indicators of China's performance within the BRICS since its first summit in 2009, to the most recent summit in 2021. This article also develops a model of leadership based on quantitative performance measures of deliberation, decision-making, and compliance. This analysis shows that China is predominantly a facilitative and exemplary leader. Its leadership focuses on shaping BRICS discussions on its priority subjects, particularly development and macroeconomics, in addition to leading by positive example through achieving high compliance with its summit commitments.

Keywords: BRICS, China, Global Governance, Development, Macroeconomics

For citation: Wang A.X. (2022) China's Leadership in BRICS Governance. *International Organisations Research Journal*, vol. 17, no 2, pp. 50–85 (in English). doi:10.17323/1996-7845-2022-02-03

Introduction

Given the context of China's rise and America's retreat in global affairs, the future of global governance looks increasingly uncertain. The issue of whether China is a willing, capable, or desirable global leader is highly contested [Boateng, 2021; Larson, 2020; Ly et al., 2019; Wan, 2014; Wang, French, 2014; Zhao, 2018], and the changing nature of global governance issues creates further challenges. As the world faces increasing challenges from a variety of spheres including economic, political-security, climate change, health, digitalization, terrorism, crime and corruption, and others, questions surrounding the future of global governance and its leadership are only increasing in importance and urgency. The most recent crisis brought about by the COVID-19 pandemic has further posed a difficult challenge to the international community, as it seeks to deal with its short and long-term health, economic, social, and political consequences.

China's engagement with Brazil, Russia, India, and South Africa, which together form BRICS, provides a useful empirical case for understanding the broader topic of China's leadership role in global governance. BRICS is significant for China and for the world in several ways. Group of 7 (G7) and the Group of 20 (G20), BRICS is an international summit institution where leaders attend annual meetings to discuss pressing international challenges. As a

¹ This article was submitted 22 January 2022.

counterpart to the G7 club of advanced economies, BRICS represents a club of leading developing countries and emerging economies. In this way, BRICS is a platform that allows China to reaffirm and bolster its status as a developing country. In addition, BRICS' increasingly diverse agenda allows its members to discuss a wide array of important global challenges from a developing-country perspective. Since its first summit in 2009, BRICS has engaged with an increasingly diversified agenda that touches on not only traditional issues of economics and geopolitics, but also issues such as climate change, energy, health, digitalization, human rights, socio-economic policy, food and agriculture, among many others. BRICS now is an all-encompassing summit institution that provides a platform for China and other members to deal with a wide range of issues of global significance.

In this article, China's leadership role in BRICS is studied through an assessment of China's performance within BRICS from its first summit in 2009 to its most recent summit in 2021. Specifically, this article asks: what kind of leadership role has China played in BRICS and why? This question has generated several distinct schools of thought, which will be reviewed below. The main findings of this study are then summarized, followed by an overview of the data and methodology used in this article, in addition to an explication of the concept of leadership adopted herein. An assessment of BRICS' performance from 2009 to 2021 is offered to provide the contextual background of China's leadership, followed by a quantitative assessment of China's leadership within BRICS and an explanation of several salient causes of China's leadership. Finally, there is a discussion of the prospects for the upcoming 2022 BRICS summit.

Schools of Thought

China as an Ambitious, Reform-Seeking Leader

The first school of thought characterizes China as an ambitious, reform-seeking leader within BRICS. B. Hooijmaaijers [2021] argued that China's leadership of BRICS is oriented toward the ambitious goal of reshaping global economic governance. Specifically, China exerts its weight to push forward BRICS' institutional initiatives such as the New Development Bank (NDB) and the contingent reserve arrangement (CRA). Moreover, China pursued its own institutional initiatives such as the Belt and Road Initiative (BRI) and the Asian Infrastructure Development Bank (AIIB) alongside its leading role in promoting BRICS institutions. However, according to this school, this leadership faces difficulty as China's ambitions within BRICS will inevitably clash with its independent institutional creations.

China as a Growing, Coalition-Building Leader

The second school characterizes China as a coalition-building leader within BRICS. L. Wang, Y. Zhang, and H. Xi [2021] argued that China's role in BRICS has grown from that of a participant from 2006–09, to a practitioner from 2009–17, and finally to a leader since 2017 when China held the Xiamen BRICS summit. This leadership role was marked by China's promotion of the BRICS+ model, which aims to engage more emerging markets and developing countries in a cooperative relationship. The authors further argued that China's leadership is focused on the creation of South-South linkages and toward developing a model of BRICS cooperation based on a diversified network of development partners that engages a wider array of developing countries in the cause of solidarity.

China as a Cautious and Assertive Status-Seeking Leader

The third school characterizes China as a cautious, status-seeking leader that is becoming more assertive over time. A. F. Cooper and A. B. Farooq [2016] argued that China's approach to BRICS is a demonstration of its status-seeking behaviour, while its approach to substantive leadership of BRICS is more cautious, as it often adopts a wait and see approach. However, over time, China's leadership in BRICS has become more assertive. This is particularly the case in matters of national interest. Moreover, China's leadership focuses on its relationship with the United States and the rest of the West, rather than specifically on developmental issues. This view of China as a status-seeking leader is further developed in a more recent article by A. F. Cooper and Y. Zhang [2018]. Specifically, they argued that China adopted a "dualistic strategy" that allows it to be both an insider and outsider in the global system. This strategy plays a crucial role in allowing China to gain status as a rising power, while at the same time allowing it to construct a sense of solidarity with the non-western developing world. China's leadership is bolstered by its unmatched scale of resources, which has led to a large degree of agentic confidence.

China as a "Mixed Perspective" Leader in BRICS

The fourth school characterizes China as a multifaceted leader. J. Y. S. Cheng [2015] applied traditional western concepts in international relations to analyze China's leadership role in BRICS and argued that China's approach to BRICS exhibits elements of realism, liberal institutionalism, and constructivism. First, China recognizes its domestic challenges and takes BRICS as an opportunity to work together with members with shared interests to enhance its own domestic agenda while also enhancing its role in international affairs. Second, China takes a liberal institutionalist perspective toward its goal of reforming international institutions as a response to the existing institutions' inadequacies. Third, from a constructivist perspective, China aims to enhance its influence in international institutions by establishing a discourse of representing the interests of developing countries to strengthen their legitimacy. Specifically, articulating the interests of developing countries through BRICS facilitates China's efforts to enhance its leadership of the evolving international institutional framework.

International Leadership With Chinese Characteristics

Finally, the fifth school develops a theoretical account of a distinctly Chinese style of international leadership: "international leadership with Chinese characteristics." P. Bo [2021] argued that China played a significant role in promoting the development of BRICS but has no intention nor requirement of becoming the hegemon within it. Instead, its leadership consists of three major components. First, China demonstrates facilitative leadership, a type of leadership that emphasizes collective governance with other leaders rather than leading alone, promotes an inclusive vision of global governance, and aims for the empowerment of other developing states. Second, China demonstrates constructive leadership, which emphasizes the crucial role of institutional construction, interest construction, and ideational construction. Third, China demonstrates exemplary leadership which is "morally oriented" toward establishing a harmonious world order, self-transformation, and the provision of intellectual guidance through providing a long-term vision for the international community. In particular, Bo argued that China's leadership in BRICS is an empirical demonstration of "international leadership with Chinese characteristics" and that its leadership of BRICS corresponds with the three stages of BRICS' institutional development: first, in the establishment of an emerging power

platform from 2009–10; second, in its expansion from 2011–12; and third, in its deepening institutionalization from 2013–18.

Remaining Puzzles

While the schools of thought surveyed above provide an abundance of useful theoretical concepts surrounding China's leadership role in BRICS, there remains a gap in the evidence that is used to support these theories and models of leadership. Most existing arguments on China's leadership role are based on qualitative evidence and the detailed process tracing of China's initiatives and engagement with BRICS. In this article, a quantitative, data-driven approach is applied to the question of what kind of leadership role China has played in BRICS. By analyzing China's performance in a number of dimensions using concrete, measurable data, this study provides a novel approach to assessing the nature of China's leadership role in BRICS and provides firm groundwork to both bolster and challenge existing accounts of China's leadership.

Thesis

It is argued in this article that China is a strong and flexible leader within BRICS. Based on an assessment of quantitative data along several dimensions of performance, China's outstanding performance has been strong and sustained. Specifically, China has demonstrated two distinct types of leadership within BRICS: deliberative leadership and exemplary leadership. First, China's leadership role can be compared to that of a leading facilitator guiding the direction of BRICS' summit deliberations. While China's leadership style is more assertive in certain specific areas such as health, its general leadership style is more facilitative in nature. Second, China is also an exemplary leader that leads by positive example. On this dimension, China leads by example unilaterally in its highest priority subjects of development and macro-economics, while it leads cooperatively with other BRICS partners in the areas of health and trade. Overall, China exhibits a flexible style of leadership that varies across subjects: it is both a deliberative and exemplary leader within BRICS, and its leadership exhibits a mixture of facilitation and assertiveness, as well as unilateralism and cooperation. The main sources of China's strong but flexible leadership style are its vulnerabilities from recent global shocks, the failure of existing western-dominated multilateral organizations, its predominant capabilities, its converging political characteristics with other BRICS members, its domestic political cohesion, and BRICS' role as the club at the hub of a network of new plurilateral summit institutions.

Theoretical Framework, Methodology, and the Concept of Leadership

The Concept of Leadership

The concept of leadership that is developed in this paper is based predominantly on J. Kirton's adapted systemic hub model of governance [Kirton, 2013, 2016; Kirton, Wang, 2021]. In this model, the assessment of a country's leadership focuses on the member's place in, and contribution to, the institution's existence and success, its shared or unilateral initiatives, its ability to attract followers to affect the summit outcome in a desired way, and its coalition building, among other things [Kirton, 2016]. Specifically, the model applies a quantitative assessment of performance to the individual member. This model encompasses six distinct performance dimensions and outlines six causes of high performance. This analysis draws on

the most salient dimensions and causes of performance outlined in the systemic hub model to develop a new model of leadership that is most informative for assessing China's role in BRICS. Specifically, two types of leadership styles are identified. The first type is deliberative leadership, and the second is exemplary leadership. Both types of leadership correspond with specific quantitative measurements of performance.

Deliberative Leadership

Deliberative leadership reflects the ability of a member to generate discussion on its priority issues areas among fellow BRICS members. There are two degrees to which deliberative leadership can be exercised. The first is facilitative deliberative leadership, in which the leader plays the role of a leading facilitator in a discussion. Facilitative deliberative leadership is assessed using the quantitative measurement of deliberation. Deliberation refers to how much the leaders discussed the subject in question at the summit. Specifically, the percent of deliberation on a specific subject reflects the relative weight that the subject received at summit discussions, relative to other subjects. Thus, if a member's priority subjects are also subjects of high deliberation by BRICS, then the member has demonstrated facilitative deliberative leadership, as it has exercised leadership in shaping the direction of BRICS discussion toward subjects that it cares about the most.

The second and deeper degree to which a leader can exercise deliberative leadership is labelled assertive deliberative leadership. The corresponding quantitative assessment of performance from the systemic hub model is decision-making. Decision-making is measured by the number of commitments that BRICS members made on a specific subject area. Thus, if the subjects of a leader's highest priority also achieve high performance in BRICS decision-making (that is, BRICS adopted a high number of commitments on the subject), then the leader has further demonstrated its deliberative leadership as it has succeeded in getting the other BRICS members to make politically binding commitments on subjects that it cares about most. In this sense, it has demonstrated assertive deliberative leadership.

Facilitative and assertive leadership are not mutually exclusive. While leaders can be purely facilitative (as when BRICS has high deliberation on subjects that the leader cares about without making a high number of commitments), or purely assertive (as when BRICS makes a high number of commitments without having high deliberation on the subjects that the leader cares about), leaders can often be both facilitative and assertive (as when, on the subjects that the leaders care most about, BRICS achieves both high deliberation and makes a high number of commitments).

Exemplary Leadership

Exemplary leadership is leading by doing. This type of leadership is a way of demonstrating responsibility, political will, political capacity, and accountability. The quantitative performance dimension of the systemic hub model that corresponds with exemplary leadership is the dimension of delivery, measured by compliance scores. Compliance scores assess how well a country has complied with the commitments that it made on specific subjects. A comparison of a country's compliance scores relative to other BRICS members will show whether the country is an exemplary leader. Thus, a country is an exemplary leader if it has achieved the highest or at least higher-than-average compliance scores relative to other BRICS members.

Here, leadership can again be distinguished into two further styles: a country can either be a unilateral exemplary leader or a cooperative exemplary leader. This categorization focuses on the leader's relationship with other members of the institution and asks the question: does the leader lead alone or with other countries? First, if a country's compliance score is the highest

among BRICS members and it is the only country that has achieved this high compliance score, then this country is leading unilaterally. In other words, this country alone is setting an example for the rest of the BRICS members that demonstrates its leading responsibility, accountability, and political will. Second, if a country's compliance score is the highest but is matched by one or more other BRICS members, then it is leading cooperatively. In other words, two or more BRICS members have both achieved the same highest ranking compliance score and thus are leading cooperatively by example.

Data and Methodology

The conception of leadership developed above focuses on three dimensions of performance outlined in the systemic hub model: deliberation, decision-making, and delivery. These are the dimensions most pertinent to the question of China's relationship with BRICS and most meaningful for understanding China's leadership. These dimensions also have the most voluminous amount of quantitative data available from 2009–21 for analysis and evaluation. This article will draw on the data collected by the BRICS Research Group, in cooperation with the Center for International Institutions Research, RANEP, Moscow, that cover the entire length of the summit history from 2009–21.

Deliberation is measured by coding the text of each summit's final declaration for words that are relevant to the specific subjects of study. For example, in the first area of development, a list of development-relevant key words were generated; these key words were then searched for in each of the final declarations of the BRICS Summits from 2009–21; the final number of words spent on development and its percentage of the total word count of the declaration are then used as the quantitative measurement of BRICS' deliberation on the subject of development.

Decision-making is measured by coding the text of each summit's final declaration for future-oriented, politically binding commitments. A set of criteria for what constitutes a commitment has been developed by the G20/G7/BRICS Research Groups. The final list of commitments is then grouped according to subject area. The number of commitments on a particular subject at each summit is the quantitative measurement used to assess decision-making performance on that subject.

Finally, delivery is measured by compliance scores. Since 2009, the BRICS Research Group, in cooperation with the Center for International Institutions Research, has conducted country-specific compliance assessments that measure how well each specific BRICS members has complied with its summit commitments. The compliance period is marked from the end of the summit assessed to the date of next summit. During this period, information about the country's public actions that are relevant to the commitment being assessed are collected and summarized in compliance reports. Each country is then given a score on the -1, 0, +1 scale, where -1 indicates no compliance, 0 indicates partial compliance, and +1 indicates full compliance [G7 Information Center, 2019]. These data also allow for a comparison of compliance among different members across different subjects and over time.

The data used in this article are disaggregated by subject. This allows for an assessment of leadership that is subject-specific and will shed light on which subject areas China's leadership is strongest. Specifically, this study will focus on five main subject areas: development, macroeconomics, trade, climate change, and health. These subject areas were selected for several reasons. Most importantly, these are subjects that are on the top of China's list of global governance priorities, as determined by the pre-summit speeches of Chinese leaders. Thus, a focus on China's top five priority subjects will allow for an assessment of how well China's priorities are reflected in BRICS summits. Furthermore, in terms of breadth, these areas cover both the

traditional development core of BRICS' distinctive mission and the main areas of economic governance (trade and macroeconomic policy), as well as emerging areas of global governance that pose an existential threat to humanity (health and climate change).

Overview of BRICS Performance, 2009–21

Deliberation

Data on BRICS' subject-specific deliberation show that BRICS members discuss a wide range of subjects to a significant degree. Deliberation has been overall strong on each of the five subject areas surveyed in this article. Based on deliberation data from 2009–21, BRICS' first and most important priority is development, followed by macroeconomics in second place, trade in third place, climate change in fourth, and health in fifth. This shows that BRICS' distinctive mission of development, and its distinctive status as a representative of developing nations, has retained its central position over time. Along with development, economic issues have also occupied a significant place on BRICS' agenda throughout all summits. Finally, beyond its development and economic core, BRICS has also paid substantial and sustained attention to non-economic issues of global governance such as climate change and health.

Development

Development has been a significant subject of focus for BRICS since its first summit. Overall, on average across all of its summits BRICS devoted 35% of its deliberations to the subject of development. BRICS' deliberation on development remained mostly steady throughout the history of BRICS summitry, with the exception of a major, but short-lived, dip in 2014–15. At its first summit in 2009, BRICS devoted 344 words to the subject of development, which accounts for 35% of its total summit deliberation. Development remained a significant subject, accounting for more than 35% of summit deliberations from 2009–13, reaching a peak in 2013 of almost 46%. In 2014, deliberation on development dropped to 8% and further dropped to 7% in 2015. Then, in 2016, deliberation climbed to over 45% and reached an all-time high of 51% in 2017 at the Xiamen summit. Following Xiamen, development deliberation declined slightly but remained significant at greater than 30% from 2018–21 (see Appendix 1A and Graph 1A).

Macroeconomics

The subject of macroeconomics has also been a significant priority for BRICS. Overall, BRICS has devoted an average of 33% of its summit deliberations to the subject. However, there is an overall trend of decline on macroeconomic deliberations. BRICS began strong at its first summit in 2009, dedicating 57% of its deliberations to macroeconomic issues. Following 2009, deliberation on macroeconomics declined gradually, reaching an all-time low of 13.9% in 2014. Following the 2014 summit, macroeconomics deliberation rose slightly to 41% in 2017 at Xiamen. This was followed by another decline, as deliberation dropped gradually to a low of 22.8% at the most recent summit in 2021 (see Appendix 1 and Graph 1B).

Trade

BRICS' third priority is trade. Overall, BRICS has devoted an average of 19% of its summit deliberations to trade. In terms of trends over time, trade deliberation was unstable in the first few years of BRICS summitry but has remained stable and strong since 2015. At its first summit in 2009, BRICS devoted close to 36% of its deliberations to the subject of trade. This

was followed by a dramatic decline in 2010, when only 6.8% of the communiqué was devoted to trade. Trade deliberation increased to 25.5% in 2012 but fell to 11.7% in 2014. Starting in 2015, trade deliberation began to stabilize at around 20%, with just two exceptions: a slight dip to 16.8% in 2016 and a drop to 15.7% at the most recent summit in 2021 (see Appendix 1 and Graph 1C).

Climate Change

Climate change is BRICS' fourth priority. Overall, BRICS has devoted an average of 19% of its summit deliberations to climate change. This is the same overall deliberation level on as the subject of trade, demonstrating the significance of climate change as a non-economic, priority subject for the BRICS institution. Overtime, BRICS' deliberation on climate change has undergone two phases. The first is marked by a gradual decline. BRICS devoted over 20% of its deliberations to climate change at its first few summits from 2009–12. However, this was followed by a gradual decline from 2013–17, reaching an all-time low of 9.7% at the Xiamen summit. After 2017, however, climate change deliberation gradually increased, reaching 15% in 2018, 16% in 2019, 21% in 2020, and 22% in 2021 (see Appendix 1 and Graph 1D).

Health

BRICS' fifth and final ranking subject priority is health. Overall, BRICS has devoted an average of 14% of its summit deliberations to health. Over time, there has been a generally increasing trend, with a dramatic rise in health deliberations in recent years. BRICS began with a relatively insignificant amount of deliberation on health, at 6.8% in 2009. This increased gradually to 16.3% in 2012. Following 2012, there was a gradual decrease to an all-time low of 1.9% in 2014. After 2014, health deliberation increased. This increase was gradual at first, reaching 7% in 2015, 6% in 2016, 14% in 2017, and 9% in 2018. A more dramatic increase in health deliberation began in 2019, as deliberation reached 25.7% in that year, 25.6% in 2020, and 44.5% at the most recent summit in 2021 (see Appendix 1 and Graph 1E).

Decision-Making

Overall, BRICS has made a total of 933 future-oriented, politically binding commitments, across all subject areas and all of its summits. The number of commitments made at individual BRICS summits has gradually increased over time, with a peak in performance at Ufa in 2015 and Hangzhou in 2017. BRICS began by making a total of 15 commitments at its first summit in 2009. This increased gradually to 31 commitments in 2013. A more dramatic increase to 86 commitments came in 2014, followed by a jump to a peak of 127 commitments at the 2015 Ufa summit hosted by Russia. In 2016, decision-making dropped to 45 commitments. However, this was followed by another surge to a high of 128 commitments at the 2017 Xiamen summit. After 2017, decision-making decreased slightly but reached an all-time high of 194 commitments at the 2020 summit (see Appendix 2).

Subject-specific data show that the five selected subjects are significant priorities in BRICS' decision-making. Ranking first in the overall number of commitments made at all BRICS summits is the general issue area of international cooperation. Trade ranks second overall and is the first-ranking substantive issue area of BRICS decision-making. This is followed by regional security and crime and corruption in third and fourth place. Macroeconomics ranks fifth, followed by development in sixth. Climate change and health rank 13th and 16th overall. As the subject-specific data show, BRICS decision-making covers a large array of different issue areas beyond the traditional development and economic core. The five selected subjects

represent both the subjects at the highest level of BRICS' decision-making priority within the development-economic core (development, trade and macroeconomics), as well as the significant mid-ranging priority subjects outside the economic core (health and climate change).

Trade

Trade is BRICS' first substantive priority in decision-making (ranking after only the broad and non-substantive category of commitments on international cooperation). From 2009–21, BRICS made a total of 68 commitments on trade. Only one commitment on trade was made at the first BRICS summit in 2009, and decision-making on trade has increased gradually since then. Decisions on trade reached a high of nine trade commitments made at the 2012 New Delhi summit. This was followed by a decline from 2013–19. Another peak was reached in 2020, when BRICS made a total of 20 trade commitments. However, at the most recent 2021 summit, BRICS made only three commitments on trade (see Appendix 2).

Macroeconomics

From 2009–21, BRICS made a total of 58 commitments on macroeconomics. No commitments on macroeconomics were made at the first summit in 2009, but macroeconomics has been a subject of BRICS' decision-making thereafter. Macroeconomics decision-making reached a peak at the 2014 summit where a total of eight macroeconomics commitments were made. After 2014, decision-making declined. In 2020, macroeconomics decision-making reached an all-time high of 21 commitments. At the most recent 2021 summit, however, decision-making plunged to only two (see Appendix 2).

Development

Development is BRICS' fifth substantive priority in decision-making. From 2009–21, BRICS made a total of 47 commitments on development. At its first summit in 2009, BRICS made one development commitment. This was followed by a surge to five made at the 2010 summit. In 2011–12, development decision-making dropped, but it climbed to a higher peak of seven commitments in 2014 and an all-time high of 11 in 2017 at Xiamen. The number of development commitments dropped thereafter to five in 2018, none in 2019, three in 2020, and one in 2021 (see Appendix 2).

Climate Change

From 2009–21, BRICS made a total of 32 commitments on climate change. At its first summit in 2009, BRICS did not make any commitments on climate change. In 2010, it made one commitment on climate change, and in 2011, at the Sanya summit hosted by China, decision-making reached a peak of six commitments. After Sanya, decision-making on climate change dropped again, but climate change commitments were made at all summits with the exception of 2014 (see Appendix 2).

Health

From 2009–21, BRICS made a total of 28 commitments on health. The first health commitment was made at the 2011 Sanya summit. The next health commitment was made at the 2012 summit. No health commitments were made in 2013–14. In 2015, an all-time high of six health commitments were made at the Ufa summit hosted by Russia. This dropped to two commitments in 2016 and climbed to five commitments at the 2017 Xiamen summit hosted by China. In 2018, one health commitment was made, and none was made in 2019. Finally, there

was a surge at the most recent summits in 2020 and 2021, which made seven and five health commitments, respectively (see Appendix 2).

Delivery

From 2009–20, a total of 96 priority commitments were assessed for country-specific compliance. The overall average for BRICS' compliance across all summits, members and issue areas is +0.53 or 77%. Thus, BRICS' delivery performance is strong overall. By member, the highest performing member is China, with an overall average compliance score of +0.65 or 83%. This is followed very closely by India at +0.64 or 82%. In third place is Russia at +0.57 or 79%. In fourth place is Brazil at +0.42 or 71%, and fifth is South Africa at +0.37 or 69%.

Among the five selected subjects, the highest performing subject is health, which has an overall compliance average of +0.83 or 92%. In second place is macroeconomics at +0.78 or 89%, followed by development and climate change both at 0.72 or 86%, and finally followed by trade, with an average compliance of +0.36 or 68% (see Appendix 3).

Health

On health, seven priority commitments were assessed from the years 2011, 2015–18, and 2020. In 2011, average compliance with the assessed health commitment was 100%. This dropped to 70% in 2015–16. Health compliance then climbed back to 100%, a level that was sustained from 2017–20. By country, the strongest compliers are China and South Africa, with an average compliance of 100% on their health commitments.

Macro

On macroeconomics, eight priority commitments were assessed from the years 2013 and 2015–20. Overall compliance is strong and stable as compliance was 100% in all years assessed with the exception of 2013, when average compliance was 60%, and 2020, when average compliance was 75%. By country, the highest complier is China, with an overall compliance average of 100%.

Development

On development, 10 priority commitments were assessed from the years 2010–20 (with the exception of 2015 and 2019). Overall, compliance was high and solid throughout the years. BRICS began with a compliance average of 100% with its first assessed commitment in 2010. This dropped slightly to 90% in 2011, 70% in 2012, 80% in 2013, and 90% in 2014. Compliance climbed back to 100% in 2016–17. However, in the most recent years, average compliance dropped to 70% in 2018 and 2020. By country, the highest complier is China, with an overall average compliance of 100%.

Climate Change

On climate change, five priority commitments were assessed from the years 2011–12, 2016, and 2019–20. In 2011, compliance with the assessed commitment was 90%. This dropped to 60% in 2012, climbed back to 90% in 2016 and 2019, and most recently, compliance with the assessed climate commitment in 2020 reached 100%. By country, the highest complier is Russia, with an overall average compliance of 100% with its climate change commitments. In second place are Brazil and India at 90% each, and in third place is South Africa at 80%. China ranks last, with an average compliance of 70%.

Trade

On trade, 10 priority commitments were assessed from the years 2010–20 (with the exception of 2015 and 2019). Compliance with trade commitments fluctuated over time, and compliance scores varied more widely. In 2010, compliance began low, at 0%, as no countries complied with their trade commitments. This increased to 70% in 2011 and dropped to 50% in 2012. In 2013, average compliance with trade commitments was 100%, but this was followed by a drop to 0% in 2014. In 2016, compliance climbed back to 100% and dropped slightly to 80% in 2017–18. Most recently, in 2020, average compliance climbed back to 100%. By country, the highest-ranking complier is South Africa, with an average compliance of 78%. China ranks second, with an average compliance of 75%.

China's BRICS Leadership

China's Deliberative Leadership

China's deliberative leadership can be assessed through an analysis of how well China's priorities are matched by BRICS through summit deliberations and decision-making. China's priorities are determined through the subject-specific coding of China's pre-summit speeches, following the same method of coding for BRICS' summit deliberation. Specifically, the speeches are coded for the five selected subjects of this study—development, macroeconomics, trade, climate change, and health. China's pre-summit speeches include speeches that Chinese leaders made in the pre-summit period (from the end of the previous summit cycle to the start of the cycle being assessed). The selected speeches are either from the Chinese leaders' speeches at the United Nations General Assembly (UNGA) or at the World Economic Forum, since these are two of the most prominent occasions that offer a summary of China's global governance priorities. In addition, the repetition of these occasions each year provides a consistent point of analysis throughout all BRICS summits.

The resulting data on China's priorities on the selected subject areas show that China's priorities from 2009–21 can be ranked as follows: in first place is development, on which overall deliberation was 67%; in second place is macroeconomics, on which average deliberation was 48%. This is followed by health and climate change, ranked together in third place, on each of which average deliberation was 21%. In fifth place is trade, on which overall deliberation was 16%. In most of these subject areas, China has demonstrated strong and consistent deliberative leadership, in both facilitative and assertive ways.

Development

China's deliberative leadership is most pronounced in development, the subject that China cares about most. As China's first-ranking priority subject, China's leadership on development is always facilitative, and at times assertive. On average, from 2009–21, BRICS dedicated 35% of its summit declaration texts to the subject of development. Similarly, in decision-making, BRICS has made a total of 47 commitments on development. This makes development the sixth highest ranking substantive subject of BRICS' decision-making. In these ways, China has demonstrated both facilitative and assertive deliberative leadership, as its first-ranking priority of development has achieved not only high deliberation in BRICS but also high decision-making.

China and the BRICS also follow a similar trend in their prioritization of development over time (see Graph 4A). Trends in China's prioritization of development can be divided into three main phases. In the first phase from 2009–12, development took up a substantive propor-

tion of Chinese leaders' speeches. In the speeches preceding the 2009 summit, development accounted for 81% of the total text. This decreased slightly to 78% in 2010, increased to 88% in 2011, and reached an all-time high of 92% in 2012. For BRICS, this first phase of high prioritization of development lasted until 2013. From 2009–13, BRICS' deliberation on development has been significant, as the subject accounted for 35% of summit deliberations in 2009, 41% in 2010, 40% in 2011, 36% in 2012, and 46% in 2013. Strong BRICS deliberation was accompanied by an increase in decision-making. While BRICS only made one commitment on development in 2009, this increased gradually to six development commitments in 2013. Thus, in this first phase, China's facilitative and assertive leadership was strong.

The second phase, from 2013–19, was marked by China's lower level of prioritization of development, though the subject remained significant, and China's leadership remained strong. In 2013, development accounted for 66% of the total text of Chinese leaders' speeches. This dropped to 61% in 2013 and 57% in 2014, then increased to 73% in 2016, and dropped again to 66% in 2017, 49% in 2018, and 55% in 2019. For BRICS, this second phase began one year later in 2014. In 2014, development deliberation fell to 8%, and this was followed by a further fall to 7% in 2015. However, starting in 2016, BRICS' performance on deliberation began to rise. In 2016, leaders dedicated 45% of summit deliberations to development, and development deliberation for BRICS has remained high since 2016. In decision-making, the number of commitments on development was at seven in 2014 and increased to a peak 11 in 2016, but fell to zero commitments in 2019. Thus, in this second phase, China demonstrated continued facilitative leadership, but declining assertive leadership.

The final phase for China began in 2020, when development accounted for 81% of the total text of Chinese leaders' pre-summit speeches. Although this dropped to 58% in the pre-summit speeches of 2021, development again took up 85% of Xi Jinping's speech at the most recent 2021 UNGA speech, which preceded the upcoming 2022 summit. Thus, it is likely that this marks a new phase in China's increasing prioritization of development. For BRICS, deliberation in 2020–21 remained significant at greater than 3%. Decision-making, however, saw a slight drop to three commitments in 2020 and just one commitment in 2021. Here again, China remained a facilitative leader, but not an assertive leader.

Macroeconomics

China's second highest priority subject is macroeconomics. China's prioritization of macroeconomics was strong and stable overtime, as the subject took up an average of 48% of all pre-summit speeches by Chinese leaders. Starting at the pre-summit speeches of the 2009 summit, macroeconomics accounted for 47% of Chinese leaders' speeches. This was followed by a slight decrease to 46% in 2010, an increase to a peak of 72% in 2011, and a decrease to 71% in 2012, 47% in 2013, and 41% in 2014. There was another slight increase to 53% in 2015, followed by a decrease to 47% in 2016, another increase to 53% in 2017, and a decrease to 44% in 2018. In 2019, macroeconomics accounted for only 37% of pre-summit speeches. From 2020–21, there was a return to the prioritization of macroeconomics as the subject accounted for 59% of the text of pre-summit speeches in 2020 and 56% in 2021. However, at the most recent 2021 UNGA speech, Xi devoted an all-time low of 22% to the subject of macroeconomics.

BRICS has dedicated an overall average of 33% of its summit deliberations to the subject of macroeconomics, and macroeconomics is also the second highest priority for BRICS. Over time, China and BRICS also followed similar trends in their macroeconomic deliberations. For example, macroeconomic deliberations were relatively higher at the earlier summits, experienced a drop to an all-time low in 2014, and began a recovery in 2015 when macroeconomics stabilized as a significant priority for both China and BRICS (see Graph 4B). In terms of decision-making, macroeconomics ranks as the fifth highest performing subject. A total of 58

commitments were made by BRICS on macroeconomics. Thus, on macroeconomics, China is both a facilitative and an assertive leader.

Health

China's third highest priority is the subject of health. Overall, BRICS has dedicated an average of 15% of its summit deliberations to the subject of health, which makes it the fifth ranking deliberation subject after development, macroeconomics, trade, and climate change. However, over time, BRICS' deliberation on health has seen a dramatic increase, particularly since 2018. Thus, China's leadership on health can be divided into two main phases.

In the first phase from 2009–17, health was generally a subject of high priority for China but not for BRICS. Health took up a significant portion of China's pre-summit speeches with only a few exceptions. In 2009, 31% of the text of Chinese leaders' speeches was devoted to health, followed by 30% in 2010, 26% in 2011, and 24% in 2012. In 2013, there was a dip to 8%, but this was followed by an increase to 16% in 2014, a slight decrease to 10% in 2015, an increase to 19% in 2016, and to 20% in 2017. For BRICS, health was not a significant subject of deliberation, and it did not ever surpass 15% of total summit deliberation from 2009–17. Similarly, decision-making on health was low throughout this phase. Thus, China was not a deliberative leader in health during this first phase.

In the second phase, which began in 2018, China's leadership became more pronounced. China's prioritization of health began low at 4.5% in 2018 and 8% in 2019, but it increased dramatically to 77% in 2020 and 46% in 2021. For BRICS, deliberation on health also increased starting in 2019, when it reached 26%; it stayed high at 26% in 2020 and increased to an all-time high of 45% in 2021. Similarly, decision-making on health reached an all-time high in 2020 at seven commitments, followed by five in 2021. These were the first and third highest performing years of health decision-making in BRICS' history. Thus, during this second phase, China became both a facilitative and assertive leader (see Graph 4C).

Climate Change

China's fourth priority is climate change. China's leadership on climate change has been less pronounced. On average, it has dedicated 21% of its pre-summit deliberations to climate change, which is matched closely by BRICS, which has dedicated an overall average of 19% of its summit deliberations to the subject of climate change.

China's prioritization of climate change was moderately significant and relatively stable over time, with only a couple of peaks and dips. Starting in 2009, 31% of the text of China's pre-summit speeches was devoted to climate change, followed by 35% in 2010, 25% in 2011, 24% in 2012, 21% in 2013, 17% in 2014, and 13.7% in 2015. A peak in prioritization came in 2016, when China devoted 42.5% of its pre-summit speeches to climate change. This was followed by a drop to 12.5% in 2017, a slight rise to 15.5% in 2018, and a plunge to an all-time low of 6.3% in 2019. In 2020, climate change prioritization increased to 31%, followed by 25% in 2021, and 21% at the most recent pre-summit speeches of 2022.

For BRICS, deliberations on climate change were relatively weak overall. Climate deliberations began high in 2009–12, saw a general decrease from 2013–17, and increased again starting in 2018. However, deliberation never surpassed its peak of 31% in 2010. Similarly, on decision-making, BRICS' performance on climate change was relatively weak, but with several exceptions. BRICS made a total of 32 commitments on climate change, which ranks 13th among all BRICS subjects. Recently, a peak in performance came in 2020 when BRICS made 10 climate change commitments. Thus, on climate change, while China did not demonstrate sustained leadership, there are signs of a recent rise in China's assertive leadership in 2020,

when China's prioritization of the subject increased, and when BRICS' decision-making on the subject increased dramatically (see Graph 4D).

Trade

China's fifth priority is trade. This priority began to be voiced in 2010, when China dedicated 18% of the text of its pre-summit speeches to trade. This increased to 23% in 2011, fell to 19% in 2012, and dropped to 8% in 2013. In 2014–15, 23% of the text of pre-summit speeches was devoted to trade, followed by 12% in 2016, 23% in 2017, 9% in 2018, 19% in 2019, and 10% in 2020. In 2021, trade accounted for an all-time high of 31% of the text of pre-summit speeches. On average, China devoted 16% of its pre-summit speeches to trade.

Here, China's facilitative leadership was strong, as BRICS has devoted an average of 20% of its summit deliberations to trade. This number remained relatively stable, with a few exceptions in the early years of the BRICS summit. China also demonstrated strong assertive leadership. BRICS has made a total of 68 commitments on trade, which account for more than 7% of its overall commitments. Trade ranks as the first substantive area of decision-making performance, placing only after the general issue area of international cooperation. Over time, there has also been an increase in China's assertive leadership. BRICS' decision-making on trade increased dramatically from 2009–12 and reached a peak of nine commitments in 2012. This was followed by relatively stable performance from 2013–19. In 2020, BRICS saw another peak to an all-time high of 20 commitments on trade (see Graph 4E).

Summary of China's Deliberative Leadership

Overall, China has been a strong deliberative leader in the BRICS on all of its priority subjects except climate change. In development, macroeconomics, health, and trade, China's deliberative leadership was almost always facilitative, and at times assertive. Its facilitative leadership was most pronounced in development, macroeconomics, and trade, on which it has been a facilitative leader since the beginning. On health, China only recently exercised its leadership, and it has done so in both facilitative and assertive ways. In many subjects, China's assertive leadership also increased in recent years.

China's Exemplary Leadership

China's exemplary leadership is assessed using BRICS compliance data disaggregated by member and subject. Here, leadership is assessed through a comparison of China's average, subject-specific compliance with those of other BRICS members.

China's leadership is strongest in the subjects of development, macroeconomic, and health. In these three subjects, China's average compliance through all BRICS summits was +1.00 or 100%, which means that China fully complied with all of its commitments on these subjects at all assessed BRICS summits. Its leadership is most pronounced in development as its average compliance of 100% is 14% higher than the overall BRICS average of 86%. In second place is macroeconomics, on which China's average compliance of 100% is 11% higher than the overall BRICS average of 89%. In third place is health, on which China's average compliance of 100% is 8% higher than the overall BRICS average of 92%.

In these three subjects, China's leadership style varied. On macroeconomics and development, China's leadership style is the closest to the image of a unilateral, exemplary leader. On macroeconomics, it is the only member that achieved an average score of 100%, and its score is 6% higher than the member ranking in second place, Brazil, at 94%. On development, China

is also the only member that achieved an average score of 100%, and its score is 5% higher than the second-ranking member, India, at 95%. On health, China is a cooperative leader. It led cooperatively, by example, with South Africa, who also achieved an overall average of 100%.

On trade, China's leadership by example is weaker. Its overall average compliance with its trade commitments is +0.50 or 75%, which is 7% higher than the overall BRICS average of 68%. On this subject, the exemplary compliance leader was South Africa, with an overall average compliance of +0.56 or 78%, which is 3% higher than that of China. Thus, while China's leadership is relatively weaker compared to other subjects, it still leads cooperatively with South Africa on trade.

On climate change, China did not lead by example, but rather fell behind other members. China's average compliance of +0.40 or 70% is 16% lower than the overall BRICS average of 86%. Here, the compliance leader was Russia, whose overall average compliance was 100%.

Thus, overall, China has been a strong exemplary leader in most subjects except climate change. This pattern of leadership is similar to China's deliberative leadership, which was also strong on most of its priority subjects except climate change. In terms of leadership style, China is a unilateral exemplary leader on its highest priorities of development and macroeconomics, a cooperative leader on health, and a weaker but nonetheless cooperative leader on trade.

Causes of China's BRICS Leadership

Shock Activated Vulnerability

Shock-activated vulnerability helps explain some of the variations and developments in China's leadership over time. The most important shock that came recently was the COVID-19 pandemic in late 2019. China's particular vulnerability is rooted in its large and aging population, as well as its experience as the country first hit by the virus. The effects of this shock were seen most clearly in the subject of health. While China's leadership of health began in 2018, the more dramatic surge in China's prioritization of health and BRICS' performance on health came after the emergence of the COVID-19 pandemic. Thus, in 2020, BRICS' decision-making on health increased to an all-time high of 9%. BRICS' delivery on its health commitments also reached a high of 100% in 2020, which means that all BRICS members had fully complied with their health commitments. In addition, China's cooperative exemplary leadership with India on health can be explained by their shared vulnerability as the countries with the highest populations as well as the highest size of aging populations within BRICS (See Graph 6).

The shock from the 2008 financial crisis also bolstered China's leadership, particularly in the area of macroeconomics and development. As BRICS noted in its 2009 declaration, the poorest developing countries have been hit hardest by the financial crisis. Thus, the crisis has not only revealed the fragility of the advanced economies in the West, but also the vulnerability of developing economies in the Global South. This crisis, as well as the other financial and economic crises that followed, continued to emphasize China's and BRICS' economic interconnectedness with the rest of the world, and thus their vulnerability. In turn, this contributes to an explanation of China's strong and sustained leadership on the subjects of macroeconomics and development.

Multilateral Organization Failure

The failure of multilateral organizations to adequately represent and address China's concerns is another cause of China's leadership within BRICS. While the lack of representation at

western-dominated institutions is an important and long-standing concern of all developing countries, this is especially impactful for China as China has become the world's second largest economy and one of its most significant geopolitical powers. Despite its willingness and capability to contribute to global governance, Chinese nationals have had no significant roles in leading UN institutions, and China is not home to any secretariats of UN institutions. This failure of multilateral organizations has prompted China to pursue more of its international objectives in BRICS, alongside its developing country partners. The lack of representativeness of multilateral organizations has also led BRICS to push for the reform of these organizations, leading to important achievements, particularly regarding reform of the International Monetary Fund and the World Bank. Similarly, BRICS has also established its own institutions such as the New Development Bank and the contingent reserve arrangement in 2012 to 2014. Overall, the lack of progress of western-dominated institutions played an important role in motivating BRICS' achievements in IFI reform and the creation of new institutions. This has further provided the foundation for China's deeper engagement with BRICS, as BRICS provides not only a platform for China to pursue the goals of global institutional reform, but also a platform through which China can participate in creating new institutions that better represent the needs of the developing world.

More specifically, the failure of the Doha development round of the World Trade Organization (WTO) has led to China's strong and sustained leadership on development and trade in BRICS. The Doha Agenda began in 2001 with the aim of addressing the concerns of developing countries in global trade. However, negotiations broke down in 2008, and attempts thereafter to revive the talks were without success. Thus, rather than relying on the WTO, China demonstrated its leadership on development and trade within BRICS, primarily as the leading facilitator of BRICS' discussions on these subjects.

Predominant Equalizing Capability

China's growing gross domestic product (GDP), and its sheer size, which surpasses those of the other BRICS members by a significant amount, continues to incentivize China to take on a leadership position within BRICS (see Graph 5B). At the same time, China's economic capabilities also stand out in terms of GDP growth rate. While growth has slowed in recent years and has led to a similar pattern of economic slowdown across all BRICS countries, China still has the highest growth rate among all BRICS members. Most recently in 2020, China became the only BRICS member with a positive GDP growth rate, as all other BRICS members had experienced negative growth rates (see Graph 5C). As the largest and fastest growing economy in BRICS and thus the one with the greatest amount of economic resources, China has a unique capability to play a leadership role. This incentivized and created the material conditions for China's leadership, particularly in areas such as macroeconomics and development, where China's leadership was unilateral in nature.

On the subject of trade, China's capabilities to a great extent surpass the rest of BRICS. In 2020, its merchandise exports reached \$2.59 trillion, much higher than other BRICS members, whose exports range from \$85 billion to \$332 billion [World Bank, 2021]. This explains China's sustained leadership on trade within BRICS. However, as a proportion of GDP, China's trade volume is much closer to its BRICS partners and is lower than those of South Africa, Russia and India (see Graph 5D). In fact, South Africa has the highest volume of trade as a percent of GDP, and this explains its cooperative exemplary leadership with China on the subject of trade in the BRICS.

Converging Political Characteristics

China's leadership can also be attributed to the converging political characteristics of the BRICS members. Setting itself apart from the other international summit institutions like the G7 and G20, BRICS is an institution that represents developing states in the Global South. This shared characteristic provides the basis for the group's common vision and solidarity. BRICS thus provides an important platform for China to affirm and bolster its status as a developing country. In addition, BRICS is a small and tightly knit group of countries with not only similar economic status but political status as well. In terms of regime type, BRICS as a group has ranked relatively lower on the global democracy index. South Africa, the highest-ranking member, ranks 45th on the 2020 global democracy index, followed by Brazil in 49th position, India in 53rd, Russia at 124th, and China at 151st [The Economist, 2020]. Thus, while there is still a diversity of regime types within BRICS, China's rank is much closer to its BRICS partners than those of other summit institutions like the G20.

Domestic Political Cohesion

China's strong leadership role is also bolstered by its high degree of domestic political cohesion. From 2009–20, China has only experienced one major leadership shift from the Hu Jintao regime to the Xi Jinping regime. Both regimes enjoyed a high degree of cohesion at home, allowing China to speak with one firm voice abroad. In addition, the transition from the Hu regime to the Xi regime did not shift China's fundamental priorities for global governance. For example, the regime's focus on economic development and economic growth has remained stable and unaltered, and the subjects of development and macroeconomics have remained at the top of China's international agenda, demonstrated by the high percentage of international speeches dedicated to these subjects throughout both Hu's and Xi's regimes. Thus, the stability of China's fundamental priorities has facilitated China's strong and sustained leadership in BRICS, particularly on the subjects of development and macroeconomics.

Club at the Hub

Finally, BRICS' position as the club at the hub of a network of new plurilateral institutions has also contributed to China's leadership within, particularly in the area of development. As a result of the failure of western-dominated institutions to adequately represent the interests of developing countries in the Global South, China has taken the initiative to develop a series of parallel international institutions that are oriented more toward the needs of developing countries. These institutions include, most notably, the BRI and the AIIB. In addition, China's leadership role in BRICS is bolstered by its role in other parallel institutions like the Shanghai Cooperation Organisation (SCO), the East Asia summit, the ASEAN Plus summit, and others. These plurilateral institutions connect leaders of developing states from the Asian and Eurasian regions and allow for members to interact on multiple occasions to discuss global governance issues from a regional and development perspective. One prominent example is China's hosting of the 2017 Xiamen BRICS summit, which was bolstered by the synergies created by China's participation in a wide network of interconnected, development-focused summit institutions. In March 2017, China hosted the Boao forum to discuss Asia's regional cooperation; this was followed by the BRI forum hosted by China in May to discuss China's infrastructure investment initiatives in the Eurasian region. In June, China participated in the SCO summit, which had just incorporated India into its organization as a full member, which was followed by China's participation in the East Asia Forum with its East Asian neighbours. Following this,

China hosted the Xiamen BRICS summit in September. This summit was then followed by the ASEAN+ summit where China met with its South Asian regional partners; and finally, in November, China participated in the Summit of the Heads of Government of China and Central and Eastern European Countries to discuss cooperation with its neighbouring European region. Thus, China's engagement with BRICS is part of a larger engagement pattern of China's with a diverse network of regional institutions where development is a priority subject of common concern. As a result, its development leadership in BRICS is facilitated by the international experiences that China has derived from its participation in a wide range of development-oriented institutions. These institutions, and China's development initiatives like the BRI and AIIB, also provide China with a great deal of resources on which it can draw to lead by positive example.

Conclusion: A Future Research Agenda and Prospects for the 2022 BRICS Summit

Summary and Future Directions

Overall, China's leadership style has been strong but flexible. Since the first BRICS summit in 2009, China has demonstrated deliberative leadership and exemplary leadership in the areas of development, macroeconomics, health, and trade. China has acted as both the leading facilitator, shaping the course of BRICS' discussions, as well as a leader by positive example, staying accountable to its own political commitments and leading by doing. Its leadership style was flexible in that it has been both facilitative and assertive in its deliberative leadership, and it has led by example both unilaterally and cooperatively with others.

One area of weakness in China's leadership, on both the deliberative and exemplary dimensions, is climate change. While climate change has been a long-standing priority for China's global governance agenda, China has not succeeded in leading BRICS on climate change. Deliberation, decision-making, and delivery performance remain in need of improvement. At the most recent UNGA speech by President Xi in 2021, climate change accounted for 21% of his speech, making it an important Chinese priority once again. As the host of the 2022 BRICS summit, China has a unique opportunity to bolster BRICS' performance on climate change. In China's previous terms as host of the summits in 2011 and 2017, BRICS saw a sharp rise in performance in many subjects. For example, on decision-making, there was a surge in the number of development commitments, the number of trade commitments, and the number of health commitments at the 2017 Xiamen summit, and there was a surge in the number of climate change commitments at the 2011 Sanya summit. Thus, China could replicate its success in Sanya by facilitating further discussion on climate change and increasing its assertive leadership to push for a greater number of climate change commitments from BRICS members.

While this article has outlined a model and thesis of China's leadership style in BRICS, it also leaves many questions unanswered. These questions provide the foundations for a fruitful future research agenda. Most importantly, the concept of leadership is currently restricted to a single country and involves identifying the country's priorities and matching it to BRICS' deliberation, decision-making, and delivery, in order to determine in what dimensions and styles the country leads. However, this conception of leadership leaves unattended the important possibilities of cooperative leadership. In several issue areas, such as development and health, China's priorities could very well match those of its BRICS partners, particularly India. Thus, it is highly likely that China has led cooperatively with India on these issues. An expanded model of leadership that adds a further dimension of intra-BRICS leadership relations would allow for an examination of how BRICS members lead together to jointly achieve desired results.

Relatedly, an expanded conception of leadership would allow for a consideration of how political relationships between BRICS members affect or shape cooperative leadership. One important example is the Sino-Russian relationship. On an institutional level, this relationship has set the foundation for their joint participation in many international institutions, with prominent examples being the SCO and the BRI. By outlining and analyzing possible instances of cooperative leadership, it is possible to relate countries' institutional cooperation more broadly to their geopolitical and strategic relationships. Most importantly, this expanded framework would allow for a consideration of important and relevant geopolitical factors that may impact institutional cooperation within BRICS and beyond. For example, given the current Russia-Ukraine conflict and the varying ways in which BRICS members have responded, an important line of inquiry would analyze how changing geopolitical relations between BRICS members affect their cooperation (or cooperative leadership) within BRICS. A further dimension that would add depth to this kind of inquiry is a comparative dimension between BRICS and other relevant institutions. By expanding this framework of analysis to include China and other BRICS members' leadership (and instances of cooperative leadership) in other organizations in which BRICS members participate, it is possible to compare the significance of BRICS to each group member, and gain insights on possible changes in BRICS' position (such as potential weakening of BRICS due to the emergence of the BRI, which might take away China's attention, or due to the Eurasian Economic Union, which might take away Russia's attention). Overall, through an expanded concept of leadership and an expanded analytical framework that goes beyond a single member's leadership and beyond leadership in a single institution, a wide range of important factors can be taken account of, and a broader range of institutional phenomena may be understood.

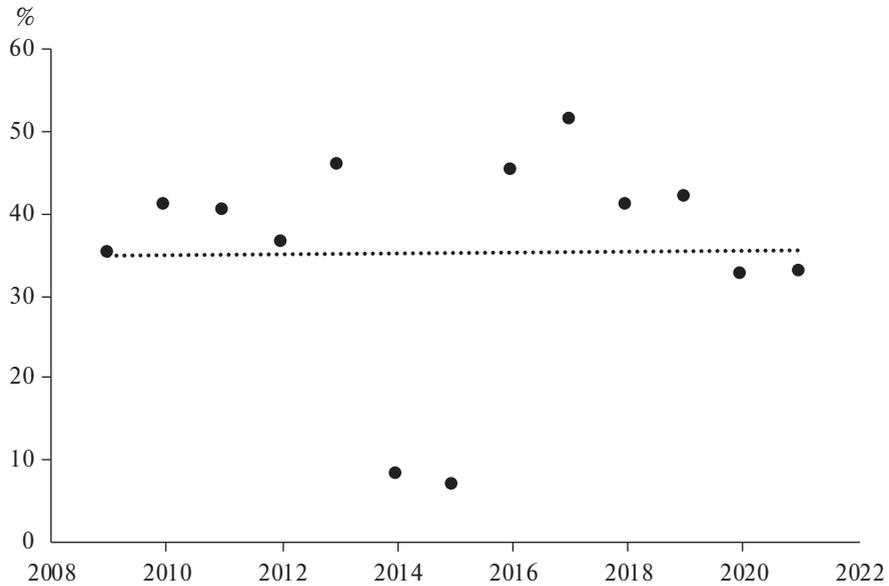
Prospects for 2022

The 2022 summit is likely to produce strong and stable deliberation and decision-making on China's long-standing priority of development. At his 2021 UNGA speech, President Xi dedicated a significantly high portion (85%) of his speech to the subject of development. Thus, it is likely that Xi will continue to push for further progress in BRICS' governance of development. In addition, Xi devoted 40% of his speech to the subject of health. Thus, health is likely going to be another important issue at the 2022 summit, particularly given the continuing impact of the COVID-19 pandemic. In contrast, economic subjects such as macroeconomics and trade received far less attention at Xi's 2021 speech. Xi dedicated 22% of his speech to macroeconomics, which is much lower than previous years. More strikingly, none of his 2021 UNGA speech was dedicated to the subject of trade. Thus, it is likely that the 2022 summit will sideline traditional economic discussions and focus predominantly on the impact of the COVID-19 pandemic. Building on the momentum of the 2020 Moscow summit and the 2021 New Delhi summit, China is likely to continue facilitating much-needed discussions on health, and exercise assertive leadership in pushing for a higher number of concrete and politically binding commitments on health, and specifically on responding to the prolonged health, economic, and social consequences of the pandemic. The intersection of health and development is also likely to create new synergies that will hopefully lead to more progress in responding to the multidimensional challenges of the pandemic, particularly for the developing world.

References

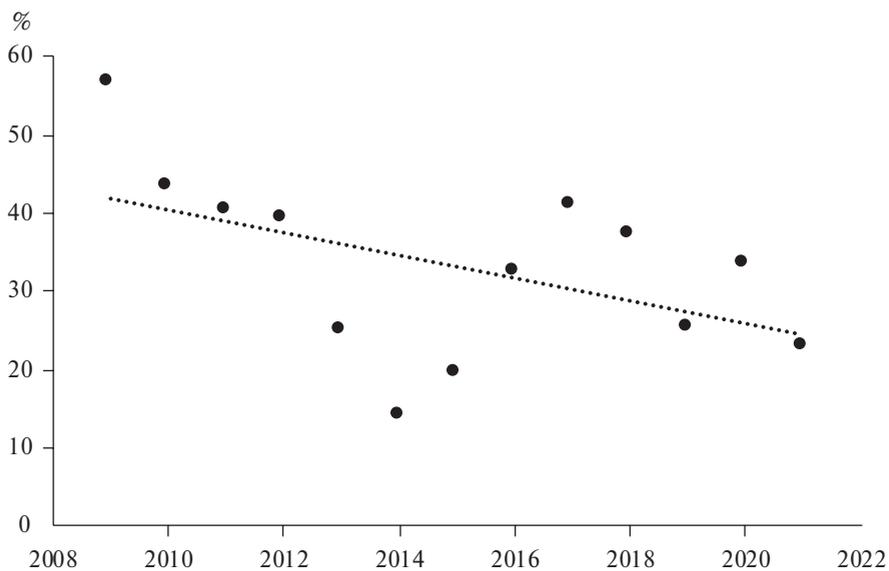
- Bo P. (2021) *China and Global Governance: A New Leader?* Cham: Palgrave Macmillan.
- Cheng J. Y. S. (2015) China's Approach to BRICS. *Journal of Contemporary China*, vol. 24, issue 92, pp. 357–75. Available at: <https://doi.org/10.1080/10670564.2014.932518>.
- Cooper A. F., Farooq A. B. (2016) The Role of China and India in the G20 and BRICS: Commonalities or Competitive Behavior? *Journal of Current Chinese Affairs*, vol. 3, pp. 73–106. Available at: <https://doi.org/10.1177%2F186810261604500303>.
- Cooper A. F., Zhang Y. (2018) Chinese Leadership in the Evolution of “Hub” and “Parallel” Globally Oriented Institutions. *Chinese Political Science Review*, vol. 3, issue 1, pp. 28–47. Available at: <https://doi.org/10.1007/s41111-017-0081-z>.
- Global Governance Program (2019) Compliance Coding Manual for International Institutional Commitments. University of Toronto. Available at: http://www.g7.utoronto.ca/compliance/Compliance_Coding_Manual_2019.pdf (accessed 14 June 2022).
- Hooijmaaijers B. (2021) China, the BRICS, and the Limitations of Reshaping Global Economic Governance. *The Pacific Review*, vol. 34, issue 1, pp. 29–55. Available at: <https://doi.org/10.1080/09512748.2019.1649298>.
- Kastner S. L., Pearson M. M., Rector C. (2019) *China's Strategic Multilateralism: Investing in Global Governance*. Cambridge: Cambridge University Press.
- Kirton J. J. (2013) *G20 Governance for a Globalized World*. Oxon: Routledge.
- Kirton J. J. (2016) *China's G20 Leadership*. Oxon: Routledge.
- Kirton J. J., Wang A. X. (2021) China's Global Leadership Through G20 Compliance. *Chinese Political Science Review*. Available at: <https://doi.org/10.1007/s41111-021-00177-2>.
- Larson D. W. (2020) Can China Change the International System? The Role of Moral Leadership. *The Chinese Journal of International Politics*, vol. 13, issue 2, pp. 163–86. Available at: <http://www.tuiir.tsinghua.edu.cn/info/1147/2692.htm>.
- Ly B., Boateng J. K. (2021) China Quest for Global Governance Overhaul. *Cogent Social Sciences*, vol. 7, issue 1. Available at: <https://doi.org/10.1080/23311886.2021.1932031>.
- The Economist (2020) Democracy Index 2020 Report. Available at: <https://www.eiu.com/n/campaigns/democracy-index-2020/> (accessed 14 June 2022).
- Wan M. (2014) *The China Model and Global Political Economy: Comparison, Impact, and Interaction*. Oxon: Routledge.
- Wang H., French E. (2014) China in Global Economic Governance. *Asian Economic Policy Review*, vol. 9, issue 2, pp. 254–71. Available at: <https://doi.org/10.1111/aep.12068>.
- Wang L., Zhang Y., Xi H. (2021) The Political Economy of China's Rising Role in the BRICS: Strategies and Instruments of the Chinese Way. *The Chinese Economy*. Available at: <https://doi.org/10.1080/10971475.2021.1972545>.
- [Dataset] World Bank (2021) Trade: Merchandise Exports (Current US\$). Available at: <https://data.world-bank.org/topic/trade?end=2020&locations=CN-IN-BR-RU-ZA&start=2009> (accessed 14 June 2022).
- Zhao S. (2018) A Revisionist Stakeholder: China and the Post-World War II World Order. *The Journal of Contemporary China*, vol. 27, issue 113, pp. 643–58. Available at: <https://doi.org/10.1080/10670564.2018.1458029>.

Appendix 1: BRICS Deliberation on Major Subject Areas



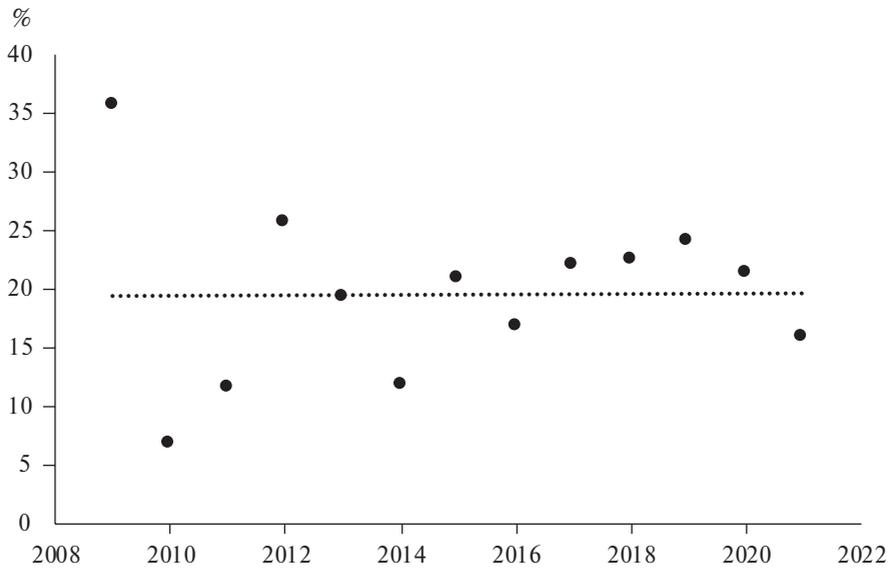
Graph 1A: BRICS Development Deliberation

Source: Prepared by the author.



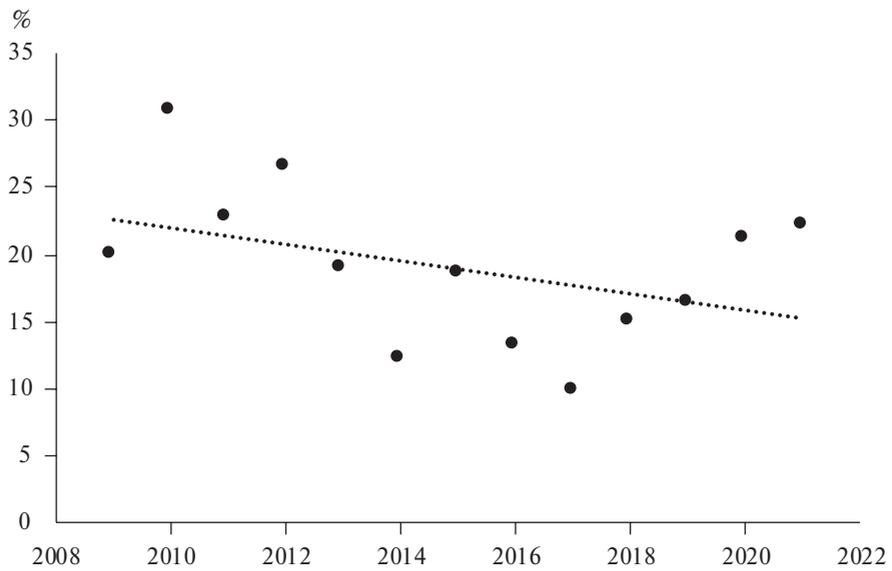
Graph 1B: BRICS Macroeconomic Deliberation

Source: Prepared by the author.



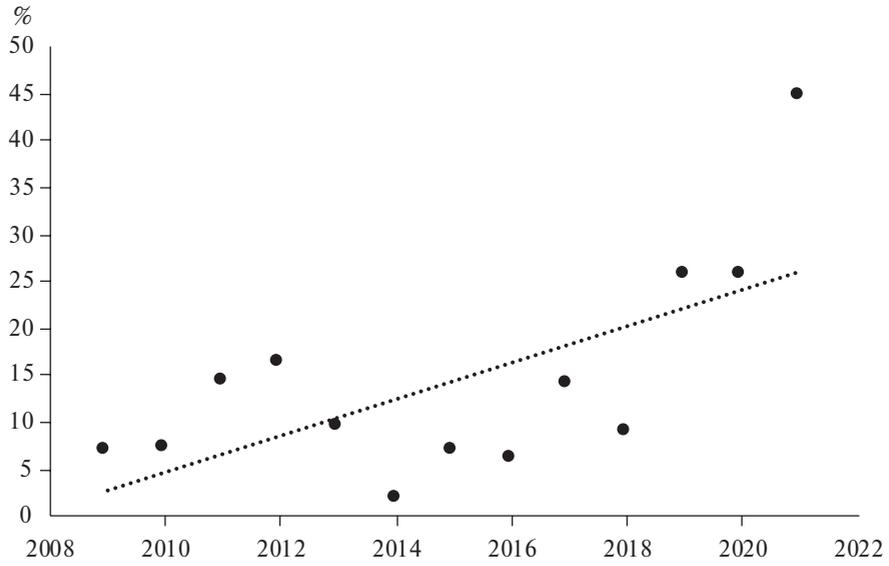
Graph 1C: BRICS Trade Deliberation

Source: Prepared by the author.



Graph 1D: BRICS Climate Deliberation

Source: Prepared by the author.



Graph 1E: BRICS Health Deliberation

Source: Prepared by the author.

Appendix 2: Decision-Making

Issue sphere	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Total	15	31	38	36	39	86	127	45	128	72	64	194	58	933
International cooperation	1	2	2	2	10	6	21	6	12	14	7	9	7	99
Trade	1	2	5	9	3	4	6	2	5	4	4	20	3	68
Regional security	1	0	1	4	5	11	6	4	12	7	6	7	1	65
Crime and corruption	0	0	0	1	1	7	9	3	8	6	11	8	7	61
Macroeconomics	0	2	4	2	3	8	2	3	4	3	4	21	2	58
Development	1	5	1	2	6	7	3	2	11	5	0	3	1	47
Energy	5	9	1	2	0	0	0	0	6	2	2	20	0	47
Food and agriculture	2	0	1	1	0	4	17	0	5	3	0	7	2	42
ICT and digital economy	0	0	0	0	0	0	12	1	5	2	2	16	4	42
IFI reform	1	2	1	4	6	2	3	2	5	2	3	5	1	37
Terrorism	0	0	1	2	2	2	1	4	7	3	1	4	7	34
Science and education	1	1	1	0	0	4	4	0	8	0	0	13	1	33
Climate change	0	1	6	2	1	0	2	1	3	1	2	10	3	32
BRICS cooperation	0	0	3	0	0	3	5	2	6	2	1	8	0	30
Finance	0	4	2	1	0	2	5	1	4	4	1	4	0	28
Health	0	0	1	1	0	0	6	2	5	1	0	7	5	28
International taxation	0	0	0	0	0	3	4	4	5	4	5	2	0	27
Socioeconomics	1	0	3	2	0	5	3	0	0	0	0	10	0	24
Environment	0	0	0	0	0	2	0	1	3	3	4	6	2	21
International information security	0	0	2	0	0	4	7	2	2	1	0	0	0	18
Human rights	0	0	1	0	1	2	5	0	2	0	1	0	3	15
Culture	0	1	0	1	0	3	1	1	6	0	0	1	0	14
Sustainable development	0	0	0	0	1	2	1	1	1	2	2	2	2	14
Infrastructure	0	0	0	0	0	0	1	0	0	0	1	8	0	10

Source: Prepared by the author.

Only the substantial issue areas are included in this chart. Omitted are issue areas with less than 10 references over all years of the summit.

Appendix 3: Delivery on Key Subjects

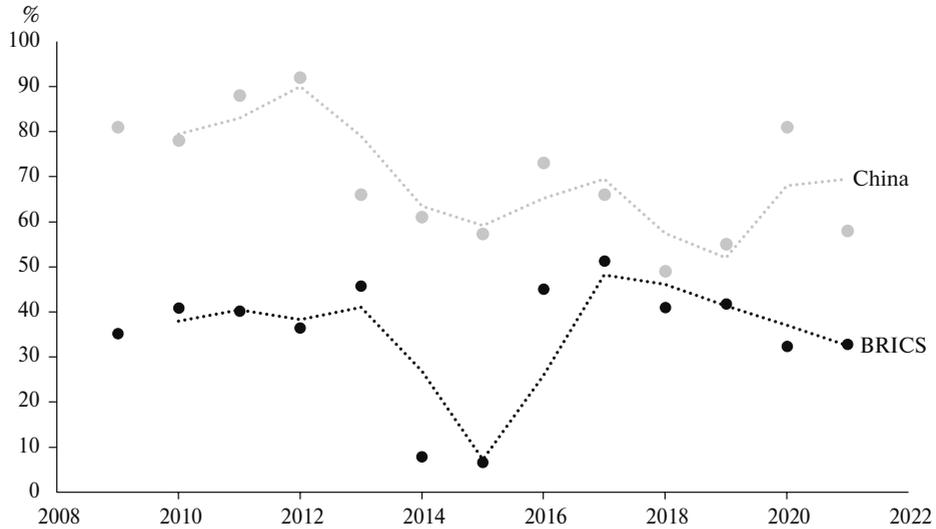
Subject	Summit Year	Brazil	Russia	India	China	South Africa	Average	Summit Avg
Development (N = 10)	2010	+1	+1	+1	+1		+1.00	+1 (100%)
	2011	+1	+1	+1	+1	+1	+1.00	+0.80 (90%)
	2011	+1	0	+1	+1	0	+0.60	
	2012	0	0	0	+1	+1	+0.40	+0.40 (70%)
	2013	+1	+1	+1	+1	-1	+0.60	+0.60 (80%)
	2014	0	+1	+1	+1	+1	+0.80	+0.80 (90%)
	2016	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2017	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2018	0	0	+1	+1	0	+0.40	+0.40 (70%)
2020	-1	0	+1	+1	+1	+0.40	+0.40 (70%)	
Subject Average		+0.50	+0.60	+0.90	+1.00	+0.56	+0.72	86%
Macro								
Macroeconomics (N = 8)	2013	0	0	+1	+1	-1	+0.20	+0.20 (60%)
	2015	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2016	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2017	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2018	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2019	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2020	+1	+1	+1	+1	+1	+1.00	+0.50 (75%)
	2020	+1	0	-1	+1	0	0	
Subject Average		+0.88	+0.75	+0.75	+1.00	+0.63	+0.78	89%
Trade								
Trade (N = 10)	2010	-1	-1	-1	-1		-1.00	-1.00 (0%)
	2011	0	0	+1	+1	0	+0.40	+0.40 (70%)
	2012	0	-1	+1	0	0	0	0 (50%)
	2013	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2014	-1	-1	-1	-1	-1	-1.00	-1.00 (0%)
	2016	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2017	0	+1	0	+1	+1	+0.60	+0.60 (80%)
	2018	0	+1	0	+1	+1	+0.60	+0.60 (80%)
	2020	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2020	+1	+1	+1	+1	+1	+1.00	
Subject Average		+0.20	+0.30	+0.40	+0.50	+0.56	+0.36	68%

Subject	Summit Year	Brazil	Russia	India	China	South Africa	Average	Summit Avg
Climate Change (N = 5)	2011	+1	+1	+1	0	+1.00	+0.80	+0.80 (90%)
	2012	0	+1	+1	-1	0	+0.20	+0.20 (60%)
	2016	+1	+1	+1	+1	0	+0.80	+0.80 (90%)
	2019	+1	+1	0	+1	+1	+0.80	+0.80 (90%)
	2020	+1	+1	+1	+1	+1	+1.00	+1 (100%)
Subject Average		+0.80	+1.00	+0.80	+0.40	+0.60	+0.72	86%
Health (N = 7)	2011	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2015	0	+1	-1	+1	+1	+0.40	+0.40 (70%)
	2016	0	0	0	+1	+1	+0.40	+0.40 (70%)
	2017	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2018	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2020	+1	+1	+1	+1	+1	+1.00	+1 (100%)
	2020	+1	+1	+1	+1	+1	+1.00	+1 (100%)
Subject Average		+0.71	+0.86	+0.57	+1.00	+1.00	+0.83	92%

Source: Prepared by the author.

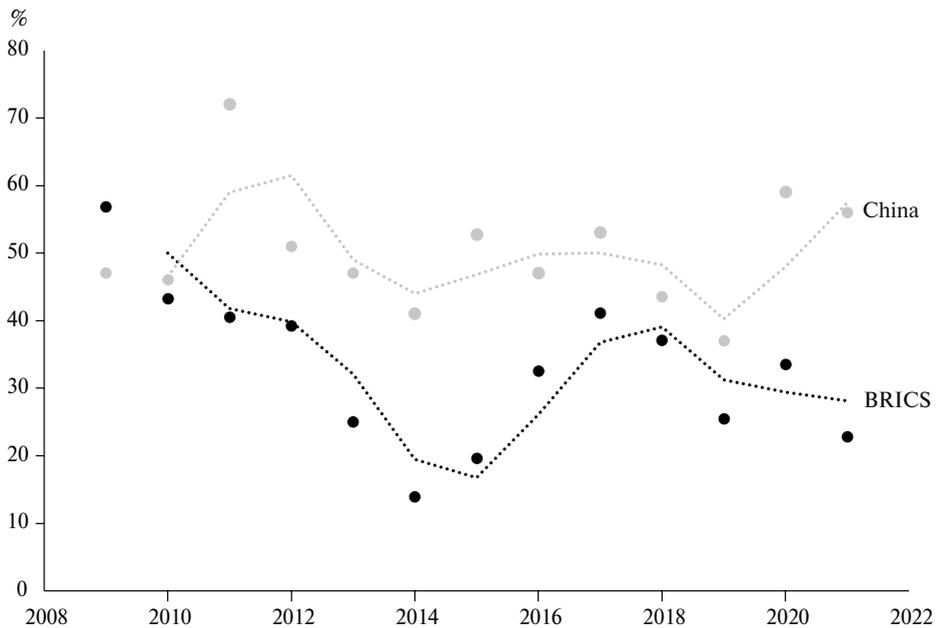
Appendix 4: China's Subject-Specific Leadership

(The orange datapoints represent China's deliberation on the subject area each summit year, while the blue data points represent the BRICS' deliberation on the subject area at each corresponding summit)



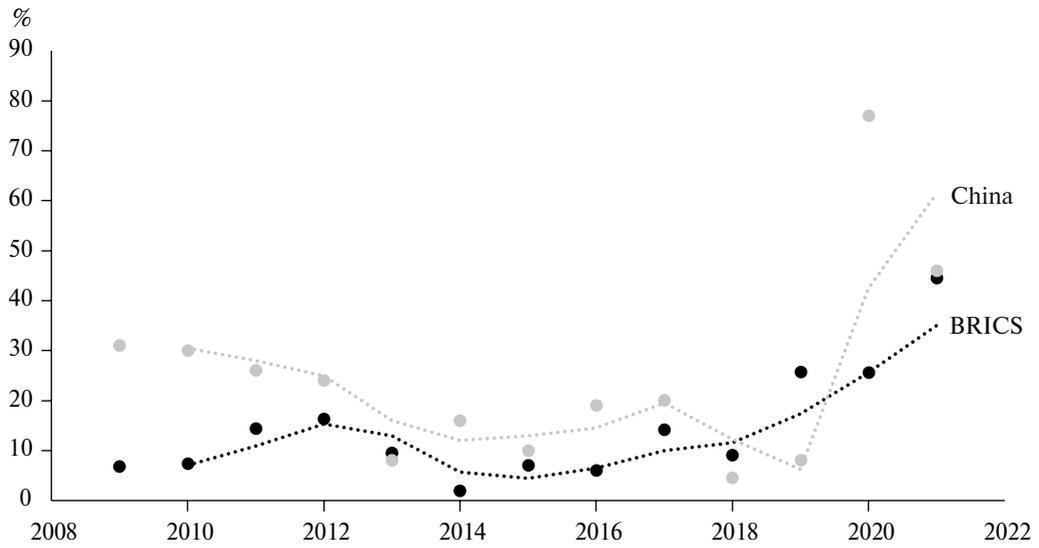
Graph 4A: China and BRICS: Development

Source: Prepared by the author.



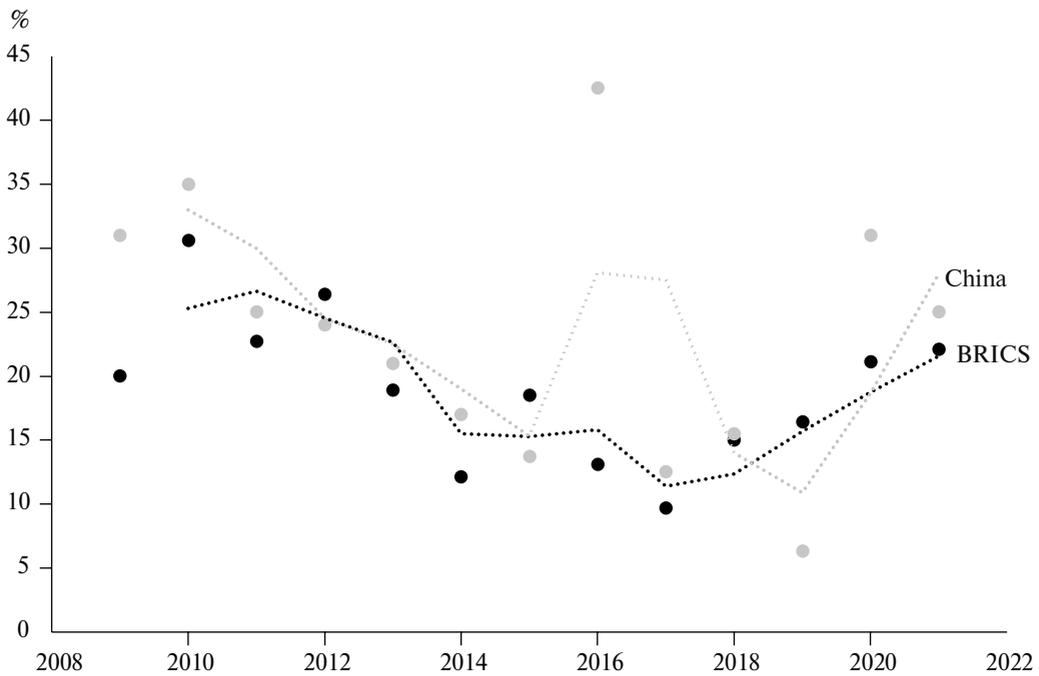
Graph 4B: China and BRICS: Macroeconomic Priority

Source: Prepared by the author.



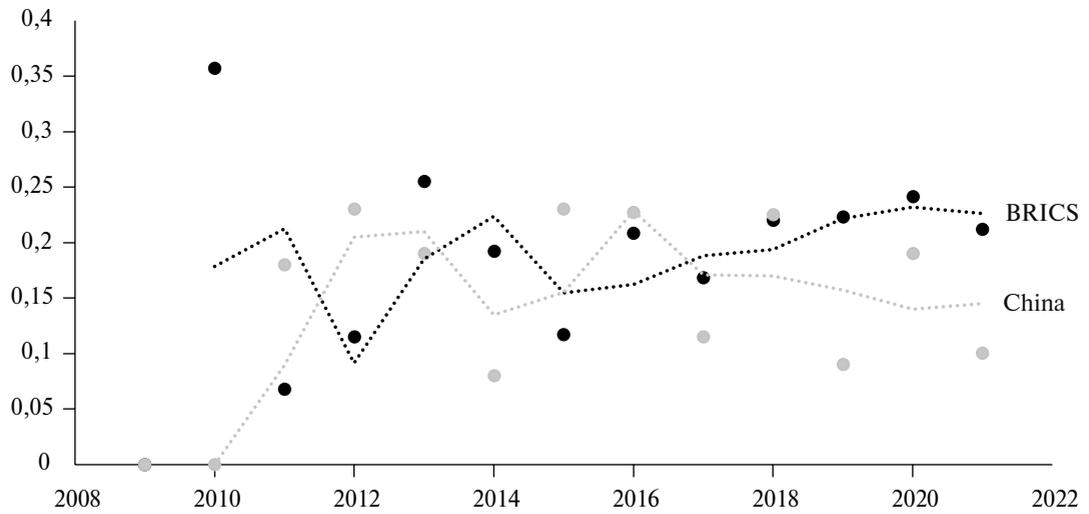
Graph 4C: China and BRICS: Health Priority

Source: Prepared by the author.



Graph 4D: China and BRICS: Climate Priority

Source: Prepared by the author.

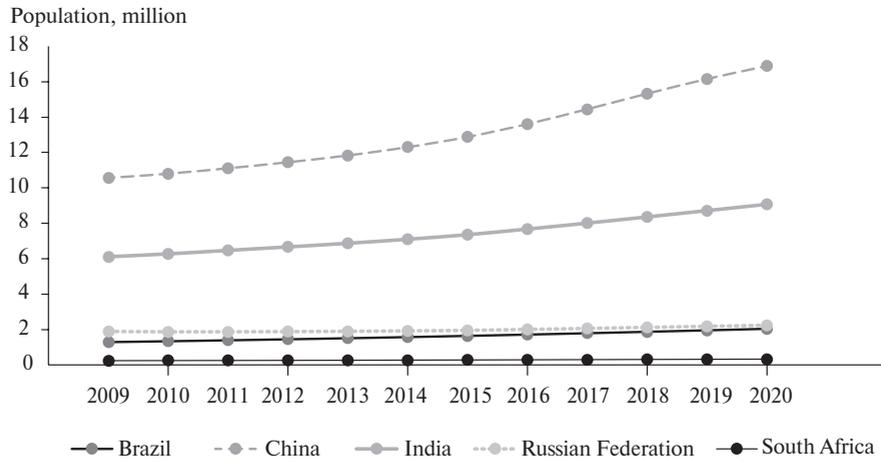


Graph 4E: China and BRICS: Trade Priority

Source: Prepared by the author.

Appendix 5: Causes of China's Leadership

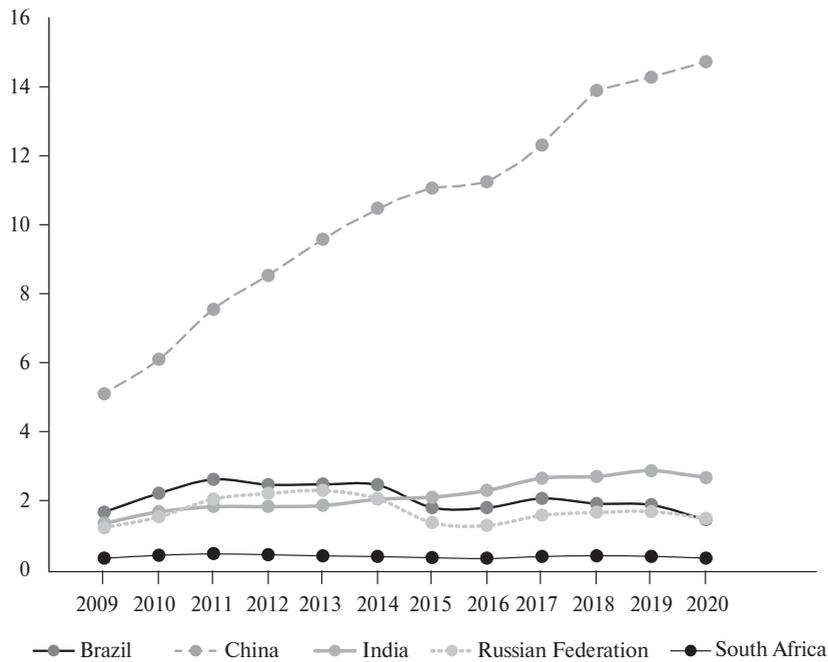
5A: Shock-Activated Vulnerability



Graph 5A: BRICS Population (Age Over 65)

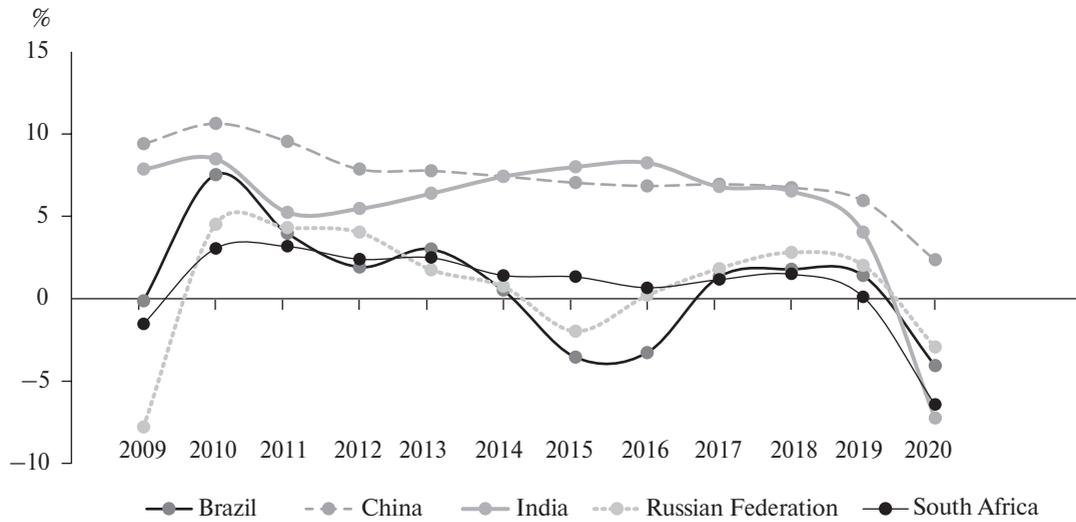
Source: Prepared by the author.

5B: Predominant Equalizing Capabilities: GDP



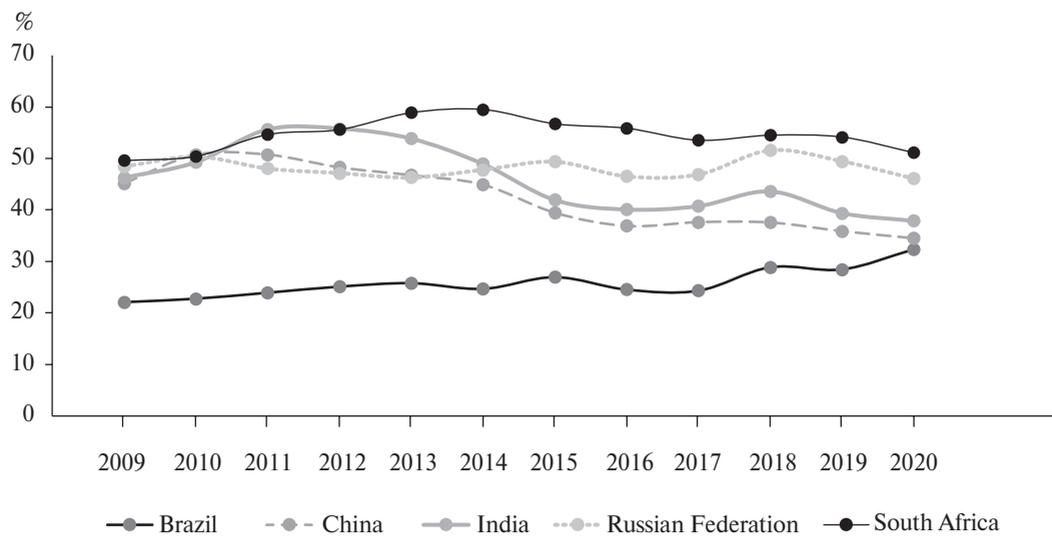
Graph 5B: BRICS GDP 2009-2020

Source: Prepared by the author.



Graph 5C: BRICS GDP Growth Rate 2009-2020

Source: Prepared by the author.



Graph 5D: Trade (% of GDP)

Source: Prepared by the author.

The BRICS Agenda on Internet Governance¹

A. Ignatov

Alexander A. Ignatov—PhD student, MGIMO University; researcher, Center for International Institutions Research (CIIR), Russian Presidential Academy of National Economy and Public Administration; office 403, 11 Prechistenskaya Naberezhnaya, Moscow, 119034, Russian Federation; ignatov-aa@ranepa.ru

Abstract

The key features of the modern Internet governance system are its decentralized structure, inhomogeneous internal “geography,” and the diverse nature of its decision-making actors. These factors determine the complexity of the decision-making process on Internet governance-related issues. Under these conditions, the BRICS group of Brazil, Russia, India, China, and South Africa is viewed as a suitable platform to establish a common ground and align the interests of the participating countries on five key spheres of Internet governance: infrastructure development, legal matters, economic issues, development, and social and cultural perspectives. The goal of this article is to study BRICS approach to Internet governance. The study presents an analysis of the BRICS countries’ priorities regarding Internet governance and incorporates a panel data on BRICS’ commitments and decisions regarding the issue. Several conclusions on the BRICS approach to Internet governance were drawn: the most prominent sphere for BRICS cooperation is digital infrastructure development; considerable discrepancies exist among the BRICS states regarding managing Internet content that contribute to a lack of concrete decisions on social and cultural aspects of Internet governance; there is a step-by-step convergence of the BRICS counterterrorism and counter-extremism agenda with a broader issue of cybersecurity. The author assumes that the infrastructure component dominates the BRICS Internet governance discussion due to China’s influence, which gives it the potential to be one of the key players and agenda-setters within BRICS, along with Russia. Steady incorporation of the counterterrorism and counter-extremism agenda into the cybersecurity discussion is strongly supported by Russia, in keeping with its declared national priorities regarding Internet governance. In the author’s opinion, it would be problematic for BRICS to reach a collective decision regarding Internet content governance given the conflict of interests among the participating countries revealed by this analysis.

Keywords: Internet, Internet governance, BRICS, global governance, digital economy, transregionalism, Russia

Acknowledgments: the article was written on the basis of the RANEPa state assignment research program.

For citation: Ignatov A.A. (2022) The BRICS Agenda on Internet Governance. *International Organisations Research Journal*, vol. 17, no 2, pp. 86–109 (in English). doi:10.17323/1996-7845-2022-02-04

Introduction

The Internet, as a unique network technology, is the basis of a growing digital economy that is “that part of economic output derived solely or primarily from digital technologies with a business model based on digital goods or services” [Bukht, Heeks, 2017, p. 13]. Estimates of the

¹ This article was submitted 17 January 2022.

digital economy's size vary from 4.5–22.5% of the global GDP depending on the selected methodology; some scholars argue that digitally developed states experience growth rates that are 1.7 times greater than the global average [Herbert, Loudon, 2020, pp. 2, 8]. Thus, the Internet and information and communications technologies (ICTs) in general can be regarded as the most important means of production today [Pozdnyakova et al., 2019].

Along with benefits, the Internet facilitates various threats due to the Internet's nature—namely its decentralized structure² and inhomogeneous internal “geography”³—which obstructs attribution of threat to states and personal digital security to a particular jurisdiction and thus impedes the ability to give new dangers a proper response [Lukackij, 2015; Verhelst, Wouters, 2020, p. 142]. The importance of countering Internet-driven threats is acknowledged at a very high level—many countries,⁴ including the Russian Federation [President of the Russian Federation, 2016], have adopted information security doctrines or similar documents that prioritize cybersecurity.

The main problem within this context is the lack of a central decision-making body responsible for development of the Internet and for settling current issues related to its functionality. The international Internet governance regime is still being formed. Only a few specific technical issues, such as internet addressing,⁵ usage of the domain name system (DNS), allowing networked devices to communicate, and the assignment and administration of the top-level domain system (including public domains such as “.com”) can be regarded as settled [Kasenova, 2013, pp. 44–5].

As discussed in the academic literature, Internet governance is more than mere technical regulation and implies economic aspects, cybersecurity, the human rights agenda, intellectual property rights, digital taxation, and many other issues [Kurbalija, Gelbstein, 2005; Zinovieva, 2010, 2015]. Discussion and negotiations will lead to the formulation of common principles, norms, regulations, and decision-making procedures shaping the Internet's evolution and usage [Kurbalija, Gelbstein, 2005, p. 13]. It should be noted that Internet governance itself is a sub sphere of cyber domain governance [Nye, 2014], adding a vertical perspective to the issue.

Besides semantic plurality, the notion of Internet governance must take account of the involvement of actors of various types. States, while remaining the bearers of Westphalian or “classical” sovereignty,⁶ when addressing issues of governing the digital realm have lost ground against professional communities responsible for standard-setting, led by the Internet Society (ISOC), international discussion platforms like the United Nations (UN) Internet Governance Forum (IGF), non-profit organizations, and other actors [Mueller, 2019; Lebedeva et al., 2016; Liaropoulos, 2013, 2016; van Horenbeeck, 2018].

Thus, one may conclude that emergence of a universal model of Internet governance is highly unlikely; it would require a high level of convergence of interest among multiple actors of different natures, pursuing their own interests [Kurbalija, Gelbstein, 2005, p. 34]. This explains why an international consensus on Internet governance issues has not been reached so far, de-

² This refers to the fact that there is no single decision-making body responsible for governing issues related to the global network's functionality and development. These functions are unevenly diffused among various actors including states, international organizations, professional communities, and others [Vasilkovsky, Ignatov, 2020].

³ Of note are several papers by D. Barinova on the issue of Internet mapping and its asymmetry [2010a; 2010b; 2011].

⁴ See, for example, the U.S.' Interim National Security Strategic Guidance [The White House, 2021], the EU's Cybersecurity Strategy for the Digital Decade [EU, 2021], and Korea's National Cybersecurity Strategy [Republic of Korea, 2019].

⁵ The so-called system of IP addresses.

⁶ When discussing Internet governance, the term “digital sovereignty” is used more often. See the review of the concept of sovereignty by S. Couture and S. Toupin [2019].

spite the importance of the Internet to the global community. Taking into account the rapid pace of innovations, which is far ahead of the political decision-making process [OECD, 2019], an optimal way to reach consensus on Internet governance is a worthy subject for research.

The complexity of the issue hangs together with a main trend in global politics, namely a drive to polycentricity [Kuznetsov, 2020, p. 124]. The institutional basis and structure of global politics is changing rapidly, leading to emergence of new forms of international cooperation that are based on a more fair system of exchange and allocation of power; the political process itself at present is multilayered and networked [Kuznetsov, 2020, p. 124]. These tendencies elevate the influence of transregional governance bodies with club-like structures—the Group of 20 (G20) and the BRICS grouping of Brazil, Russia, India, China, and South Africa.

Why are these structures of particular interest when discussing Internet governance? The main advantage of G20/BRICS-like institutions is that they are more flexible than traditional international organizations when it comes to decision-making. The UN remains the primary platform for building international consensus on cybersecurity; however, one cannot ignore difficulties accompanying the negotiation process.⁷

BRICS, as a transregional body, could serve as an effective mechanism for finding common ground on Internet governance issues and could bolster international support for it. Here are the arguments.

BRICS enjoys all the advantages of transregional governing bodies. To begin, BRICS is free from a complex bureaucracy that hampers discussion [Kuznetsov, 2020]. Against the criticism that this feature impedes practical cooperation [Cooper, Farooq, 2015; Kokotsis, 2017; Toloraya, Chukov, 2016; Toropchin, 2017], analysis of BRICS' institutionalization process gives a reason to be optimistic. Launched in 2014, the BRICS New Development Bank “represents a formal institutional extension of the BRICS as an informal club” [Cooper, Farooq, 2015, p. 36], proving its resiliency and potential to make collective decisions despite existing political and economic controversies among some of the members. Moreover, BRICS, being an “exclusive club,” not only creates its own mechanisms but also exercises “catalytic influence” over other global governance institutions, stimulating or promoting shifts and reforms of international organizations [Larionova, 2016, p. 77].

Another argument in favour of BRICS derives from the results of analysis of BRICS states' performance when it comes to fulfilling the commitments made at annual summits. Their shared “understanding of the urgency for collective action” [Larionova, Rakmangulov, Shlepov, 2016, p. 89] allows for performance at a quite high average score of 74%.⁸ As discussed below, BRICS' decisions on ICT development and digital growth are among those with the highest scores regarding fulfilment [Larionova et al., 2020]; for many years, the total number of commitments on this issue has been growing as well.⁹

⁷ An illustrative example is the outcome of negotiations within the UN-backed Group of Governmental Experts (GGE) and the Open-Ended Working Group (OEWG) on cybersecurity; the latter was launched following Russia's proposal, which came after the GGE process had failed to produce any kind of a tangible result. Due to inconsistencies of Russia's and the U.S.' positions, both formats have been operating simultaneously since 2018. The U.S. favoured discussion in the closed format of the GGE; Russia invited all concerned parties to participate. Concluding reports were presented in March–May 2021 but neither the GGE nor the OEWG achieved a breakthrough; conclusions in both cases were compromises by nature and included an invitation to continue the discussion to find a long-sought consensus.

⁸ This analysis draws on the University of Toronto and the Center for International Institutions Research (Moscow) joint project's results. See the BRICS Compliance Assessment [BRICS Information Centre, n.d.].

⁹ Based on the panel data and the Moscow summit compliance assessment (2015–20), the share of ICT/digital economy-related decisions made by BRICS has reached 4.2% out of the total number. Russia's BRICS presidencies in 2015 and 2020 are marked with 18 and 16 decisions made on the issue, respectively; 58 decisions were made in five years in total. BRICS makes seven specific collective decisions on this issue annually.

BRICS might be considered a priority platform for discussing reform of the Internet governance system due to the current geopolitical situation and the broader context of Russia's national priorities. All BRICS members participate in G20 discussions together with global digital leaders. However, the G20 tends to follow the recommendations of the Organisation for Economic Co-operation and Development (OECD) regarding digital cooperation and development [Larionova, Shelepov, 2021, p. 43]; BRICS' influence over the OECD decision-making process is quite limited. One cannot ignore the inconsistency of Russian and U.S. positions within the UN-led negotiation process [Ibid., p. 33]. Also, it should be noted that there is a more or less comparable level of digital development among BRICS countries [Ignatov, 2020] and thus, some general communality of digital development goals.

Analysis of available literature on the subject proves the necessity of a deeper exploration. Researchers of BRICS' Internet governance often ignore the specificity of BRICS as an institution, focusing on unilateral actions of the members without explicit relation to the institution's agenda [Araújo Monteiro Neto, 2018; Belli, 2021; Galloway, 2015; Polatin-Reuben, Wright, 2014; Sokolov et al., 2017]. Other authors analyze BRICS' digital agenda, but the available examples focus on the digital economy at large without an explicit reference to Internet governance [Ignatov, 2020; Inshakova, Mitrofanova 2020; Morozkina, 2020; Tkachenko, 2018].

The present article is designed to bridge this gap. BRICS' agenda on Internet governance, and the factors that shape it, are studied through an examination of BRICS countries' strategic documents to determine their priorities regarding Internet governance and the collective decisions taken by BRICS.

The article is structured as follows: first, the issue of the Internet governance subject field, meaning key aspects of managing the global web that require taking multilateral actions, is discussed; then, the results of the analysis of BRICS members' Internet governance strategic priorities and BRICS' multilateral decisions on the issue, reflected in ministerial agreements and leaders' declarations, are presented.

Along with general scientific methods—content analysis, historical method, and comparative analysis—the methodology developed by the University of Toronto to study the compliance of the Group of 7 (G7), the G20, and BRICS is applied. This methodology is very important as it provides enough empirical data to deliver substantiated expert conclusions regarding the institution's agenda and prospects.¹⁰

Internet Governance: Setting the Subject Field

Discussion of the subject field of Internet governance is something more than “merely linguistic pedantry” [Kurbalija, Gelbstein, 2005, p. 10]. The plethora of participating actors and issues for discussion is accompanied by a broad list of potential cooperation formats and collective discussion mechanisms. A visual interpretation of this complex matter was presented for the first time by the Diplo Foundation in 2005; it is known as “The Internet Governance Cube” (Figure 1).

J. Kurbalija and E. Gelbstein, the authors of the model, described it in the following way: “The WHAT axis is related to the ISSUES of Internet Governance (for example, infrastructure, copyright, privacy). It conveys the multi-disciplinary aspect of this approach. The WHO axis of the cube focusses on the main ACTORS (states, international organizations, civil society, the private sector). This is the multistakeholder side. The WHERE axis of the cube deals with the FRAMEWORK in which Internet issues should be addressed (self-regulatory, local, national, regional, and global). This is a multi-layered approach to Internet Governance. When we move

¹⁰ For more information on the used method see: Global Governance Program [2020].

pieces in our cube we get the intersection—HOW. This is the section of the cube that can help us to see how particular issues should be regulated, both in terms of cognitive-legal techniques (e.g. analogies) and in terms of instruments (e.g. soft law, treaties, and declarations). For example, one specific intersection can help us to see HOW privacy issues (what) should be addressed by civil society (who) at the national level (where)” [2005, p. 143].

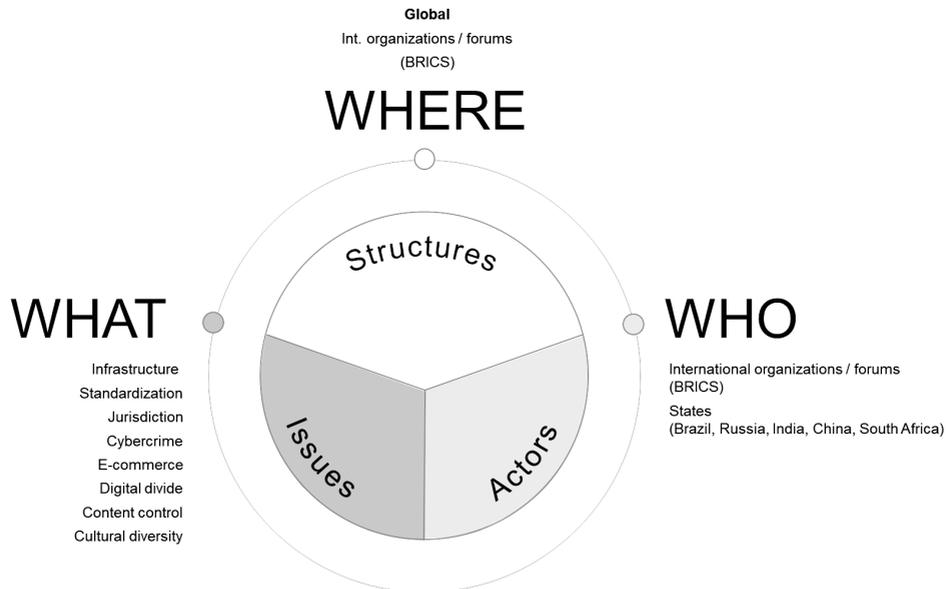


Figure 1. The Internet Governance Subject Area

Source: Prepared by the author based on J. Kurbalija and E. Gelbstein [2005].

The “where” and “who” questions are already answered—the positions of Brazil, Russia, India, China, and South Africa on the key issues of Internet governance are discussed below, followed by analysis of how they transform into collective BRICS decisions. The “what” axis requires further explanation.

Kurbalija and Gelbstein identify five baskets on which the Internet governance system is built—the infrastructure and standardization basket;¹¹ the legal basket;¹² the economic basket;¹³ the development basket;¹⁴ and the socio-cultural basket¹⁵ [2005, p. 27]. These baskets will be used to compare BRICS members’ priorities regarding Internet governance. Then, BRICS’ collective decisions will be classified and analyzed following the same pattern.

¹¹ The telecommunications infrastructure, technical standards, Internet protocol, the domain name system, root servers, Internet service providers, and the economic model for internet connectivity, among other things.

¹² Intellectual property rights, trademarks, copyrights, patents, cybercrime, labour law, and privacy and data protection, among other things.

¹³ E-commerce, consumer protection, taxation, customs, e-banking, and e-money.

¹⁴ Digital divide, universal access, and strategies for overcoming the digital divide.

¹⁵ Content policy, human rights, multilingualism and cultural diversity, global public good, and education.

BRICS Members' Declared Priorities

Analysis of the strategic documents of Brazil, Russia, India, China, and South Africa make it possible to highlight matching priorities on the above-mentioned Internet governance subject baskets.

Development of backbone digital infrastructure turned out to be a matter of mutual interest for the BRICS states (see Table 1). Some discrepancies can be explained by existing gaps regarding digital development in general; Russia and China take the lead in this regard [Ignatov, 2020]. These two countries prioritize infrastructure development in remote areas without focusing on providing better access to the poor, as India, Brazil, and South Africa do.

Another interesting case is China's attitude toward building international partnerships. Among BRICS members, it is only China that declares this to be a national priority. Implementation of infrastructure projects in Arabic countries and acceleration of the China-ASEAN Information Harbor are included in the Digital Silkroad concept. The other BRICS states are more concerned with domestic matters in this regard.

Table 1. BRICS Members' Declared Priorities on the Infrastructure Internet Governance Basket

Brazil	Russia	India	China	South Africa
Key Documents, Strategies and Programs				
Digital Transformation Strategy [Government of Brazil, 2018]; Economic and Social Development Strategy Until 2031 [Government of Brazil, 2021]	National program "Digital Economy of the Russian Federation" [Government of Russia, 2019a]; Spatial Development Strategy of the Russian Federation Until 2025 [Government of Russia, 2019b]	Program "Digital India" [Government of India, 2015]; National Digital Communications Policy [Government of India, 2018]	14th Five-Year Plan [Government of China 2021a]; National strategy for informatization development for 2006–2020 [Government of China, 2006]	National Development Plan 2030 [Government of South Africa, 2012]
Priorities				
National digital infrastructure development, focus on poor and remote areas	National digital infrastructure development, focus on remote areas	National digital infrastructure development, focus on poor and remote areas	Small and middle-sized cities, rural areas digital infrastructure development, international networked projects, including the Digital Silkroad	National digital infrastructure development, focus on poor and remote areas

Among the typical issues in the legal basket of Internet governance, cybersecurity is turning out to be the most discussed topic in BRICS countries' strategic documents (see Table 2). The BRICS quintet can be divided into two groups—the Brazil-Russia-China troika and the India-South Africa duet—each pursuing different models of securing digital sovereignty—strong and weak, respectively.

S. Couture and S. Toupin reviewed the strong and the weak digital sovereignty concepts [2019]. Based their findings, the weak sovereignty concept refers to attempts by private entities to provide data security focusing on digital rights, while the strong sovereignty concept implies government policy aimed at ensuring national security.¹⁶

In the first case, the role of the state seems limited as data governance issues do not necessarily correspond with state security. From this point of view, there are some similarities in India's

¹⁶ Couture and Toupin use the concept as explained in D. Polatin-Reuben and J. Wright [2014].

and South Africa's declared priorities. It should be mentioned that India prioritizes a user data localization agenda that may demonstrate the country's steady drive to a more explicit strong sovereignty policy.¹⁷ The other BRICS states put forward a data localization agenda as well, but as of now India does not aim to establish centralized data and related cyber risks management systems.

Brazil, Russia, and China might be combined as strong digital sovereignty advocates. The troika values a centralized data governance model; in the case of Russia, the goal is to strengthen the country's sovereignty in the information domain following the national security strategy's wording.

BRICS' common ground in this respect is the promotion of international cooperation. Along with typical practice-oriented goals such as exchanges of good practices and capacity development, it is more active participation in the decision-making processes of the key international platforms regarding the applied standards that is shared by all BRICS members as a first-class priority. Here should be noted South Africa's focus on the African Union as a key international body to discuss and formulate multilateral decisions regarding cybersecurity.

BRICS' Internet governance agenda for the economic basket is mostly concentrated on issues related to e-commerce and digital platforms governance (see Table 3). All BRICS countries are interested in continuous growth in the volume of e-commerce; however, the partnering countries play on different fields when it comes to assessing the maturity of state policy on the matter. Brazil, Russia, and China have already passed the initial stage of formulating state policy on e-commerce and now focus on competition and the protection of users' rights on digital platforms along with building-up international partnerships to define "rules of the road." India recently announced that its national e-commerce strategy is under development; as of the time of writing, the strategy had not been finalized. With the exception of the Digital Communications Law adopted in 2005 manifesting promotion of e-payment instruments among micro, small and medium enterprises (MSMEs), analysis of South Africa's strategic documents did not show any other priorities regarding economic aspects of Internet governance.

Table 2. BRICS Members' Declared Priorities on the Legal Internet Governance Basket

Brazil	Russia	India	China	South Africa
Key Documents, Strategies and Programs				
Cybersecurity strategy [Presidency of the Republic of Brazil, 2021a]	National security strategy of the Russian Federation [President of the Russian Federation, 2021]; "Information Security" Federal project [Government of Russia, 2019c]	National Digital Communications Policy [Government of India, 2018]	14th Five-Year Plan [Government of China, 2021a]; Personal Data protection law [Government of China, 2021b]	South Africa Cybersecurity Policy Framework [Government of South Africa, 2015]
Priorities				
National legislation adaptation; establishment of centralized cyberthreats management system; capacity building and sharing in expertise and practices	Strengthening of sovereignty in the cyber domain; cyberthreats prevention; data localization; capacity building; international cooperation on related matters	Compliance with the net neutrality principle; personal data rights; data privacy protection	Data management centralization (gathering, storage and usage); personal data online validation system improvement; transparent multilateral cybersecurity decision-making process on international fora	Cybercrime cooperation within the African Union along with regional and transregional initiatives; more active involvement in multilateral decision-making process; promotion of cybersecurity culture

¹⁷ See the article by A. Mukhopadhyay on developing country discourse on data localization [2020].

Table 3. BRICS Members' Declared Priorities on the Internet Governance Economic Basket

Brazil	Russia	India	China	South Africa
Key Documents, Strategies and Programs				
Digital Transformation Strategy [Government of Brazil, 2018]	Digital Platforms and Ecosystems State Regulation Concept [Government of Russia, 2021]	Draft E-Commerce Policy [Government of India, 2019]; "Digital India" Program [Government of India, 2015]	"Internet+" Strategy [Xu, 2015]; 14th Five-Year Plan [Government of China, 2021a]; Anti-Monopoly Guidelines for the Platform Economy Industries [Government of China, 2020]; Digital renminbi White Paper [Government of China, 2021c]	Electronic Communications Act (2005) [Government of South Africa, 2005]
Priorities				
Working on international agreements on e-commerce platforms' exploitation	Exercising control over digital ecosystems	Net neutrality as digital platforms' basic working principle	Competition protection against foreign digital monopolists	E-payment instruments' proliferation among MSMEs

The development basket of BRICS' Internet governance agenda is focused on the digital infrastructure availability provision and the spread of digital skills (see Table 4). Inconsistencies found in the analysis of BRICS' strategic documents can be explained by differences in the members' digital development levels. Thus, Russia prioritizes proliferation of advanced digital skills including programming, Internet of things-based solutions, cloud computing, and so on, while Brazil, India, and South Africa, and China to some extent, are more focused on providing access to basic digital skills with a special emphasis given to rural populations and marginalized strata.

Table 4. BRICS Members' Declared Priorities on the Internet Governance Development Basket

Brazil	Russia	India	China	South Africa
Key Documents, Strategies and Programmes				
Digital Transformation Strategy [Government of Brazil, 2018]	"Personnel for the Digital Economy" Federal Project (2019–2024) [Government of Russia, 2019d]	"Digital India" Program [Government of India, 2015]	14th Five-Year Plan [Government of China, 2021a]	National Development Plan 2030 [Government of South Africa, 2012]; National Digital and Future Skills Strategy [Government of South Africa, 2020]
Priorities				
Bridging the gap in basic digital skills and digital infrastructure accessibility	Remote areas digital infrastructure development; advanced digital skills proliferation	Bridging the gap in basic digital skills and digital infrastructure accessibility	Bridging the gap in digital infrastructure accessibility	Bridging the gap in basic digital skills and digital infrastructure accessibility

Considerable differences were found in the BRICS members' positions regarding the Internet governance social-cultural issue basket (see Table 5). All BRICS countries declare adherence to human rights protection principles both online and offline, but each case is characterized by a variety of realization practices.

Among the BRICS states, Brazil and South Africa might be considered the most liberal regarding Internet materials regulation. Available assessments do not contain any tangible proof of either the Brazilian or the South African governments suppressing digital platforms or Internet users, or consistency in such attempts if there are any.¹⁸ South Africa is the only member that puts forward promotion of cultural and language diversity while discussing Internet governance.

Russia, India, and China execute selective content control policy on the Internet. In Russia, information that is considered to violate constitutional order is strictly contained; China works to control the spread of information regarding the status of Taiwan and Tibet, the situation in Xinjiang-Yugur autonomous region, and public criticism of the Chinese government. In India, there are some limits on spreading information regarding the activities of particular religious and human rights activist groups and the spread of novel coronavirus; published in 2021, India's Intermediary Guidelines and Digital Media Ethics Code requires digital media operators to filter and delete unwarranted content within 36 hours of an official notification to do so [Republic of India, 2021].

Table 5. BRICS Members' Declared Priorities on the Internet Governance Social-Cultural Basket

Brazil	Russia	India	China	South Africa
Key Documents, Strategies and Programs				
The Internet and the Digital Bill of Rights [Presidency of the Republic of Brazil, 2014]; Provisional measure No.1068 6 September 2021 [Presidency of the Republic of Brazil, 2021b]	Federal Law "On Amending "On Communications" Federal Law" 30 December 2020 [Government of Russia, 2020]; Federal Law "On Information, Information Technologies and Information Protection" [Government of Russia, 2006] Information security doctrine of the Russian Federation [President... , 2016]	Intermediary Guidelines and Digital Media Ethics Code [Government of India, 2021]	Cybersecurity Law [Government of China, 2017]; Counterterrorism Law [Government of China, 2015]	National Integrated Policy ICT White Book [Government of South Africa, 2016]
Priorities				
Provision of basic citizen rights on the Internet; democratic and transparent Internet governance	Executing strict control over Internet content to ensure constitutional order, provision of citizen rights, traditional values; building-up resilient and non-conflictual intergovernmental relations in the information sphere	Executing strict control over specific types of Internet content by establishing requirements for digital media	Executing strict control over Internet content and behaviour of Internet users	Provision of basic citizen rights on the Internet; cultural and language diversity on the Internet; democratic and transparent Internet governance

Thus, analysis of BRICS members' priorities on Internet governance shows that infrastructure development and overcoming the digital gap agenda are the top shared priorities. Imbalances in the BRICS countries' digital development levels explain differences in declared

¹⁸ Published in 2021, Jair Bolsonaro's presidential order limited the right of major digital platforms to dispose or contain the spread of information circulating over the Internet without court ruling unless this information is regarded as justification of terrorism, threat of violence, sexual abuse, or cybercrime.

priorities regarding the Internet governance economic basket agenda; however, the most significant differences were found with respect to Internet content and regulation of users' behaviour.

Internet Governance in BRICS' Documents and Decisions

BRICS addressed digital development issues for the first time at the first communications ministers meeting in 2015, during Russia's second presidency. Before this, digital development had been an integral part of the broader scientific cooperation agenda [Larionova et al., 2020].

Digital development is an important topic for BRICS as indicated by the total number of commitments attributed to the ICT and digital economy sphere, to which the Internet governance agenda is connected. This issue block stands quite close to the counterterrorism, macroeconomics, regional security, trade, and development spheres that form the core BRICS agenda.

Table 6 presents the results of analysis and classification of BRICS' decisions regarding Internet governance following the Internet Governance Cube model.

Table 6. Selected Decisions and Multilateral Initiatives Taken by BRICS on Internet Governance

Baskets	Decisions (Examples)
Infrastructure	<p>We commit ourselves to focus on expanding universal access to all forms of digital communication and to improve awareness of people in this regard (Ufa, 2015) [BRICS, 2015b]</p> <p>We will enhance joint BRICS research, development and innovation in ICT including the Internet of Things, Cloud computing, Big Data, Data Analytics, Nanotechnology, Artificial Intelligence and 5G and their innovative applications to elevate the level of ICT infrastructure and connectivity in our countries (Xiamen, 2017) [BRICS, 2017c]</p> <p>+ <i>Terms of Reference of BRICS Model E-Port Network</i> [BRICS, 2017a]</p> <p>We will continue to take mutually beneficial initiatives in the six cooperation areas identified in the Work Plan, as agreed at the BRICS 2nd PartNIR meeting held in Brasilia in September 2019, including establishing BRICS industrial and science parks, innovation centers, technology business incubators and enterprises network (Brasilia, 2019) [BRICS, 2019b]</p> <p>[... members of BRICS will take steps to:] expand BRICS collaboration on software and ICT equipment, and realization of projects in this realm (Moscow, 2020) [BRICS, 2020b]</p>
Legal	<p>We will advocate the establishment of internationally applicable rules for security of ICT infrastructure, data protection and the Internet that can be widely accepted by all parties concerned, and jointly build a network that is safe and secure (Xiamen, 2017) [BRICS, 2017c]</p> <p>We reaffirm the importance of advancing the intra-BRICS cooperation, including through the consideration of relevant initiatives and the implementation of the BRICS Roadmap of Practical Cooperation on Ensuring Security in the Use of ICTs (Moscow, 2020) [BRICS, 2020b]</p>
Economic	<p>We will act on the basis of principles of innovation, partnership, synergy, flexibility, open and favorable business environment, trust and security, protection of consumer rights in order to ensure the conditions for a thriving and dynamic digital economy, that will foster global economic development and benefit everyone (Xiamen, 2017) [BRICS, 2017c]</p> <p>+ <i>BRICS E-Commerce Cooperation Initiative</i> [BRICS, 2017b]</p> <p>[In the context of accelerated development of the e-commerce sector and increased volume of online transactions worldwide,] we will enhance our cooperation through the BRICS Ecommerce Working Group (Moscow, 2020) [BRICS, 2020b]</p>
Development	<p>We affirm our commitment to bridging digital and technological divides, in particular between developed and developing countries (Goa, 2016) [BRICS, 2016]</p> <p>[... members of BRICS will take steps to:] address digital divide by bridging the gap in access of BRICS population to digital infrastructure, digital skills and digitally-enabled services and ensure inclusion of digitally deprived segments of society by laying special stress on improving the access and connectivity of people living in rural areas, as well as groups of persons with disabilities, to the Internet (Moscow, 2020) [BRICS, 2020b]</p>
Social-cultural	<p>[... members of BRICS will take steps to:] develop digital literacy programs for harmonious and inclusive adaptation of the BRICS population (Moscow, 2020) [BRICS, 2020b]</p>

The most developed Internet governance basket within the BRICS agenda is infrastructure development. Almost every presidency has resulted in a concrete, implicit collective decision on network development. China's second presidency (2017) and Russia's second and third presidencies (2015 and 2020, respectively) can be seen as turning points in this regard.

Some of the collective BRICS decisions are worth further explanation.

The first BRICS collective decisions on Internet governance were the ICT Development Agenda and the Action Plan adopted in 2016 during India's presidency [BRICS Working Group on ICT Cooperation, 2016]. The agenda and plan elaborate concepts expressed at the first communication ministers meeting in Moscow in 2015, resulted with the joint Communiqué "Expansion of Cooperation in the Field of Communications and ICTs" [BRICS, 2015a].

At that meeting, the BRICS communication ministers addressed a wide range of issues, namely existing development gaps and software distribution, global market diversification, bridging global digital inequality (emphasizing developing countries), and respect for human rights. For the first time, BRICS countries expressed the importance of the "establishment of mechanism for the Internet governance based on the principles of multilateralism, democracy, transparency and mutual trust" and highlighted "the sovereign rights of States to participate in governing the Internet in their respective jurisdictions in accordance with international law and the adherence to fundamental human rights and freedoms."

The agenda and plan based on the above-mentioned communiqué [BRICS, 2015a] include the establishment of the special BRICS Working Group—the track two BRICS ICT cooperation format. The 2016 plan prioritized an "open and secure" Internet and noted that "states should participate on an equal footing involving relevant stakeholders in respective roles and responsibilities."

In 2017, during China's second presidency, BRICS agreed on two major initiatives—the Terms of Reference of BRICS Model E-Port Network and the BRICS E-Commerce Cooperation Initiative. The first focused on the practical implementation of ICT in logistics, maritime infrastructure management, and trade, while the latter aimed to establish a designated working group, better communications with the BRICS business community, and joint research to facilitate eradication of trade barriers.

South Africa's 2018 BRICS presidency did not bring much to the table regarding digital development and Internet governance. However, in Johannesburg, the leaders agreed to establish the Partnership on New Industrial Revolution (PartNIR) designed as a platform facilitating networking and sharing best practices, including in ICTs [BRICS, 2018].

In 2019, with Brazil as host, the BRICS communication ministers adopted a joint declaration [BRICS, 2019a] dedicated to issues bordering the infrastructure and social-cultural baskets. The ministers called for better access to broadband communications to facilitate inclusive growth and sustainable development and highlighted the importance of digital skills proliferation and the education systems and labor market's adjustment to digital transformation. Digital security was discussed from an unusual point of view as relating to more equal distribution of digital growth benefits while providing reliable means of protection against emerging digital threats.

Russia's 2020 BRICS-Shanghai Cooperation Organization presidency marked a long-term trend of shifting BRICS' Internet governance agenda from infrastructure and economic issues to the legal basket with a special emphasis on security. In Moscow, BRICS states adopted the Counter-Terrorism Strategy [BRICS, 2020a], which highlighted the goal of combatting "extremist narratives conducive to terrorism and the misuse of the Internet and social media for the purposes of terrorist recruitment." The word "Internet" was mentioned three times in the Moscow leaders' declaration: for the first time, the leaders addressed the issue of countering

extremist material spreading on the Internet, and in two other cases in relation to protecting children against illicit content and online activities “harmful for their health and development.”

India’s 2021 BRICS presidency secured the trend toward deeper online security cooperation. In New Delhi, the BRICS leaders adopted the Counter Terrorism Action Plan [BRICS, 2021] that recalled BRICS’ decisions on containing the spread of extremist and terrorist narratives, propaganda, and terrorist groups’ recruiting activities. During the summit, the leaders discussed the overview of BRICS’ best practices on online financial safety. In the concluding declaration the leaders expressed concerns over “increasing challenge to protect children from online sexual exploitation and from other content harmful for their health and development” and highlighted the urgent need for active cooperation among BRICS states on countering terrorist content on the Internet.

Conclusion

In a relatively short period of time, from 2015–21, BRICS fulfilled collective commitments on Internet governance issues. Russia’s and China’s presidencies are marked with the most active discussions and decision-making processes. Analysis of BRICS’ Internet governance agenda and BRICS countries’ strategic priorities, collective decisions, and joint initiatives in this regard leads to the following conclusions.

Quantitative analysis of BRICS’ Internet governance decisions shows that, among the five key baskets, the infrastructure and economic components are the most prominent. China has been actively promoting further discussions on issues related to digital infrastructure development. Despite the fact that BRICS has transformed from a loosely connected group of fast-growing economies into a multifaceted discussion platform [Kuznetsov, 2020, pp. 126–7; Larionova et al., 2020], economic cooperation issues remain the top priority. China has launched a plethora of collective initiatives on digital infrastructure development that match the country’s declared development priorities. BRICS partners generally act in favour of China’s proposals. One may expect that China’s 2022 BRICS presidency will give the infrastructure development agenda proper attention, resulting in a series of collective decisions.

Another interesting observation regarding BRICS’ Internet governance agenda is the growing importance of security-related issues, with a special emphasis on cybersecurity within the broader context of counterterrorism and extremism policy. Among the BRICS states, it is Russia that favours multilateral discussion on the matter; the partnering countries welcome such an initiative, as is shown by the analysis of BRICS’ compliance. However, in contrast to the infrastructure basket, the BRICS countries’ approaches to cybersecurity are diverse to a considerable extent, and that could become an obstacle. This complex matter is beyond the scope of this article and requires further exploration.

The other Internet governance issues—e-commerce, development, and social-cultural matters—are presented in the BRICS agenda but draw much less attention. In practice, these have been the subject of a relatively limited number of commitments and collective decisions. The essence of decisions made on these matters should also be taken into account—for instance, the development basket overlaps with the digital infrastructure component so broadly that it is somehow overshadowed by it, such that the two could be folded into one.

Analysis of the BRICS agenda also shows that the widest gap among the partner countries lies in the social-cultural Internet governance basket. The complexity of the decision-making process resulted in quite a few collective decisions that were defined by the existing diversities among the BRICS states regarding the practical realization of human rights both offline and

online. To make it work, two major actors—Russia and China—must change their attitude; as of now, they prioritize cooperation in other spheres.

References

- Araújo Monteiro Neto J. (2018) The Operation of Multistakeholderism in Brazilian Internet Governance: Governance Innovation Through Multistakeholderism Generativity. Unpublished PhD Dissertation, University of Kent. Available at: <https://kar.kent.ac.uk/76961/> (accessed 2 June 2022).
- Barinova D. S. (2010a) Nacional'nye domeny interneta - simvoly gosudarstvennyh granic i bezgranichnyh vozmozhnostej [National Top-Level Domains: Symbols of State Borders and of Borderless Possibilities]. *MGIMO Review of International Relations*, no 5(14), pp. 307–14. Available at: <https://doi.org/10.24833/2071-8160-2010-5-14-307-314> (in Russian).
- Barinova D. S. (2010b) Metodologicheskie aspekty issledovanija virtual'nogo prostranstva Interneta [Methodological Aspects of Studying the Internet Virtual Realm]. *Metod*, no 1, pp. 109–22 (in Russian).
- Barinova D. S. (2011) Asimetrija Virtual'nogo Politicheskogo Prostranstva. Rezul'taty Sravnitel'nogo Analiza Danyh 255 Nacional'nyh Domenov Interneta [Asymmetry of the Virtual Political Space: Results of the Comparative Analysis of the Data of 255 National Internet Domains]. *Comparative Politics Russia*, vol. 2, no 4(6), pp. 13–8. Available at: [https://doi.org/10.18611/2221-3279-2011-2-4\(6\)-13-18](https://doi.org/10.18611/2221-3279-2011-2-4(6)-13-18) (in Russian).
- Belli L. (ed) (2021) *CyberBRICS: Cybersecurity Regulations in the BRICS Countries*. Springer Cham. Available at: <https://doi.org/10.1007/978-3-030-56405-6>.
- BRICS (2015a) Meeting of the BRICS Communications Ministers. Moscow, 22–23 October. Available at: <http://en.brics2015.ru/program/20151022/539909.html> (accessed 31 March 2022).
- BRICS (2015b) VII Summit Ufa Declaration. Available at: https://www.ranepa.ru/images/media/brics/rus-presidency2/Declaration_eng.pdf (accessed: 12 July 2022)
- BRICS (2016) Goa Declaration. Available at: <https://www.ranepa.ru/images/media/brics/indianpresidency2/Goa%20Declaration.pdf> (accessed: 12 July 2022)
- BRICS (2017a) Terms of Reference (ToR) of BRICS Model E-Port Network (Final Version). Available at: <https://www.ranepa.ru/images/media/brics/china2016/ToR%20of%20BRICS%20Model%20E-Port%20Network%20-%20Final.pdf> (accessed 31 March 2022).
- BRICS (2017b) E-Commerce Cooperation Initiative (Final Version). Available at: [https://www.ranepa.ru/images/media/brics/china2016/BRICS%20E-commerce%20Cooperation%20Initiative_final%20\(2\).pdf](https://www.ranepa.ru/images/media/brics/china2016/BRICS%20E-commerce%20Cooperation%20Initiative_final%20(2).pdf) (accessed 31 March 2022).
- BRICS (2017c) BRICS Leaders Xiamen Declaration. Available at: <https://www.ranepa.ru/images/media/brics/2017/mEsqRkedzqYLDwXo6AbZnCkmAo9Xta3d.pdf> (accessed: 12 July 2022)
- BRICS (2018) Johannesburg Declaration. Johannesburg, 26 July. Available at: https://www.mea.gov.in/bilateral-documents.htm?dtl/30190/10th_BRICS_Summit_Johannesburg_Declaration (accessed 31 March 2022).
- BRICS (2019a) Declaration of the 5th BRICS Communications Ministers Meeting. Brasilia, 14 August. Available at: https://www.ranepa.ru/eng/images/CIIR/BRICS/2019/Declaration_of_the_5th_BRICS_Communications_Ministers_Meeting_-_Bras%C3%ADlia.pdf (accessed 31 March 2022).
- BRICS (2019b) 11th BRICS Summit—Brasilia Declaration. Available at: https://www.ranepa.ru/images/News_ciir/Project/BRICS_new_downloadings/2019/11th_BRICS_Summit_eng.pdf (accessed: 12 July 2022)
- BRICS (2020a) BRICS Counter-Terrorism Strategy. Available at: <https://eng.brics-russia2020.ru/images/114/81/1148168.pdf> (accessed 31 March 2022).
- BRICS (2020b) XII BRICS Summit Moscow Declaration. Available at: <https://www.ranepa.ru/ciir/briks/predsedatelstva/briks-rossijskoe-predsedatelstvo-2020/XII%20BRICS%20Summit%20Moscow%20Declaration.pdf> (accessed: 12 July 2022)
- BRICS (2021) BRICS Counter Terrorism Action Plan. Available at: <https://brics2021.gov.in/brics/public/uploads/docpdf/getdocu-52.pdf> (accessed 31 March 2022).

BRICS Information Centre (n.d.) BRICS Compliance Assessments. University of Toronto. Available at: <http://www.brics.utoronto.ca/compliance/index.html> (accessed 17 March 2022).

BRICS Working Group on ICT Cooperation (2016) ICT Development Agenda and Action Plan. Available at: <https://dot.gov.in/sites/default/files/11-11-2016%20BRICS%20ICT%20Development%20Agenda%20%26%20Action%20plan.pdf?download=1> (accessed 31 March 2022).

Bukht R., Heeks R. (2017) Defining, Conceptualising and Measuring the Digital Economy. Development Informatics World Paper No 68, Centre for Development Informatics. Available at: <https://diodeweb.files.wordpress.com/2017/08/diwkppr68-diode.pdf> (accessed 10 March 2022).

Couture S., Toupin S. (2019) What Does the Notion of “Sovereignty” Mean When Referring to the Digital? *New Media & Society*, vol. 21, no 10, pp. 2305–22. Available at: <https://doi.org/10.1177%2F1461444819865984>.

Cooper A. F., Farooq A. B. (2015) Testing the Club Dynamics of the BRICS: The New Development Bank From Conception to Establishment. *International Organisations Research Journal*, vol. 10, no 2, pp. 39–58. Available at: <https://doi.org/10.17323/1996-7845-2015-02-39>.

European Union (EU) (2020) The EU’s Cybersecurity Strategy for the Digital Decade. Available at: <https://digital-strategy.ec.europa.eu/en/library/eus-cybersecurity-strategy-digital-decade-0> (accessed 31 March 2022).

Galloway T. (2015) China & Technical Global Internet Governance: From Norm-Taker to Norm-Maker? Unpublished PhD Dissertation, Deakin University. Available at: <https://dro.deakin.edu.au/eserv/DU:30083119/galloway-chinaand-2015A.pdf> (accessed 2 June 2022).

Government of Brazil (2018) Brazilian Digital Transformation strategy. Available at: <https://www.gov.br/mcti/pt-br/centrais-de-conteudo/comunicados-mcti/estrategia-digital-brasileira/digitalstrategy.pdf> (accessed: 12 July 2022)

Government of Brazil (2021) Estratégia Nacional de Desenvolvimento Econômico e Social Sumário Executivo. Available at: <https://www.platformchinapl.mo/attachment/file/20210513/20210513181654262806.pdf> (accessed: 12 July 2022)

Government of Russia (2006) Zakon ob informacii, informacionnyh tehnologijah i zashhite informacii [Federal Law “On Information, Information Technologies and Information Protection”]. Available at: <https://rg.ru/documents/2006/07/29/informacia-dok.html> (accessed: 12 July 2022) (in Russian)

Government of Russia (2019a) Paspport nacional’noj programmy “Cifrovaja jekonomika Rossijskoj Federacii” [Outline of the National program “Digital Economy of the Russian Federation”]. Available at: <http://static.government.ru/media/files/urKHm0gTPPnzJlaKw3M5cNL06czMkPF.pdf> (accessed: 12 July 2022) (in Russian)

Government of Russia (2019b) Strategija prostranstvennogo razvitija Rossijskoj Federacii na period do 2025 goda [Spatial Development Strategy of the Russian Federation Until 2025]. Available at: <http://static.government.ru/media/files/UVAIqUtT08o60RktoOXI22JjAe7irNxc.pdf> (accessed: 12 July 2022) (in Russian)

Government of Russia (2019c) Paspport federal’nogo proekta “Informacionnaja bezopasnost” [Outline of the federal project “Information security”]. Available at: <https://digital.ac.gov.ru/poleznaya-informaciya/material/%D0%9F%D0%B0%D1%81%D0%BF%D0%BE%D1%80%D1%82-%D1%84%D0%B5%D0%B4%D0%B5%D1%80%D0%B0%D0%BB%D1%8C%D0%BD%D0%BE%D0%B3%D0%BE-%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82%D0%B0-%D0%98%D0%BD%D1%84%D0%BE%D1%80%D0%BC%D0%B0%D1%86%D0%B8%D0%BE%D0%BD%D0%BD%D0%B0%D1%8F-%D0%B1%D0%B5%D0%B7%D0%BE%D0%BF%D0%B0%D1%81-%D0%BD%D0%BE%D1%81%D1%82%D1%8C.pdf> (accessed: 12 July 2022) (in Russian)

Government of Russia (2019d) Paspport federal’nogo proekta “Kadry dlja cifrovj jekonomiki” [“Personnel for the Digital Economy” Federal Project]. Available at: <https://digital.ac.gov.ru/poleznaya-informaciya/material/%D0%9F%D0%B0%D1%81%D0%BF%D0%BE%D1%80%D1%82-%D1%84%D0%B5%D0%B4%D0%B5%D1%80%D0%B0%D0%BB%D1%8C%D0%BD%D0%BE%D0%B3%D0%BE-%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82%D0%B0-%D0%9A%D0%B0%D0%B4%D1%80%D1%8B-%D0%B4%D0%BB%D1%8F-%D1%86%D0%B8%D1%84%D1%80%D0%BE%D0%B2%D0%BE%D0%B9-%D1%8D%D0%BA%D0%BE%D0%BD%D0%BE%D0%BC%D0%B8%D0%BA%D0%B8.pdf> (accessed: 12 July 2022) (in Russian)

- Government of Russia (2020) Federal'nyj zakon ot 30 dekabnja 2020 g. N 533-FZ "O vnesenii izmenenij v Federal'nyj zakon "O svjazi"" [Federal Law "On Amending "On Communications" Federal Law" 30 December 2020]. Available at: <https://rg.ru/documents/2021/01/11/svyaz-dok.html> (accessed: 12 July 2022) (in Russian)
- Government of Russia (2021) Konceptcija obshhego regulirovanija dejatel'nosti grupp kompanij, razvivajushhih razlichnye cifrovye servisy na baze odnoj "jekosistemy" [Digital Platforms and Ecosystems State Regulation Concept]. Available at: <https://www.garant.ru/products/ipo/prime/doc/400731439/> (accessed: 12 July 2022) (in Russian)
- Government of India (2015) Digital India. Available at: https://www.meity.gov.in/sites/upload_files/dit/files/Digital%20India.pdf (accessed: 12 July 2022)
- Government of India (2018) National Digital Communications Policy. Available at: <https://dot.gov.in/sites/default/files/EnglishPolicy-NDCP.pdf> (accessed: 12 July 2022)
- Government of India (2019) Draft National e-Commerce Policy. Available at: https://dpiit.gov.in/sites/default/files/DraftNational_e-commerce_Policy_23February2019.pdf (accessed: 12 July 2022)
- Government of India (2021) Intermediary Guidelines and Digital Media Ethics Code. Available at: <https://transformingindia.mygov.in/wp-content/uploads/2021/02/IT-Intermediary-Guidelines.pdf> (accessed: 12 July 2022)
- Government of China (2006) Outline of the National Informatization Development Strategy. Available at: <https://chinacopyrightandmedia.wordpress.com/2016/07/27/outline-of-the-national-informatization-development-strategy/> (accessed: 12 July 2022)
- Government of China (2015) Counterterrorism Law of the People's Republic of China. Available at: https://www.pkulaw.com/en_law/f694f0bd49b816eabdfb.html?keyword=Counterterrorism%20Law%20of%20the%20People%27s%20Republic%20of%20China (accessed: 12 July 2022)
- Government of China (2017) Cybersecurity Law. Available at: <https://d-russia.ru/wp-content/uploads/2017/04/China-Cybersecurity-Law.pdf> (accessed: 12 July 2022)
- Government of China (2020) Anti-Monopoly Guidelines for the Platform Economy Industries. Available at: <https://www.anjielaw.com/en/uploads/soft/210224/1-210224112247.pdf> (accessed: 12 July 2022)
- Government of China (2021a) The outline of the 14th Five-Year Plan for Economic and Social Development and long-range objectives through the year 2035 of the People's Republic of China. Available at: <https://en.ndrc.gov.cn/policies/202203/P020220315511326748336.pdf> (accessed: 12 July 2022)
- Government of China (2021b) The PRC Personal Information Protection Law. Available at: <https://www.china-briefing.com/news/the-prc-personal-information-protection-law-final-a-full-translation/> (accessed: 12 July 2022)
- Government of China (2021c) Zhōngguó shùzì rénminbì de yánfā jìnzhǎn báipíshū [Research and development progress of China's digital renminbi White Paper]. Available at: <http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/4293590/2021071614200022055.pdf> (accessed: 12 July 2022) (in Chinese)
- Government of South Africa (2005) Electronic Communications Act. Available at: https://www.gov.za/sites/default/files/gcis_document/201409/a36-050.pdf (accessed: 12 July 2022)
- Government of South Africa (2012) National Development Plan 2030. Available at: https://www.gov.za/sites/default/files/gcis_document/201409/ndp-2030-our-future-make-it-workr.pdf (accessed: 12 July 2022)
- Government of South Africa (2015) The National Cybersecurity Policy. Available at: https://www.gov.za/sites/default/files/gcis_document/201512/39475gon609.pdf (accessed: 12 July 2022)
- Government of South Africa (2016) National Integrated Policy ICT White Book. Available at: https://www.dtps.gov.za/images/phocagallery/Popular_Topic_Pictures/National_Integrated_ICT_Policy_White.pdf (accessed: 12 July 2022)
- Government of South Africa (2020) National Digital and Future Skills Strategy. Available at: https://www.gov.za/sites/default/files/gcis_document/202009/43730gen513.pdf (accessed: 12 July 2022)
- Global Governance Program (2020) Compliance Coding Manual for International Institutional Commitments. University of Toronto. Available at: http://www.g7.utoronto.ca/compliance/Compliance_Coding_Manual_2020.pdf (accessed 14 September 2022).

Herbert G., Loudon L. (2020) The Size and Growth Potential of the Digital Economy in ODA-Eligible Countries. Helpdesk Report, K4D. Available at: https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/15963/915_size_and_growth_potential_of_the_digital_economy_in_ODA-eligible_countries.pdf?sequence=1&isAllowed=y (accessed 10 March 2022).

Inshakova I., Mitrofanova I. (2020) Razvitie Cifrovoy Jekonomiki Stran Briks: Sostojanie i Prioritety [Development of the Digital Economy in the BRICS Countries: Status and Priorities]. *Economics: Yesterday, Today and Tomorrow*, vol. 10, no 2-1, pp. 332–48 (in Russian). Available at: <http://publishing-vak.ru/file/archive-economy-2020-2/33-inshakova.pdf> (accessed 18 July 2022).

Ignatov A. (2020) The Digital Economy of BRICS: Prospects for Multilateral Cooperation. *International Organisations Research Journal*, vol. 15, no 1, pp. 31–62. Available at: <http://doi.org/10.17323/1996-7845-2020-01-02>.

Kasenova M. (2013) Global'noe upravlenie Internetom v kontekste sovremennogo mezhdunarodnogo prava [Global Internet Governance and the International Law]. *Indeks bezopasnosti*, vol. 19, no 1(104), pp. 43–64 (in Russian).

Kokotsis E. (2017) G20 and BRICS: Enhancing Delivery Legitimacy. *International Organisations Research Journal*, vol. 12, no 2, pp. 195–211. Available at: <https://doi.org/10.17323/1996-7845-2017-02-195>.

Kurbalija J., Gelbstein E. (2005) Internet Governance: Issues, Actors and Divides. Diplo Foundation.

Kuznetsov D. A. (2020) Setevaja Tekstura Mirovoj Politiki: Transregionalizm Briks [Network Texture of World Politics: Transregionalism of BRICS]. *World Economy and International Relations*, vol. 64, no 11, pp. 124–31. Available at: <https://doi.org/10.20542/0131-2227-2020-64-11-124-131> (in Russian).

Larionova M. V. (2016) Evaluating Global Institutions' Effectiveness. *International Organisations Research Journal*, vol. 11, no 1, pp. 69–85. Available at: <https://doi.org/10.17323/1996-7845/2016-01-126>.

Larionova M. V., Rakmangulov M. R., Shelepov A. V. (2016) Explaining G20 and BRICS Compliance. *International Organisations Research Journal*, vol. 11, no 2, pp. 86–111. Available at: <https://doi.org/10.17323/1996-7845-2016-03-99>.

Larionova M. V., Ignatov A. A., Popova I. M., Sakharov A. G., Shelepov A. V. (2020) Desjat' let BRIKS. Chto dal'she? [BRICS at Ten: The Way Forward]. Moscow: RANEPa (in Russian).

Larionova M., Shelepov A. (2021) Emerging Regulation for the Digital Economy: Challenges and Opportunities for Multilateral Global Governance. *International Organisations Research Journal*, vol. 16, no 1, pp. 29–63. Available at: <https://doi.org/10.17323/1996-7845-2021-01-02>.

Lebedeva M. M., Kharkevich M. V., Zinovieva E. S., Kuposova E. N. (2016) Arhaizacija Gosudarstva: Rol' Sovremennykh Informacionnykh Tehnologij [State Archaization: The Role of Information Technologies]. *Polis: Political Studies*, no 6, pp. 22–36. Available at: https://www.politstudies.ru/files/File/2016/6/Polis_06_2016-Lebedeva_Kharkevich_Zinovieva_Kuposova.pdf (accessed: 7 June 2022) (in Russian).

Lukackij A. V. (2015) Opredelenie istochnika kiberatak [Tracking Sources of Cyberattacks]. *Pu's kibermira*, no 2(14). Available at: <http://pircenter.org/media/content/files/13/14303840060.pdf> (accessed 10 March 2022) (in Russian).

Liaropoulos A. (2013) Exercising State Sovereignty in Cyberspace: An International Cyber-Order Under Construction? *Journal of Information Warfare*, vol. 12, no 2, pp. 19–26. Available at: <https://www.jstor.org/stable/26486852>.

Liaropoulos A. (2016) Exploring the Complexity of Cyberspace Governance: State Sovereignty, Multistakeholderism, and Power Politics. *Journal of Information Warfare*, vol. 15, no 4, pp. 14–26. Available at: <https://www.jstor.org/stable/26487548>.

Nye J. S. (2014) The Regime Complex for Managing Global Cyber Activities. CIGI Paper Series No 1, Global Commission on Internet Governance. Available at: https://www.cigionline.org/sites/default/files/gcig_paper_no1.pdf (accessed 2 June 2022).

Morozkina A. (2020) Regional Perspective of Digitalization in BRICS. *International Organisations Research Journal*, vol. 15, no 4, pp. 70–90. Available at: <https://doi.org/10.17323/1996-7845-2020-04-04>.

Mueller L. M. (2019) Against Sovereignty in Cyberspace. *International Studies Review*, vol. 22, no 4, pp. 779–801. Available at: <https://doi.org/10.1093/isr/viz044>.

Mukhopadhyay A. (2020) E-commerce Trade and Data Localization: A Developing Country Perspective. *International Organisations Research Journal*, vol. 15, no 3, pp. 153–75. Available at: <https://doi.org/10.17323/1996-7845-2020-03-06>.

Organisation for Economic Co-operation and Development (OECD) (2019) Vectors of Digital Transformation. OECD Digital Economy Paper No 273. Available at: <https://doi.org/10.1787/5ade2bba-en>.

Pozdnyakova U., Mukhomorova I., Golikov V., Sazonov S., Pleshakov G. (2019) Internet of Things as a New Factor of Production in the Conditions of Digital Economy. *Ubiquitous Computing and the Internet of Things: Prerequisites for the Development of ICT* (E. Popkova (ed)). Spring Cham. Available at: http://dx.doi.org/10.1007/978-3-030-13397-9_117.

Polatin-Reuben D., Wright J. (2014) An Internet With BRICS Characteristics: Data Sovereignty and the Balkanisation of the Internet. Presented at the 4th USENIX Workshop on Free and Open Communications on the Internet, San Diego, 18 August. Available at: <https://www.usenix.org/conference/foci14/workshop-program/presentation/polatin-reuben> (accessed 2 June 2022).

President of the Russian Federation (2016) Ukaz Prezidenta Rossijskoj Federacii ot 05.12.2016 g. № 646 Ob utverzhdenii Doktriny informacionnoj bezopasnosti Rossijskoj Federacii [Presidential Decree No. 646 5 December 2016 “Information Security Doctrine of the Russian Federation”]. Available at: <http://kremlin.ru/acts/bank/41460> (accessed: 12 July 2022)

President of the Russian Federation (2021) Ukaz Prezidenta Rossijskoj Federacii ot 02.07.2021 g. № 400 O Strategii nacional'noj bezopasnosti Rossijskoj Federacii [Presidential Decree No. 400 2 July 2021 “National security strategy of the Russian Federation”]. Available at: <http://www.kremlin.ru/acts/bank/47046> (accessed: 12 July 2022) (in Russian)

Presidency of the Republic of Brazil (2014) LEI Nº 12.965, DE 23 DE ABRIL DE 2014 [LAW No. 12,965, OF April 23, 2014]. Available at: http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2014/lei/112965.htm (accessed: 12 July 2022) (in Portuguese)

Presidency of the Republic of Brazil (2021a) DECRETO Nº 10.222, DE 5 DE FEVEREIRO DE 2020. Available at: http://www.planalto.gov.br/ccivil_03/_ato2019-2022/2020/decreto/D10222.htm (accessed: 12 July 2022) (in Portuguese)

Presidency of the Republic of Brazil (2021b) MEDIDA PROVISÓRIA Nº 1.068, DE 6 DE SETEMBRO DE 2021 [Provisional measure No.1068 6 September 2021]. Available at: <https://www.in.gov.br/en/web/dou/-/medida-provisoria-n-1.068-de-6-de-setembro-de-2021-343277275> (accessed: 12 July 2022) (in Portuguese)

President of the Russian Federation (RF) (2020) Ukaz Prezidenta Rossijskoj Federacii ot 27 July 2020 g. No 474 “O nacional'nyh celjah razvitija Rossijskoj Federacii na period do 2030 goda” [Decree of the President of the Russian Federation of 21 July 2020 No 474 “On the National Development Goals of the Russian Federation for the Period Up to 2030”]. Available at: <http://www.kremlin.ru/acts/bank/45726> (accessed 2 June 2022) (in Russian).

Republic of India (2021) Ministry of Electronics and Information Technology Notification. New Delhi, 25 February. Available at: <https://mib.gov.in/sites/default/files/IT%28Intermediary%20Guidelines%20and%20Digital%20Media%20Ethics%20Code%29%20Rules%2C%202021%20English.pdf> (accessed 31 March 2022).

Republic of Korea (2019) National Cybersecurity Strategy. Available at: https://ccdcoe.org/uploads/2018/10/South-Korea_English-National-Cybersecurity-Strategy-03-April-2019_English-1.pdf (accessed 14 March 2022).

Sokolov A., Shashnov S., Kotsemir M., Grebenyuk A. (2017) Identification of Priorities for S&T Cooperation of BRICS Countries. *International Organisations Research Journal*, vol. 12, no 4, pp. 32–67 (in Russian and English). Available at: <https://doi.org/10.17323/1996-7845-2017-04-32>.

The White House (2021) Interim National Security Strategic Guidance. Available at: <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf> (accessed 14 March 2022).

Tkachenko I. (2018) Perspektivy sotrudnichestva stran BRIKS v razvitii cifrovoj jekonomiki [The BRICS Perspective on Digital Economy Development Cooperation]. *Bolshaya Evrasia: Rasvitie, Bezopasnost', Sotrudnichestvo*. pp. 339–43.

- Toloraya G., Chukov R. (2016) BRICS to Be Considered? *International Organisations Research Journal*, vol. 11, no 2, pp. 97–112. Available at: <https://doi.org/10.17323/1996-7845-2016-02-97>.
- Toropchin G. (2017) Ot Goa do Sjamjenja. O nekotoryh aspektah politicheskogo sotrudnichestva v ramkah BRIKS [From Goa to Xiamen: On Some Aspects of Political Cooperation Within BRICS]. *International Organisations Research Journal*, vol. 12, no 1, pp. 174–88. Available at: <https://doi.org/10.17323/1996-7845-2017-01-174> (in Russian).
- Vasilkovsky S., Ignatov A. (2020) Internet Governance: System Imbalances and Ways to Resolve Them. *International Organisations Research Journal*, vol. 15, no 4, pp. 7–29. Available at: <http://doi.org/10.17323/1996-7845-2020-04-01>.
- van Horenbeeck M. (2018) The Future of Internet Governance and Cyber-Security. *Computer Fraud & Security*, no 5, pp. 6–8. Available at: [http://dx.doi.org/10.1016/S1361-3723\(18\)30042-3](http://dx.doi.org/10.1016/S1361-3723(18)30042-3).
- Verhelst A., Wouters J. (2020) Filling Global Governance Gaps in Cybersecurity: International and European Legal Perspectives. *International Organisations Research Journal*, vol. 15, no 2, pp. 105–24. Available at: <https://doi.org/10.17323/1996-7845-2020-02-07>.
- Xu, B. (2015) China Internet Plus Strategy. Available at: https://www.sesec.eu/app/uploads/2015/06/2015_05_SESECIII_Newsletter_April_2015_Annex02_China_Internet_Plus_Strat....pdf (accessed: 12 July 2022)
- Zinovieva E. S. (2010) Mezhdunarodnoe Upravlenie Internetom: Problemy, Podhody, Perspektivy [International Internet Governance: Problems, Approaches, Perspectives]. *MGIMO Review of International Relations*, no 6(15), pp. 167–74. (in Russian).
- Zinovieva E. S. (2015) Global'noe Upravlenie Internetom: Rossijskij Podhod I Mezhdunarodnaja Praktika [Global Internet Governance: Russian Approach and International Practice]. *MGIMO Review of International Relations*, no 4(43), pp. 111–8. Available at: <https://doi.org/10.24833/2071-8160-2015-4-43-111-118> (in Russian).

CLIMATE GOVERNANCE AND PRACTICAL SOLUTIONS FOR GREEN RECOVERY

International Organisations Research Journal, 2022, vol. 17, no 2, pp. 110–134

Original article

doi:10.17323/1996-7845-2022-02-05

Governing Climate Change at the G20 Rome and UN Glasgow Summits and Beyond¹

J. Kirton, B. Warren

Kirton John—Professor, Co-director of BRICS Research Group, Director of G7 Research Group, Director of G20 Research Group, University of Toronto; Room 209N, 1 Devonshire Place, Toronto, M5S 3K7 Ontario, Canada; john.kirton@utoronto.ca

Warren Brittaney—MES, Lead Researcher Climate Change, G20 Research Group, 1 Devonshire Place, M5S 3K7; b.warren@mail.utoronto.ca

Abstract

How and why does the Group of 20 (G20) work, both alone and together with the United Nations (UN), to advance the effective global governance of climate change, especially in 2021 and beyond? G20 summit performance on climate change has increased since 2008 as measured by the six major dimensions of governance, but not by the results in net emissions reduced. G20 efforts to spur performance at subsequent UN climate summits has varied, from substantial at G20 Pittsburgh for UN Copenhagen in 2009, to limited at G20 Antalya for UN Paris in 2015, and to strong at G20 Rome for UN Glasgow in 2021. G20 efforts have been spurred by the physical climate shock-activated vulnerabilities experienced by G20 members in the lead-up to G20 and UN summits, especially from escalating extreme weather events, but have been constrained by diversionary shocks from finance in 2008–09, terrorism and migration in 2015, and COVID-19 in 2020–21. Also important were the personal commitments of, and domestic political support for, G20 and UN summit hosts, especially regarding the G20 and UN summits uniquely chaired by Group of 7 (G7) members Italy and the United Kingdom in 2021. Yet, the unprecedented combined G20–UN supply of global climate governance in 2021 fell even further behind the proliferating global demand to control climate change. To close the gap, the G20 should invite the heads of the major multilateral environmental organizations to participate in G20 summits, hold more environment ministers' meetings each year, and mount an annual climate-focused summit at the UN General Assembly.

Keywords: G20, UN, climate change, Rome, Bali, governance

For citation: Kirton J., Warren B. (2022) Governing Climate Change at the G20 Rome and UN Glasgow Summits and Beyond. *International Organisations Research Journal*, vol. 17, no 2, pp. 110–134 (in English). doi:10.17323/1996-7845-2022-02-05

¹ This article was submitted 18 January 2022.

Introduction

The Challenge

Group of 20 (G20) summits have governed climate change since their start in Washington DC in November 2008, in London in April 2009, and in Pittsburgh in September 2009. The leaders of the world's systemically significant states gathered there in person to control the American-turned-global financial crisis that left millions homeless, deepened poverty, and widened the wealth gap. In 2009, with the financial crisis still raging, 196 country leaders met in Copenhagen under the auspices of the United Nations (UN) Framework Convention on Climate Change (UNFCCC) to negotiate an agreement to prevent a brewing ecological crisis that would do far more damage than the ongoing financial one. In the lead-up, G20 leaders, whose countries accounted for nearly three quarters of all global greenhouse gas emissions (GHG), stated they would “spare no effort to reach agreement in Copenhagen” [G20, 2009]. They mobilized the World Bank to step up and agreed to phase out inefficient fossil fuel subsidies in about five years. They cited research from the Organisation for Economic Co-operation and Development (OECD) and the International Energy Agency (IEA) showing that eliminating fossil fuel subsidies by 2020 would reduce GHG by 10% in 2050.

Yet, this did not inspire constructive UN collaboration at Copenhagen due to resistance from the BRIC countries of Brazil, Russia, India, and China. At the next G20 summits, in Toronto in June 2010 and Seoul in November 2010, the G20 leaders' communiqués [G20, 2010a, 2010b] revealed the first climate-related fracture between their developed and developing members. The Toronto communiqué read: “*those of us* who have associated with the Copenhagen Accord reaffirm our support for it and its implementation and call on others to associate with it” [G20, 2010a] (*italics added*).

Sustainable development took an increasing share of G20 leaders' climate change conclusions, as their hosts moved from the Group of 7 (G7)—the U.S., the UK, Canada, and France—in 2011, through Korea in 2010 to Mexico in 2012, Russia in 2013, and Australia in 2014. Turkey declared at its Antalya summit that 2015 was a “critical year” for both sustainable development and climate change [G20, 2015]. It was indeed. Both the 2030 Agenda for Sustainable Development, with its 17 sustainable development goals (SDGs), and the UN Paris Agreement on Climate Change were agreed at UN summits that year. At China's G20 Hangzhou summit in 2016, all G20 members promised they would implement the 2015 Paris Agreement in a timely manner.

But less than one year later, Donald Trump arrived as U.S. president. On 1 June 2017, he renounced the Paris Agreement, promising to withdraw America from it. At the G20's Hamburg summit in July 2017, host Angela Merkel led the rest of the G20 to continue their full support for its implementation, even as America abandoned it and the climate crisis grew.

Three years later, the deadly COVID-19 pandemic arrived, producing the strongest diversionary shock to G20 governance yet. In 2020, COVID-19 overshadowed what proved to be a poorly performing G20 summit on climate change, hosted by a climate action-reticent Saudi Arabia. COVID-19 led to the cancellation of both the UN climate and UN biodiversity summits that year. Then, in January 2021, came an attack on the U.S. Congress by a White mob trying to prevent a legitimately elected moderate democrat, Joe Biden, from becoming president.

The overpowering anxiety and uncertainty about the decline in democracy and international cooperation was further fuelled by the ferocious heat, fires, and floods that destroyed land and lives across the G20 and the world. G20 leaders, at their Rome summit on 30–31 October, performed strongly on climate change, producing some momentum for the UN's COP26 summit in Glasgow from 31 October–12 November. But not enough. Glasgow's new agree-

ments would, if fully implemented, only lower the global average temperature from 3–4°C to 2.4°C, well over the Paris Agreement’s goal of a 2°C, and ideally 1.5°C, rise.

There is now little time left to stop the growth of greenhouse gas emissions and concentrations in the atmosphere and none to act on disaster preparedness and response. Climate-related shocks are proliferating. The world’s multilateral organizations from the 1940s have failed to stop the deadly spiral from spinning out of control. The G20 thus has an enormous global climate governance gap to fill.

The world now looks to the G20 summit in Bali, Indonesia on 15–16 November 2022 to do so. Indonesia chose a sustainable energy transition as the third of its three summit priorities but did not mention “climate change.” Amidst the new geopolitical conflicts erupting on the road to Bali, the outstanding question remains whether and how the G20 can provide the bold leadership required to reverse the climate crisis and equitably adapt to what is already here, given how and why it has worked in the past.

Schools of Thought

The course and causes of G20 summit governance of climate change have been the subject of rich and often theoretically grounded debate among many distinct schools of thought [Kirton, Kokotsis, 2015, pp. 4–8; Kirton, Kokotsis, Warren, 2022, Chapter 1]. New schools have recently emerged [Johnstone, 2021; Kirton, Wang, 2022; Nascimento et al., 2021; Skovgaard, 2021; Unger, Thielges, 2021] along with an ever-expanding array of climate science led by the Intergovernmental Panel on Climate Change [Pörtner et al., 2022].

These schools have been enriched by those focused on the G20’s Rome summit and its relationship with the UN’s COP26 Glasgow summit.

The first school sees hopes dashed. UN secretary-general António Guterres [2021] tweeted that his hopes for a successful Rome summit ahead of COP26 were left “unfulfilled.” Caitlyn Byrne [2021] saw a missed opportunity for G20 leadership. Simon Kofe, foreign minister of Tuvalu, expressed disappointment that COP26’s language on coal had been weakened, stating that the survival of countries like his was at stake [Singh, Sheldrick, Browning, 2021].

The second school sees weak results due to institutional design. Javier Blas [2021] agreed that the G20 did not perform well at Rome, but noted that this was due to the inclusion of language favoured by fossil fuel producers. Injy Johnstone [2021] argued the G20 lagged in ensuring a green recovery from COVID-19 due to the G20’s embedded foundational mission to boost economic growth and the commensurate influence of G20 finance ministers and central bank governors. On COP26, Murray Worthy also saw the influence of the fossil fuel industry, which had the largest delegation at COP26, as the most significant barrier to deep emissions cuts [McGrath, 2021]. He argued that fossil fuel lobbyists should be banned from the UN’s climate talks, as tobacco lobbyists were from those of the World Health Organization (WHO).

The third school sees reason to hope. Paola Subacchi [2021] emphasized that the G20 made some tangible advances on climate action. Luca Bergamaschi [2021] highlighted some of the agreements made, even if “wide delivery gaps remained.” In this vein, Jacob Davidson and Carla Monteleone [2021] deemed the Rome summit a success on climate change, due to the Italian prime minister’s extensive experience and widespread respect and also to the changed global context with the new Biden administration leading the United States. On the UN’s COP26, Sam Geall [2021] argued that the joint China-U.S. agreement announced at Glasgow offered “renewed hope for joint leadership at last.” John Kirton and Alissa Wang [2022] saw China’s new priority on climate change as a spur to Rome’s success. Guterres also recognized the China-U.S. agreement as “a step in the right direction” but added that “promises ring hol-

low” so long as the fossil fuel industry continues to be subsidized and when development continues without a price on carbon [UN, 2021].

Also notable was the reported division of opinions among G20 leaders after the Rome summit. Gavin Jones, Crispian Balmer, and Jeff Mason [2021] reported that Italian prime minister Mario Draghi hailed his summit as a success on climate change and German chancellor Angela Merkel said the communiqué was a positive signal for COP26. But Canadian prime minister Justin Trudeau said he wanted to see stronger commitments on climate change and expressed disappointment that Russia and China had slowed progress at Rome. Draghi, conversely, praised Russia and China for showing flexibility in the days leading up to the G20 summit. UK prime minister Boris Johnson said the G20 made reasonable progress but that it was not enough and represented only drops in the ocean [Hook, Miles, Katrina, 2021].

Puzzles

All these schools agree that not enough was done at Rome or Glasgow but point to different degrees of progress and to different causes. None conducted a systematic, theoretically grounded analysis of the G20’s climate performance at Rome, nor of the UN’s Glasgow summit, even though both were hosted or co-hosted by Italy (along with the UK as co-host at Glasgow [Kirton, 2013]). Nor was there an analysis of the many possible causes of the G20’s performance, including of its influence on the UN’s Glasgow summit. This article helps fill these gaps, as a foundation for suggesting what the G20 will and can do at its next summit in Bali, Indonesia in November 2022.

Argument

In this article it is argued that the G20 summit’s performance on climate change can be a salient cause of the UN COP’s summit performance and vice versa, especially as each produces stronger outcomes with surrounding summit support from the other. The G20 Rome summit produced a strong performance across most of the six dimensions of governance but did not do enough to reduce emissions on a Paris-aligned pathway. A key cause of its strong performance was its leaders’ and hosts’ desire to ensure a successful COP26 and the fear of another multi-lateral organizational failure from a COP summit, amidst the growing number and intensity of extreme weather events around the world. A key constraint was the absence at the Rome summit of participation from the head of UN Climate or other key UN climate, environmental, and energy organizations. This, and the over-representation of the fossil fuel industry at COP26, the limited domestic political cohesion within and among countries, and the stronger resistance by several countries constrained the ambitious climate action required to stop runaway climate change.

Outline

To develop this argument, the G20’s climate change performance at its 2021 Rome summit is analyzed by applying the systemic hub model of summit performance, with its six dimensions of performance and six causal candidates [Kirton 2013; Kirton, Kokotsis, 2015; Kirton, Kokotsis, Warren, 2022]. The key outcomes of the UN’s COP26 meeting are compared with those of the G20 Rome summit held just before. The climate prospects for the Bali summit in November 2022 are then discussed, followed by recommendations for further action from G20 leaders at Bali and for future scholarly research.

G20 2021 Rome Climate Change Performance

The G20's Rome summit climate performance was strong overall, and across almost all the six dimensions of governance (see Appendix A). Yet, this strong performance was not nearly ambitious enough to meet the goals of the Paris Agreement, nor to overcome some contentious issues and spur the stronger success needed at COP26.

Domestic Political Management

The first dimension of summit performance, domestic political management, shows how valuable world leaders view the G20 forum to be, as measured by their physical or, amidst COVID-19, virtual presence.

Performance here was strong. Fifteen leaders attended the meeting in person and five did so virtually. This created the first physical-digital hybrid G20 summit. Participating virtually were Chinese president Xi Jinping, Russian president Vladimir Putin, Japanese prime minister Fumio Kishida, Mexican president Andrés Manuel López Obrador and South African president Cyril Ramaphosa. They all sent an in-person representative.

Also attending were all six invited guest leaders, from the Netherlands, Spain, Singapore, the Democratic Republic of Congo (as chair of the African Union), and Rwanda (as chair of New Partnership for Africa's Development).

Crucially, the G20 did not invite the executive heads of any of the major multilateral climate and environment organizations: those overseeing the UNFCCC, the UN Convention on Biological Diversity (UNCBD), and the UN Environment Programme (UNEP). In sharp contrast, the heads of many economic multilateral organizations dominated: the International Monetary Fund (IMF) and World Bank as G20 members, and as invitees, the UN secretary-general, the G20's Financial Stability Board, the World Trade Organization, the WHO, the International Labour Organization, the Food and Agriculture Organization, and the OECD. Although these organizations are now acting on climate change, the economy still dominated the ecology in their core mission and expertise.

Another measure is the number, breadth, and subjects of compliments to individual G20 members in the summit documents for their work in advancing climate and environmental action. At Rome there were three acknowledgments. They went to Saudi Arabia for continuing to support and implement initiatives launched under its 2020 G20 presidency—the G20 Global Initiative on Reducing Land Degradation and Enhancing Conservation of Terrestrial Habitats, the G20 Dialogue on Water and the G20 Water Platform, and the Global Coral Reef R&D Accelerator Platform. There were none for work at Glasgow itself.

Deliberation

The second dimension of performance, deliberation, shows how much attention the leaders publicly gave to climate change. It is measured by the number of words and the portion of their communiqués dedicated to the subject. On climate change, Rome continued the rising trend of the previous four years, producing the second highest number of words and the highest portion of words by far, since the G20 summit's 2008 start. Rome gave 3,092 words to climate change, behind only 2017 Hamburg's 3,600. Rome devoted 31% of its communiqué to climate change, well above 2020 Riyadh's 12%. For the first time, attention to climate change surpassed, indeed doubled, that of the G20's core *raison d'être* of macroeconomic growth, which took only 1,405 words making up 15% of the communiqué.

Direction Setting

The third dimension, direction setting, measures affirmations in a climate change context of the G20's distinctive foundational missions of ensuring global financial stability and making globalization work for all. Rome made 11 such affirmations. Five were to financial stability and six to globalization for all. This was the highest total ever, as the summit average from 2008 to 2020 was only 0.2. There were also seven affirmations of the G7's two distinctive foundational missions of open democracy and human rights. Five were to democracy, all on climate finance transparency, including climate- and nature-related financial risk disclosure. Two were to human rights, both referencing a just transition.

Decision-making

On the fourth dimension, decision-making, Rome produced 21 collective, precise, future-oriented, politically binding commitments on climate change. This was the second highest number ever, and only one less than the 2017 Hamburg summit. It was well above the average of six per summit. Climate change commitments took 9% of Rome's 225 commitments on all subjects. It was the fourth highest subject, tied with the environment. Moreover, all eight energy commitments, for 4% of the total, were on clean energy access and the transition to clean energy, energy efficiency, or fossil fuel phase-out, including subsidies and international financing for new unabated coal plants by the end of 2021. Combining its climate, environment, and energy commitments, Rome put the planet first, with almost a quarter of the leaders' commitments.

The vast majority of Rome's 21 climate commitments had highly binding language, for a 15:6 high-to-low binding ratio. The highly binding commitments use stronger action- and future-oriented language. Rather than merely reiterating a past commitment, they commit the G20 to do more than it has before by scaling up actions or by doing something new. For the 21 environment commitments, the ratio was 7:14 high to low. For the eight energy ones, the ratio was equal, with 50% high and 50% low.

Delivery

The fifth dimension, delivery of these decisions through members' implementing compliance with these commitments before the next summit, is expected to be high. The G20's compliance with the 47 assessed climate change commitments, from 2008 to 2020, was only 67%. But it rose slightly over time and should again. Compliance was higher with those of the 47 G20 climate commitments assessed for compliance that used highly binding language, that had a short-term timetable, and that referenced the UNFCCC or its legal climate agreements. It was lower with the climate commitments that contained a multi-year timetable and that were made at summits producing a higher number of climate conclusions and commitments.

Most of the Rome climate commitments had highly binding language. Six of the 21, for 29%, had a UNFCCC or climate law reference. The key energy commitment, to phase out new international unabated coal financing by the end of 2021, had a short-term target of less than one year. This left just three of the 21 commitments, for 14%, with a multi-year timetable, with one of these using highly binding language. Rome did have a high number of commitments and high deliberation on climate change, suggesting lower compliance, but this is a weak cause of climate compliance.

Development of Global Governance

The sixth dimension of performance, the institutional development of global governance, is measured by references in the summit's conclusions on climate change to specific international institutions inside and outside the G20 and whether the G20 is leading, following, or neutrally acknowledging the relevant institution.

Rome's leaders made three references to inside institutions. Two were to the G20's Financial Stability Board and its work on climate-related financial risk disclosures. One was to the G20 finance ministers and central bank governors. All three were neutral references.

There were six references to outside institutions. Four referred to the core climate organization of the UNFCCC umbrella, comprising two to the Paris Agreement, one to the IPCC and one to COP26. Here, the G20 supportively followed the UN three out of four times and led once. It also led in its one reference to the IMF. It was neutral in its one acknowledgement of the OECD's Climate Finance Delivery Plan. G20 leaders thus did little here to lead the UN's Glasgow summit to succeed but did offer their general support.

Causes of G20 Performance

Rome's strong overall climate performance was pushed somewhat by rising physical climate shocks within and beyond G20 members. As noted above, the key cause was its host's and most leaders' desire to ensure a successful COP26 at Glasgow and fear of another multilateral organizational failure from a COP summit, amidst the growing number and intensity of extreme weather events. Somewhat salient was the growing global predominance G20 members and their internally equalizing relative capabilities. Members' converging democratic and climate policy characteristics had a reduced and mixed impact, as declining democracy in the critical countries of China and India was offset by its rise in Joe Biden's U.S., with the divergence limiting the degree of climate advances. A stronger constraint came from the domestic political cohesion behind the leaders, as it was stronger in China, Russia, India, and Saudi Arabia than in U.S., Germany, and Canada. A strong push came from the G20 summit's position as a valued club at the hub of a network of global summit climate governance, led by the well-connected, climate-committed host, Mario Draghi, who would then immediately afterward co-chair Glasgow's COP26.

Shock-Activated Vulnerability

The first cause of Rome's strong climate performance was the rise in physical climate shocks, which were not crowded out by the new diversionary health ones created by COVID-19. By 30 November 2021, one month into the Rome summit's compliance period, over five million people had died of COVID-19. But with eight billion vaccine doses administered, borders were reopening, and a sense of normalcy was returning. To be sure, the arrival of the Omicron variant by late November led some G20 countries to ban travel from their G20 developing country colleague, South Africa, where it had been detected first. However, in Rome at October's end, the pandemic seemed sufficiently under control that it did not divert the G20 leaders' attention from climate change nearly as much as it had at the Riyadh summit in November 2020.

Moreover, climate shocks arose more strongly in 2021. That summer, in Canada, a heat dome covered the western-most province of British Columbia, setting a record nearing 50°C, killing 569 people and burning down an entire town. Russia, Australia, California in the U.S., Italy, and Turkey also suffered from severe wildfires and heat that killed several people and

caused thousands to evacuate. Snowstorms struck Spain, sandstorms swarmed China, and cyclones and hurricanes hit the U.S. and Indonesia. Massive floods killed 170 people in Germany and Belgium.

In their Rome communiqué, G20 leaders only recognized the COVID-19 shocks and no specific extreme weather event. They did identify climate change as a threat and a risk.

Major mainstream media paid growing attention to climate change. In the days before the Rome summit, American headline news stories on climate change and extreme weather events outnumbered those on the pandemic. The Financial Times front page, on 26 October, gave climate change 25% of the stories and health none. On 27 and 28 October, climate change had 50% and health none. On 29 October, climate change had 50% and health 25%. And on 30 October, the day the Rome summit started, climate change had 50% and health none.

Multilateral Organizational Failure

The second cause was the G20 leaders' desire, in the face of these growing physical and media-highlighted climate shocks, to avoid the increasing multilateral organizational failure to prevent such shocks by fostering a successful outcome at the UN's COP26 Glasgow summit, which started the day that the Rome summit ended. The IMF, World Bank, and UN still did not have climate change as a core part of their constitutional charters, expertise, or operations, even if they increasingly addressed climate change. UN Climate, responsible for the UNFCCC but absent from the Rome summit, was the only multilateral organization with at least a semi-legally binding global climate agreement to build on.

Its pull, by itself, was not strong enough. Throughout 2021, the UK, co-host of COP26 and host of the 2021 G7 Cornwall summit, pushed for more ambition. Answering the call, the UK, the U.S., Canada, and China announced stronger climate targets. Turkey ratified the Paris Agreement, becoming the last G20 member to do so. But Australia and India kept their former climate targets, and Russia, Saudi Arabia, and Brazil kept their weaker ones.

Predominant Equalizing Capabilities

The third cause of Rome's strong climate performance was the growing global predominance and internally equalizing capabilities of G20 members. The IMF [2021] projected global economic growth in 2021 of 5.9%. However, due to uneven vaccine distribution and access, growth in Sub-Saharan Africa was projected at only 3.7%, with the Middle East and Central Asia predicted to grow 4.1%.

Within the G20, internal equality increased. China and India led with a projected 8% and 9.5%, respectively, compared to the U.S. at 6% and the European Union (EU) at 5%. Advanced economies and emerging and developing economies converged, with the latter's growth outpacing the former's by 1.2%.

But both groups had overall growth in real gross domestic product (GDP) and in the greenhouse gas emissions they brought. In 2020, global emissions declined along with GDP, while in 2021 they rose alongside it, as G20 members failed to decouple economic and emissions growth. The developed G20 countries' multibillion dollar COVID-19 recovery packages funded business-as-usual growth rather than a green recovery, while G20 countries and emerging economies gave \$345 billion in subsidies to the fossil fuel sector during the 2020 recession [OECD-IEA, 2021].

Converging Characteristics

Members' converging democratic characteristics and climate policy among G20 members had a smaller impact, as declining democracy in the critical countries of China and India was offset by its rise in Joe Biden's U.S., with the divergence limiting the degree of climate advances.

Democracy and climate action are positively correlated [Fiorino, 2018]. In 2020, the latest year with detailed data available, democracy declined globally for the 15th year in a row [Freedom House, 2021]. Among G20 members, it declined the most in India, China, and the United States.

In 2021, however, in the biggest change, a more democratic U.S. government arrived under Joe Biden as the new president. The U.S. re-joined the Paris Agreement, bringing consensus on this key component of climate change governance and the UN's Glasgow summit back to the G20.

Climate policies generally converged in an upward direction, but several key countries diverged. In the lead-up to Rome, Saudi Arabia set a target to reach net zero by 2060. China submitted an updated target, to peak its emissions by 2030, but kept its long-term net-zero deadline of 2060. Turkey set, for the first time, a climate target of net zero by 2060 and ratified the Paris Agreement. Coal-rich Australia, under Scott Morrison's majority government, announced it would not increase its ambition and would not submit an updated 2030 target. India also announced it would not submit an updated climate target.

Political Cohesion

The fifth cause, acting as a constraint, was the particular configuration of domestic political cohesion behind the leaders. It was strongest in China, Russia, India, and Saudi Arabia, and weaker in the U.S., Germany, and Canada. Thus, China, India and Russia continued to exert stronger political control in a non-democratic, climate-resistant way, while Saudi Arabia maintained its total authoritarian control.

Joe Biden, the new U.S. president at his first G20 summit, led a Democratic Party that had won a majority of seats in the House of Representatives, but had only 50 seats in the Senate, as did the Republican Party opposed to climate action. Biden did come to Rome with much experience, having served as vice-president for eight years in the Obama administration. By Biden's third day in office, the United States had rejoined the Paris Agreement and cancelled the Keystone XL pipeline. Biden's presence at Rome ensured that all G20 members would support the Paris Agreement and leave behind the 19+1 split the previous Trump administration had created. Turkish president Recep Tayyip Erdogan solidified this, as Turkey became the last G20 member to finally ratify the Paris Agreement.

German chancellor Angela Merkel, a veteran of all G20 summits since their 2008 start, was attending her last summit, now in a caretaker capacity. Merkel had hosted the most successful G20 and G7 summits on climate change [Kirton, Kokotsis, Warren, 2022]. Her G20 Hamburg summit in 2017 produced the highest number of climate commitments at a G20 summit, despite climate-denying Trump's presence there. Germany's climate target was necessarily aligned with the EU's target. In June 2021, the EU had set into law its ambitious target, in line with the science, to reduce emissions by 55% by 2030 compared to 1990 levels and to reach net-zero by 2050. Merkel's successor was likely to be a proponent of strong climate policies, since the Green Party of Germany held enough power in the country to influence climate action. Indeed, on 8 December 2021, the new coalition government took office, led by Olaf Scholz, with the Green Party's Robert Habeck leading a now combined economy and climate ministry,

and Annalena Baerbock as the foreign minister, with a promise to accelerate the transition to climate-friendly domestic and foreign policies.

Other countries, such as Canada, with its minority government, and Japan, announced more ambitious climate targets ahead of Rome, although ones still short of being compatible with the Paris Agreement.

The G20 members had varied targets, all of which did not put the world on a Paris Agreement-aligned path. The diversity of targets at the individual country level explains the inability of the G20 to agree to a specific, collective, hard, quantitative deadline of reaching net zero by 2050. Leaders instead committed at Rome to reach net zero “by or around mid-century.” While this was a step in the right direction, the climate does not recognize such slow movement, responding only to actual emissions into the atmosphere.

Club at the Hub

The sixth cause, providing a strong push, was the Rome summit’s position as a valued club at the hub of a network of global summit climate governance.

All G20 leaders attended the Rome summit, with five doing so in person. Xi and Putin did not physically attend due to COVID-19 and Kishida and Ramaphosa were absent due to an overlap with domestic elections. López Obrador rarely leaves home for foreign visits. The resulting hybrid configuration reduced the summit’s club-like dynamics and resulting performance only a little.

Most importantly, Rome’s summit was hosted by Mario Draghi, who is both well-connected and climate-committed, and who then immediately co-chaired Glasgow’s COP26. Italy, as G20 host and Glasgow co-host, connected the G20 to the summits of the G7, the North Atlantic Treaty Organization, the Asia-Europe Meeting, and the ministerial meetings of the Food and Agriculture Organization, the World Food Programme and the International Fund for Agricultural Development. Also connected were the African Union, the New Partnership for Africa’s Development, and the Association of Southeast Asian Nations.

A constraint came from the Rome summit’s de facto climate club’s exclusion of the heads of critical actors, above all UN Climate, UN Biodiversity, UNEP, the World Meteorological Organization, the IPCC, and the International Renewable Energy Agency. Also absent were the leaders of the small island developing states, which are most susceptible to sea-level rise, and Indigenous Peoples. There was thus no one to speak for the environment, amidst and against the economic claims of the IMF, World Bank, and the heads of other multilateral organizations present.

UN COP26 Performance

The UN’s COP26 in Glasgow produced a substantial performance on climate change, in part due to the push from the G20’s Rome summit [Espinosa 2022; Kirton, Kokotsis, Warren, 2022].

Glasgow’s Performance

For Glasgow, on the Paris Agreement’s first pillar of mitigation, 151 countries submitted updated climate targets, including most G20 members. These promises together represented an important decrease in total emissions [Brodjonegoro, Damuri, Riefky, 2022]. But they still represented a dangerous rise of 2.5°C of warming (compared to the previous trajectory of 3–4°C). Australia, China, Saudi Arabia, Brazil, and Russia submitted no targets, or weak ones that were

not aligned with net-zero by 2050 [Mountford et al., 2021]. India, with support from China, succeeded in weakening language on the energy transition, resulting in a commitment to “phase down” rather than “phase out” “unabated coal.” A coal commitment had first appeared at the G20’s Rome summit.

On the second pillar of adaptation, Glasgow recognized nature as a tool for building resilience. The G20 at Rome had defined nature-based solutions as ecosystem-based approaches and committed to scale up this approach in and around cities. This includes doing their fair share of planting one trillion trees globally. But there were no similarly strong outcomes at the G20 or COP26 on disaster preparedness.

On the third pillar of climate financing, amidst and at the Glasgow conference, new funding announcements came. They included \$40 billion for adaptation by 2025 from developed countries, \$365 million for the Adaptation Fund, and \$413 million for the Least Developed Countries Fund [Anbumozhi, 2022]. At Rome, the G20 leaders raised no new money. They simply reiterated their commitment, first made at the UN, to help mobilize \$100 billion per year by 2020. G20 leaders at Rome saved their new funding commitments for the more attractive Glasgow venue. But both the G20 and UN still fell far short of the trillions needed to stop climate change.

Glasgow’s Propellers

As with the G20’s Rome summit, Glasgow’s advances were spurred by the same climate shocks that emerged around the world, the return of a climate-supportive U.S. to the Paris Agreement, cooperation with China, and the configuration of relative capability, policy convergence, and domestic political cohesion among the G20 members and within the summit’s hosts. These spurred Glasgow to its substantial success. But from 30–31 October in Rome to 12 November in Glasgow, the only key causes that changed were multilateral organizational failure due to the distinctive membership and rules and the valued club-like hub status of each summit. Both changes empowered the climate-reluctant G20 members of China, India, Russia, and Saudi Arabia at Glasgow to produce only a substantial performance on climate change there rather than a strong one, as at Rome.

On mitigation, on the key component of coal, at Glasgow coal finally made it into UN negotiations. At Rome, the G20 had made some progress against fossil fuels with their commitment to end international financing for new unabated coal plants. But, at Glasgow, as at Rome, pushback from India and China prevented stronger language. The draft text in the COP26 outcome document saw the proposed commitment to phase “out” coal changed to one to merely phase “down” coal, due to an Indian demand backed by China behind the scenes. COP26 made some advance on the rules for carbon markets, but no breakthroughs on loss and damage.

On adaptation, at COP26 a little money was raised.

On climate financing, at Glasgow G20 countries again split into separate negotiating blocs. Glasgow thus reiterated its and Rome’s unambitious, unfulfilled, and overdue commitment to raise \$100 billion per year by 2020. But several different climate clubs raised new money for specific causes outside the formal Glasgow Climate Pact.

More broadly, Glasgow helped pull a high level of conclusions and commitments on climate change at Rome. The outcomes of COP26 mostly mirrored those at the G20. This suggests that the progress made at the G20 summit helped cause the progress made at the UN.

Thus, overall and on each of the three Paris pillars, there was some G20 precursor as a foundation for action at Glasgow. It therefore matters that the G20 improves its climate performance, compliance, and cooperation with the UN at the forthcoming G20 summit in Bali, Indonesia on 15–16 November 2022.

Prospects for Bali, 2022

Indonesia, as host, set the Bali summit's theme as "Recover Together, Recover Stronger." On 27 May 2021, Indonesia's possible priorities were development, inclusive growth, social inclusion, and achieving the SDGs. By June, these had expanded to productivity for youth, the agriculture sector, the digital economy, small and medium-sized enterprises, and women; resilience and stability for food security, poverty reduction, public health, environmental protection, energy security and social protection; sustainability and inclusivity for labour, gender inequality, climate change adaptation, the blue economy and sustainable tourism; and partnership through advancing multistakeholder partnerships, global value chains, SDG financing, good governance and anti-corruption, and stronger multilateral trading systems, especially for vaccine distribution.

Finally, by 1 December 2021, Indonesia had settled on the three core priorities of the global health architecture, digital transformation, and the sustainable energy transition. The one-paragraph description of its sustainable energy transition priority on Indonesia's official G20 website proclaimed the centrality of energy security but did not mention climate change. The website announced an Energy Transition Ministerial Meeting to be held on 2 September and a Joint Environment and Climate Ministerial Meeting to be held on the same date. Of the 10 working groups listed, only the description of the Environment and Climate Sustainability Working Group mentioned climate change. This group would work on advancing nature-based solutions for climate adaptation and biodiversity, aligning financial flows to the Paris Agreement, and improving air quality and enhancing energy efficiency in buildings for health and well-being.

The Energy Transition Working Group's description is focused on energy security and energy demand, avoiding language on the supply of greenhouse gas emissions. Its priorities include transitioning to lower carbon energy systems through increased investments in innovation and clean and efficient technologies, along with energy access. The accompanying visualizations show images of oil wells and gas pumps alongside windmills and solar panels. This imagery raised questions about how quickly the Bali host would push the energy transition. The science is clear, the world must move away from *all* fossil fuels and do so quickly [IEA, 2021].

Conclusion

The G20's Rome summit made several important advances on climate change. It promised to end international public financing for unabated coal power generation by the end of 2021, broadening the commitments from the Cornwall summit's G7 members to include all G20 members. It promised to strengthen carbon sinks in low-cost, jobs-rich ways, committed to plant 1 trillion trees by 2030, and to urge non-G20 countries to join. More broadly, the summit gave more attention to natural sinks, devoting four paragraphs to them.

However, it did little else. Leaders committed to try to reach the more ambitious 1.5°C goal of the Paris Agreement. Physically, the climate had changed a great deal for the worse since 2015, but politically the G20's targets did not change much. The leaders reaffirmed their commitment to jointly mobilize \$100 billion per year for developing countries by 2020 and annually through 2025. To this unfulfilled promise, they merely added that the goal was expected to be met by 2023. They promised no new action on phasing out fossil fuel subsidies, a 12-year-old promise still not kept.

More generally, across the six dimensions of summit performance the G20 Rome summit was strong on climate change. This performance was largely spurred by increasing climate

shocks in G20 members, the presence of a major UN climate summit in the same year, and the commitment of the G20 host. Yet, Rome helped spur the UN's Glasgow summit only to a substantial, rather than strong, success as the UN's distinctive rules and procedures enabled the climate resistant powers, led by India and China, to prevent agreement on the needed climate action there.

Since G20 summitry started in 2008, there have only been three years in which a high-level UN climate COP summit was held at years' end: 2009 in Copenhagen, 2015 in Paris, and 2021 in Glasgow. Of these, only 2021 saw high performance from both the G20 and UN summits: strong at G20 Rome and substantial at UN Glasgow in 2021, compared to small at G20 Antalya and solid at UN Paris in 2015, and small at G20 London and substantial at G20 Pittsburgh while a failure at UN Copenhagen in 2009.

This was also the only year in which both the G20 and UN summits were hosted by G7 countries: Italy at Rome, and Italy and the UK at Glasgow in 2021, with Italy hosting both the G20 and UN ones. It was also the only year in which there was no time gap between the G20 and UN summits, while in 2015 there was a gap of many days and in 2009 of at least two months.

While only three cases do not permit a strong causal claim, they suggest the value of detailed process tracing to see how G7 members' hosting of both G20 and UN summits and no temporal spacing between them may foster a stronger, synergistic relationship between them and a high performance from each.

Recommendations for G20 Action and Scholarly Analysis

Based on this analysis, the G20 can and should do the following things to improve its performance at Bali and beyond.

In the summit process, they should:

1. Invite to the Bali summit the executive heads of UN Climate, UN Biodiversity and UN Environment, to participate in all summit sessions on the climate and environment, on finance and the economy, and the closely connected subject of health.
2. Hold more environment ministers' meetings before the Bali summit, with some held jointly with ministers responsible for energy, oceans, agriculture, health, and finance.
3. Hold a summit in New York City at the time of the opening of the UN General Assembly in September to advance action of the 2030 Agenda's SDGs in a synergistic way, starting with the co-benefits among those for the environment (SDGs 12–14) and on health (SDG 3).

On policy, they should credibly commit to:

4. End all fossil fuel subsidies, for the most damaging ones this year and for all by 2025.
5. Provide developing countries with climate finance of at least \$100 billion per year this year, providing their own public money to fill the gap.
6. Grow at least one trillion trees, by adding 100 billion every year starting in 2023, preserve peat in all countries starting now, and make at least 30% of their own land and oceans naturally protected areas within the next few years.

Recommendations for Further Research

Further research should advance this preliminary work on the G20-UN connection, including on how the G20 can act as a more cohesive climate club and how the G20 can raise its ambition and its compliance with its climate commitments.

References

- Anbumozhi V. (2022) Smart and Green Recovery From the Pandemic. *Global Solutions Journal*, issue 8, pp. 46–54. Available at: <https://www.global-solutions-initiative.org/wp-content/uploads/2022/03/Global-Solutions-Journal-Issue-8.pdf> (accessed 3 June 2022).
- Bergamaschi L. (@lucaberga) (2021) “NEW: #G20 Leaders, under the leadership of Draghi, managed to agree to accelerate actions on climate and energy. However, wide delivery gaps remain. #COP26 needs to change gear & move us quickly towards closing 1.5 & finance gaps.” *Twitter*, 31 October, 12:51 pm. Available at: <https://twitter.com/lucaberga/status/1454853666683375616> (accessed 3 June 2022).
- Blas J. (@javierblas) (2021) “On first read, a very weak G20 deal on climate change. It repeats the Paris Agreement language of 2.0-1.5 degrees. It includes lots of language favoured by fossil fuels producers. And crucially, nothing on domestic coal (no surprise, but a big change from earlier drafts) #COP26.” *Twitter*, 31 October, 8:11 am. Available at: <https://twitter.com/javierblas/status/1454783042162135041> (accessed 3 June 2022).
- Brodjonegoro B., Damuri Y., Riefky T. (2022) Climate Transition Plans of Developing Countries: Feasibility and Implementation Capacity. *Global Solutions Journal*, issue 8, pp. 22–30. Available at: <https://www.global-solutions-initiative.org/wp-content/uploads/2022/03/Global-Solutions-Journal-Issue-8.pdf> (accessed 3 June 2022).
- Byrne C. (@caitebyrne) (2021) “There were some good things to come out of the #G20RomeSummit especially on vaccines and taxes, but still with so much at stake on #ClimateAction it’s hard to get past this missed opportunity for leadership. @g20rg @jjkirtion.” *Twitter*, 31 October, 11:03 pm. Available at: <https://twitter.com/caitebyrne/status/1455007560369463298> (accessed 3 June 2022).
- Davidson J., Monteleone C. (2021) The 2021 G20 and Italy: Keeping Our Dreams Alive? *Contemporary Italian Politics*, vol. 14, issue 2, pp. 207–23. Available at: <https://doi.org/10.1080/23248823.2022.2047255>.
- Espinosa P. (2022) The G7 Meeting: An Opportunity for Climate Leadership. *G7 Germany: The Elmau Summit 2022* (J. Kirton, M. Koch (eds)). London: GT Media.
- Fiorino D. (2018) *Can Democracy Handle Climate Change?* Cambridge: Polity Press.
- Freedom House (2021) Freedom in the World 2021: Democracy Under Siege. Available at: <https://freedom-house.org/report/freedom-world/2021/democracy-under-siege> (accessed 3 June 2022).
- Geall S. (2021) The US-China Climate Agreement Is Imperfect—But Reason to Hope. *The Guardian*, 12 November. Available at: <https://www.theguardian.com/commentisfree/2021/nov/12/us-china-cop26-climate-carbon-superpower> (accessed 3 June 2022).
- Group of 20 (G20) (2009) G20 Leaders Statement: The Pittsburgh Summit. 24–25 September. Available at: <http://www.g20.utoronto.ca/2009/2009communique0925.html> (accessed 3 June 2022).
- Group of 20 (G20) (2010a) The G20 Toronto Summit Declaration. 27 June. Available at: <http://www.g20.utoronto.ca/2010/to-communique.html> (accessed 3 June 2022).
- Group of 20 (G20) (2010b) The G20 Seoul Summit Leaders’ Declaration. 12 November. Available at: <http://www.g20.utoronto.ca/2010/g20seoul.html> (accessed 3 June 2022).
- Group of 20 (G20) (2015) G20 Leaders’ Communiqué. Antalya, 16 November. Available at: <http://www.g20.utoronto.ca/2015/151116-communique.html> (accessed 3 June 2022).
- Guterres A. (@antoniouterres) (2021) “While I welcome the #G20’s recommitment to global solutions, I leave Rome with my hopes unfulfilled—but at least they are not buried. Onwards to #COP26 in Glasgow to keep the goal of 1.5 degrees alive and to implement promises on finance and adaptation for people & planet.” *Twitter*, 21 October, 10:54 am. Available at: <https://twitter.com/antoniouterres/status/1454824213261455360> (accessed 3 June 2022).
- Hook L., Johnson M., Manson K. (2021) Boris Johnson Warns G20 Deal Leaves “Huge Way to Go” at Climate Summit. *Financial Times*, 31 October. Available at: <https://www.ft.com/content/92839b0d-dba1-41a7-923b-d3361bb19b9a> (accessed 3 June 2022).
- International Energy Agency (IEA) (2021) Net Zero by 2050: A Roadmap for the Global Energy Sector. Available at: https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf (accessed 14 January 2022).

International Monetary Fund (IMF) (2021) Recovery During a Pandemic: Health Concerns, Supply Disruptions, and Price Pressures. *World Economic Outlook*, October. Available at: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021> (accessed 3 June 2022).

Johnstone I. (2021) The G20, Climate Change and COVID-19: Critical Juncture or Critical Wound? *Fulbright Review of Economics and Policy*, vol. 1, issue 2, pp. 227–45. Available at: <https://doi.org/10.1108/FREP-05-2021-0031>.

Jones G., Balmer C., Mason J. (2021) G20 Offers Little New on Climate, Leaving Uphill Task for COP26. *Reuters*, 1 November. Available at: <https://www.reuters.com/business/environment/g20-leaders-face-tough-climate-talks-second-day-summit-2021-10-30/> (accessed 3 June 2022).

Kirton J. (2013) *G20 Governance for a Globalized World*. Abingdon: Routledge.

Kirton J., Kokotsis E. (2015) *The Global Governance of Climate Change*. Abingdon: Routledge.

Kirton J., Kokotsis E., Warren B. (2022) *Reconfiguring the Global Governance of Climate Change*. Abingdon: Routledge.

Kirton J., Wang A. (2022) China's Complex Leadership in G20 and Global Governance: From Hangzhou 2016 to Kunming 2021. *Chinese Political Science Review*. Available at: <https://doi.org/10.1007/s41111-022-00213-9>.

McGrath M. (2021) COP26: Fossil Fuel Industry Has Largest Delegation at Climate Summit. *BBC News*, 8 November. Available at: <https://www.bbc.com/news/science-environment-59199484> (accessed 3 June 2022).

Mountford H., Waskow D., Gonzalez L., Gajjar C., Cogswell N., Holt M., Fransen T., Bergen M., Gerholdt R. (2021) COP26: Key Outcomes From the UN Climate Talks in Glasgow. World Resources Institute, 17 November. Available at: <https://www.wri.org/insights/cop26-key-outcomes-un-climate-talks-glasgow> (accessed 3 June 2022).

Nascimento N., Kuramochi T., Iacobuta G., den Elzen M., Fekete H., Weishaupt M., van Soest H. L., Roelfsema M., de Vivero-Serrano G., Lui S., de Villafranca Casas M. J., Höhne N. (2022) Twenty Years of Climate Policy: G20 Coverage and Gaps. *Climate Policy*, vol. 22, issue 2, pp. 158–74. Available at: <https://doi.org/10.1080/14693062.2021.1993776>.

Organisation for Economic Co-operation and Development (OECD)-International Energy Agency (IEA) (2021) Update on Recent Progress in Reform of Inefficient Fossil-Fuel Subsidies That Encourage Wasteful Consumption 2021. Available at: <https://www.oecd.org/fossil-fuels/publicationsandfurtherreading/OECD-IEA-G20-Fossil-Fuel-Subsidies-Reform-Update-2021.pdf> (accessed 14 January 2022).

Pörtner H.-O., Roberts D. C., Tignor M. B., Poloczanska E., Mintenbeck K., Alegría A., Craig M., Langsdorf S., Lösschke S., Möller V., Okem A., Rama B. (eds) (2022) Climate Change 2022: Impacts, Adaptation and Vulnerability. Summary for Policymakers. Working Group II Contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Available at: https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf (accessed 3 June 2022).

Singh S., Sheldrick A., Browning N. (2021) “Down” and “Out”? COP26 Wording Clouds Way Ahead on Climate. *Reuters*, 15 November. Available at: <https://www.reuters.com/business/cop/business-usual-global-fossil-fuel-firms-now-after-un-climate-deal-2021-11-15/> (accessed 3 June 2022).

Skovgaard J. (2021) *The Economisation of Climate Change: How the G20, the OECD and the IMF Address Fossil Fuel Subsidies and Climate Finance*. Cambridge: Cambridge University Press.

Subacchi P. (@paolasubacchi) (2021) “Well done Italy, for keeping #G20 focused on common goals, and for some tangible advances on #ClimateAction, #debt relief, international aid, and gender equality #G20RomaSummit @g20org @ProSyn.” *Twitter*, 31 October, 2:24 pm. <https://twitter.com/paolasubacchi/status/1454876858009411587> (accessed 3 June 2022).

United Nations (UN) (2021) COP26: Promises “Ring Hollow” When Fossil Fuels Still Receive Trillions in Subsidies; UN Chief Calls on Negotiators to Pick Up the Pace. *UN News: Global Perspective Human Stories*, 11 November. Available at: <https://news.un.org/en/story/2021/11/1105562> (accessed 3 June 2022).

Unger C., Thielges S. (2021) Preparing the Playing Field: Climate Club Governance of the G20, Climate and Clean Air Coalition and Under2 Coalition. *Climatic Change*, vol. 167, no 3-4. Available at: <https://doi.org/10.1007/s10584-021-03189-8>.

Appendix A: G20 Climate Change Performance 2008–2021

Summit	Domestic political management		Deliberation		Direction setting					Decision making		Delivery		Development of global governance						
	#	%	Words		Financial stability	Globalization for all	Priority placement	Democracy	Human rights	# commitments	Score	% assessed	Min-isterial created	Official level body created	# refer-ences inside	#bodies inside	# refer-ences	#bodies	# refer-ences	#bodies
			#	%																
2008 Washington	0	0	47	1.3	0	0	0	0	1	0	–	–	0	0	0	0	0	0	0	0
2009 London	0	0	45	1	0	0	1	0	0	3	–0.10 (45)	33 (1)	0	0	0	0	0	1	1	1
2009 Pittsburgh	1	5	762	8.2	0	0	4	0	0	3	+0.86 (93)	33 (1)	4	0	2	2	10	5	5	5
2010 Toronto	1	5	376	3.4	0	0	0	1	0	3	+0.42 (71)	100 (3)	0	0	0	0	3	3	3	3
2010 Seoul	2	10	351	2.2	0	0	2	1	0	8	+0.05 (53)	50 (4)	5	3	10	7	20	11	11	11
2011 Cannes	2	10	654	4.6	0	0	0	1	0	8	+0.38 (69)	37 (3)	2	0	4	2	11	7	7	7
2012 Los Cabos	0	0	410	3.2	0	0	0	1	0	6	+0.59 (80)	50 (3)	1	5	8	3	6	5	5	5
2013 St. Petersburg	1	5	888	3.1	0	0	1	0	0	11	–0.17 (42)	27 (3)	0	3	6	5	10	7	7	7
2014 Brisbane	0	0	232	2.5	0	0	0	0	0	7	+0.51 (76)	71 (5)	0	0	0	0	4	2	2	2
2015 Antalya	0	0	597	4.3	0	0	0	0	0	3	+0.70 (85)	85 (1)	1	1	2	2	4	3	3	3
2016 Hangzhou*	0	0	787	2.5	0	1	0	1	0	2	+0.58 (79)	100 (2)	1	3	4	3	5	4	4	4
2017 Hamburg	0	0	3,600	10.4	0	0	1	1	1	22	+0.28 (64)	40 (9)	0	11	11	5	26	9	9	9

Summit	Domestic political management		Deliberation		Direction setting				Decision making		Delivery		Development of global governance					
	Compliments		Words		Financial stability	Globalization for all	Priority placement	Democracy	Human rights	# commitments	Commitments		Inside			Outside		
	#	%	#	%							Score	% assessed	Official level body created	# refer- ences inside	#bodies	# refer- ences	#bodies	
2018 Buenos Aires	0	0	398	4.7	0	0	0	0	0	3	+0.57 (79)	100 (3)	0	0	0	0	3	3
2019 Osaka	0	0	655	9.9	1	1	0	0	0	13	+0.44 (72)	38 (5)	1	1	3	3	10	9
2020 Riyadh	0	0	681	12	2	1	0	0	0	3	+0.75 (88)	66 (2)	0	0	2	2	4	2
2021 Rome	3	5	3,092	31	5	6	1	5	2	21	NA	NA			2	2	6	5
Total	10	—	22,717	—	8	9	10	11	4	116	—	44	15	27	54	36	124	76
Average	0.6	0.0	1,419.8	8.4	0.5	0.6	0.6	0.7	0.3	7.3	0.38 (69)	2.2	1.0	1.8	3.4	2.3	7.8	4.8

Notes

Domestic Political Management includes all explicit references by name to the full members of the Summit that specifically express the gratitude within the context of climate change of the institution to that member. The % of members complimented indicates how many of the 20 full members received compliments within the official documents, depending on how many full members there were that year.

Deliberation to number of times climate change is referenced in the G20 leaders' documents for the year in question. The unit is the paragraph. % refers to the percentage of the overall number of words in each document that relate to the climate change.

Direction Setting, as Priority Placement refers to the number of times climate change is referenced in the chapeau or chair's summary for the year in question. The unit of analysis is the sentence. The number in parenthesis refers to environment references. Democracy refers to the number of times there was a reference to democracy in relation to climate change. Human rights refers to the number of times there was a reference to human rights in relation to climate change. The unit of analysis is the paragraph.

Decision Making refers to the number of climate change commitments. Delivery refers the overall compliance score for climate change commitments measured for that year. % Assessed represents percentage of commitments measured. The numbers in parenthesis refer to energy commitments.

Development of Global Governance. Inside refers to the number of references to institutions inside the G20 made in relation to climate change. Ministerial refers to ministerial groups. Official Level refers to official level groups. Outside refers to the number of external multilateral organizations related to climate change. The unit of analysis is the sentence.

The Fourth Industrial Revolution in the Digital Economy: How to Realize It With Smart Cities as a Practical Measure?¹

S.C. Park

Sang Chul Park—Professor at Graduate School of Knowledge based Technology and Energy, Tech University of Korea, Tel: +82 31 8041 0324 (O); scpark@tukorea.ac.kr

Abstract

The concept of the smart city represents the highest level of the Fourth Industrial Revolution (FIR) along with smart-phones, smart homes, and smart factories. Therefore, most governments around the world have tried to build smart cities in order to strengthen their urban competitiveness and improve the quality of life for their citizens in the digital economy. North America, the European Union (EU), and Asia have already carried out several pilot projects to build smart cities based on private-led, public-private partnerships, and public-led strategies, respectively. Smart cities can improve overall problems and resolve difficulties by 10–30% on average, which is regarded as an overall benefit of smart cities. At the same time, they can contribute to labour force disruptions, digital discrepancies, and threats to social coherence and inclusiveness, all of which result in socio-economic and political costs. The author examines the roles smart cities can play in the digital economy and in the completion of the FIR and focuses on whether smart cities can contribute to the creation of new opportunities for global economic growth as a new industry in the digital economy. Finally, the author examines the challenges of transforming digitalization and smartness in reality and highlights future perspectives for the FIR in practical terms.

Keywords: Smart city, Fourth Industrial Revolution, digital economy, economic growth, quality of life

For citation: Park S.C. (2022) The Fourth Industrial Revolution in the Digital Economy: How to Realize It With Smart Cities as a Practical Measure? *International Organisations Research Journal*, vol. 17, no 2, pp. 135–163 (in English). doi:10.17323/1996-7845-2022-02-06

Introduction

Smart cities represent the highest level of the Fourth Industrial Revolution (FIR) which is based on hyper automation and hyper connectivity, starting with smartphones, smart homes, and smart factories. In reality, these have already been commercialized in product and services. The establishment of smart cities signals the completion of the FIR and its presence in our daily lives. The motivation to build smart cities is to facilitate the highest quality of life for their residents while optimizing the resources that smart cities require. By doing so, smart cities are able to strengthen social and economic development, which contributes to overall sustainable economic and urban development [Park, 2018; Schwab, 2016; Suvarna et al., 2020].

¹ This article was submitted 15 November 2021.

According to the United Nations (UN), the global urban population increased from 750 million in 1950 to 4.2 billion in 2018, a more than 550% increase in nearly seven decades. The urban population in 2018 accounted for 55% of the total global population. This growth is expected to continue, reaching up to 70% of the global total population by 2050. Rapid urban migration can cause severe problems in various areas such as traffic, housing, education, labour market, environment, and so on. To tackle these problems, a multitude of global projects across the U.S., the European Union (EU), Asia Pacific, and Middle East regions have emerged around the concept of smart cities in the last decade [Anthopoulos, 2015; UN, 2019].

There is no single or standardized definition of smart cities as the concept is still in flux and subject to debate. As such, definitions vary across Organisation for Economic Co-operation and Development (OECD) countries and institutions according to the geopolitical context and the specific issues. However, a common theme of various definitions of a smart city is that information and digital technologies can provide intelligent and innovative solutions for an urban ecosystem in areas such as infrastructure, transport, healthcare, governance, and security, which play core roles in the digital economy. Smart cities can make urban service delivery more efficient and can strengthen the overall competitiveness of a community, while digital innovation and technology remain central to the smart city concept. The key question is whether investment in digital innovation and technology can improve the well-being of citizens and contribute to sustainable urban development. This is central to the OECD's definition of smart cities as initiatives or approaches that effectively leverage digitalization to boost citizen well-being and deliver more efficient, sustainable, and inclusive urban services and environments as part of collaborative and multistakeholder processes. At the same time, however, critics of smart cities point to their profit-orientation and superficiality of solution, exclusive use and decision-making, imperfection of privacy protection, and control of urban living in general. Indeed, it is not easy to measure and explain the actual positive effect of urban digitalization in concrete terms [Haarstad, 2017; Hatch, 2012; Kitchen, 2016; OECD, 2019; Suvarna et al., 2020].

Despite the fact, the smart city has been a new phenomenon, which is very infected particularly since the global financial crisis (GFC) in 2008. The main reasons for the emergence of the Smart City Initiative (SCI) are to create a sustainable model for cities and maintain the high quality of life to their citizens. Given that the impetus for the development of smart cities is to create a sustainable urban model and a high quality of life for residents, it is important to note that smart cities are emerging as a significant industrial sector in the digital economy. The total value of the global smart city market is projected to exceed \$1.2 trillion by 2021 and \$2.5 trillion by 2025. With such rapid growth in the global market, the most dynamic aspect of smart cities must be the evolution of roles and relationships between the key actors involved in envisioning and creating them [Lom, Pribyl, Svitek, 2016; PWC, 2019]. Therefore, the concept of the smart city involves not only technical aspects, but also various socio-economic, legal, and environmental aspects.

In face of such rapidly changing circumstances, this article is focused on whether the concept of the smart city can be realized in the FIR era and how it could be realized in the digital economy. To address these questions, the role that smart cities can play in contributing to improvement of citizen's well-being and overall competitiveness is examined, and the question of whether smart cities can solve the multiple problems that global cities face at a global scale is explored. Finally, the socio-economic feasibility of building smart cities and the possibility of sustainable urban development is analyzed. This analysis employs various pragmatic research methods such as critical analysis of the literature, inference, and statistical data analysis.

Trajectory of the Fourth Industrial Revolution (FIR)

Background

The FIR was expected to start around 2020 with the development of artificial intelligence (AI), the Internet of things (IoT), big data, and advanced robots, all of which are core technologies of the FIR. Many scholars expect that the FIR, which is based on digitalization, will be accelerated due to the unexpected COVID-19 pandemic that began in 2020 and is ongoing in 2022. The pandemic is divided into three waves: health issues, economic issues, and the implementing process of the FIR. It is the latter that will impact our lives most significantly in the long run. The pandemic has resulted in the rise of telework as a new labour phenomenon that will change the organization of work time and which shows a clear trend toward expansion in the future [Bonilla-Molina, 2020; de Castro Sobrosa Neto et al., 2020; Walcott, 2020].

By using the core technologies noted above, the FIR enables two characteristics representing hyper automation and hyper connectivity. The former allows more advanced robots and AI to produce outputs, analyze results, and make complex decisions by adapting conclusions to given environmental factors. The latter is based on monitoring, analyzing, and digitalizing human-human, human-machine, and machine-machine connections. As a result, hyper automation can reduce the number of low and medium skill jobs that are highly repetitive and routine. Hyper connectivity enables universal, global, and almost-instant communication that opens the economic supply side. These two characteristics contribute to communications between and among governments, firms, humans, and machines, creating a cyber-physical system (CPS) connecting the technosphere, the natural world, and the human world [Gill, 2017; Stanford University, 2016].

Evolution of Industrial Revolutions

There are four distinguishable waves of industrial revolution, which can be explained by the concept of Kondratiev waves, or long economic cycles, connected with technology life cycles [Dicken, 2015; Park, 2018; WEF, 2016]. At the end of the 18th century, the first wave began with the industrialization of mechanical production using water and steam power. This resulted in mechanical innovations such as the steam engine, cotton spinning, and railroads. The second wave started at the end of the 19th century with the combination of electric energy and new production methods such as mass production and the division of labour. The key technological innovations in this wave were light bulbs, telephones, and assembly lines. Later, in the 1960s, the third wave began with the automation of production using electronics and information technologies as well as computing power that made cyber systems possible. It brought mainframe computers, personal computing, and the Internet. However, in the third wave it was not possible to combine physical and cyber systems due to limited technological capability.

In the 21st century, the fourth wave started with the use of AI, big data, IoT, advanced robots, and the ability to combine cyber and physical systems. The CPS changed production, making it cross-functional and interdisciplinary. It creates a far-reaching integration of production, sustainability, and customer satisfaction based on intelligent network systems and processes. In the fourth wave, digital collaboration is becoming very important in production and processes, while the efficiency of traditional hierarchical structures is declining and centralized decision-making processes in organizations are facing difficulty. The FIR will complete the global digital economy and will dramatically affect our daily lives, industry, society, and environment [Staffen, Schoenwald, 2016; WEF, 2016] (see Table 1).

Table 1. Historical Path of Four Industrial Revolutions

Increase in Complexity	Industrial Revolution	Starting Year	Characteristics and Results
	4.0	2020	Based on cyber and physical systems; AI, IoT, big data, and robotics
	3.0	1969	Based on electronics and information; technologies for automated production
	2.0	1870	Based on mass production enabled by electrical energy and division of labour; light bulbs, telephones, and assembly lines
	1.0	1784	Based on mechanical production equipment driven by water and steam power; steam engine, cotton spinning, and railroads

Source: Author's adaptation based on WEF [2016].

The FIR concept of Industry 4.0 was first used in 2011 at Hannover Fair, which was part of High-Tech Strategy 2020 in Germany. It was used as a collective term for technologies and concepts of value chain organization that create the CPS, IoT, Internet of services (IoS), Internet of people (IoP), and Internet of energy (IoE). The concept of Industry 4.0 is based on six design principles: interoperability, virtualization, decentralization, real time capability, service orientation, and modularity. These principles support companies in identifying and implementing Industry 4.0 technologies. The intention was to establish Germany as an integrated industry leader and market provider by redesigning manufacturing and production processes to create a fundamental shift from a centralized to a decentralized model based on the core information and communications technologies (ICT) systems. Accordingly, it is clear that the FIR set a path to digitalize not only German, but also European, industries [EC, 2016; Hermann, Pentek, Otto, 2015; Schlick et al., 2014].

There are three main characteristics of Industry 4.0: horizontal integration through networks to facilitate an internal cooperation, vertical integration subsystems within the factory in order to generate flexible and adaptable manufacturing systems, and engineering integration across the whole value chain allowing for customization of the product. Among these, horizontal and vertical integration are two basic building blocks for the engineering integration across processes. In this system, each component of the manufacturing process has its own intelligence and negotiating priority. This means that every component knows its location in the workflow and communicates with the facility by using IoT, IoS, IoP, and IoE. In the end, it requests to be processed with the method best able to minimize waste in production and to maximize customer satisfaction [Lom et al., 2016; Team VizExplorer, 2015] (see Fig. 1).

The real benefit of manufacturing in the FIR is that a component of a production system can call a smart service only when it is needed. As a result, all production processes are fully demand-oriented, and at the same time manufacturing resources are used only in the case of necessity. This means that the whole production process enables zero waste and resource-optimized conditions. Moreover, the smart manufacturing processes in the FIR provide smart services in real time that can minimize resources and at the same time maximize the use of existing infrastructures because the smart services can meet all requirements of demands [Lin et al., 2012; SAP, 2013; Schwab, 2016; Team VizExplorer, 2015].

Productivity will increase by 20% by using advanced analytics in predictive maintenance programmes. In Germany, the impact of Industry 4.0 can be estimated by productivity improvements on conversion costs ranging 15–25% excluding the cost of materials. As a result,

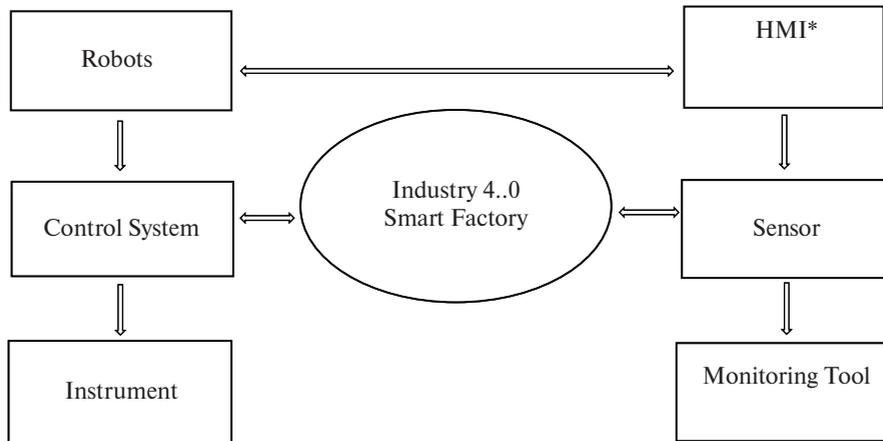


Figure 1. The Concept of Industry 4.0 and Smart Factory

Source: Author's adaptation.

* HMI—Human-Machine Interface

additional revenue growth is estimated at €30 billion per annum, approximately 1% of German gross domestic product (GDP), and the new employment in manufacturing sectors is expected to increase by 6%. Furthermore, consumers in demand-oriented production processes can be more involved in the design process, which enables the final products to be made faster and less expensively than during the previous industrial revolution era. Thus, Industry 4.0 contributes not only to generating positive economic growth and new employment, but also to improving production processes and productivity. These positive impacts of the FIR will spread continuously to the EU in time and eventually to the entire world, which is part of the EU's strategy for strengthening its competitiveness [EC, 2016; Park, 2018; Rüssmann et al., 2015].

The manufacturing industry has been regarded as the most important catalyst for technological innovation, economic growth, and prosperity in all countries around the world. In 2018, the total output of the global manufacturing industry accounted for 15.4% of the world's GDP. Most advanced economies generated and accumulated their economic growth and development during the early industrialization era. However, traditional manufacturing practices, along with organizational and business models, are facing severe challenges with the emergence of the FIR using the CPS platform and the new core technologies within the Industry 4.0 framework. Accordingly, the FIR will transform the global manufacturing industry fundamentally toward smart manufacturing mainly based on smart factories. As a next step, smart manufacturing, along with smart healthcare, smart transportation and smart energy systems, is expected to enable smart cities based on hyper automation and hyper connectivity, consolidating the final stage of the FIR [Suvarna et al., 2020; World Bank, n.d.].

Smart Environments

The convergence of communication and computing for mobile consumer devices has been on an evolutionary course to bring interoperability and to leverage services and function from every industry since the smartphone was introduced in 2007. In the process of convergence, the smartphone has been the leading device, playing the role of universal mobile terminal. As a result, it has become a common choice for consumers along with its use in business, although it

was initially intended for business users only. Accordingly, the smart mobility established by the smartphone initiated the starting point of the smart environment in the 21st century by using functions of personal computers, including built-in cameras, applications for social websites, Internet browsers, wireless Internet, and much more [Sarwar, Soomro, 2013].

Additionally, smartphones provide their users the opportunity to exercise individual choice and improve their related self-efficacy based on their utilitarian nature, which has significant implications in most societies. As an example, smartphones created the citizen-journalist, using a camera phone and documenting on social media the demand for social and government change during the Arab Spring in 2011 and in several incidents of racism and discrimination in the U.S. in 2020 [Bajarin, 2020; Laprise, 2014].

The main features and services in key smart environments are based on smartphones, smart homes, smart factories, and smart cities, in sequence. These are the four vertical domains and each has distinct characteristics in terms of size and complexity, such as personal- vs business-oriented, single user vs multiple users, different objectives, and so on.

Smart phones are the first element of smart environments, connecting users to other devices controlling their daily life necessities and interacting themselves with other objects. The second element of smart environments is the smart home, able to host technologies for interconnecting a large number of devices, providing the deployment of technological solutions and maintenance, and supporting useful services and applications for the inhabitants. Smart home services vary widely and are composed of assistive and management services. The former aim at providing direct support to users in their daily interests and activities, such as watching television, listening to music, setting of lights, and controlling multimedia devices. The latter provide specific functionalities such as for the security and safety of inhabitants, energy efficiency, and others [Castro-Jul, Díaz-Redondo, Fernández-Vilas, 2018; Gill et al., 2009; Gomez et al., 2019; Monacchi et al., 2017] (see Fig. 2).

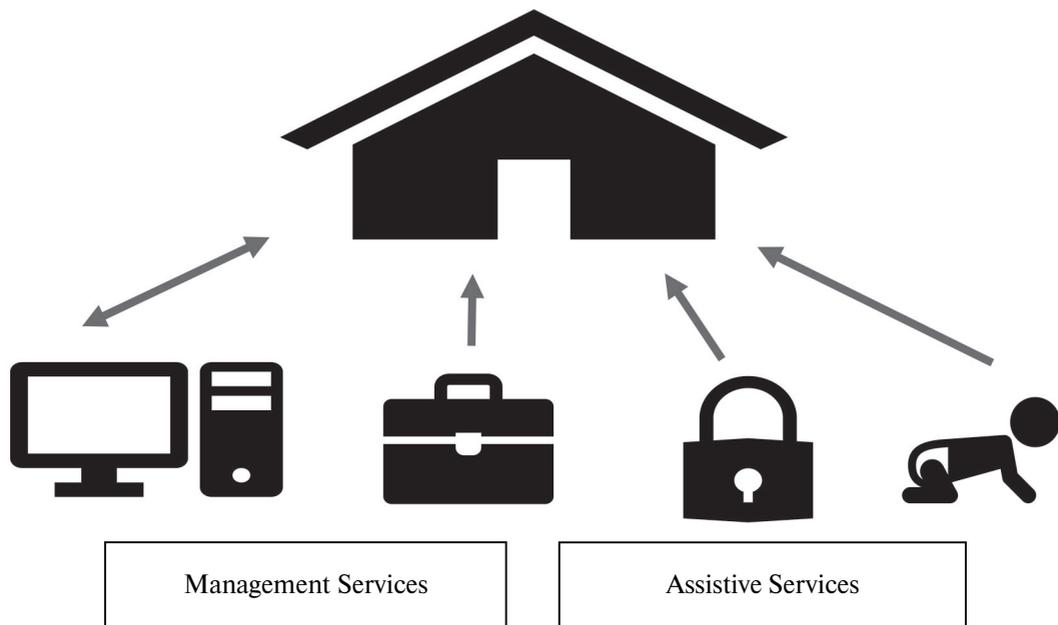


Figure 2. Main Components of a Smart Home System

Source: Author's adaptation based on C. Gomez et al. [2019].

The third element is smart factories based on a new business paradigm that generates benefits from the enabling technologies driving intelligent systems and environments. Smart manufacturing systems are able to make proper decisions to adapt and optimize production processes at runtime. At the same time, these can adapt to customers' personal preferences without any delay in the production processes. As a result, the proliferation of smart enabling technologies has initiated a digital transformation in the manufacturing industry that plays a crucial role in high productivity, zero waste production processes, and customer satisfaction in the digital economy. Such a paradigm shift is regarded as the FIR and the Factory of Future (FoF) [Karnouskos et al., 2012; Preuveneers, Ilie-Zudor, 2017].

Smart cities are regarded as the last step to realizing comprehensive smart environments in the FIR. They provide one of the richest and most complex scenarios for smart environments and include several domains, such as the environment, economy, mobility, energy, planning, and governance, among others, presenting various challenges and multiple actors, such as city administrators, operators, service providers, citizens, and possible competing objectives. Furthermore, building smart cities is not a technological challenge, but diverse and heterogeneous challenges (environmental, safety, and security) can confront citizens and cities even while smart cities work to develop better urban systems to improve the quality of life. ICT technologies are often transversal across all domains and challenges so that they are able to plan a number of scenarios for smart cities from e-tourism, e-culture, e-health, e-government, smart energy, smart mobility, and many others. These constitute the global mega trend of the FIR in the digital economy that many governments around the world are pursuing [Gomez et al., 2019] (see Fig. 3).

The heterogeneity of technical problems and of available technologies linked to political issues is the most significant barrier delaying the development of smart cities. To overcome this barrier, the interoperability of technological solutions and standards is of the utmost importance, particularly in the field of IoT, which is widely recognized as the key technology to build smart cities. In a recent trend, novel participatory sensing and paradigms are being introduced, in which citizens are involved in the task of sensing data from the smart cities by using mobile applications for their smartphones [Castro-Jul, Díaz-Redondo, Fernández-Vilas, 2018; Zanella et al., 2014].

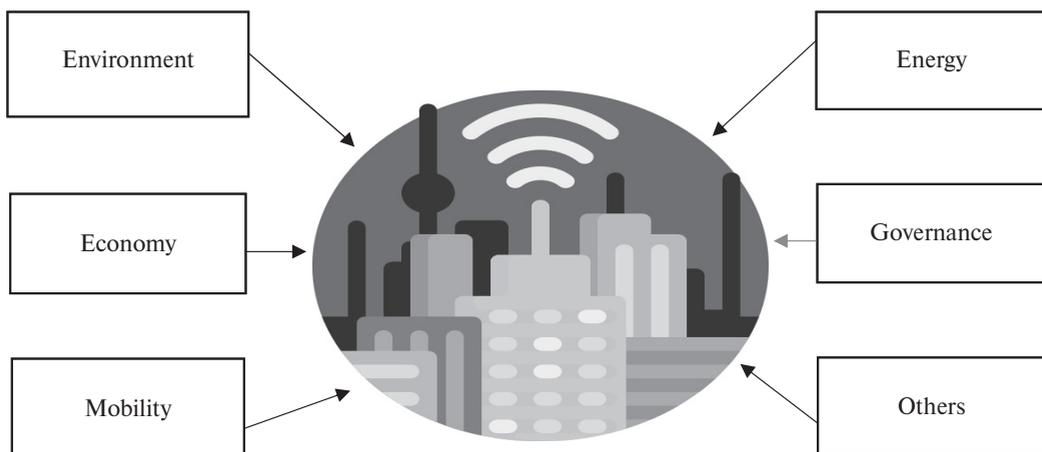


Figure 3. Smart Cities' Most Relevant Domains

Source: Author's adaptation based on Gomez et al. [2019].

Smart Cities in the Fourth Industrial Revolution

Global Development Trend of Smart Cities

The amount of digital information created and replicated, referred to as the digital universe, has increased rapidly. It grew from 1.2 million petabytes in 2010 to 33 zettabytes in 2018. It is expected that the digital universe, by 2025, will grow to 175 zettabytes, reflecting an average annual growth rate of 61% in 2010–25. Additionally, connectivity is also rapidly growing, increasing from 1.9 billion Internet-connected devices in 2013 to 9 billion devices in 2018. Such a high growth in data and connectivity makes it possible to gather, analyze, and use real time information, which influences public policy and improves the quality of life, through the services used by ICT. [Patrizio, 2018; Reinsel, Gantz, Rydning, 2018].

Despite the reality, some still believe that smart cities remain conceptually vague and undefined. However, it is generally understood that the use of new technologies and data platforms has improved the functioning of cities, and concrete policies and practice shifts have been deeply involved. Therefore, implementation and adoption of smart cities will create a paradigm shift in which cities commit not only to using new technology for increasing their efficiency but also to changing their policies and operating procedures to support their goals [NLC, 2016].

Across history, cities have been ever-changing, and the dynamism of the urban environment can be regarded as a microcosm of societal interactions. Technology has always been a critical force deeply intertwined with the evolution of cities. In the FIR era, cities will evolve into smart cities offering solutions to many different problems. They involve various actors, such as those from the public, private, and non-profit sectors, which form partnerships and cooperate to improve city life through innovation. The emphasis on innovation makes the definition of smart cities subject to change because the technology used in smart cities is often new or evolving and prone to rapid change and development. An automated urban development in Songdo, Korea in 2009, supported by Cisco Systems using the technology of radio frequency identification (RFID), represents one example. RFID was considered outmoded after smartphone use increased rapidly in 2012. It was a serious mistake to adopt the outmoded RFID technology in the Songdo Smart City, including to build the Songdo International Business District, which struggled to return to the right track. The smart city project was estimated to have cost \$40 billion and could result in severe economic loss to the city government if it fails [Cluster Urban Regional Development, 2020].

In addition to adopting the latest technologies, smart cities must develop smart programmes and make paradigm shifts to consider how to initiate and govern those programmes, address concerns about their citizens, and cope with a rapidly changing environment. To understand the trend of smart cities, it is important to look at various case studies to see how they are organized, structured, and administered, and how the community has been engaged in their development and implementation. Smart cities take many different approaches to solving the problems they face, and there is no one-size-fits-all way to adopt and implement smart city systems. This means that all smart cities must solve public problems based on their own solution measures, which may serve as an example for other smart cities [NLC, 2016].

In the 21st century, smart cities are not regarded as infrastructure, but rather as data. Therefore, they are an evolved model of cities, creating a connection between the city and its citizens in which the city is not seen as a physical space, but as the centre of citizens' participation. This means that smart cities can be seen as platforms evolved from data platforms, enabling reduced costs and creating values for citizens. These are the ultimate objectives of smart cities. In pursuit of these, major global cities are following the digital twin strategy, where the real public problems of the real city can be solved in the virtual city using the process of smart

transformation. This is the new global trend of development for smart cities [Cohen, 2015; Eggers, Skowron, 2018; Lee et al., 2018].

Global Trend of Smart City Policies in Major Countries

A key question is whether investment in smart technologies and digital innovations ultimately contributes to improving the well-being of citizens and generating sustainable development. It is the most important concern regarding the implementation of smart city policies in major countries in the world. Despite the various concepts of smart cities, a human-centric approach is regarded as the key factor to make a city smarter. Therefore, smart city policies must focus on the following four issues; first, improving quality of life and delivering solutions; second, stakeholder engagement in local governance and collaborative partnerships; third, public access to open data and collaboration between all stakeholders; finally, integrated and holistic approaches to address urban challenges [OECD, 2020].

The planning and building of smart cities have been particularly driven by the strong demand for urban development in China and India, and it has spread worldwide. In fact, the promotion of smart cities in major cities has been possible with the development of AI technology, represented by deep learning and platform companies. With the rising trend of smart cities around the world, major countries in Asia, Europe, and North America have started to develop smart city policies in their urban development strategies [Yun, Lee, 2019].

In Asia, smart cities are regarded as a new strategy to improve the competitiveness of cities as global cities and revitalize their urban economies because the construction of new cities is the main factor. As a major strategy for its smart cities, China has actively used AI technology, and its Ministry of Housing and Urban Development (MHUD) announced the first list of national pilot smart cities in 2013. Since 2014, the MHUD has promoted close to 500 smart cities pilot projects. Korea is the pioneering country in Asia when it comes to developing science cities. In 2009, Songdo City was built as a ubiquitous city solving city problems using ICT technology. The Smart City Initiative (SCI) was launched in 2015 to establish and spread the Smart City Integrated Platform. As a result, smart cities in the second largest city, Busan, and the new administrative capital city, Sejong, were constructed as pilot projects in 2018. The Korean SCI has been highly successful thanks to a high level of smartphone users (over 95% of the total population), compact urban development, the development of the IT industrial ecosystem, and rising local governments' initiatives. Moreover, the national government is rethinking how to live smart in a digital era, while facing three main concerns about privacy, smart divide, and cost [ITU, 2013; OECD, 2020].

Japan has also been active in building smart cities; the government launched the New Growth Strategy in 2010 and identified the Future City Initiative as one of its national strategic projects. In 2016, the government upgraded its smart city policies with the Future Investment Strategy, in which Society 5.0, known as the Japanese version of the FIR, was suggested as a blueprint for future smart cities. In building its smart cities, Japan intends to comprehensively develop healthcare, mobility, supply chain, city infrastructure, and fintech. India is another major country to build smart cities, launching its Smart Cities Mission in 2014 and 2015. In the mission, the Ministry of Housing and Urban Affairs (MHUA) announced 100 smart cities across the state. Singapore, as a city state, has carried out the digital twin strategy to solving public problems by using ICT. In 2015, the government initiated Infocomm Media 2025 and focused on establishing a smart state platform for sustainable and quality growth and better quality of life. Carrying out the digital twin strategy, Singapore created Virtual Singapore. Overall, all Asian countries have carried out their smart city policies based on three characteristics:

government leadership, increased city competitiveness, and economic revitalization [Cabinet Office, 2021; Licerias, 2019; Smart Cities Mission, 2021].

In North America, the U.S. plays a leading role in building smart cities. In the U.S., a smart city industrial ecosystem has been formed largely by private companies. The government has mainly supported initiatives of private companies to establish industrial ecosystems for smart cities by launching the Strategy for American Innovation in 2009 and the Smart America Challenge in 2013. Furthermore, the government invested over \$160 million in federal research and leveraged more than 25 new technology collaborations with the Smart City Initiative in 2015. Two years later, the Department of Transportation carried out the Smart City Challenge programme to build a smart transportation system that would use data, applications, and technology to support the movement of people and goods. The U.S.' smart city policies are private sector-led, mobility- and energy- oriented, and focused on high value-added industry [U.S. Department of Transportation, 2021; Yun, Lee, 2019].

In the EU, all governments have focused on the environment and transportation in their smart city policies. In 2010, Europe 2020 was launched for smart, sustainable, and inclusive growth and a year later the European Innovation Partnership was built for smart cities and communities focusing on energy, transportation, and ICT. Moreover, the strategic implementation plan of the Partnership for Smart Cities and Communities was introduced at the Smart City Conference in 2013, and financial instruments for urban development were decided with a minimum €16 billion over the period 2014–20 in Horizon 2020. Additionally, the EU launched the WiFi4EU Initiative providing municipalities with vouchers up to €15,000 to become open data connected. The main characteristics of the EU's smart city policies are unique compared to Asian countries and the U.S. in that they are public-private cooperation-centred, environment- and mobility-focused, and open data-connected [EC, 2021] (See Table 2).

Table 2. Smart City Policies in Major Countries in the World

Countries		Tools of Policies	Characteristics of Policies
Asia	China	National pilot smart city (2013) 500 smart city pilot (2014)	Government-led, city competitiveness-oriented, economic revitalization- focused
	Korea	Ubiquitous City (2009), Smart City Initiative (2015), Smart Cities Pilot Projects (2018)	
	Japan	New Growth Strategy (2010), Future Investment Strategy (2016)	
	India	Smart Cities Mission (2014, 2015)	
	Singapore	Infocomm Media 2025 (2015)	
U.S.		Strategy for American Innovation (2009), The Smart America Challenge (2013), Smart City Initiative (2015), Smart City Challenge (2017)	Private-led, mobility- and energy- oriented, high value-added industry-focused
EU		Europe 2020 (2010), Smart City Conference (2013), Horizon 2020 (2014), The WiFi4EU Initiative (2018)	Public-private cooperation-centred, environment- and mobility-oriented, open data-connected

Source: Author's adaptation based on Y. J. Yun and M. H. Lee [2019].

As pointed out above, approaches to smart city policies vary from region to region based on historical, cultural, economic, political, and social targets. In Asia, developing countries such as China and India are keen to develop smart cities in order to overcome hurdles in their hyper urbanized mega cities using digital technologies and to achieve high economic growth. Developed states such as Japan, Korea, and Singapore focus on creating smart cities to prepare for the FIR era and to increase their global competitiveness to attract domestic and international residents. Therefore, their strategies are strongly driven by the government. By comparison, the U.S., led by its private sectors, intends to build smart cities to develop high value-added industrial sectors in already built modern cities. The EU focuses on the sustainable development concept based on the partnership between smart cities and communities. Accordingly, public and private cooperation in the EU context seems to be crucial.

Smart Cities as a New Global Market

The development of smart cities enabled by digital technologies is regarded as one of the most important social achievements in the 21st century. In fact, smart cities are not an isolated phenomenon but are rather an integral part of a broader transition toward a digital economy, which causes big and fundamental shifts in value propositions, customers, channels and relationships, activities and resources, partners, and costs and revenues. A fundamental difference between the digital economy and the physical economy is the widespread availability of free content and services. This means that a part of all values created by the digital economy is paid for by users, and industry generates revenues by advertising, data, and additional services. Accordingly, smart cities providing data and services are a rising industry in the digital economy of the 21st century [Deloitte, 2015; Popkova, Ostrovskaya, 2019].

The development of smart cities around the world has accelerated since the 2010s. The global smart city market accounted for \$622 billion in 2017 and \$737 billion in 2018, an increase of 18.5%. The total value of the global smart city market was projected to exceed \$1 trillion in 2020 and \$2.5 trillion by 2025. Other market research, such as that conducted by Persistence Market Research, more optimistically predicts revenue up to \$3.5 trillion by 2026. The average growth rate from 2018–25 is estimated at 19.5%. The smart infrastructure segment was overwhelmed in the overall smart cities market share in 2017 because of the significant adoption of security and transportation solutions among its users. In addition, smart energy may have the highest growth rate from 2018–25 [Grand View Research, 2018; Kumar, Borasi, Kumar, 2018; PWC, 2019; Smart Cities Association, 2021] (See Fig. 4).

Rapidly increasing urbanization worldwide has entailed the need for smart cities. Furthermore, government initiatives and funding for research and development (R&D) activities around the world have significantly diversified the demand for building smart cities. At the same time, development of new ICT such as IoT, AI, big data, and cloud computing has strengthened the smart cities concept, and the high speed of internet connectivity has also played a vital role in developing the smart city industry. In that industry, hardware components and software solutions play an equally important role in market development, which has seen a rapid growth rate of over 20% on average per year during the forecast period. The hardware segment by component is projected to be even higher than the average growth rate. Furthermore, the development of new technologies in electric vehicles (EVs) and renewable energy systems could substantially contribute to building smart cities; technology proliferation boosts growth prospects, providing high benefits to city infrastructure stakeholders. Therefore, most governments around the world are keen to invest in the smart city mission in order to create economic growth and enhance the quality of life of people in urban areas [Grand View Research, 2020; Market Research Future, 2017].

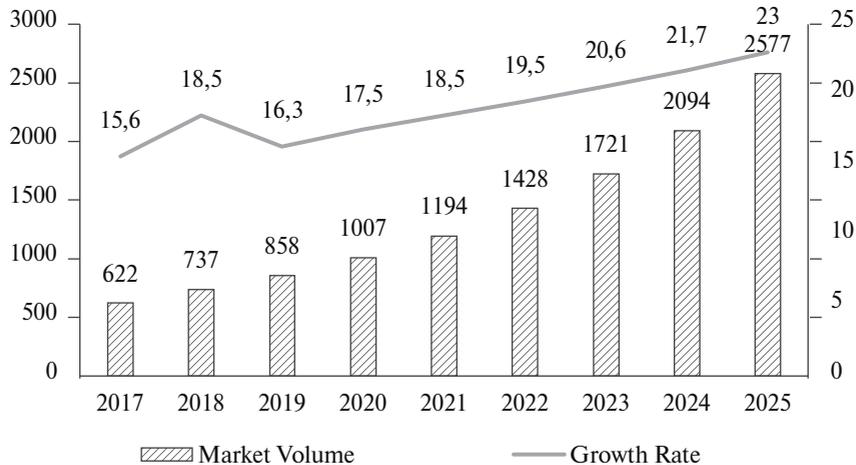


Figure 4. Estimate of the Global Smart City Market's Growth Rate and Volume, 2017–25 (\$ Billions)

Source: Author's adaptation based on Grand View Research [2018] and Persistence Market Research [2017].

In 2017, North America, particularly the U.S., dominated the overall global smart cities market due to its significant adoption of smart cities' solutions supported by highly developed ICT, which was financed by government organizations. The smart city projects in Chicago, Philadelphia, Charlotte in North Carolina, and San Francisco represent this trend. At the same time, a high demand for connected solutions across the region existed. Similarly, the smart cities market in the EU is also expected to grow at a significant rate because the EU focuses on energy and climate objectives to tackle the tasks related to global climate change. Therefore, all members will implement the distribution of energy with efficient models and strategies to meet the target of the low carbon economic system, aims to achieve a carbon neutral economic system by 2050. Along with North America and Europe, smart cities in the Asia Pacific region are expected to grow to the highest level in the world during the forecast period as Asian governments are increasing their IT spending rapidly and taking initiatives to carry out pilot projects to build smart cities, particularly in the Arab Emirate Republic, China, India, Japan, Singapore, and Korea [Kumar, Borasi, Kumar, 2018; NLC, 2016; Smart Cities Association, 2021].

The COVID-19 pandemic also strongly impacts the smart city market. Many governments have already deployed smart city technologies to fight against the pandemic by tracking the spread of the virus and implementing medical strategies. In practice, several smart cities have used smart city platforms and various technologies, such as heat maps, global positioning systems (GPS), and aerial surveillance systems to monitor COVID-19 patients. Furthermore, many smart cities have adopted advanced contact tracing systems, gathering data from various sensors and cameras to reduce the infection rate and avoid lockdown situations, which have had significant, negative economic impacts. Integrated data governance on a smart city platform can facilitate rapid, evidence-based decision-making at an urban scale. At the same time, data access is also promoted in smart cities, focusing on the wide dissemination of data. As a result, citizens can be engaged with data governance so that people living in areas with diseases like COVID-19 who fall ill can be identified as quickly as possible [Kumar, Borasi, Kumar, 2018; Market Research Future, 2017].

Rapid urbanization across the globe is a key driver for the significant market growth of smart cities. Despite the promising growth trends, however, the smart cities market still faces

various challenges. First, the high costs associated with the implementation and maintenance of components could slow market growth. All smart city systems comprise various, highly sophisticated devices and solutions that involve high expenditures and regular maintenance. Therefore, innovative smart cities require specific funding mechanisms, including partnerships with private companies, smart procurement policies, and national or local level funds. Moreover, the lack of expertise and proficiencies among users is also a major challenge. Teaching citizens in smart cities how to navigate the digital world is an important task that governments need to support with continuous digital skills training [Market Research Future, 2017].

Analysis of Smart Cities

Benefit and Effectiveness

After a decade of experimentation, smart cities have now entered a new phase. To make smart cities great, digital solutions are the most powerful and the most cost effective. By adding digital intelligence to existing urban systems, smart cities enable their citizens to make better decisions. In smart cities, smart applications in eight domains, namely, mobility, security, healthcare, energy, water, waste, economic development and housing, and engagement and community, have affected multiple aspects related to quality of life. They have made smart cities more efficient, responsive, and sustainable [Woetzel et al., 2018].

Each sector contributes its own unique innovation to improving smart cities. In mobility, lower congestion and pollution through optimal use of transportation infrastructure is possible, while the public safety threats can be quickly responded to through the use of real time analysis of sensor and surveillance camera data. In healthcare, better diagnostics and personalized treatment through AI based on a massive volume of patient data are fully possible. Moreover, energy savings through real time insights on energy use, more efficient waste collection through sensors, and optimal water distribution based on the analysis of data, can be implemented. Increasing efficiencies in energy savings, waste collection, and water distribution can also contribute to mitigating global climate change. Last, new forms of digital democracy and participatory government based on co-creation of decision-making are a reality in smart cities [Deloitte, 2015].

The core technologies of the FIR such as AI, big data, blockchain, IoT, and advanced robots may allow for reduction of economic costs in smart cities. At the same time, the new technologies create smart cities as platforms generating network effects that are responsible for 60% of GDP as principal agents of production. In the network effects of platforms, benefits of smart cities are expected to grow exponentially, while cost effects can be optimized and minimized in the digital economy era [Bouton et al., 2013; Yun, Lee, 2019].

Various analyses on the effectiveness of global smart cities have been conducted by academics, private companies, and research institutes. To examine the effectiveness of smart cities, three analyses focusing on their benefits, from a scholar, a global company, and a research institute, are considered. MGI, a global economic consulting institute, chose three smart cities as samples to assess how dozens of smart city applications could perform with varying legacy infrastructure systems and baseline starting points. The outcome of the assessment is that smart cities can use them to improve quality of life indicators by 10–30%. More specifically, 30–300 lives could be saved each year in a city of 5 million people, while 30–40% of crime incidents could be prevented. In healthcare, an 8–15% reduction in disease could be obtained, and 15–30 minutes could be shaved off the daily commute on urban transportation. In water consumption, 25–80 liters could be saved per person per day. Additionally, a 20–35% improvement in emergency response times could be obtained, while social connectedness and civic participation with local

governments could increase by up to 25%. The cost of living could decline marginally by 1–3% and formal employment could increase slightly by 1–3% [Woetzel et al., 2018].

In Asia, the global internet company, Alibaba Cloud, also confirmed that the Chinese smart city, Hangzhou, could reduce average commuting times by 15.3%. Another study, carried out by G. B. West, an academic, supported a positive view of the effect of smart cities. He demonstrated that the cost of infrastructure in smart cities could be reduced by 15% due to the network effect. Although these two studies did not cover the full effects of smart cities comprehensively, as MGI did, it is clear that smart cities can contribute to reducing average commuting times and construction costs by using smart city platforms. Smart cities are expected to become self-organizing cities with the optimal production and consumption structures. At the same time, they can generate benefits continuously by using their platforms and network effects. Smart cities will ultimately be a major industry of the FIR in the future that will account for over 15% of global GDP [Smart Cities Association, 2021; West, 2017; Yun, Lee, 2019; Caprotti, Liu, 2022] (See Table 3).

Table 3. Analysis of Benefits of Smart Cities

Character	Research Institute (MGI)	Global Company (Alibaba Cloud)	Academic (West)
Benefits	<ul style="list-style-type: none"> – Increase quality of life by 10–30% – Decrease crime incidents by 30–40% – Improve health care by 8–15% – Reduce daily commuting time by 15–30 minutes – Reduce water consumption per person and per day by 25–80 liters – Reduce emergency response time by 20–35% – Increase social connectedness and civic participation by 25% – Reduce cost of living by 1–3% – Increase new employment by 1–3% 	<ul style="list-style-type: none"> – Reduce commuting time by 15.3% 	<ul style="list-style-type: none"> – Reduce cost of infrastructure by 15% – Generate network effects

Source: Author's adaptation based on Woetzel et al. [2018], Caprotti & Liu [2022], and West [2017].

Challenges, Problems, and Risks

Smart cities do not only generate benefits but also various challenges, problems, and risks that are regarded as environmental, physical, socio-economic, and political costs. One of the challenges is the imminent disruption of the labour market because progressive automation and use of robotics will substantially replace manual work. Attracting a talented workforce is also a challenge closely linked to the disruption of the labour market and at the same time related to the demand and supply side of highly educated workforces. Maintaining social cohesion, inclusiveness, and solidarity are other challenges because the benefits of smart cities cannot cover all groups in societies equally. Security and privacy are also important issues to tackle as societies become more vulnerable to cybercrime using Internet-connected data. Last, but not least, resilience of digital infrastructure and smart solutions is also a significant challenge. If vital digital infrastructures fail or are attacked, serious disruption of society and economy could take place. These challenges must be overcome and properly handled. Otherwise, smart cities will face difficulties affecting their further development [Deloitte, 2015; Florida, Mellander, King, 2015; Schwab, 2016].

Along with these challenges, several problems and risks are linked to the development of smart cities. From a technological perspective, the growing ubiquity of the smartness trend increases the exclusion of conventional methods of problem-solving and marginalizes critiques of the status quo. The core technologies in the FIR era can facilitate economic prosperity, well-being, urban liability, and even social justice. However, the positive impacts of these technologies can only be realized if the right complements, such as well-thought-out policies, mature institutions, and capable and responsible governance, are combined. Therefore, analog and conventional assets should not be neglected [Green, 2019; Offen, 2015].

Moreover, several scholars argue that citizens represent different interests and needs, but that these are rarely stated in the discourse around smart cities. It is, therefore, crucial that scholars, professionals, and citizens at large, representing a wide range of communities and perspectives, are able to participate in the discourse for building smart cities in order to create more inclusive spaces. Additionally, it is noteworthy that smart cities based on various technological business models and features can generate other social problems and risks such as infrastructure sustainability, privacy protection, extremism, polarization, misinformation, and Internet addiction [Ahmad et al., 2021; Engelbert, van Zoonen, Fadi, 2018; Listerborn, Neergaard, 2021] (See Table 4).

Table 4. Analysis of Challenges of Smart Cities

Characters	Socio-Economic and Political Costs
Common Challenges	<ul style="list-style-type: none"> – Imminent disruption of labour market based on automation – Difficulty of attracting a talented workforce – Weakening social cohesion, inclusiveness and solidarity – Increasing cybercrime – Serious disruption of society and economy by attacks on digital infrastructure – Reducing relatively low living costs – Generating relatively low new employment
Problems and Risks	<ul style="list-style-type: none"> – Exclusion of conventional methods of problem-solving – Inequality – Infrastructure sustainability – Privacy protection – Extremism, polarization, misinformation, and internet addiction

Source: Author's adaptation based on Ahmad et al. [2021], Deloitte [2015], Engelbert et al. [2018], Florida et al. [2015], Green [2019], Offen, [2015], Listerborn and Neergaard [2021], and Schwab [2016].

Conclusion

The Fourth Industrial Revolution, characterized by hyper automation and hyper connectivity driven by advanced technologies such as AI, IoT, big data, and advanced robots, is either imminent or already upon us. Officially, the World Economic Forum (WEF) declared that the FIR would begin by 2020, so we must already be in its initial period. The process of the FIR was accelerated because of social distancing and the lockdown of communities and cities across the world due to the COVID-19 pandemic. We have been testing these technologies in our daily lives, such as home office work, online lectures, and conferences, more than ever in order to overcome the restrictions imposed by the pandemic. In doing so, we often seem to be confused as to whether we live in the physical world or in the cyber world. The pandemic has ushered in the FIR faster than we have expected.

As discussed, the FIR has its own trajectory and processes such as smartphones, smart homes, smart factories, and smart cities. Therefore, most governments across the world have initiated smart city projects and launched various pilot projects to build smart cities competitively to realize the FIR as early as possible in their own countries. North American states, particularly the U.S. and Canada, began to launch pilot projects for smart cities in early 2000s, and the EU as well, as Asia followed the same trend in the mid- to late 2000s. Regions seek to build smart cities according to particular characteristics but their goals are the same: to strengthen the competitiveness of smart cities and provide their citizens a better quality of life by solving urban problems with ICT technologies in the digital economy.

Smart cities based on these core technologies are regarded as the end-product and the comprehensive service provider for inhabitants in urban areas in the FIR era. They could solve many problems and improve services that most traditional and conventional cities cannot deliver. AI, IoT, big data, advanced robots, and blockchain technology can connect, interact, and communicate with all the stakeholders in a city. As a result, they can reduce commuting times, urban and cybercrimes, waste, water and energy consumption, as well as save more lives. Additionally, local government and citizens can be more interactive in order to improve administrative services by the active participation of citizens in the decision-making process, both online and offline. Overall, smart cities enable improvements in their services by an average of 10–30% and reduce infrastructure costs by an average of 15%. These are ultimately tangible benefits of smart cities, which all governments want to create and develop. Moreover, smart cities are expected to play positive roles in the urban environment in general and to mitigate global climate change, in particular, by using core technologies in the FIR that enable optimization of all kinds of energy consumption, production, and services.

However, smart cities are not safe havens, avoiding all the problems, difficulties, and risks we experience in our daily lives. They still face various challenges, problems, and risks that generate socio-economic, political, and social costs, represented by disruption of labour markets, digital discrepancies, threats to social coherence and inclusiveness, privacy protection, inequality, misinformation, polarization, and so on. Furthermore, the high initial costs of digitalizing all infrastructures in smart cities could burden finances, particularly in countries in emerging markets, which plan to build and develop smart cities.

Despite these challenges, there is no doubt that smart cities will play a significant role in the digital economy and create a rapidly growing industry. The global market volume for smart cities is expected to increase to \$2.5 trillion by 2025 and the share of output in global GDP is expected to increase to 15% in the future. This means that the digital economy could reach an epochal turning point, and smart cities may play key roles in the digital economy in the FIR. Overall, as smart cities become realities, we will see whether they will optimize our daily lives or if they instead will generate negative impacts. Their longer-term outcomes remain to be seen.

References

- Ahmad K., Maabreh M., Ghaly M., Kahn K., Qadir J., Al-Fuqaha A. (2021) Developing Future Human-Centered Smart Cities: Critical Analysis of Smart City Security, Data Management, and Ethical Challenges. ArXiv. Available at: <https://doi.org/10.48550/ARXIV.2012.09110>.
- Anthopoulos L. G. (2015) Understanding the Smart City Domain: A Literature Review. *Transforming City Governments for Successful Smart Cities* (R. Bolivar, M. Pedro (eds)). London: Springer International Publishing.
- Bajarin T. (2020) Smartphones' Role in Changing World History. Forbes, 9 June. Available at: <https://www.forbes.com/sites/timbajarin/2020/06/09/smartphones-role-in-changing-world-history/?sh=3edd004678ce> (accessed 11 February 2021).

- Bonilla-Molina L. (2020) COVID-19 on Route of the Fourth Industrial Revolution. *Postdigital Science and Education*, vol. 2, pp. 562–8. Available at: <https://doi.org/10.1007/s42438-020-00179-4>.
- Bouton S., Cis D., Mendonca L., Pohl H., Remes J., Ritchie H., Woetzel J. (2013) *How to Make a City Great?* New York: McKinsey & Company.
- Cabinet Office (2021) Society 5.0. Available at: https://www8.cao.go.jp/cstp/english/society5_0/index.html (accessed 17 February 2021).
- Caprotti, F. and Liu, Dong (2022) Platform urbanism and the Chinese smart city: the co-production and territorialisation of Hangzhou City Brain, *GeoJournal*, vol. 87, pp. 1559–1573. Available at: <https://doi.org/10.1007/s10708-020-10320-2>.
- Castro-Jul F., Díaz-Redondo R. P., Fernández-Vilas A. (2018) Collaboratively Assessing Urban Alerts in Ad Hoc Participatory Sensing. *Computer Networks*, vol. 131, pp. 129–43. Available at: <https://doi.org/10.1016/j.comnet.2017.12.008>.
- Cohen B. (2015) The 3 Generations of Smart Cities. Fast Company, 10 August. Available at: <https://www.fast-company.com/3047795/the-3-generations-of-smart-cities> (accessed 15 February 2021).
- Cluster Urban Regional Development (2020) Songdo We Have a Problem: Promises and Perils of a Utopian Smart City. LabGov City, 8 December. Available at: <https://labgov.city/theurbanmedialab/songdo-we-have-a-problem-promises-and-perils-of-a-utopian-smart-city/> (accessed 24 February 2022).
- de Castro Sobrosa Neto R., Sobrosa Maia J., de Silva Neiva S., Dillion Scalia M., Guerra J. B. S. A.O. (2020) The Fourth Industrial Revolution and the Coronavirus: A New Era Catalyzed by a Virus. *Research in Globalization*, vol. 2. Available at: <https://doi.org/10.1016/j.resglo.2020.100024>.
- Deloitte (2015) Smart Cities: How Rapid Advances in Technology Are Reshaping Our Economy and Society. Available at: <https://www2.deloitte.com/tr/en/pages/public-sector/articles/smart-cities.html> (accessed 7 June 2022).
- Dicken P. (2015) *Global Shift: Mapping the Changing Contours of the World Economy*. New York/London: The Guilford Press.
- Eggers D., Skowron J. (2018) Forces of Change: Smart Cities. Available at: https://www2.deloitte.com/content/dam/insights/us/articles/4421_Forces-of-change-Smart-cities/DI_Forces-of-change-Smart-cities.pdf (accessed 15 February 2021).
- Engelbert J., van Zoonen L., Fadi H. (2018) Excluding Citizens From the European Smart City: The Discourse Practices of Pursuing and Granting Smartness. *Technological Forecasting and Social Change*, vol. 142, pp. 347–53. Available at: <https://doi.org/10.1016/j.techfore.2018.08.020>.
- European Commission (EC) (2016) European Commission: The Fourth Industrial Revolution. Available at: <https://wayback.archive-it.org/12090/20170326154642/https://ec.europa.eu/digital-single-market/en/fourth-industrial-revolution> (accessed 7 July 2022).
- European Commission (EC) (2021) Horizon 2020. Available at: <https://ec.europa.eu/programmes/horizon2020/what-horizon-2020> (accessed 17 February 2021).
- Florida R., Mellander C., King K. (2015) *The Global Creativity Index 2015*. Toronto: Martin Prosperity Institute. Available at: <http://www.diva-portal.org/smash/get/diva2:868391/FULLTEXT01.pdf> (accessed 7 June 2022).
- Gill K., Yang S.-H., Yao F., Lu X. (2009) A Zigbee-Based Home Automation System. *IEEE Transactions on Consumer Electronics*, vol. 55, no 2, pp. 422–30. Available at: <http://doi.org/10.1109/TCE.2009.5174403>.
- Gill K. S. (2017) Uncommon Voices of AI. *AI & Society*, vol. 32, no 4, pp. 475–82. Available at: <https://doi.org/10.1007/s00146-017-0755-y>.
- Gomez C., Chessa S., Fleury A., Roussors G., Preuveneers D. (2019) Internet of Things for Enabling Smart Environments: A Technology Centric Perspective. *Journal of Ambient Intelligence and Smart Environments*, vol. 11, no 1, pp. 23–43. Available at: <http://doi.org/10.3233/AIS-180509>.
- Grand View Research (2020) Smart Cities Market Sizes, Share & Trends Analysis Report By Application, By Component, and Segment Forecasts 2020-2030 Available at: <https://www.grandviewresearch.com/industry-analysis/smart-cities-market> (accessed 22 February 2021).

- Green B. (2019) *The Smart Enough City: Putting Technology in Its Place to Reclaim Our Urban Future*. Boston: MIT Press.
- Haarstad H. (2017) Constructing the Sustainable City: Examining the Role of Sustainability in the “Smart City” Discourse. *Journal of Environmental Policy and Planning*, vol. 19, issue 4, pp. 423–37. Available at: <https://doi.org/10.1080/1523908X.2016.1245610>.
- Hatch D. (2012) Smart City. *CQ Researcher*, vol. 22, no 27, pp. 645–68. Available at: <https://library.cqpress.com/cqresearcher/document.php?id=cqresrre2012072700> (accessed 7 June 2022).
- Hermann M., Pentek T., Otto B. (2015) Design Principles in Industrie 4.0 Scenarios: A Literature Review. Working Paper. Available at: <http://dx.doi.org/10.13140/RG.2.2.29269.22248>.
- International Telecommunication Union (ITU) (2013) Smart Cities Seoul: A Case Study. ITU-T Technology Watch Report. Available at: https://www.itu.int/dms_pub/itu-t/oth/23/01/T23010000190001PDFE.pdf (accessed 7 June 2022).
- Kumar K., Borasi P., Kumar V. (2018) Global Opportunity Analysis and Industry Forecast, 2018–2025. Allied Market Research. Available at: <https://www.alliedmarketresearch.com/smart-cities-market> (accessed 19 February 2021).
- Karnouskos S., Colombo A. W., Bangemann T., Manninen K., Camp R., Tilly M., Stluka P., Jammes F., Delsing J., Eliasson J. (2012) A SOA-Based Architecture for Empowering Future Collaborative Cloud-Based Industrial Automation. *IECON 2012-38th Annual Conference on IEEE Industrial Electronics Society*, pp. 5766–72. Available at: <http://doi.org/10.1109/IECON.2012.6389042>.
- Kitchen R. (2016) Reframing, Reimagining and Remaking Smart Cities. Available at: <http://www.reframingreimaginingremakingsmartcities.pdf> (accessed 28 July 2022).
- Laprise J. (2014) How Smartphones Are Changing the World. World Economic Forum, 5 December. Available at: <https://www.weforum.org/agenda/2014/12/how-smartphones-are-changing-the-world/> (accessed 11 February 2021).
- Liceras P. (2019) Singapore Experiments With Its Digital Twin to Improve City Life. Tomorrow City, 20 May. Available at: <https://www.tomorrow.city/a/singapore-experiments-with-its-digital-twin-to-improve-city-life> (accessed 7 June 2022).
- Lin H. W., Nagalingam S. V., Kuik S. S., Murata T. (2012) Design of a Global Decision Support System for a Manufacturing SME: Towards Participating in Collaborative Manufacturing. *International Journal of Production Economics*, vol. 136, no 1, pp. 1–12. Available at: <http://doi.org/10.1016/j.ijpe.2011.07.001>.
- Listerborn C., Neergaard M. (2021) Uncovering the Cracks? Bringing Feminist Urban Research Into Smart City Research. *An International Journal for Critical Geographies*, vol. 20, no 3, pp. 294–311. Available at: <https://acme-journal.org/index.php/acme/article/view/2009/1571> (accessed 7 June 2022).
- Lom M., Pribyl O., Svitek M. (2016) Industry 4.0 as a Part of Smart Cities. *Smart City Symposium Prague*. Available at: <https://doi.org/10.1109/SCSP.2016.7501015->.
- Market Research Future (2017) Global Smart City Market, by Application, Transport, Residential, Healthcare, Education, Government—Forecast 2022. Available at: <https://www.marketresearchfuture.com/reports/smart-city-market-2624> (accessed 20 February 2021).
- Monacchi A., Versolato F., Herold M., Egarter D., Tonello A. M., Elmenreich W. (2017) An Open Solution to Provide Personalized Feedback for Building Energy Management. *Journal of Ambient Intelligence and Smart Environments*, vol. 9, issue 2, pp. 147–62. Available at: <https://doi.org/10.3233/AIS-170422>.
- National League of Cities (NLC) (2016) Trends in Smart City Development: Case Studies and Recommendations. Center for City Solutions and Applied Research. Available at: <https://www.nlc.org/wp-content/uploads/2017/01/Trends-in-Smart-City-Development.pdf> (accessed 7 June 2022).
- Offen J. (2015) Die Digitalisierung der großen Stadt: Chancen für Wirtschaftskraft, Kommunikation und öffentliche Dienstleistungen [Digitalization of the Big City: Opportunities for Economic Power, Communication and Public Services]. Available at: <http://www.hamburg.de/pressearchiv-fhh/4435132/2015-01-13-bwf-digitalisierung-der-grossen-stadt/> (accessed 18 March 2022) (in German).

- Organisation for Economic Co-operation and Development (OECD) (2019) Enhancing the Contribution of Digitalisation to the Smart Cities of the Future. Available at: <https://www.oecd.org/cfe/regionaldevelopment/Smart-Cities-FINAL.pdf> (accessed 7 June 2022).
- Organisation for Economic Co-operation and Development (OECD) (2020) Smart Cities and Inclusive Growth. Available at: https://www.oecd.org/cfe/cities/OECD_Policy_Paper_Smart_Cities_and_Inclusive_Growth.pdf (accessed 7 June 2022).
- Park S. C. (2018) The Fourth Industrial Revolution and Implications for Innovative Cluster Policies. *AI & Society*, vol. 33, no 3, pp. 433–45. Available at: <https://doi.org/10.1007/s00146-017-0777-5>.
- Patrizio A. (2018) IDC: Expect 175 Zettabytes of Data Worldwide by 2025. *Network World*, 3 December. Available at: <https://www.networkworld.com/article/3325397/idc-expect-175-zettabytes-of-data-worldwide-by-2025.html> (accessed 14 February 2021).
- Popkova E. G., Ostrovskaya V. N. (2019) *Perspectives on Use of New Information and Communication Technology (ICT) in the Modern Economy*. Geneva: Springer
- Preuveneers D., Ilie-Zudor E. (2017) The Intelligent Industry of the Future: A Survey on Emerging Trends, Research Challenges and Opportunities in Industry 4.0. *Journal of Ambient Intelligence and Smart Environments*, vol. 9, no 3, pp. 287–98. Available at: <http://dx.doi.org/10.3233/AIS-170432>.
- PWC (2019) Creating the Smart Cities of the Future: A Three-Tier Development Model for Digital Transformation of Citizen Services. Available at: <https://www.pwc.com/gx/en/sustainability/assets/creating-the-smart-cities-of-the-future.pdf> (accessed 4 February 2021).
- Reinsel D., Gantz J., Rydning J. (2018) Data Age 2025: The Evolution of Data to Life-Critical. International Data Corporation (IDC) White Paper. Available at: <https://www.import.io/wp-content/uploads/2017/04/Seagate-WP-DataAge2025-March-2017.pdf> (accessed 7 June 2022).
- Rüssmann M., Lorenz M., Gerbert P., Waldner M., Justus J., Engel P., Harnisch M. (2015) Industry 4.0: The Future of Productivity and Growth in Manufacturing Industries. BCG, 9 April. Available at: https://www.bcg.com/publications/2015/engineered_products_project_business_industry_4_future_productivity_growth_manufacturing_industries (accessed 7 June 2022).
- SAP (2013) How to Prepare for the Fourth Industrial Revolution. 10 April. Available at: <https://blogs.sap.com/2013/04/10/be-prepared-for-the-4th-industrial-revolution/> (accessed 7 June 2022).
- Sarwar M., Soomro T. R. (2013) Impact of Smartphones on Society. *European Journal of Scientific Research*, vol. 98, no 2, pp. 216–26. Available at: https://www.researchgate.net/publication/236669025_Impact_of_Smartphone%27s_on_Society (accessed 7 June 2022).
- Schwab K. (2016) The Fourth Industrial Revolution: What It Means, How to Respond. World Economic Forum, 14 January. Available at: <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/> (accessed 7 June 2022).
- Schlick J., Stephan P., Loskyll M., Lappe D. (2014) Industrie 4.0 in der praktischen Anwendung [Industry 4.0 in Practical Application]. *Industrie 4.0 in Produktion, Automatisierung und Logistik [Industry 4.0 in Production, Automation and Logistics]* (T. Bauernhansl, M. ten Hompel, B. Vogel-Heuser (eds)). Springer Fachmedien Wiesbaden.
- Smart Cities Association (2021) Smart News. Available at: <https://www.smartcitiesassociation.org/index.php/media-corner/news/1-global-smart-cities-market-to-reach-a-whopping-3-5-trillion-by-2026> (accessed 21 February 2021).
- Smart Cities Mission (2021) Smart Cities. Available at: <http://smartcities.gov.in/content/> (accessed 17 February 2021).
- Staffen S., Schoenwald L., (2016) Leading in the Context of the Industrial Revolution. Available at: https://www.capgemini.com/consulting-de/wp-content/uploads/sites/32/2017/08/resouces_leader_40_industrial_revolution.pdf (accessed 7 July 2022).
- Stanford University (2016) Artificial Intelligence and Life in 2030, One Hundred Year Study on Artificial Intelligence: Report of the 2015–2016 Study Panel. Available at: <http://ai100.stanford.edu/2016-report> (accessed 7 February 2021).

Suvarna M., Büth L., Hejny J., Menenga M., Li J., Ng Y. T., Herrmann C., Wang X. (2020) Smart Manufacturing for Smart Cities: Overview, Insights, and Future Directions. *Advanced Intelligent Systems*, vol. 2, issue 10. Available at: <https://doi.org/10.1002/aisy.202000043>.

Team VizExplorer (2015) 6 Critical Ideas Behind the Smart Factory and Internet of Things (IoT). VizExplorer, 20 August. Available at: <https://blog.vizexplorer.com/6-critical-ideas-behind-the-smart-factory-and-internet-of-things-iot/> (accessed 9 February 2021).

[Dataset] United Nations (UN) (2019) World Urbanization Prospects: The 2018 Revision. Available at: <https://population.un.org/wup/> (accessed 7 June 2022).

United States Department of Transportation (2021) Smart City Challenge. Available at: <https://www.transportation.gov/smartcity> (accessed 17 February 2021).

Walcott D. A. (2020) How the Fourth Industrial Revolution Can Help Us Beat COVID-19. World Economic Forum, 7 May. Available at: <https://www.weforum.org/agenda/2020/05/how-the-fourth-industrial-revolution-can-help-us-handle-the-threat-of-covid-19/> (accessed 7 February 2021).

West G. B. (2017) *Scale: The Universal Laws of Growth, Innovation, Sustainability, and the Pace of Life in Organisms, Cities, Economies, and Companies*. London: Penguin Press.

Woetzel J., Remes J., Boland B., Lv K., Sinha S., Strube G., Means J., Law J., Cadena A., von der Tann V. (2018) Smart Cities: Digital Solutions for a More Livable Future. McKinsey Global Institute Report, 5 June. Available at: <https://www.mckinsey.com/business-functions/operations/our-insights/smart-cities-digital-solutions-for-a-more-livable-future> (accessed 7 June 2022).

[Dataset] World Bank (n.d.) Manufacturing Value Added Percent of GDP. Available at: <https://data.worldbank.org/indicator/NV.IND.MANF.ZS> accessed 10 February 2021).

World Economic Forum (WEF) (2016) Manufacturing Our Future: Cases on the Future of Manufacturing. White Paper. Available at: https://www3.weforum.org/docs/GAC16_The_Future_of_Manufacturing_report.pdf (accessed 7 June 2022).

Yun Y. J., Lee M. H. (2019) Smart City 4.0 From the Perspective of Open Innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, vol. 5, no 4, pp. 1–15. Available at: <https://doi.org/10.3390/joitmc5040092>.

Zanella A., Bui N., Castellani A., Vangelista L., Zorzi M. (2014) Internet of Things for Smart Cities. *IEEE Internet of Things Journal*, vol. 1, no 1, pp. 22–32. Available at: <http://doi.org/10.1109/JIOT.2014.2306328>.

TRENDS IN REGIONAL AND GLOBAL COOPERATION

International Organisations Research Journal, 2022, vol. 17, no 2, pp. 164–188

Original article

doi:10.17323/1996-7845-2022-02-07

China's Relations With Latin America and the Caribbean at the Present Stage¹

E. Katkova, A. Eremin

Evgenia Katkova—PhD in History, Senior Lecturer at the Department of Theory and History of International Relations of Peoples' Friendship University of Russia (RUDN University); 6 Miklukho-Maklaya Ulitsa, Moscow, 117198, Russian Federation; katkova-eyu@rudn.ru

Arkady Eremin—PhD in History, Senior Lecturer at the Department of Theory and History of International Relations of Peoples' Friendship University of Russia (RUDN University); 6 Miklukho-Maklaya Ulitsa, Moscow, 117198, Russian Federation; Associate Professor at the Department of Regional Studies and International Cooperation at RANEP; eremin-aa@rudn.ru

Abstract

In the “new era” of China’s foreign policy based on the concept of major power diplomacy with Chinese characteristics, Beijing has begun to change its attitude toward Latin America. In 2018, Xi Jinping officially invited Latin American countries to participate in the construction of the Belt and Road initiative, thereby bringing the region into the sphere of its global interests. This article is devoted to the study of the main directions of cooperation between China and the Latin American states and changes in the forms and instruments of Beijing’s policy toward the region. The authors analyze the degree of involvement of Latin American states in the BRI and consider pros and cons of increasing China’s influence in the region. The provisions of power transition theory form the methodological basis of the work, through the prism of which the U.S. factor in Sino-Latin American relations is examined. The final part of the article is devoted to the challenges facing Washington from the growing influence of China in the Latin America and Caribbean (LAC) region.

Keywords: China, Latin America, U.S., Belt and Road Initiative, investment, infrastructure, economic cooperation, influence, interests

Acknowledgments: this article has been supported by the RUDN University Strategic Academic Leadership.

For citation: Katkova E., Eremin A. (2022) China's Relations With Latin America and the Caribbean at the Present Stage. *International Organisations Research Journal*, vol. 17, no 2, pp. 164–188 (in English). doi: 10.17323/1996-7845-2022-02-07

¹ This article was submitted 15 November 2021.

Introduction

Latin America is a region of great political and economic potential. Throughout the Cold War, the United States and the Soviet Union (USSR) fought tirelessly for influence in this region. While never a foreign policy priority for the People's Republic of China (PRC), in recent decades Beijing's interest in the region has grown markedly alongside China's own growing importance in the international arena. In the 20th century cooperation was limited to declarative statements and contacts with socialist countries; the collapse of the bloc system and the strengthening of China's economy served as a trigger to increase ties with other developing countries in Latin America. At the turn of the century, Latin American countries were of interest to China primarily for economic reasons. Rapid economic growth required the search for new, solvent markets for export products, as well as access to a wide range of mineral resources, all of which are in abundance in the LAC countries. The second important reason for China's increased policy in the region was to diminish the influence of Taiwan, because Latin America has the highest concentration of countries that have official diplomatic relations with Taipei. In particular, in 2005 there were 26 such states. It should be said that, thanks to Beijing's efforts in 2021, only nine Latin American states do not recognize the PRC as the sole legitimate representative of the Chinese nation; nevertheless, this is significantly more than in all other regions combined.

The need to establish relations with the countries of the region was also caused by certain ideological reasons as well. After the collapse of the USSR, China feared the formation of a unipolar world led by the U.S., which threatened further development. Therefore, since the mid-1990s, Beijing has been developing its own concept to erode the unipolar world order, creating conditions for cooperation both with other centres of power—Russia, the European Union (EU), Japan—and with less politically influential countries to facilitate the development of a multipolar system of international relations. Such a system was expected to help eliminate social injustice, the gap between the rich and the poor, and the lack of technological development of the so-called Third World. The priority of such activities grew in proportion to the development of China's role in world politics, as China's global goals and Beijing's considerable political ambitions to redefine the balance of power that had emerged in the early 2000s became increasingly apparent [Degtarev, Ramich, Tsvyk, 2021].

Despite these factors, Latin America remained on the periphery of Chinese foreign policy interests for a very long time. The first official Chinese policy document regarding Latin America and the Caribbean was issued only in 2008, but it was already of fundamental importance. China thereby declared its interest in developing relations with the LAC states and outlined the areas of interest in which interaction with the countries of the region were to be strengthened. The document emphasized the principle of “one China”—the main condition under which Beijing is ready to start a dialogue with any country. The most significant section of the document was devoted to economic cooperation, which, in addition to the traditional areas of trade, investment, energy resources, agriculture, and tourism, included such important items as the reduction or cancellation of the debt of Latin American states to China and other countries, as well as the provision of sufficient economic and technical assistance to countries in the region. Under this paragraph, it was emphasized that China would “continue to provide economic and technical assistance to Latin America and the Caribbean without any political conditions” [Xinhua News Agency, 2008]. This is a clear remark regarding the “Washington consensus,” the popularity of which among developing countries began to decline when Chinese investment came to the Global South. It should be noted that it was during this period that Latin America was under the strong ideological influence of the “turn to the left,” which largely determined

the commitment of Latin American states to the principle of autonomism in foreign policy, as well as the priority of regional integration without any participation of the United States [Eremin, 2020]. Thus, 2008 can be considered the start of the initial phase of cooperation development between China and Latin America.

In November 2016, China's Second Guiding Foreign Policy Document on Latin America was released, clarifying a new phase of comprehensive cooperation between China and the region. By this time, the world had undergone great changes. First, the international political and economic environment had changed dramatically: right-wing political forces came to power in the LAC region with ideas of strong opposition to the rhetoric of regionalism and foreign policy autonomy. Because of that, the main Latin American integration structure at the time, the Union of South American Nations (UNASUR), began to rapidly lose influence and priority, leading to its future demise. In the U.S. during this period, the election race between Hillary Clinton and Donald Trump was raging, but neither candidate gave any serious consideration to the place and role of Latin America for Washington during their electoral campaigns [Eremin, 2021]. Indeed, in the aftermath, the administration of the 45th U.S. president did not assign the Latin American foreign policy vector any significant priority, which led to a number of controversial decisions and further deterioration of a large number of bilateral and multilateral ties in the region [Yakovlev, 2020]. Second, China's foreign policy had also changed: since Xi Jinping came to power, China's approach to foreign policy issues had become much more substantive and practice-oriented. In 2013, China replaced the EU as Latin America's second largest trading partner after the U.S. [He, 2019, p. 4]. In this regard, we can say that the 2016 strategy focused on more specific economic and infrastructure projects. The document emphasized that "a comprehensive partnership between China and Latin America based on equality, mutual benefit and cooperation ... does not target third parties" [The State Council Information Office of China, 2016]. This wording unambiguously refers to the general fear of the countries in the region of having to choose between the United States and China, but Beijing, unlike the United States, neither declaratively nor practically tries to limit its partners from cooperating with other countries. On the contrary, China uses positive reinforcement by encouraging countries with a high level of political contacts with Beijing by increasing imports of their goods [Ren, 2019, p. 15]. All this has led to an environment that has benefited China's ability to expand its own network of bilateral relations with countries in the region, many of which have been willing to break existing agreements with Taiwan for the potential benefit of economic cooperation with continental China. Thus, 2016 marked the beginning of the second phase of the Latin American vector of Chinese foreign policy. By 2018, a number of Latin American countries has joined the BRI: Bolivia, Venezuela, Guyana, Uruguay, Chile, Ecuador, and Peru. In addition, the PRC is making great progress even with states that were perceived as close allies and pivotal points of the U.S. in the region, such as Brazil, where the growth in bilateral trade has been very impressive [Manuhin, 2019]. By comparison, the U.S. under Donald Trump's administration not only failed to take steps to keep its major allies in the LAC region, but made their lives significantly more difficult with economic pressure to correct the imbalance in trade [Yakovlev, 2020].

Strengthening China's Political Presence in Latin America

Following the changes in official terms and definitions, China's position on political issues in Latin America has also evolved. Since the late 1990s, China has been increasing its economic and political presence in the region. However, due to the fact that the LAC region has always been in the sphere of U.S. interests and was closely monitored for any rise of extra-regional influence, as well as due to the absence of specific military ambitions of the PRC in the western

hemisphere, Beijing initially showed interest only in the development of economic ties. While distancing itself from political and ideological issues, China has nevertheless relied on inter-party diplomacy based on the principles of equality, mutual respect, and non-interference. The practice of establishing strong ties with the communist parties of the LAC region eventually spread to the national-democratic parties as well [Xu, 2020, p. 65]. This stance soon proved fruitful since the Communist Party of China (CPC) maintained relations not only with the ruling parties but also with the political opposition, which paid off in a number of cases in the future. As an example, we can name the ascension to power of political opposition in Argentina in 1983 and in 1989, which in both cases contributed to the strengthening of Sino-Argentinian relations. The diplomatic support of newly elected President Carlos Menem for China after the Tiananmen Square events was significant against the background of the sanctions imposed by the U.S. and most western countries against the PRC. Beijing's tactics during the political crisis in Venezuela in 2018–19 were quite different. By this time, China had already accumulated enough weight in world politics and had become a de facto great power whose global political ambitions were taken for granted. However, China's economic growth and emerging foreign policy ambitions have not led to a militarization of Beijing's approach toward its Latin American counterparts. This is largely due to the Chinese investments made in the region in recent years, the well-being of which militarization could have compromised [Ward, 2019]. Going back to the example of Venezuela, until 2014 it accounted for more than half of all Chinese investments in the Community of Latin American and Caribbean States (CELAC) [Borzova, Torkunova, Agaev, 2018]. Therefore, after the outbreak of the crisis, China supported its long-time partner, Nicolás Maduro, actively opposing any foreign interference in Venezuela's affairs. On 27 February 2019, at the United Nations Security Council (UNSC) meeting on the situation in Venezuela, China, along with Russia and South Africa, managed to block a resolution proposed by the United States that called for new elections and the recognition of Juan Guaidó as interim head of state [UN, 2019]. The official Chinese media waged a massive campaign of support for Maduro, emphasizing his "restraint and calmness in the face of provocative actions by the U.S. and other countries" [People's Daily Online, 2019]. However, according to the Wall Street Journal, China has also made several attempts to establish a working relationship with the opposition [Vyas, 2019].

Given the initial economic orientation of China's cooperation with Latin American countries, it is not surprising that China chose a softer method of converting economic influence into political influence in contrast to the harsh approach of the United States, where any financial assistance to Latin America is associated with political pressure, sanctions, and other forms of control. Pedro Pablo Kuczynski, who won Peru's presidential election in 2016 and made the first official visit of his career to China, can be cited as an example of the success of the PRC's approach. Former Brazilian leader Michel Temer also chose China as the destination for his first official visit.

As a result of China's increased activity in the region and the special conditions described previously, Latin American ruling elites are finding it increasingly difficult to distance themselves from China. A striking example here is Brazil, where, during the 2018 presidential campaign, populist Jair Bolsonaro relied on extremely anti-Chinese rhetoric. During his many speeches, he declared himself anti-communist and openly declared that Chinese investment threatened Brazil's sovereignty: "China is not buying in Brazil, China is buying Brazil itself" [Lapper, 2019]. Bolsonaro expressed a desire to become closer to the U.S. and even visited Taiwan in February 2018, which caused an outrage in the PRC. However, after his victory on the wave of anti-Chinese sentiment, his stance toward Beijing became far less radical. Long-term economic interests and the need to maintain a partnership with China (as part of the domestic

lobby insists) have forced necessary adjustments to the ideology. This was especially important when the U.S., with whom Bolsonaro was actively promoting rapprochement, began to correct its negative bilateral trade balance with Brazil by applying economic and political pressure instead of providing expected financial assistance [Yakovlev, 2020]. And already in 2019, Bolsonaro had met with Xi Jinping and openly declared that China is a “friend of Brazil” [Government of the PRC, 2019], which allows us to assess the impressive speed with which Brazil’s economic interests with the PRC are being prioritized. However, it is worth noting that under the Bolsonaro administration Brazil has pursued a rather inconsistent foreign policy, which in the words of Ludmila Semenovna Okuneva is aptly named a “continuity gap” [Okuneva, 2020]. Relations with China were no exception: the Brazilian leader until recently had successfully combined accusations against China for the emergence of the COVID-19 pandemic with conciliatory rhetoric and an appeal for assistance in fighting the coronavirus infection [Trinkunas, 2020], which has become a huge challenge not only for Brazil, but also for the entire LAC region [Eremin, Medina Gonzales, 2021].

In the context of the development of China’s relations with Latin American countries, it is worth noting that Beijing does not have a single standardized concept, but rather resorts to diversification, taking into account the peculiarities of each state. For example, most South American countries (except Venezuela) began to actively enter the sphere of influence only after 2018, and China prefers to build trade and economic relations with them based on high imports of products from these countries, thereby ensuring a weighty and sometimes even leading position as a trade partner [Eremin, Dubrovsky, Petrovich-Belkin, 2021]. The Caribbean countries, many of which are much more active in joining the BRI (the Caribbean subregion is the best performer on this indicator percentage-wise), primarily receive concessional loans and grants needed to stimulate weak, mostly agrarian economies that cannot supply valuable resources to the PRC. In this regard, the PRC’s approach to building relations with the LAC countries is based on taking into account unique cultural, political, and economic factors, when the United States often does not pay much attention to such issues when determining Washington’s strategy in the region [Eremin, 2020].

In recent years, one of the key areas of China’s efforts to consolidate its influence in the region has been the process of institutionalizing relations with Latin American countries. Based on the successful experience of cooperation in Africa, China in the LAC region continues to develop a similar model of multilateral cooperation. In 2014, the China-CELAC Forum was created to better coordinate and deepen relations in all areas, which in itself was a clear indication of the growing importance of Latin America in China’s global economic diplomacy [Borzova, Torkunova, Agaev, 2018].

Economic Cooperation and the Belt and Road Initiative in Latin America

The first meeting of the China-CELAC Forum at the ministerial level in 2015 led to the development of the Cooperation Plan for the period from 2015–19, with ambitious economic goals [China-CELAC Forum, 2015], and in 2018, to the CELAC-China Joint Action Plan for Cooperation in Priority Areas for 2019–21 [China-CELAC Forum, 2018]. Both documents focused on strengthening cooperation in the international arena and within international organizations and strengthening bilateral political and security ties. However, the largest block in both documents was devoted to the economic sphere, in particular cooperation in the construction of infrastructure, trade and investment, agriculture, industry, and extraction of natural resources, as well as in education and tourism. It is worth mentioning that all the aforementioned areas are

related to development issues and therefore have a high priority on the agenda of Latin American states [Eremin, 2020]. This approach, which focuses on the specific economic and basic infrastructure development needs of the countries of the region, differs significantly from U.S. aid, which has always been given to Latin American states on rigid conditions that funds are directed either to the creation and development of democratic institutions or to the support and development of police structures (as in the case of Plan Colombia and similar aid programmes) [Eremin, 2020]. Such a focus on the priorities of less influential partners, on one hand, runs against the traditions of realism and pure pragmatism, through the prism of which the *modus operandi* of all superpowers on the world stage is often viewed. However, such a divergence in the case of China is in fact quite natural—Beijing is gradually building up its own economic and political power, as well as its influence in the world, so that there is no evident contrast between the interests of the United States and China. Such tactics are exhaustively explained through power transition theory as laid out by A. F. K. Organski during the Cold War. This theory examines in detail the mechanisms of the change of world leadership in the current system of international relations. The starting point for the beginning of power transition is considered to be the achievement by the applicant for leadership of about 80% of the potential of the main political force in the international arena, in which case quite objective processes associated with the redistribution of spheres of influence and the importance of the states in question at the global and regional levels are launched. At the same time, such a struggle for spheres of influence, even if it is concealed, will inevitably cause a surge of confrontation and tension between the two states, which under certain circumstances could lead to the so-called Thucydides trap and even to open military confrontation. Despite the fact that there are different approaches to assessing the so-called power of the state, according to most modern researchers (as well as according to most current indicators) the PRC has already reached the level of power required by power transition theory. Precisely because of that, the so-called decoupling between the PRC and the U.S. occurred after 2018, the accompanying factor of which was the inevitable growth of mutual tension [Degterev, Ramich, Tsyvk, 2021, p. 215]. In such a scenario, the fact that Latin America began to play a significantly more important role for China after 2017 (a year before the trade war, but the increase in anti-Chinese polemics in the United States was already obvious) is quite justified for the inevitable redistribution of the world according to power transition theory.

In fact, the attempt to tie Latin America to itself economically, and only then to convert high trade growth and large-scale infrastructure projects into political influence, allowed Beijing to postpone the moment when Washington realized the upcoming threat to its own role in the LAC region. Although individual attempts to develop relations with Latin American countries have been made by China since 2008, it was not until 2017 that Donald Trump institutionalized anti-Chinese polemic and pushed for a decoupling [Degterev, Ramich, Tsyvk, 2021, p. 214–7].

It is also impossible not to mention the fact that, in addition to trade and the provision of concessional loans and grants, the PRC also pursues an active investment policy in the region (Figure 1). Chinese finance plays a key role in deepening China's economic ties as part of a new approach to regional interaction.

Over the past decade, Chinese investments in the region have increased substantially and have become more diversified. In the early 2000s, investments in Latin American countries were part of the “going abroad” strategy, which primarily encouraged investments in the development and exploitation of natural resources that Beijing needed to boost its industrial development. As for Latin American countries, Chinese investments, in addition to the energy sector, were largely concentrated in metal mining and agriculture (Figure. 2). However, since the second half of the 2010s, Chinese companies had already begun to focus more and more on

manufacturing, infrastructure facilities, and service sectors, in particular: transport, electricity, financial services and information, and communication technologies [Ding et al., 2021, p. 4]. Thus, as can be seen from Figure 2, the most extensive sector of investment primarily concerns the issue of providing water, electricity, and gas, which are directly consumed by the population and are closely related to their quality of life. The oil and gas sector, which is traditionally considered the most important and relevant for countries that are actively expanding their production and industry, falls behind here by an impressive 9%. However, if we group the oil and gas industry with investments in the sector of extraction of other mineral resources, then in total they will come out on top in terms of total volume for the period from 2005–20. This allows us to conclude that, although there are trends toward a qualitative diversification of PRC investments in the LAC region, it is too early to talk about the abandonment of the priority of sectors related to resource and mineral extraction.

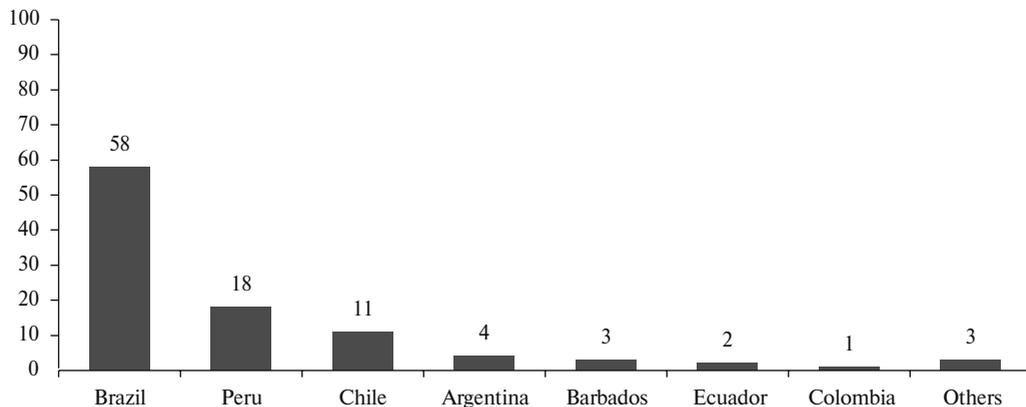


Figure 1. Latin America and the Caribbean: Investment by China and Hong Kong Companies by Country, 2005–20 (%)

Source: ECLAC [2021, p. 94].

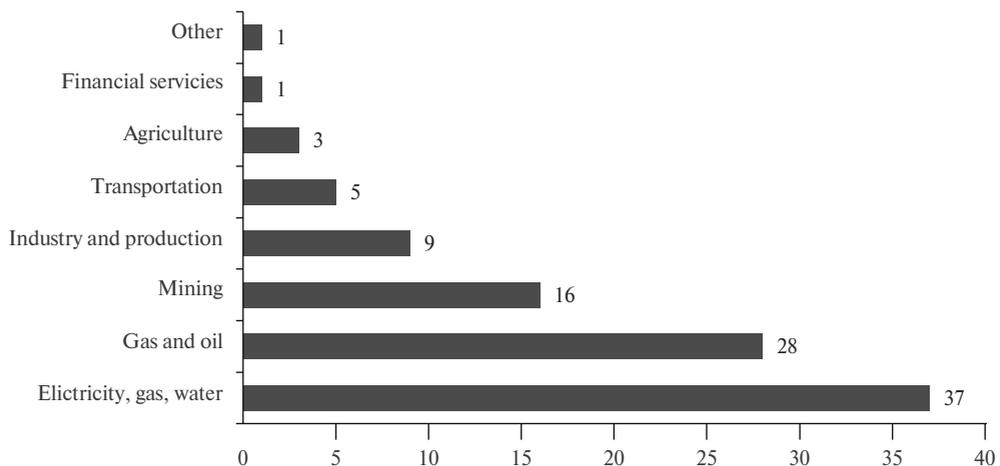


Figure 2. Latin America and the Caribbean: Investment by Chinese Companies by Sector, 2005–20 (%)

Source: ECLAC [2021, p. 96].

China as a new investor was very attractive to Latin American countries for a number of reasons. First, Beijing did not make stringent demands for democratization or a certain direction in the development of state institutions and did not interfere in the internal politics of states, as did the United States, whose finances were strictly regulated in terms of area of implementation and in general abounded in a large number of restrictive mechanisms. Second, China itself is a positive role model for developing countries. The neoliberal economic model proposed by international financial institutions not only failed to ensure broad economic growth in the region in the 1990s, but, in the case of individual countries, had an extremely negative impact with far-reaching consequences. Moreover, unlike the developed countries, which got rich by having colonies in the past, China had a different historical background, and despite this it has long enjoyed a high growth rate of 9%. From this point of view, China's foreign policy and economic success story differs significantly even from that of the United States, which also had no colonies but nevertheless was one of the first to adopt a neo-colonial policy toward Latin American countries under the Monroe Doctrine, utilizing its dominant position in the western hemisphere.

China, on the other hand, used to be a predominantly agrarian country, which was technically and economically dragging behind the leading countries of the world and had no serious resource potential. Despite that, it turned into a dynamically developing state, successfully challenging the political and economic leadership of the United States at the present stage. In this regard, the Chinese model of economic development proved to be very attractive for Latin American countries, for which the issue of transition from peripheral to developed country is of paramount importance [Escudé, 2015]. This is all the more relevant as the LAC region is represented by developing countries, which China is also. A good example in this case is former Brazilian President Luiz Inácio Lula da Silva, who declared his willingness to use the Chinese model with an emphasis on investment growth and the development of export industries, which, in his opinion, was the key to rapid and sustainable growth [Li, 2007, p. 849]. Unfortunately, the Chinese model has not been implemented for many reasons, neither during the Lula da Silva administration, nor during the administration of his successor, Dilma Rousseff. After the new "right turn" in the region and the arrival of Jair Bolsonaro and the political (but not economic) rapprochement with the United States, there is no question of adopting the Chinese model.

Although Latin America is not the leading region in receiving Chinese investment, the volume of foreign direct investment (FDI) has nevertheless increased significantly from 1% of total Chinese investment abroad in 2000 to 14.5% in 2020 [Ding et al., 2021, p. 4]. Brazil is the main recipient of Chinese investments, followed by Venezuela, Argentina, Ecuador, and Peru. These active investment tactics and the list of funded countries, combined with the expansion of the BRI, give an indication of the countries in the region on which China intends to rely in the future. The Virgin Islands and the Cayman Islands, famous for their offshore zones, are particularly noteworthy. The significance of these offshore zones for China lies in the fact that the country is able to spend large sums of money through them, which later comes back formally in the form of foreign investment.

Returning to the topic of investment through the lens of the BRI, it should be noted that the vast majority of such investment in Latin American countries is made through the mechanisms of this initiative. However, the region was not originally part of the 21st century Maritime Silk Road, and for a very long time Chinese officials did not talk about Latin America as a potential participant in the programme. In part, this was due to the lack of plans to make the BRI a global project in the initial stages of conceptualizing the initiative, as well as a reluctance to make provocative moves in a region so sensitive to the United States. The demand for increased investment came from the Latin American countries themselves, where the debate over partici-

pation in the BRI is very heated. By the time the programme was launched, Latin America was experiencing a decade-long decline in gross domestic product (GDP) growth, so the project, which had the potential to attract major foreign investment, proved not only attractive, but in many ways even necessary. In particular, Alicia Barcena Ibarra, executive secretary of the UN Economic Commission for Latin America and the Caribbean (CEPAL), urged countries in the region to participate in the BRI [People's Daily Online, 2017]. Diplomats in Bolivia, Peru, and Ecuador also expressed hopes in 2015–16 that China would include Latin America in the BRI, thereby contributing to the growth of the region's economies [Oliveira, Myers, 2020, p. 5–6].

It is quite noteworthy that the PRC-CELAC Cooperation Plans hardly mentions the BRI (the first Plan of 2015 did not mention it at all, while the second mentioned it once in the preamble in the context of “taking into account the opportunities offered by the initiative”) [CELAC-China Forum, 2018], although by the time the second Plan was adopted more and more Latin American and Caribbean countries had already expressed interest in the Chinese project. In addition, the topic of developing the initiative was central to the 2018 China-CELAC Forum, which led to the adoption of the 2019–21 Plan. Since 2017, the region has appeared more frequently in official documents and speeches by Chinese government officials. On 18 May 2017, Chinese foreign ministry spokeswoman Hua Chunying said: “China welcomes the participation of Latin American countries in the One Belt, One Road initiative [BRI], which can benefit more countries and regions and promote prosperity and stability in the world” [Wang, 2017]. In November-December 2018, during his visit to Argentina and Panama, Xi Jinping officially invited Latin American countries to participate in the construction of the BRI [Permanent Mission of the PRC to the UN, 2018]. On 17 September 2017, Foreign Minister Wang Yi told the press in Panama that “Latin America is a natural extension of the 21st Century Maritime Silk Road” [Xinhuanet, 2017]. At the 2018 China-CELAC Forum, Wang Yi highlighted five points of cooperation between the parties in the BRI: building infrastructure that connects “land and oceans”; launching an open market that creates export opportunities for Latin American products; developing competitive industries in LAC countries through the transfer of Chinese technology; developing innovation through extension to states in the Digital Silk Road region; and sharing experiences in various fields [Xinhuanet, 2018].

Thus, China has expanded the scope of its initiative to a global scale and has gradually begun to enter into formal BRI agreements in Latin America. More importantly, the issue of assistance in the development of advanced technology has long been a serious priority for most Latin American countries, which is even reflected in various founding documents at the national level [Government of Brazil, 2013]. According to a number of experts, the priority of technological development issues is especially important for the LAC countries because their successful solution is seen as an opportunity to overcome the economic underdevelopment of the region [Proença, Lessa, 2017]; and in this context the PRC can provide substantial assistance.

In 2017, Panama broke diplomatic relations with Taiwan and officially recognized the PRC, and, after Xi Jinping's visit, also joined the BRI. In 2018, El Salvador and the Dominican Republic followed suit. In the same year, 11 more countries joined the BRI (Antigua and Barbuda, Bolivia, Chile, Costa Rica, Dominica, Ecuador, Grenada, Guyana, Suriname, Uruguay, and Venezuela), and in 2019 Barbados, Cuba, Jamaica, Peru, Trinidad and Tobago joined the Chinese initiative. In overall, as of 2021 19 out of 33 Latin American and Caribbean countries are participating in the initiative. Brazil, Argentina, Mexico, and Colombia, which are the largest Latin American economies, are not yet participating. It is noteworthy that all these four countries were considered pivotal states for the U.S. in the region under Donald Trump's administration, in connection with which their non-adherence to the programme is quite understandable [Yakovlev, 2020].

Panama has become a model of win-win strategy and, in a sense, the ambassador of the BRI brand in Latin America. In 2017, when Chinese leaders started talking about the possible inclusion of countries of the region in the BRI, then-President Juan Carlos Varela broke off relations with Taiwan and was the first Latin American leader to sign a memorandum of understanding with the PRC to jointly promote the construction of the Silk Road Economic Belt and the Maritime Silk Road of the 21st century. Over the next two years, 48 different memoranda and agreements were signed between the countries. Particular attention was paid to Panama because the Nicaragua Canal project did not receive its logical continuation and implementation. This pushed the PRC to focus its foreign policy efforts on another logistical center of the western hemisphere—the Panama Canal. The overall potential of Panama, due to its geographical location, is, without exaggeration, quite enormous. The country is home to two of the continent's busiest seaports, Balboa and Colón (also the world's second largest free trade zone after Hong Kong), Tocumen International Airport, a regional air transport hub, and the Panama Canal itself, through which over 13,000 ships from more than 70 countries pass annually, as well as seven important fiber-optic communication/internet cables [Mendez, Alden, 2019, p. 15]. In 2018, the Chinese ambassador to Panama, Wei Jiang, called it a future “hub for Chinese firms, especially in manufacturing” [Reuters, 2018]. The establishment of diplomatic relations was a trigger for increased activity by Chinese businesses in Panama. Chinese companies began to participate in projects related to infrastructure around the canal, as well as contracting in Panama's energy and construction sectors. However, as of now due to the pandemic and the position of the new president, Laurentino Cortizo, most projects have been postponed or even cancelled.

Harm and Benefits of Chinese Investment

Latin America's unease with China's growing influence and the BRI is not entirely new. Similar debates are unfolding in virtually every country and region of the world where Chinese companies have become especially active. Non-transparent projects and overpricing by Chinese contractors, loud statements and lack of specific projects, falling into the debt trap, hiring Chinese workers instead of creating new jobs in the host country, relaxed labour laws and environmental regulations—all these problems are being discussed in a number of world capitals. Accusations of imperialism and colonialism against China are heard from all sides of the globe.

Without a doubt, not all of China's influence in Latin America is strictly positive. Venezuela is a prime example in this case. The economic, political, and humanitarian crises in this country are a serious problem, not only on a national scale, but also for the entire region. To make matters worse, China has lent the Venezuelan government more than \$60 billion over the past decades, driving the state into unsustainable debt. Venezuela paid off first with coal shipments to China (which ended in the collapse of the iron ore industry and millions in debt) [Segovia, 2021], and then with oil at throwaway prices. Now, despite the Maduro government's strong desire to participate in the BRI, to restructure debts, and attract new investments to stop the crisis and revitalize the Venezuelan economy and Venezuelan society, China is in no hurry to invest new funds in the economy, except for deferred payments [Oliveira, Myers, 2020, p. 8]. Despite the fact that Venezuela signed a memorandum of participation in the BRI in 2018, Beijing has not yet announced any new projects or given guarantees of their appearance in the future.

However, it is worth noting that China still does not benefit from project failures and unsustainable debts of Latin American countries. Scandals and high-profile failures hit hard at the reputation of the BRI brand and Beijing itself, which has invested billions in creating a positive image of a global initiative aimed at the prosperity of all participants. The unfortunate examples

in this case only provoke more and more discussions and debates about the hidden goals and potential risks of cooperation with the PRC around the world. One of the reasons for the failure of a number of projects in the BRI most likely is corruption, which is imposed on the historical weakness of local state institutions. In the end, China benefits equally from the repayment of debts and from cheap energy resources, with which the countries of the region pay off debts if they cannot repay some other way, but in the second case it significantly hurts China's reputation. Therefore, China can only be blamed here for not caring which way countries will pay back their loans, so in this situation everything depends on the Latin American elites themselves and their desire to improve the quality of governance and dedication to fight corruption. The PRC could probably impose a number of restrictions and mechanisms to control how investments and loans are spent, but in that case Beijing's approach would dangerously mimic the U.S. approach regarding providing foreign aid.

At the same time China's presence in the region has advantages. First, it can to a certain extent help to satisfy the "infrastructure hunger" in the region. Currently in Latin America there is a serious shortage and insufficient quality of infrastructure in key areas: railways and roads, electricity, telecommunications, access to drinking water, and health services [Chauvet et al., 2020, p. 11]. In general, Latin America only surpasses South Asia and Sub-Saharan Africa in terms of the quality and quantity of infrastructure. Western banks do not want to invest in the region because the risks are too great and the prospects for returns and profits are very dim. China has a different motivation here; Beijing looks at Latin American countries as future markets, including for Chinese technology, but this requires a substantial raise in the overall level of regional economic development, which will eventually contribute to the growth of general solvency. In Wang Yi's speech at the 2018 China-CELAC Forum, mentioned above, four of the five points are related to the export of Chinese technology. In this regard, China is willing to invest in Latin American countries without expecting much return on investment in the short term. Second, China imports a large amount of natural resources and agricultural products from Latin America, so cooperation with it carries great mutual economic benefits. Third, a Chinese presence on the continent benefits the countries of the region, as it diversifies political contacts and can balance out the influence of the United States. The emergence of China as a new economic player has put an end to the LAC countries' overdependence on Washington, and China is now a convenient card in political bargaining with the United States.

It is equally important to note that historically Latin American countries have long had similar emotions about the excessive and unbalanced influence of the United States in the region. Such anti-American sentiments peaked during the turn to the left in the mid-2000s, in the wake of which issues of integration and the formation of a foreign policy autonomous from Washington dominated the regional agenda. Thus, the possible negative influence of China is in some cases counterbalanced by similar fears toward the United States, which have substantial practical justification. It is possible that if Jair Bolsonaro loses the Brazilian presidential election in 2022 and a new turn to the left begins in the region, anti-Washington rhetoric will return with renewed vigour. Then the possibility of securing autonomy from the U.S. through cooperation with Beijing could prove more than rewarding for many countries in the western hemisphere.

Chinese Threat to U.S. Influence in Latin America

Recently, China's status in U.S. foreign policy rhetoric has changed from being an important trade partner to a major political rival. The first president of the United States to actively criticize Beijing was Donald Trump, who also initiated the so-called trade war and adopted a se-

ries of measures to counter the strengthening of Sino-Latin American cooperation [Cao, 2020, p. 82].

With the change of power in Washington to a more moderate administration led by Joe Biden, who took it upon his administration to correct numerous errors of his predecessor, the attitude toward Beijing has not changed. In the new version of the National Security Concept the PRC and its growing influence in the world are still listed as a major threat to the United States [The White House, 2021]. So, are U.S. fears of a Chinese threat in Latin America justified? Certainly, if we look at it from the point of view of the realistic paradigm and zero-sum game, which seems to continue to guide Washington's political thought. However, a detailed analysis of China's political, economic, and military presence in the region shows that U.S. fears are somewhat exaggerated, at least at this stage.

In the political sphere, indeed, relations between Latin America and the United States under Trump suffered greatly because of his political views, which China did not fail to take advantage of, filling a vacant niche in the region. Nevertheless, the COVID-19 pandemic and changes in U.S. foreign policy rhetoric under Joe Biden's administration have partially restored the lost U.S. influence. In addition, between 2016–20, pro-American governments came to power in a number of countries, such as Brazil and Panama, which led to cancellation or suspension of Chinese projects adopted by previous administrations. At the same time, in addition to U.S. pressure, local elites face national and local anti-Chinese sentiments. Indigenous evictions due to infrastructure construction, environmental shortcomings of Chinese projects, competition between domestic interest groups, and related anti-Chinese protests have already led to the shutdown of some initiatives in Ecuador, Brazil, Mexico, Argentina, and Nicaragua. And the elites themselves fear an excessive dependence of national economies on China.

In the economic sphere, there are also serious questions regarding Beijing's initiatives. First, China is the largest importer for only seven countries in the region (Argentina, Brazil, Venezuela, Cuba, Chile, Peru, and Uruguay), while the United States remains the largest market for the vast majority of other countries (see Table 1). Second, China imports large quantities of natural resources from the states of the region but their economies are only partially complementary. Thus, in terms of exporting goods to the United States, China is in many ways a competitor for the states of the region. Third, the United States remains the largest investor in the LAC economies (Figure 3). Fourth, Latin American companies also face competition in their home countries, where they are attracting cheap Chinese goods along with investment, which does not help the development of local businesses or the industry as a whole. Fifth, Chinese investment projects, especially in the framework of the BRI, are very well advertised, but they often go no further than official meetings and declarations. As already noted, China is ready to invest in Latin American countries without expecting a large return on investment, but it is not ready to be at a huge disadvantage. The countries of the region, and their financial environments, remain far from being very attractive for Chinese companies [Lavut, 2018]. In particular, Xue Li, head of international strategy at the Institute of World Economy and Politics of the Chinese Academy of Social Sciences, wrote in his article on the strategic importance of Latin America that "China cannot make much money (in Latin America), but it cannot lose much money" and that "establishing close economic ties with all countries in the region is beyond China's capacity and responsibility" [Li, 2015]. Latin America, despite the loud statements of Chinese leaders, is not the exclusive priority of the BRI, so the development of the initiative in the region strongly depends on LAC countries' own interest in the project. In other words, China is not imposing its initiative on the region, partly because it lacks economic and political resources to decisively include the region in its sphere of influence, but also because it does not want to directly provoke the United States. After all, Washington remains the most important source of capital and advanced technology to China and the largest trade partner and

Table 1. PRC and U.S. exports/imports to LAC countries in 2020 (\$ Billion)

	China				U.S.			
	2008		2020		2008		2020	
	Export to LAC	Import From LAC						
Antigua and Barbuda	0.529	0.00007	0.091	0.00003	0.182	0.005	0.312	0.004
Argentina	5.05	9.36	7.09	6.8	7.53	6.17	5.95	4.38
Bahamas	0.385	0.0006	0.279	0.072	2.76	0.626	2.87	0.287
Barbados	0.027	0.0014	0.079	0.015	0.498	0.042	0.516	0.049
Belize	0.042	0.00002	0.105	0.00043	0.353	0.163	0.394	0.053
Bolivia	0.178	0.15	0.687	0.293	0.389	0.526	0.45	0.389
Brazil	18.8	29.86	34.96	84.08	32.9	32.07	35.05	24.42
Venezuela	3.36	6.56	1.52	0.533	12.61	52.61	1.13	0.179
Haiti	0.125	0.007	0.709	0.003	0.944	0.464	1.4	0.861
Guyana	0.07	0.017	0.265	0.304	0.288	0.169	0.654	0.724
Guatemala	0.934	0.011	2.47	0.256	4.72	3.72	5.86	4.17
Honduras	0.323	0.016	0.922	0.045	4.84	4.23	4.21	4.07
Grenada	0.003	0.00004	0.015	0.000043	0.084	0.0078	0.101	0.013
Dominica	0.075	0.0021	0.021	0.00066	0.105	0.002	0.115	0.001
Dominican Republic	0.657	0.146	2.49	0.296	6.59	4.08	7.60	5.35
Colombia	2.98	1.12	9.32	4.3	11.43	13.83	12.06	11.31
Costa Rica	0.619	2.27	1.54	0.668	5.68	4.18	5.73	5.62
Cuba	1.35	0.903	0.483	0.471	0.717	0.000036	0.176	0.014
Mexico	13.86	3.69	44.85	16	151.52	218.06	212.67	328.86
Nicaragua	0.255	0.003	0.486	0.018	1.09	1.76	1.43	3.66
Panama	7.89	0.049	8.8	0.441	4.91	0.401	5.77	0.711
Paraguay	0.763	0.025	1.22	0.013	1.61	0.092	1.27	0.16
Peru	2.77	4.49	8.87	14.15	6.18	6.13	7.69	5.93
El Salvador	0.374	0.0059	0.938	0.171	2.46	2.3	2.62	1.99
Saint Vincent and the Grenadines	0.058	0.026	0.010	0.000008	0.082	0.001	0.076	0.005
St. Kitts and Nevis	0.0026	0.00014	0.013	0.00042	0.123	0.056	0.136	0.05
St. Lucia	0.0066	0.00005	0.033*	0.00027*	0.241	0.027	0.564*	0.036*
Suriname	0.102	0.0036	0.221	0.061	0.406	0.133	0.267	0.183
Trinidad and Tobago	0.349	0.024	0.341	0.333	2.25	9.47	2.37	2.61
Uruguay	1.02	0.623	1.7	2.36	0.883	0.259	1.25	0.586
Chile	6.18	11.17	15.34	28.75	12.09	8.98	12.77	10.92
Ecuador	1.54	0.849	3.25	4.31	3.44	9.53	4.23	6.38
Jamaica	0.288	0.0055	0.63	0.031	2.644	0.783	1.7	0.396

Source: Compiled by the authors based on 2019 data from the Observatory of Economic Complexity [n.d.], World Bank Statistics [2008], and Trading Economics [n.d.].

export destination, despite active attempts to finalize the decoupling process. Hence, it can be concluded that as long as China-U.S. relations do not further change toward rivalry and confrontation and there is no complete breakdown of trade partnerships, the expansion of Beijing's influence in the LAC region will be aggressive [Lavut, 2018].

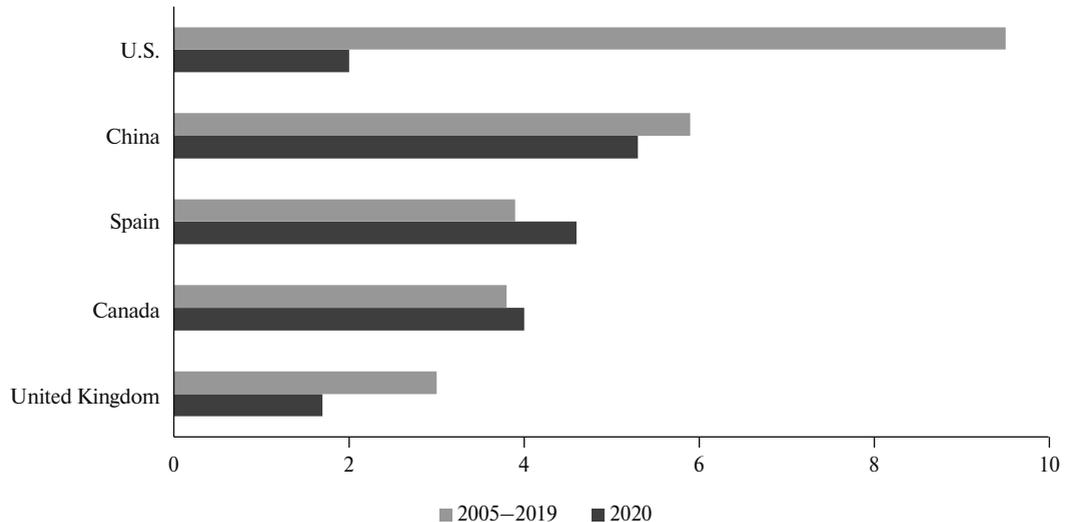


Figure 3. Latin America and the Caribbean: Top Five Foreign Investors, 2005–19 and 2020 (\$ Billion)

Source: ECLAC [2021, p. 93].

China's economic and political influence in Latin America is also supported by security cooperation with the active participation of the Chinese People's Liberation Army (PLA). At first glance, the sale of weapons to LAC countries, training of Latin American military personnel in China and joint exercises should alert Washington. However, if we look at the situation in more detail, we can see that China's policy in this area is far from that of the USSR during the Cold War. Currently, China is not forming coalitions in the region and is not trying to establish military bases even in friendly countries such as Venezuela and Cuba, although there have been such concerns due to construction works or concessions of ports to Chinese companies, for example in Panama and El Salvador [Ellis, 2020]. Certainly, the purchase of Chinese weapons by Argentina, Bolivia, Venezuela, Cuba, Peru and Ecuador poses a threat to the United States, primarily due to the shrinking of its own markets, but such a threat is more of an economic problem than a political or military one.

Conclusion

Latin America, which for a very long time was on the periphery of Chinese foreign policy, has attracted increasing attention from Beijing in recent decades. The original objectives of access to natural resources, reducing Taiwan's influence in the world, and developing South-South relations to combat a unipolar world led by the United States are now complemented by China's broader strategic, political, and economic interests in the region.

Over the past decade, China has significantly strengthened its position in Latin America and regional elites are finding it increasingly difficult to distance themselves from China, raising concerns among the countries of the region and the United States about the dependence

of Latin American states on Beijing. These worries are somewhat exacerbated by the PRC's investment projects, which are often opaque, overpriced, and accompanied by high-profile scandals involving corruption, loosening labour laws, and environmental regulations. In this regard, the BRI, in which 19 countries of the region are already participating, is a subject for an active discussion.

However, Chinese presence in the Latin American economic processes has many advantages, such as the creation of important infrastructure for the region, opening of the Chinese market for the export of natural resources, and reducing the excessive dependence of countries in the region on the United States. For Latin American countries Beijing could become a real alternative in the context of a new potential turn to the left in which Latin American states will certainly return to the idea of autonomism. The People's Republic of China, with an approach to cooperation based on infrastructure development and the absence of rigid mechanisms for controlling financial flows, is extremely close to the values and priorities of leftist parties in the region, which may predetermine their high interest in developing relations with the eastern power. At the same time, strengthening Beijing's economic and political presence in Latin America has its own disadvantages and potential risks both for the countries of the region and for the United States. However, it seems logical that such risks for Latin American states will ultimately not prove to be more serious than those already caused by Washington's unconditional dominance—in this sense, economic and political pluralism will certainly benefit the region, which has been virtually deprived of such an opportunity for many years.

The growing importance of the LAC region in the context of the gradual power transition that has been observed in the international arena is worth noting separately. Latin America is also important in this process because it has traditionally been considered a place of exclusive U.S. influence. In this regard, any encroachment on this status would mark a whole new level of rivalry between the United States and China. It is no coincidence that confrontation between Washington and Beijing intensified only during the presidency of Donald Trump—exactly the period of time when we were able to observe rapid growth of the PRC's economic ties with the countries of the region.

In this regard it is perfectly logical to ask the following questions: “how much priority does Latin America have under these new conditions for China?” and “will the region become more important for Beijing than, for example, Africa?” It is worth saying that the LAC region was one of the last places in China's modern expansion of priorities in accordance with recent political ambitions. If we consider Africa, where Chinese capital and political influence have dominated for several years, the very model of China's partnership with developing countries there was just being formed and conceptualized. At the same time, Chinese economic expansion in Africa did not cause any serious discontent among western states at the level of their national security strategies or other conceptual documents of similar significance. China approaches the task of expanding its influence in Latin America in a truly different way, having not only substantial experience, gained through cooperation with developing countries in other regions of the world, but also having a fundamentally different status in the international arena, having shifted from an ambitious challenger to a fairly balanced rival to the United States.

References

Borzova A., Torkunova J., Agaev J. (2018) Kitaj: CELAC: novye tendencii v jekonomicheskom sotrudnichestve [China: CELAC: New Trends in Economic Cooperation]. *Latinskaya Amerika*, no 7, pp. 32–46. Available at: <http://doi.org/10.31857/S0044748X0000022-3> (in Russian).

- Cao T. (2020) Zhōngguó yǔ lāměiguójiā guānxì zhōng dì měi guó yīnsù [American Factors in the Relations Between China and Latin American Countries]. *Peace and Development*, no 1, pp. 80–96 (in Chinese).
- Chauvet P., Chen T., Jaimurzina A., Xu R., Jin Y. (2020) China: Current and Potential Role in Infrastructure Investment in Latin America. ECLAC Series, International Trade No 144. Economic Commission for Latin America and the Caribbean. Available at: <https://www.cepal.org/en/publications/45205-china-current-and-potential-role-infrastructure-investment-latin-america> (accessed 14 June 2022).
- China-CELAC Forum (2015) Cooperation Plan (2015–2019). 23 January. Available at: http://www.chinacelacforum.org/eng/zywj_3/201501/t20150123_6475954.htm (accessed 14 June 2022).
- China-CELAC Forum (2018) CELAC and China Joint Plan of Action for Cooperation on Priority Areas (2019–2021). Available at: <https://celac.rree.gov.sv/wp-content/uploads/2018/04/Joint-Action-Plan-II-CELAC-China-Forum.-22-01-18.pdf> (accessed 1 October 2021).
- Degterev D. A., Ramich M. S., Tsvyk A. V. (2021) SShA-KNR: “vlastnyj tranzit” i kontury “konfliktnoj bipoljarnosti” [U.S.–China: “Power Transition” and the Outlines of “Conflict Bipolarity”]. *Vestnik Rossijskogo universiteta družby narodov. Serija: Mezhdunarodnye otnoshenija*, vol. 21 no 2, pp. 210–31. Available at: <http://doi.org/10.22363/2313-0660-2021-21-2-210-231> (in Russian).
- Ding D., di Vittorio F., Lariou A., Zhou Y. (2021) Chinese Investment in Latin America: Sectoral Complementarity and the Impact of China’s Rebalancing. IMF Working Paper No 2021/160, International Monetary Fund. Available at: <https://www.imf.org/en/Publications/WP/Issues/2021/06/07/Chinese-Investment-in-Latin-America-Sectoral-Complementarity-and-the-Impact-of-Chinas-50217> (accessed 15 June 2022).
- Economic Commission for Latin America and the Caribbean (ECLAC) (2021) Foreign Direct Investment in Latin America and the Caribbean. Available at: https://issuu.com/publicacionescepal/docs/foreign_direct2021_en (accessed 15 June 2022).
- Ellis E. (2020) Chinese Security Engagement in Latin America. CSIS Report, Center for Strategic & International Studies. Available at: <https://www.csis.org/analysis/chinese-security-engagement-latin-america> (accessed 1 October 2021).
- Eremin A. A. (2020) Organizacija amerikanskih gosudarstv i regional’naja bezopasnost’ [*Organization of American States and Regional Security*]. Moscow: LLC Publishing House Aspect Press (in Russian).
- Eremin A. A. (2021) U.S. Migration Policy Radicalization (2017–2019): Case of Mexico and Central America. *Vestnik RUDN. International Relations*, vol. 21, no 1, pp. 108–118. Available at: <https://journals.rudn.ru/international-relations/article/view/25960/19159> (accessed 15 June 2022).
- Eremin A. A., Dubrovsky I. R., Petrovich-Belkin O. K. (2021) Latinoamerikanskij vektor vneshnej politiki KNR v 1991–2020 gg. [Latin American Vector of Chinese Foreign Policy in 1991–2020]. *Voprosy istorii*, vol. 3, no 11, pp. 256–67. Available at: <http://doi.org/10.31166/VoprosyIstorii202111Statyi91> (in Russian).
- Eremin A. A., Medina Gonzales V. (2021) Latinskaya Amerika v uslovijah pandemii Covid-19 v 2020 g. Social’nyj i politicheskij aspekty. Na primere Jekvadora [Latin America in the Context of the COVID-19 Pandemic in 2020: Social and Political Aspects. On the Example of Ecuador]. *Latinskaya Amerika*, no 3, pp. 20–32. Available at: <https://doi.org/10.31857/S0044748X0013516-6> (in Russian).
- Escudé C. (2015) Realism in the Periphery. *Routledge Handbook of Latin America in the World* (J. I. Domínguez, A. Covarrubias (eds)). New York: Routledge. Available at: <https://www.routledgehandbooks.com/doi/10.4324/9781315753683.ch2> (accessed 15 June 2022).
- Government of Brazil (2013) Estratégias Nacional de Defesa Brasília [Brasilia National Defense Strategy]. 3 December. Available at: https://www.gov.br/defesa/pt-br/assuntos/copy_of_estado-e-defesa/estrategia-nacional-de-defesa (accessed 1 October 2021) (in Portuguese).
- Government of the People’s Republic of China (PRC) (2019) Xi Jinping Holds Talks With President Jair Bolsonaro of Brazil. 14 November. Available at: https://www.fmprc.gov.cn/mfa_eng/gjhdq_665435/3447_665449/3473_665008/3475_665012/201911/t20191118_595004.html (accessed 15 June 2022).
- He S. (2019) Zhōngguó yǔ lāměiguójiā guānxì zhōng dì měi guó yīnsù [China’s Strategy Toward Latin America in the New Era and the Influencing Factors]. *Journal of Latin American Studies*, vol. 41, no 6, pp. 1–21 (in Chinese).

- Yakovlev P. P. (2020) Politika D. Trampa v Latinskoj Amerike: itogi i perspektivy [D. Trump's Policy in Latin America: Results and Prospects]. *Perspektivy. Jelektronnyj zhurnal*, vol. 23, no 3. Available at: http://www.perspektivy.info/oykumena/amerika/politika_d_trampa_v_latinskoj_amerike_itogi_i_perspektivy_2020-09-28.htm (accessed 1 October 2021) (in Russian).
- Lapper R. (2019) Bolsonaro Took Aim at China. Then Reality Struck. *Americas Quarterly*, 23 April. Available at: <https://www.americasquarterly.org/article/bolsonaro-took-aim-at-china-then-reality-struck/> (accessed 1 October 2021).
- Lavut A. A. (2018) Novyj jetap razvitiya kitajsko-latinoamerikanskih otnoshenij [A New Stage in the Development of Sino-Latin American Relations]. *Latinskaya Amerika*, no. 12, pp. 59–73. Available at: <http://doi.org/10.31857/S0044748X0002316-6> (in Russian).
- Li H. (2007) China's Growing Interest in Latin America and Its Implications. *Journal of Strategic Studies*, vol. 30, issue 4-5, pp. 833–62. Available at: <https://doi.org/10.1080/01402390701431972>.
- Li X. (2015) Zhōngguó bù yìng gāo gū lāměi de zhànlüè yìyì [China Should Not Overestimate the Strategic Significance of Latin America]. FT Chinese, 21 January. Available at: <http://www.ftchinese.com/story/001060237?full=y%26archive> (accessed 1 October 2021) (in Chinese).
- Manuhin A. A. (2019) Osobennosti politiki administracii Donal'da Trampa v Latinskoj Amerike [Features of the Policy of the Donald Trump Administration in Latin America]. *Rossija i Amerika v XXI veke. Specvypusk*. Available at: <https://doi.org/10.18254/S207054760005322-1> (in Russian).
- Mendez A., Alden C. (2019) China in Panama: From Peripheral Diplomacy to Grand Strategy. *Geopolitics*, vol. 26, issue 3, pp. 838–60. Available at: <https://doi.org/10.1080/14650045.2019.1657413> (accessed 1 October 2021).
- Observatory of Economic Complexity (n.d.) Available at: <https://oec.world/> (accessed 8 July 2022).
- Okuneva L. S. (2020) Posleslovie [Afterward]. *Pravyj populizm: global'nyj trend i regional'nye osobennosti [Right-Wing Populism: A Global Trend and Regional Features]* (L.S. Okunevoj, A.I. Tjevdoy-Burmuli (eds)). Moscow: MGIMO (u) (in Russian).
- Oliveira L. T. G., Myers M. (2020) The Tenuous Co-Production of China's Belt and Road Initiative in Brazil and Latin America. *Journal of Contemporary China*, vol. 30, issue 129, pp. 481–99. Available at: <https://doi.org/10.1080/10670564.2020.1827358>.
- People's Daily Online (2017) Huānyíng lāměi guójiā jījī cānyù yīdài yīlù guójì hézuò [Welcome Latin American Countries to Actively Participate in the Belt and Road International Cooperation]. 19 May. Available at: <http://world.people.com.cn/n1/2017/0519/c1002-29285565.html> (accessed 1 October 2021) (in Chinese).
- People's Daily Online (2019) Zhōngfāng gāodù guānzhù wēinèiruìlā dāngqián júshì [China Is Highly Concerned About the Current Situation in Venezuela]. 27 February. Available at: <http://world.people.com.cn/n1/2019/0227/c1002-30904075.html> (accessed 1 October 2021) (in Chinese).
- Permanent Mission of the People's Republic of China (PRC) to the United Nations (UN) (2018) Wànshuǐqiānshān zhǐ dēngxián —guówù wěiyuán jiān wàijiāo bùzhǎng wáng yì tán xījìnpíng zhǔxí fāngwèn xībānyá, āgēntíng, bānámǎ, pútáoyá bìng chūxí èrshí guó jítuán língdǎo rén dì shísān cì fēnghuì [Thousands of Waters and Mountains Just Wait for Leisure—State Councilor and Minister of Foreign Affairs Wang Yi Talks About President Xi Jinping's Visit to Spain, Argentina, Panama, Portugal and Attendance at the 13th G20 Summit]. 6 December. Available at: <https://www.fmprc.gov.cn/ce/ceun/chn/zgyw/t1619423.htm> (accessed 1 October 2021) (in Chinese).
- Proença D., Lessa M. A. (2017) Brazilian National Defence Policy and Strategy Reviewed as a Unity. *Revista Brasileira de Política Internacional*, vol. 60, no 2. Available at: <https://doi.org/10.1590/0034-7329201700210>.
- Ren B. (2019) “Yīdài yīlù” kuàngjià xià zhōngguó zì lāměi guójiā jìnkǒu zhànlüè yánjiū [A Study on China's Import Strategy From Latin American Countries Under the Framework of the Belt and Road Initiative]. *China Soft Science*, no 11, pp. 9–16 (in Chinese).
- Reuters (2018) Panama, China Start Free Trade Talks, Eye Regional Hub. 10 July. Available at: <https://www.reuters.com/article/us-panama-china-trade/panama-china-start-free-trade-talks-eye-regional-hub-idUSKBN1JZ2S9> (accessed 1 October 2021).

Segovia M. A. (2021) A Dream Deal With China That Ended in Nightmarish Debt for Venezuela. *Diálogo Chino*, 14 February. Available at: <https://dialogochino.net/en/trade-investment/40016-a-dream-deal-with-china-that-ended-in-nightmarish-debt-for-venezuela/> (accessed 1 October 2021).

Trading Economics (n.d.) Available at: <https://tradingeconomics.com/> (accessed 8 July 2022).

Trinkunas H. (2020) Testing the Limits of China and Brazil's Partnership. *Brookings*, 20 July. Available at: <https://www.brookings.edu/articles/testing-the-limits-of-china-and-brazils-partnership/> (accessed 1 October 2021).

The White House (2021) Interim National Security Strategic Guidance. 3 March. Available at: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/03/interim-national-security-strategic-guidance/> (accessed 1 October 2021).

United Nations (UN) (2019) Venezuela: Competing US, Russia Resolutions Fail to Pass in Security Council. 28 February. Available at: <https://news.un.org/en/story/2019/02/1033832> (accessed 1 October 2021).

Vyas K. (2019) China Talks With Venezuela Opposition to Protect Investments. *Wall Street Journal*, 12 February. Available at: <https://www.wsj.com/articles/china-holds-talks-with-venezuelan-opposition-on-debt-oil-projects-11549993261> (accessed 1 October 2021).

Wang Q. S. Y. T. (2017) Wàijīao bù: Huānyíng lāměi guójiā jījī cānyù “yīdài yīlù” guójì hézuò [Ministry of Foreign Affairs: Latin American Countries Are Welcome to Actively Participate in the “Belt and Road” International Cooperation]. *China Daily*, 18 May. Available at: http://cn.chinadaily.com.cn/2017-05/18/content_29405247.htm (accessed 1 October 2021) (in Chinese).

Ward J. (2019) China's Policy Towards a Venezuela in Crisis. *China Brief*, vol. 19, issue 6. Available at: <https://jamestown.org/program/chinas-policy-towards-a-venezuela-in-crisis/> (accessed 1 October 2021).

World Bank (2008) China Statistics. Available at <https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2008/TradeFlow/EXPIMP/Partner/by-country> (accessed 8 July 2022).

Xinhua News Agency (2008) Zhōngguó duì lāměi měizhōu hé jiālèbǐ zhèngcè wénjiàn [China's Policy Paper on Latin America and the Caribbean]. 5 November. Available at: http://www.gov.cn/jrzq/2008-11/05/content_1140303.htm (accessed 1 October 2021) (in Chinese).

The State Council Information Office of China (2016) Zhōngguó duì lāměi hé jiālèbǐ zhèngcè wénjiàn [China's Policy Paper on Latin America and the Caribbean]. 24 November. Available at: <http://www.scio.gov.cn/tt/zd gz/Document/1524857/1524857.htm> (accessed 1 October 2021) (in Chinese).

Xinhuanet (2017) Wáng Yì: “Yīdài yīlù” chàngyì chéngwéi zhōng lā hézuò de xīn zhuāshǒu [Wang Yi: The “Belt and Road” Initiative Has Become a New Starting Point for China-Latin America Cooperation]. 18 September. Available at: http://www.xinhuanet.com/2017-09/18/c_1121681061.htm (accessed 1 October 2021) (in Chinese).

Xinhuanet (2018) Xīn shídài kuàiyuè dàyáng de qiānshǒu—Wáng Yì wàizhǎng zài zhōng lā lùntán dì èr jiè bùzhǎng jí huìyì kāimó shì shàng de zhīcí [Hand in Hand Across the Ocean in the New Era: Speech by Foreign Minister Wang Yi at the Opening Ceremony of the Second Ministerial Conference of the China-Latin America Forum]. 23 January. Available at: http://www.xinhuanet.com/politics/2018-01/23/c_1122303902.htm (accessed 1 October 2021) (in Chinese).

Xu S. (2020) Zhōngguó gòngchǎndǎng yǔ lāměi gòngchǎndǎng guānxì de qūzhé fāzhǎn [The Tortuous Development of the Relationship Between the Chinese Communist Party and the Latin American Communist Party]. *Journal of Latin American Studies*, vol. 42, no 1, pp. 55–66 (in Chinese).

The UN-AU Partnership in Peacekeeping: Tendencies and Problems¹

S. Bokeriya

Svetlana Bokeriya—PhD, Associate Professor, Department of Theory and History of International Relations, Peoples' Friendship University of Russia (RUDN University); 10 Miklukho-Maklaya Ulitsa, Moscow, 117198, Russian Federation; bokeria_sa@pfur.ru

Abstract

A strong partnership between the United Nations (UN) and the African Union (AU) is essential to achieving strategic convergence and coherence as well as effective solutions to complex peace and security challenges in Africa. In this article, the author examines the UN-AU peacekeeping nexus through research on peacekeeping operations in Africa and analyzes the key challenges in the UN-AU partnership for peacekeeping, including: the lack of clear regulation of actions in conflict despite attempts to develop common approaches to peacekeeping by the UN and the AU; the necessity of establishing equal, full and constructive participation of women in the peacekeeping process; and the problems in the relationship between the UN Security Council (UNSC) and the Peace and Security Council of the AU.

The main objective of this article is to analyze the institutional structure of the African peace and security architecture, the evolution of the UN-AU partnership through the implementation of joint peacekeeping missions, and the challenges to their cooperation, as well as to assess the effectiveness of UN-AU cooperation.

Based on a structural analysis of the African security architecture, quantitative methods of assessment, and comparative analysis of the UN and the AU statistics on partnership peacekeeping, as well as on women's participation in peacekeeping operations in Africa from 2003 to 2019, and the voting patterns of the A3 (Niger, South Africa and Tunisia) countries to UNSC resolutions on African peacekeeping, the author concludes that there is a direct correlation between the deteriorating security situation in Africa and the level of strategic partnership between the UN and the AU, and that, in the long term, the priority will be to help national governments to prevent the causes of conflicts, which will make it possible to take into account the local specificities of African states in resolving and preventing conflicts.

Keywords: UN-African Union Nexus, Peace and Security, Peacekeeping Operation, Gender Balancing, Security Council, Conflict Prevention, A3

For citation: Bokeriya S. (2022) The UN-AU Partnership in Peacekeeping: Tendencies and Problems. *International Organisations Research Journal*, vol. 17, no 2, pp. 189–207 (in English). doi:10.17323/1996-7845-2022-02-08

Introduction

The strong interaction between the United Nations (UN) and the African Union (AU) is due not only to the fact that these organizations are the key structures implementing peacekeeping operations to maintain peace and security in Africa, but also to the fact that this area of work has become a priority for both organizations. The strategic partnership between the UN and

¹ This article was submitted 29 December 2021.

the AU began in 2002, with the creation of the AU. Despite the established bilateral relations between the organizations and their participants, the process of joint actions for peacekeeping missions encounters certain difficulties both at the strategic (difficulties in developing political strategies, agreeing on joint projects, and lack of funding) and the operational levels (timely resource provision and improving the professionalism of military and civilian personnel).

In addition, in the context of changing conflict dynamics, there are shortcomings in the implementation of multilateral peacekeeping operations through the AU, the UN, the European Union (EU), and regional economic communities (RECs), associated with the lack of coordinated actions and consensus on the choice of strategy among all participants in the peaceful settlement of crises, as well as growing criticism of the partnership between the UN and the AU [Forti, Singh, 2019], which impedes a joint response to conflicts in a multivector format.

Many studies are devoted to the key issues of interaction between the UN and the AU in the field of peacekeeping, the peculiarities of the African peace and security architecture (APSA), and the implementation of peacekeeping operations in Africa. In particular, the main literature can be divided into four groups. First, most conflicts on the African continent have deep ethno-political roots, so it is quite difficult to resolve them with standard tools [Denisova, 2015; Romadan, Shagalov, 2015]. Second, despite the successes of collective missions and achievements in the field of strategic partnership between the UN and the AU [de Coning, 2019; Sidorova, 2021], as well as in certain areas, including mediation, the Silencing the Guns initiative, and the increasing role of women in African peacekeeping [Bokeriya, 2021b], the interaction between the UN and the AU is characterized by tension, unequal diplomatic potential, and varying degrees of political influence [Larionova, 2016], as well as insufficiently effective cooperation in the field of peacebuilding and post-conflict regulation [Forti, Singh, 2019; Williams, Boutellis, 2014], which impedes the effective implementation of strategies for maintaining peace and security in conflict hotbeds in Africa.

Third, there are disagreements among the UN and AU member states on the development of collective strategies to resolve current and emerging conflicts, for example, the situations in Mali and Libya [Teteryuk, Chizhevsky, 2014].

Fourth, it is also worth noting the studies on collective missions of the UN and the AU, as well as the distribution of responsibility in the event of misconduct by regional peacekeeping forces [Pergantis, 2015; Kostelyanets et al., 2017].

The main purpose of this article is to identify the degree of influence of the UN-AU partnership on the security situation in Africa, as well as to assess the effectiveness of the mechanisms and instruments of that partnership in the field of maintaining peace and security in Africa from 2003–19.

Structural Analysis of the African Peace and Security Architecture (APSA)

The problem of ensuring peace and security in African states became particularly acute in the 1990s and early 2000s, because by that time socio-political and economic problems on the African continent, including popular dissatisfaction with the policies of the authorities, high levels of poverty, ethnic, religious, and political disagreements, territorial disputes, and struggles for natural resources, began to transform into armed conflicts of various intensity.

Due to the complexity of conflicts in Africa and the uniqueness of the situation in each conflict-affected state, the UN's reaction to African crises was delayed, which caused discontent on the part of stakeholders. This led African leaders to establish a mechanism within the African Union to address threats to peace and security in a timely and adequate manner. Estab-

lished in 2003, based on the Protocol Relating to the Establishment of the Peace and Security Council (PSC) [AU, n.d.] signed in Durban in 2002 by 53 African heads of state, APSA consolidated organizations, systems, and principles for the prevention and resolution of conflict situations on the continent, as well as for the purpose of post-conflict regulation. The key structure of APSA is the Peace and Security Council [AU, 2002], which carries out joint activities with the Continental Early Warning System (CEWS), the Peace and Security Department of the Commission of the African Union, the African Standby Force (ASF), the Panel of the Wise (POW), and the Peace Fund, which is responsible for financing the AU's activities to ensure peace and security on the continent.

The range of tasks of APSA includes not only early warning of conflicts and their prevention, but also the conduct of operations for peacekeeping, peacemaking, and humanitarian operations, post-conflict settlement, promotion of democracy, good governance, and respect for human rights, and work with the consequences of natural disasters.

The PSC serves as a coordinating centre between the AU and the regional economic communities, as well as other regional structures responsible for conflict prevention and resolution. According to the protocol, the PSC cooperates in this area with the African Commission on Human and Peoples' Rights, the Pan-African Parliament, the UN, civil society organizations, and other international partners. The PSC consists of 15 states, which are elected on a regional basis by the AU Executive Council at the level of foreign ministers of the participating countries. The principle of formation of the PSC is as follows: two countries from North Africa, three from Eastern, Central, and Southern Africa, four from Western Africa. Five members of the Council are elected for three years, the remaining 10, for two.

Among the tasks of the PSC are strengthening peace, security, and stability in Africa, coordinating the efforts of the countries of the continent to combat international terrorism, creating conditions for sustainable development, preventing and resolving conflicts, participating in post-conflict settlement, preventing the threat of re-escalation of conflict, and implementing the common defence policy of the African Union, among others.

The implementation of the decisions taken by the PSC is carried out by the Department of Peace and Security of the AU Commission, which is responsible for ensuring peace, security, and stability on the African continent through the management of APSA. The department is entrusted with the important mission of developing and implementing a common security policy for Africa, as well as protecting pan-African interests in the field of defence and security, monitoring compliance with and promoting the implementation of peace treaties, and preparing a regulatory framework for interference in the affairs of member states in accordance with the provisions of the constitutive act of the AU. Moreover, the Department of Peace and Security of the AU Commission ensures interaction with the UN and African regional organizations and is responsible for the management of peacekeeping operations.

According to the Constitutive Act of the African Union, in the event of compelling reasons related to war crimes, genocide, or crimes against humanity, military interference in the internal affairs of the participating countries is permitted. However, in accordance with the norms established in the UN Charter, regional organizations, such as the African Union, can apply measures of influence only after consideration of this issue in the UN Security Council. From a legal point of view, paragraph four of the Constitutive Act of the African Union does not comply with Chapter VIII of the UN Charter, which may lead to contradictions between the two organizations in the future.

For rapid response to crisis situations, on the basis of Article 13 of the Protocol on the Establishment of the Peace and Security Council, the African Standing Ready Force (ASG) consisting of 25,000 people was formed. The ASG's readiness to perform tasks was tested dur-

ing the Amani Africa-2 command post exercise from 19 October–8 November 2015, in South Africa.

The structure of the ASG consists of the main headquarters (Addis Ababa), five regional brigades (Northern, Eastern, Southern, Western, and Central), police and civilian components, central and regional (two or three each) logistics bases.

Crisis management powers under agreements between states are vested in the regional economic communities and entities responsible for conflict prevention and resolution: the Economic Community of West African States, the Arab Maghreb Union, the Common Market for Eastern and Southern Africa, the Intergovernmental Authority for Development, the Conference of the Great Lakes Region, the South African Development Community, Economic Community of Central African States, the Community of Sahara and Sahel States, and the Eastern African Community.

APSA was established as an effective tool for conflict prevention and resolution. However, at present, the components of APSA do not function with the maximum degree of efficiency. This applies to the African Standby Force, which is not fully formed. In many ways, problems in the work of APSA are due to poor governance and lack of funding, as well as a lack of consensus among the leadership of African countries on security issues.

AU-UN Peacemaking Partnership: Challenges and Prospects

According to UN Secretary-General António Guterres, “the partnership between the UN and the AU on peace and security is fundamental to building a safer world for all” [AU, 2002]. Speaking at the opening of the 30th summit of heads of state and government of the AU states, the UN secretary-general put forward an initiative to adjust the strategy of UN peacekeeping operations, with the amendment that peacekeepers are often “deployed in places where there is no political settlement in sight.” According to him, “being a target for numerous armed groups, in the absence of options for a political settlement, UN peacekeepers are sometimes forced to play only a deterrent role” [TASS, 2018].

At the same time, it is obvious that, to solve complex problems of peacekeeping, there is a need to have specific missions address specific situations (including antiterrorist operations and ensuring peace with the assistance of military force). It is the partnership with the AU and subregional organizations that provides the UN with the opportunities to achieve this goal.

The central driving force of the UN-AU partnership is the cooperation between the UNSC and the AU Peace and Security Council (AUPSC), which have executive decision-making powers on peace and security issues. The first joint consultation between the councils took place in 2007. The AUPSC is in a privileged position compared to other multilateral organizations and is the only authorized body that systematically brings in the UN Security Council to participate in peacekeeping activities.

The issues of partnership, conflict prevention, and management are regulated in several communiqués of the African Union, UN Security Council resolutions, reports of the UN secretary-general and the chair of the AU Commission, as well as in the minutes of meetings.

A significant and successful achievement in the development of cooperation between the UN and the AU is the UNSC Resolution 1809 [UN, 2008], which helped strengthen the UN-AU partnership (aiming to solve common tasks to ensure collective security on the African continent and to create a fund for financing operations).

Despite the progress made, the partnership between the two councils is characterized by an unequal relationship, as both organizations differ in level of power, authority, political status, and resources [Forti, Singh, Carvalho, 2019]. Their cooperation is quite intense, but at

the same time, these structures are becoming increasingly interdependent: the AU has more information about situations in hotbeds of conflict, and the UN Security Council has military and financial resources to carry out multicomponent peacekeeping missions. The UN Security Council pays great attention to the problems in Africa, concentrating its efforts on maintaining international peace and security: 50% of the UN Security Council meetings on countries in 2018 were devoted to Africa [Forti, Singh, 2019]. Thus, the role of the AU is to provide strategic political guidance and authority through the mandates of the Peace and Security Council, to enhance the coordination of international support, including financial contributions, and to provide technical support.

In addition, in the course of operational cooperation between the UN and the AU, a mechanism for the separation of areas of activity was built, which was strengthened after the signing of the strategic partnership agreement in 2017 [UN Office to the African Union, 2017]. The UN has succeeded in strengthening peace processes and concluding peace agreements, but it has not performed well in the use of coercive measures. While the AU is ready to conduct counterterrorism operations, it does not have the functionality to implement peace agreements [de Coning, 2019]. Thus, the AU and subregional organizations quickly stabilized the situations in Burundi, the Central African Republic, and Mali. After that, the UN conducted peacekeeping operations in these countries. To this end, African military and police personnel who participated in AU operations in the above-mentioned conflict states became UN peacekeepers. The reverse situation was observed in Somalia, where the UNSC authorized law enforcement and the AU deployed peacekeeping operations, took the over, and conducted them with logistical support from the UN and other partners [de Coning, 2019].

A striking example of effective cooperation between the UN and the AU is the maintenance of the peace process in the Central African Republic (CAR), when in 2017 the AU Peace and Security Council authorized the African Initiative for Peace and Reconciliation in the CAR. Under the initiative, the AUPSC, together with the Economic Community of Central African States, supported the AU Commission's efforts to mediate between the CAR government and 14 armed groups. In turn, the UNSC contributed to the resolution of the crisis in the CAR by establishing the UN Mission in the CAR (MINUSCA) with the aim of implementing mediation efforts and providing logistical support [UN, 2018 a, b].

Both councils took an effective part in bringing together the two parallel mediation processes initiated by Sudan in the second half of 2018; the UN and the AU provided support to the parties to the conflict, which accelerated the signing of the peace agreement in February 2019.

Despite the positive joint dynamics of cooperation between the UN and the AU, the problem areas of this partnership are also worth noting. First, there exist differences in the positions these organizations adhere to regarding conflict situations in African countries. The crisis in Libya is a vivid example of this. The members of the UNSC and AUPSC demonstrated sharp differences of opinion during their voting on UNSC Resolution 1973 (2011). Despite the efforts made by the UN Secretariat and the AU Commission to improve the coordination of their work in Libya, the political interests of the authoritative UN Security Council states (France, the United Kingdom and the United States) have become an obstacle to the development of a joint strategy. According to the S. M. Makinda, F. W. Okumu, and D. Mickler, the lack of complementarity during the discussion of the situation and strategy in Libya could lead to negative consequences and affect the settlement of conflicts in the African continent in the future [2016].

Second, the uneven distribution of influence among the countries that participate in both councils is the factor that limits cooperation between the UN and the AU. This is reflected in the fact that the 22 African member states that rotate in the two councils have fewer opportuni-

ties to advance their agenda compared to the power and influence of the five permanent members of the UN Security Council.

Third, it is also worth noting the following difficulties: duplication of efforts of the UN and AU secretariats in the course of peacekeeping operations and problems with the financing of joint missions, as well as the lack of specialists who are engaged in legal support of peacekeeping in Africa.

Fourth, an important point in the framework of the implementation of the peacekeeping process in African states is the issue of doctrinal and conceptual changes in the peacekeeping activities of the AU, since the current strategies were developed based on the experience of other peacekeeping organizations and without taking into account global transformations in the system of international relations. The problem is exacerbated by the implementation of peacekeeping missions in the face of ambiguous, politically ineffective mandates and by the lack of clearly developed conflict resolution strategies, which hampered the implementation of operations in Mali, Sudan, South Sudan, Somalia, the DRC and the Central African Republic.

A3 Voting Patterns on Key UNSC Resolutions in the Field of Peacekeeping

The A3 states (three African elected members of the UN Security Council) are rightly considered a link between the UN Security Council and the AUPSC due to their diplomatic potential and political status. The A3 countries (see Table 2) have the official authority to promote the positions of the AUPSC and support the projects of the AU Commission, including public statements to the UNSC and negotiations on its resolutions and outcome documents [Forti, Singh, 2019]. Within the A3 bloc, states regularly cooperate with each other, and A3's permanent members participate in consultations of senior AU and UN officials. In addition, A3 has the greatest impact on UNSC meetings on problems in Africa. On the one hand, the positions of the A3 states on conflicts in Africa are supported by AUPSC strategies, which ensures the legitimacy and authority of the UN Security Council in decision-making. On the other hand, the division of opinion within A3 may contribute to the revision of the decisions of other members of the UN Security Council.

According to the Institute for Security Studies, Africa is of strategic importance in the UN Security Council. Thus, in 2018 alone, more than 50% of the meetings of the UN Security Council, 60% of its final documents, and 70% of its resolutions with mandates under Chapter VII relate to issues of ensuring peace and security in Africa [de Carvalho, Forti, 2020]. Despite this fact, many members of the UN Security Council did not take the conflicts in Africa as seriously as the crises in Syria and North Korea. For that reason, the African agenda has not been particularly divisive at the council's meetings.

Currently, the role of A3 is of great importance in the process of debates in the UN Security Council, solving geopolitical problems and adjusting the collective actions of the council. A3 members express unity of opinion through various approaches: first, by making joint statements to the UN Security Council, second, by holding negotiations to develop a common position and, third, through collective statements in the media. A special role is assigned to the Permanent Mission of the AU to the UN, which coordinates the activities of A3 and the AU, creates the ground for regular interaction with diplomats and officials in Addis Ababa, and ensures the partnership of the AU and the UN.

As for the analysis of voting patterns on conflicts in Africa, as can be seen in Table 1, the A3 bloc voted differently in the period from 2016–19 in 2005 and 2009. The timeframe for analysis was 2003–19. Cases of disagreement are of the greatest interest, as they reflect not only the

national interests of A3 states, but also the causes of differences of opinion. According to Table 1, three cases with a difference in voting are related to Western Sahara, the conflict in which remains a complex political crisis for the AU and African UN states. While Equatorial Guinea and Côte d'Ivoire have advocated control of the region, Ethiopia and South Africa recognize an independent Western Sahara, as does the AU.

Table 1. Voting Patterns of the A3 Countries on UNSC Resolutions on African Peacekeeping (2005–19)

UN Security Council Resolution	Subject	Abstaining A3 Countries	Yes	No
2471 (2019)	Political conditions in South Sudan	Equatorial Guinea, Ivory Coast, South Africa		
2468 (2019)	United Nations Mission for the Referendum in Western Sahara	South Africa	Equatorial Guinea, Ivory Coast	
2440 (2018)	United Nations Mission for the Referendum in Western Sahara	Ethiopia	Equatorial Guinea, Ivory Coast	
2428 (2018)	South Sudan (sanctions)	Equatorial Guinea, Ethiopia	Côte d'Ivoire	
2418 (2018)	South Sudan (sanctions)	Equatorial Guinea, Ethiopia	Côte d'Ivoire	
2414 (2018)	United Nations Mission for the Referendum in Western Sahara	Ethiopia	Equatorial Guinea, Ivory Coast	
2385 (2017)	Somalia and Eritrea (sanctions)	Egypt	Senegal, Ethiopia	
2317 (2016)	The situation in Somalia	Angola, Egypt	Senegal	
2304 (2016)	UN Mission in South Sudan	Egypt	Angola, Senegal	
1907 (2009)	The situation in Somalia		Burkina Faso, Uganda	Libya
1593 (2005)	Political conditions in the Sudan	Algeria	Tanzania, Benin	

Source: Compiled by the author on the basis of data from <https://digitallibrary.un.org/>

The positions of the A3 states also differ on the work of the International Criminal Court (ICC) in Darfur [Bokeriya, 2021a]. Following a briefing in 2016, Senegal, which at the time was the only A3 country to sign the treaty establishing the ICC, supported the activities of the ICC in Darfur. On the contrary, Egypt and Ethiopia criticized the work of the court and did not sign the treaty, while Egypt advocated respect for the sovereignty of Khartoum.

Further disagreements among the A3 states arose over the lifting of the arms embargo imposed on Eritrea in 2009, which, according to UN observers, supported the al-Shabaab armed group in Somalia, destabilizing the situations in Ethiopia and Djibouti. As a result, the Security Council refused to lift the sanctions. Senegal supported the lifting of sanctions. Egypt voted similarly, calling on the council to recognize Eritrea's role in the fight against international and regional terrorism [Delgado Rivera, 2018].

Egypt played a special role in the fight against terrorism during its tenure on the council in 2016–17, which initiated the adoption of 11 resolutions in the field of terrorism prevention, including a wide range of issues: from judicial cooperation to the problems of human trafficking and terrorist financing [UN, n.d.].

Egypt has actively participated in discussions on the imposition of an arms embargo on South Sudan. In April 2016, UN experts identified the supply of military equipment to the government of South Sudan from Egypt and recommended the introduction of an arms embargo on Juba. The U.S. supported the commission's proposal. Egypt opposed the embargo, as did Russia and China. This issue has become a serious ground for disagreement.

Ethiopia, with its status as the world's largest supplier of Blue Helmets, considers peacekeeping a priority. At the same time, Equatorial Guinea is sceptical about peacekeeping operations, believing that military intervention in conflict leads to violence rather than reduces it.

In the past few years, the A3 countries have played a key role in balancing the UNSC's efforts to address the most protracted challenges facing the African continent. For example, in June 2017, A3, together with other members of the council, held a high-level meeting on the relationship between food insecurity and the emergence of conflict, instability, security, and poverty in parts of Somalia, South Sudan and Nigeria [UN, 2017].

Practical Aspects of UN-AU Cooperation

The practical field of partnership between the UN and the AU is quite extensive and includes such areas as mediation, the AU's Silencing the Guns initiative against the proliferation and use of weapons, women's equal participation in peace and security, promoting fair elections, and addressing peacebuilding issues. Let us dwell on the first three areas in more detail.

Cooperation between the UN and the AU in the field of mediation is one of the most sought-after areas of partnership. The UN and the AU have been formally and informally engaged in mediation since 2007 in Burundi, Darfur, the Gambia, Liberia, Guinea-Bissau, the Democratic Republic of the Congo, Kenya, Mali, the Central African Republic, Libya, South Sudan, Madagascar and Togo. To implement mediation efforts, the UN and the AU have all the necessary tools and capabilities. Thus, the UNSC, the AUPSC, the UN secretary-general, and the chair of the AU Commission may appoint a special envoy to represent their organization in the mediation or facilitation process. On the part of the UN, there is a UN Mediation Support Group, which is a system-wide organization, while on the part of the AU there is an AU Mediation Support Group, established in 2019 for similar tasks to carry out mediation efforts.

At the same time, the role of women and the gender dimensions of conflict at the subnational and local levels remain unrecognized, marginalized and under-supported. According to UN Security Council Resolution 1325 [UN, 2000], which for the first time raised the issue of increasing the effective participation of women in peacekeeping and conflict prevention efforts, the absence and insufficient participation of African women in formal mediation processes is the result of the fact that this direction is not implemented effectively enough. In order to fulfil commitments to include women in peacekeeping in Africa, the UN and the AU have jointly established the African Women's Network for Conflict Prevention and Mediation (FemWise-Africa) [AU, 2020]. The project has launched awareness-raising activities, developed training programmes for women, and established standard operating procedures and plans to coordinate the collective efforts of the UN and the AU in the field of mediation and peacebuilding. High-level AU retreats on peace, security, and stability in Africa were held.

The Silencing the Guns initiative, proposed by the AU Assembly of Heads of State and Government in 2013, provided a practical opportunity to advance the AU-UN partnership approach to conflict prevention. This project is being implemented within the framework of the first decade for the implementation of the AU's Agenda 2063 [UN, 2015a]. The aim of the initiative was to address the root causes of conflicts in Africa, strengthen the continent's capa-

city to maintain peace and security, and ensure the effective functioning of the mechanisms of APSA. To further advance the initiative, in 2016 the AUPSC adopted a common road map that regulated practical steps to implement the Silencing the Guns initiative by 2020. In addition, certain provisions of Agenda 2063 are reflected in the strategies and foreign policy concepts of African countries. In particular, Equatorial Guinea, during its presidency of the UN Security Council in 2019, actively lobbied for the Silencing the Guns project, which largely influenced the unanimous adoption of Resolution 2457 [UN, 2019], in which the UN emphasizes the important role of the AU in resolving conflicts in Africa, and also supports initiatives aimed at finding African solutions to African problems through international cooperation and partnership to help accelerate the pace of achievement of the designated goals.

By increasing the proportion of women participating in peacekeeping operations, it is planned to increase the operational effectiveness of peacekeeping missions, as well as to fulfil the tasks under the UN Security Council Women, Peace and Security agenda, which was unanimously approved by Resolution 1325 in 2000. The achievement of this objective has created a solid basis for the partnership between the UN and the AU. Both organizations have contributed to the inclusion of issues on the Women, Peace and Security agenda in debates, political processes, resolutions, communiqués and initiatives. The UN further adopted nine resolutions on this topic and has annual debates and regular briefings of senior officials. The AU in 2014 appointed the Special Envoy on Women, Peace and Security. In 2015, UNSC Resolution 2242 called on the secretary-general, in cooperation with member states, to review strategies to double the number of women in the military and police contingent of UN peacekeeping operations by 2020 [UN, 2015]. The UNSC president's statement in 2016 noted that both organizations can strengthen collective efforts to recognize and enhance the role of women in conflict prevention and resolution in Africa [UN, 2016]. The annual briefings of the AU were also devoted to this issue and timed to coincide with the annual debates of the UN Security Council on a similar topic. The AU encourages members to develop, adopt, and implement national action plans to implement Resolution 1325.

Research Methodology

In order to achieve the key objective of the article (a study of the relationship between the United Nations and the African Union in the field of peacekeeping based on the study of peacekeeping operations in Africa), a set of UN and AU data for the period from 2003–20 was identified. The dataset for the study included:

- 1) UN Security Council resolutions on conflicts in Africa;
- 2) data on the voting of the A3 countries on UN Security Council resolutions from 2003–19 (2019 in this context is due to the restriction of access to the voting results for 2020);
- 3) AU and UN statistics on the gender composition of key UN peacekeeping missions from 2003–20.

Based on the analysis of the collected set of documents, dynamics of UN peacekeeping operations in the designated period, the gender composition of UN missions, as well as the voting patterns of the A3 countries in the UN Security Council can be determined.

To build a dataset for analysis, electronic versions of 54 UNSC resolutions adopted between 2003–20 were identified and analyzed. Based on the data obtained, a quantitative and qualitative analysis of UN peacekeeping operations, the gender composition of peacekeeping missions, and the voting patterns of the A3 countries in the UN Security Council was carried out.

Analysis of Graphical Data of the Study

According to Figure 1, the largest number of UN peacekeeping operations were conducted in 2007 and in the period from 2014–17 (nine missions per year). Among the largest of the crises were the protracted civil wars in Sudan (1983–2005) and Somalia (1988–present), the Rwandan genocide (1994), the Ethiopian-Eritrean conflict (1998–2000), and the crisis in the Democratic Republic of the Congo (1998–2002) [Bulatov, 2017]. According to Conflict Barometer 2018, a report on the work of scientists from Heidelberg, Germany, most wars (nine) were fought in the Middle East and Africa (six wars in Sub-Saharan Africa) out of 16. Two wars were fought in Nigeria, one each in the CAR, Ethiopia, between Somalia and Kenya, and in the Darfur province of South Sudan, where the UN conducted the African Union-UN Hybrid Operation (UNAMID, 2007–20) [HIIK, 2018]. Africa remains one of the most conflict-prone regions in the world (see Figure 1).

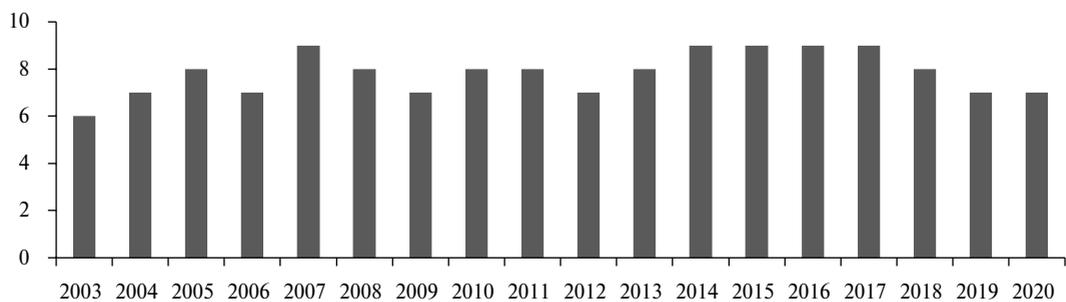


Figure 1. Number of UN Operations, 2003–20

Source: Compiled by the author on the basis of data from UN Peacekeeping [n.d.].

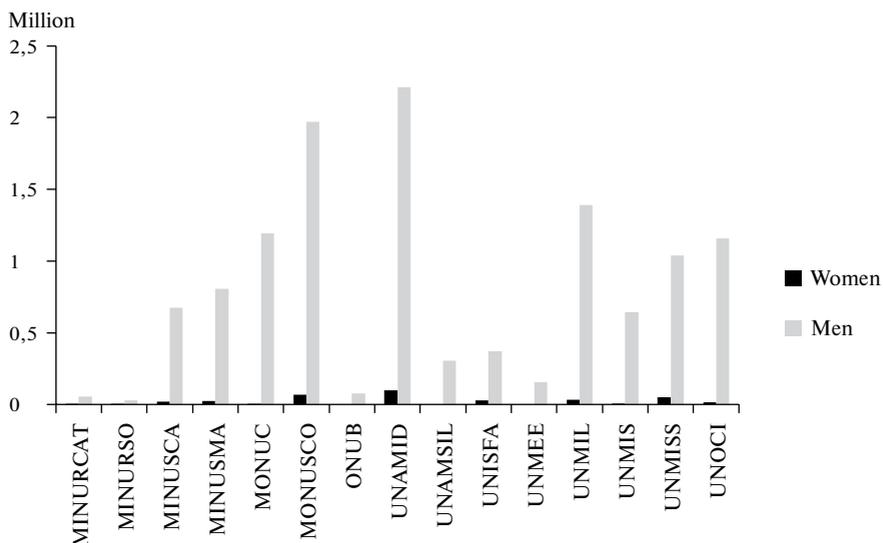


Figure 2. Total Number of Female and Male Personnel in UN Peacekeeping Operations, 2003–20

Source: Compiled by the author on the basis of data from UN Peacekeeping [n.d.].

If we analyze the number of women and men involved in 15 peacekeeping missions from 2003–20 in Africa, it is easy to see that the total number of men participating in each of the noted operations is significantly greater than the number of women. According to the data in Figure 2, the number of male personnel reached 2,214,778 (UNAMID operation), while the number of women did not exceed 99,517 in the same operation. In addition, in some missions, women were not represented at all, in particular in ONUB, UNAMSIL and UNMEE. Thus, UN missions from 2003–20 can be divided into two types: mixed, in which both men and women were represented, and that were men-only. It is an obvious fact that the UN and the AU have a lot of work to do to double the number of female personnel in missions, to realize the right of women to professional self-determination, and to increase the effectiveness of peacekeeping operations through the equal participation of women in African peacekeeping. In addition, women have performed well in negotiation processes, peacekeeping, humanitarian response, and post-conflict reconstruction, and can help reduce sexual exploitation and violence. For example, female peacekeepers are rapidly providing support to women and children who are victims of violence in conflict zones.

Table 2. African Countries in the UN Security Council (2003–20)

Year	Country		
2003	Cameroon	Guinea	Angola
2004	Benin	Algeria	Angola
2005	Benin	Algeria	Tanzania
2006	Ghana	Congo	Tanzania
2007	Ghana	Congo	South Africa
2008	Burkina Faso	Libya	South Africa
2009	Burkina Faso	Libya	Uganda
2010	Nigeria	Gabon	Uganda
2011	Nigeria	Gabon	South Africa
2012	Morocco*	Togo	South Africa
2013	Morocco*	Togo	Rwanda
2014	Nigeria	Chad	Rwanda
2015	Nigeria	Chad	Angola
2016	Senegal	Egypt	Angola
2017	Senegal	Egypt	Ethiopia
2018	Côte d'Ivoire	Equatorial Guinea	Ethiopia
2019	Côte d'Ivoire	Equatorial Guinea	South Africa
2020	Niger	Tunisia	South Africa

*Morocco is not a member of the AU.

Countries that are also members of the AUPSC are highlighted in bold.

Source: Compiled by the author on the basis of data from G. de Carvalho and D. Forti [2020].

Table 2 shows the list of A3 countries that were part of the UN Security Council from 2003–20. According to statistics, African countries make up about 28% of the total number of UN members. Niger, South Africa and Tunisia were members of A3 in 2020, and Kenya replaced South Africa on the UN Security Council in January 2021. In order to increase the effectiveness of the work of A3, every four months one of the three countries becomes a coordinator so that the positions in the UN Security Council correspond to previous agreements reached at the AU level.

Conclusion

Ensuring peace and security on the African continent is a global challenge, as Africa remains one of the most conflict-prone regions in the world. Initially, the African peace and security architecture was established as an effective mechanism for the prevention and resolution of conflicts. However, at present, the organizations that make up APSA are not working effectively. In particular, the African Constant Readiness Force remains in the process of formation. In addition, obstacles to the functioning of APSA are poor governance, insufficient funding, and lack of consensus among African leaders on security and peacekeeping issues.

Despite the positive dynamics of interaction between the UN and the AU, there are problematic nodes in the partnership between the two organizations. First, it is possible to note differences in positions on the settlement of crisis situations in African states, for example, in Libya. Second, the uneven distribution of diplomatic potential among the countries participating in the UN Security Council and the AU Peace and Security Council is a serious limiting factor for their effective cooperation. Thus, the 22 participating African states, which succeed each other in the two councils, have much less opportunity to lobby their agenda in comparison with the power of the five permanent members of the UN Security Council. Third, during the work of the two councils, the efforts of the UN and AU secretariats in the process of implementing peacekeeping operations are duplicated, there are problems with the financing of joint missions, and there is also a shortage of specialists who are engaged in legal support of peacekeeping in Africa. All these factors reduce the effectiveness of the ongoing peacekeeping missions of the UN and the AU, but at the same time they are an incentive to find joint ways to overcome these problems and improve collective action to stabilize conflicts in Africa.

Of particular importance in the implementation of the peacekeeping process in African countries is the issue of doctrinal and conceptual changes in the activities of the AU in peacekeeping since current strategies were based on the experience of other peacekeeping organizations and do not take into account global changes in the system of international relations. Often, peacekeeping missions are carried out in the context of ineffective mandates. For example, operations in Mali, Sudan, South Sudan, Somalia, the Democratic Republic of the Congo, and the Central African Republic were conducted in the absence of well-defined conflict resolution strategies.

At the moment, it remains an open question how the UNSC will be able to promote Resolution 2457 given its limited nature in terms of practical and operational obligations. However, on a positive note, the AU Commission and the UN Secretariat have established monitoring mechanisms to coordinate support for the implementation of the Silencing the Guns initiative.

Achieving the targets of increasing the proportion of women in peacekeeping operations in Africa has created a solid basis for partnership between the UN and the AU. The UN signed nine resolutions on this topic and holds annual debates and regular briefings of senior officials. The AU, together with the UN, has launched a lot of work to promote this topic, including

through the organization of seminars, meetings, briefings, and the publication of joint communiqués.

According to the analysis of peacekeeping operations in Africa from 2003–20, the total number of men who took part in each of the missions significantly outweighs the number of women. There are missions in which only men participated. This suggests that two types of peacekeeping operations were conducted during this period: mixed, with both men and women, and men-only.

Differences in the positions of the A3 bloc during the voting in the UN Security Council from 2016–19, in 2005 and 2009, are associated with the pressure of more powerful countries acting as informal leaders of A3 on the formal composition of A3 in the designated period. The need to overcome pressure had a negative impact on A3's ability to effectively coordinate the development of common positions at meetings in Addis Ababa and New York [Forti, Singh, 2019].

In the future, the effectiveness of the joint meetings of A3 and the members of the UN Security Council and the AU on African conflicts will largely depend on the solution of the issue of political pressure on A3.

Thus, the UN and the AU will have to do large-scale and methodical work to double the number of female personnel in missions, increase the effectiveness of peacekeeping operations by developing joint mechanisms for harmonizing operational strategies depending on the situation in the conflicting state, and implement the Silencing the Guns initiative in full.

References

African Union (AU) (2002) Protocol Relating to the Establishment of the Peace and Security Council of the African Union. Available at: <https://www.peaceau.org/uploads/psc-protocol-en.pdf> (accessed 13 November 2020).

African Union (AU) (2020) Strengthening African Women's Participation in Conflict Prevention, Mediation Processes and Peace Stabilisation Efforts: Operationalisation of "FemWise-Africa." Available at: <https://www.peaceau.org/uploads/final-concept-note-femwise-sept-15-short-version-clean-4-flyer.pdf> (accessed 30 January 2021).

African Union (AU) (n.d.) The Peace & Security Council. Available at: <https://au.int/en/psc> (accessed 2 November 2020).

Bokeriya S. (2021a) African Union in Addressing Regional Peace and Conflict in Darfur. *Asia and Africa Today*, issue 1, pp. 37–42. Available at: <https://doi.org/10.31857/S032150750013624-8>.

Bokeriya S. (2021b) Uchastie afrikanskih zhenshhin v operacijah po podderzhaniju mira Organizacii Ob#edinennyh Nacij [African Women's Participation in the United Nations Peacekeeping Operations]. Proceedings of the Zhenshhiny vo vlasti, biznese, nauke i kul'ture [Women in Power, Business, Science and Culture] International Scientific Conference. Yaroslavl, pp. 13–16 (in Russian).

Bulatov V. (2017) Afrikanskaja arhitektura mira i bezopasnosti [African Peace and Security Architecture]. *Zarubezhnoe voennoe obozrenie* [Foreign Military Review], no 3, pp. 12–7. Available at: http://factmil.com/publ/strana/afrika/afrikanskaja_arhitektura_mira_i_bezopasnosti_2017/166-1-0-1142 (accessed 12 December 2020) (in Russian).

de Carvalho G., Forti D. (2020) Africa Can Become More Influential in the UN Security Council. The Institute for Security Studies, 12 March. Available at: <https://issafrica.org/iss-today/africa-can-become-more-influential-in-the-un-security-council> (accessed 30 May 2021).

de Coning C. (2019) Africa and UN Peace Operations: Implications for the Future Role of Regional Organisations. *United Nations Peace Operations in a Changing Global Order* (C. de Coning, M. Peter (eds)). Cham: Palgrave Macmillan, pp. 213–29. Available at: http://doi.org/10.1007/978-3-319-99106-1_11.

- Delgado Rivera J. (2018). An Inside View of African Diplomacy in the UN Security Council. Africa Portal, 14 February. Available at: <https://www.africaportal.org/features/inside-view-african-diplomacy-un-security-council/> (accessed 18 January 2021).
- Denisova T. S. (2015). Politicheskoe liderstvo v Afrike: proshloe i nastojashhee [Political Leadership in Africa: Past and Present]. *Vostok. Afro-aziatskie obshhestva: istorija i sovremennost'* [East. Afro-Asian Societies: History and Modernity], no. 6, pp. 169–73 (in Russian).
- Forti D., Singh P. (2019) Toward a More Effective UN-AU Partnership on Conflict Prevention and Crisis Management. International Peace Institute and Institute for Security Studies. Available at: https://www.ipinst.org/wp-content/uploads/2019/10/1910_UN-AU_Partnership-1.pdf (accessed 6 June 2022).
- Forti D., Singh P., de Carvalho G. (2019) After Annual Conference, UN and AU Move From Alignment to Impact. IPI Global Observatory, 17 May. Available at: <https://theglobalobservatory.org/2019/05/after-conference-un-au-move-from-alignment-to-impact/> (accessed 18 January 2021).
- Heidelberg Institute for International Conflict Research (HIIC) (2018) Conflict Barometer 2018 Report. Available at: <https://hiic.de/konfliktbarometer/bisherige-ausgaben/> (accessed 6 June 2022).
- Kostelyanets S. V., Tkachenko A. A., Deych T. L., Ismagilova R. N. (2017) Razreshenie voenno-politicheskikh konfliktov v Afrike: rol' regional'nyh organizacij [*Resolving Political-Military Conflicts in Africa: The Role of Regional Organisations*] (S.V. Kostelyanets, A.A. Tkachenko (eds)). Moscow: Institute of Africa, Russian Academy of Sciences (in Russian).
- Larionova M. V. (2016) Ocenka jeffektivnosti vzaimodejstvija mezhdunarodnyh institutov v processe global'nogo upravlenija [Assessing the Effectiveness of Interaction Between International Institutions in the Process of Global Governance]. *International Organisations Research Journal*, vol. 11, no 1, pp. 126–52. Available at: <http://doi.org/10.17323/1996-7845/2016-01-126> (in Russian).
- Makinda S. M., Okumu F. W., Mickler D. (2016) *The African Union: Addressing the Challenges of Peace, Security, and Governance*. London: Routledge.
- Pergantis V. (2015) UN-AU Partnerships in International Peace and Security: Allocation of Responsibility in Case of UN Support to Regional Missions, International Organizations, *Law Review*, vol. 13, no 1, pp. 74–99.
- Romadan L. I., Shagalov V. A. (2015) United Nations-African Union Cooperation in Conflict Prevention, Peacekeeping and Peacebuilding, *MGIMO Review of International Relations*, vol. 6, no 45, pp. 174–181.
- Sidorova G. M. (2021) Sovet Bezopasnosti OON kak jeffektivnyj instrument po obespecheniju mira i stabil'nosti v Afrike [The UN Security Council as an Effective Instrument for Peace and Stability in Africa]. *Diplomaticheskaja sluzhba* [Diplomatic Service], no 1, pp. 36–43. Available at: <https://panor.ru/articles/sovet-bezopasnosti-oon-kak-jeffektivnyy-instrument-po-obespecheniyu-mira-i-stabilnosti-v-afrike/55625.html> (accessed 6 June 2022) (in Russian).
- TASS (2018) Guterrish: Partnerstvo OON i Afrikanskogo sojuza neobhodimo dlja postroenija bolee bezopasnogo mira [Guterres: The UN-African Union Partnership Is Essential to Building a Safer World]. 28 January. Available at: <https://tass.ru/mezhdunarodnaya-panorama/4909584> (accessed 3 January 2021) (in Russian).
- Teteryuk A. S., Chizhevsky Y. A. (2014) International and Political Dimension of the Libyan Conflict, *Vestnik RUDN. International Relations*, no 2, pp. 23–32.
- United Nations (UN) (2000) Security Council Resolution 1325: Women and Peace and Security. Available at: [https://undocs.org/en/S/RES/1325\(2000\)](https://undocs.org/en/S/RES/1325(2000)) (accessed 27 January 2021).
- United Nations (UN) (2008) Security Council Resolution 1809: Peace and Security in Africa. Available at: [https://undocs.org/en/S/RES/1809\(2008\)](https://undocs.org/en/S/RES/1809(2008)) (accessed 15 January 2021).
- United Nations (UN) (2011) Security Council Resolution 1973: The Situation in Libya. Available at: <http://unscr.com/en/resolutions/1973> (accessed 6 June 2022).
- United Nations (UN) (2015a) Agenda 2063: The Africa We Want. Framework Document. Available at: https://au.int/sites/default/files/documents/33126-doc-framework_document_book (accessed 6 June 2022).
- United Nations (UN) (2015b) Security Council Resolution 2242: Women and Peace and Security. Available at: [https://undocs.org/en/S/RES/2242\(2015\)](https://undocs.org/en/S/RES/2242(2015)) (accessed 07 August 2021).

United Nations (UN) (2016) Statement by the President of the Security Council S/PRST/2016/9. Available at: <https://undocs.org/en/S/PRST/2016/9> (accessed 30 January 2021).

United Nations (UN) (2017) Security Council Arria-Formula Open Meeting on “Responding to the Secretary General’s Call to Action on the Risk of Famine in the conflict-affected areas of Yemen, Somalia, South-Sudan and Northeast Nigeria.” Available at: <https://www.un.org/webcast/pdfs/170616pm-sc-arria-famine.pdf> (accessed 21 April 2020).

United Nations (UN) (2018a) Security Council 8378th Meeting. Available at: https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_pv_8378.pdf (accessed 30 January 2021).

United Nations (UN) (2018b) Security Council Resolution 2448: The Situation in the Central African Republic. Available at: <http://unscr.com/en/resolutions/2448> (accessed 03 January 2021).

United Nations (UN) (2019) Security Council Resolution 2457: Cooperation Between the United Nations and Regional and Subregional Organizations in Maintaining International Peace and Security: Silencing the Guns in Africa. Available at: [https://undocs.org/en/S/RES/2457\(2019\)](https://undocs.org/en/S/RES/2457(2019)) (accessed 09 January 2021).

United Nations (UN) Digital Library. Available at: <https://digitallibrary.un.org/> (accessed 9 July 2022).

United Nations (UN) Office to the African Union (2017) Joint United Nations-African Union Framework for Enhanced Partnership in Peace and Security. Available at: https://unoau.unmissions.org/sites/default/files/signed_joint_framework.pdf (accessed 10 April 2021).

United Nations (UN) Peacekeeping (n.d.) Past Peace Operations. Available at: <https://peacekeeping.un.org/en/past-peacekeeping-operations> (accessed 9 July 2022).

Williams P. D., Boutellis A. (2014) Partnership peacekeeping: Challenges and opportunities in the United Nations-African Union Relationship. *African Affairs*, vol. 113, no. 451, pp. 254–278.

NATO's Capabilities in Global Governance: On the Balkan Scene¹

E. Arlyapova, E. Ponomareva, D. Proroković

Elena Arlyapova—PhD (Political Science), Institute of System-Strategic Analysis (ISSA); 16 Kuskovskaya Ulitsa, Moscow, 111398, Russian Federation; elena.s.arlyapova@gmail.com

Elena Ponomareva—Doctor of Political Science, Professor, Moscow State Institute of International Relations (MGIMO University) of the Ministry of Foreign Relations of the Russian Federation, 76 Prospect Vernadskogo, Moscow, 119454, Russian Federation; nastya304@mail.ru

Dušan Proroković—PhD, Research Fellow, Institute of International Politics and Economics, Belgrade, Serbia; dusan.prorokovic@diplomacy.bg.ac.rs

Abstract

In this paper, the development and status of the North Atlantic Treaty Organization (NATO) in the Western Balkans is examined. NATO's regional expansion can be considered a part of the general expansion of NATO to the East. Unhindered eastward progress lasted until 2006, when Russia came back on the Balkan scene with the strategic South Stream pipeline project. The unexpected appearance of a new actor led to an intensification of NATO's membership expansion process. Further, Russia's presence indirectly initiated other meaningful events on the peninsula, such as the self-declaration of Kosovo's independence.

Today, Russia remains the primary irritant for NATO and collective western policy on the Balkans. Allies put considerable pressure on regional actors to avoid closer economic and political ties with Moscow. There are apparent efforts underway to bring all kinds of interaction with the Russian Federation under overall control. Since 2014, local NATO members and candidates have pursued strongly pronounced anti-Russian policy.

Russia relies on its traditionally strong relationship with the Balkan states. Moscow brings an alternative model of economic cooperation and development. Both bids raise questions. The Eurasian Economic Union (EAEU) has not proven its viability and effectiveness in either the medium- or the long-term perspective; regardless, it competes with a highly desired but elusive European Union (EU) membership.

All this together requires more efforts from NATO and the West to maintain a dominating role and position in the region; it downgrades previously achieved capabilities in terms of global governance on the Balkan scene.

Keywords: Global Governance, NATO, Russia, Western Balkans, Global Security, International Relations, NATO Expansion

For citation: Arlyapova E., Ponomareva E., Proroković D. (2022) NATO's Capabilities in Global Governance: On the Balkan Scene. *International Organisations Research Journal*, vol. 17, no 2, pp. 208–223 (in English). doi:10.17323/1996-7845-2022-02-09

¹ This article was submitted 19 January 2022.

Introduction

As North Atlantic Treaty Organization (NATO) Secretary-General Jens Stoltenberg said in a joint lecture on global governance at Columbia University in 2019, for 70 years, NATO's deterrence and defence have relied upon maintaining a technological edge, that is, on being better and more advanced than its opponents [Stoltenberg, 2019]. Among those, NATO still—and more clearly than ever—sees Moscow, which “is not the partner [NATO] once hoped it to be” [Ibid.]. Russia remains the primary irritant for NATO and the West in the Western Balkans.

Given the significantly increasing tensions between Russia and NATO, research should go beyond the most apparent political action theater in Ukraine. Any predictive role of the humanities requires addressing other geostrategically significant areas, one of which is the Balkans. This study aims to monitor NATO's infrastructure development and status in the Balkan region in the context of the overall expansion of the alliance to the east. If Moscow succeeds with its steps toward Ukraine, an intensification of NATO's Balkan policy is very likely to follow. Therefore, the quality and level of resources available, and possible scenarios for further absorption of the Balkan space by NATO, get an additional practical application.

To explore the alliance's capabilities, the multidirectional factors that impact and shape NATO's overall status and strategy in the region must be identified. These factors relate to the “conductive” or “complicating” groups. The first consists of the local elites' loyalty, and of their economic and political dependence on Washington and Brussels. The cumulative Serbian factor—the serious resistance of the entire Serbian community, although divided and scattered across the Balkans—plays a main role in the second group. Republika Srpska illustrates this process to a greater extent. It becomes the primary opponent of the alliance's expansion on the institutional level. It is hardly possible to break Serbian resistance at the moment. In addition, unresolved political and territorial issues are a deterrent to the politicization of the Balkans. This includes the non-recognition of the so-called Republic of Kosovo, not only by Belgrade, Banja Luka, and Sarajevo, but also by some NATO member countries (Greece, Romania, Spain, and Slovakia). Plus, the complex political and economic structures of Bosnia and Herzegovina and the special Republika Srpska do not provide grounds for an optimistic scenario for the alliance to entirely absorb the Bosnian polity.

An objective study of the complex and multilevel Balkan matter is possible on the methodological basis of classical political realism and neorealism. Neorealism's statements on the state's counter threat capacity as being dependent on its placement and role in the world system become crucial for analysis when the international relations system becomes unbalanced and the conflict potential grows [Aron, 2003; Morgenthau, 1955]. The harsh, constraining impact of structural limitations remains a driving force of international relations. This, in turn, depends on the development of the structural and regulatory potential of the Western Balkan countries, on the one hand, and the interests and capabilities of the leading players in world politics (in this case, NATO), on the other.

The Balkan region has always been present in NATO's international agenda. NATO officials constantly refer to the peninsula in their public rhetoric. This approach contrasts to the Russian one, in which the Balkan vector had not been on the top of its foreign policy priorities for years [Ponomareva, Proroković, 2021]. A change in the usual status quo brought unexpected facts for both sides. Russia had to realize how much time it had lost and how much its relationship with the Balkans had been missed. At the same time, NATO had to acknowledge Moscow's intention to return to the region and its desire to retain a few positions on the peninsula.

Increased Russian presence on the world scene has not only limited NATO's capabilities in the sense of control and governance but has also stimulated new initiatives within the

organization. Under this pressure, NATO has had to shift its goals and priorities and to make updates and corrections to its current policies in many parts of the world to include the Western Balkans, where, according to NATO leaders, they have seen “tensions rise” as well as “foreign actors working to undermine the progress” [Stoltenberg, 2021]. These foreign actors are mostly Russia and China, building up economic and political influence in the Balkan states.

The shifting balance of power entails certain difficulties and losses for regional players, especially in terms of reputational costs, but at the same time there are new opportunities for maneuvers and bargaining for better conditions with the great powers, whether it concerns NATO membership or accession to the European Union (EU). The latter is crucial for the Western Balkans because all states and quasi-states under consideration are so-called “enlargement countries.” Albania, Montenegro, North Macedonia, and Serbia currently have candidate country status, while Bosnia and Herzegovina and the region of Kosovo² are potential candidates [Eurostat, 2022].

For countries like Russia or, of course, Serbia, Kosovo has become a separate, complicated issue, whether permanently or at least for the foreseeable future. Despite the fact that most of the NATO and EU states have accepted the self-declared independence of Kosovo of 2008 and established bilateral relations, formally, according to United Nations (UN) Security Council Resolution 1244 (1999) the territory of Kosovo remains under international administration [Köchler, 2018]. Here, a discursive conflict arises. Those who have recognized self-declared Kosovo refer to the region as “Western Balkans six.”³ The rest describe it rather as “five plus one” [Stepić, 2020].

NATO’s position on the Kosovo issue is well known. Formally, it has been leading a peace support operation there since June 1999. The function derives its mandate from the above-mentioned resolution and from the Military-Technical Agreement between NATO and the Governments of the Federal Republic of Yugoslavia and the Republic of Serbia (the Kumanovo Agreement of 9 June 1999). NATO fully controls the international forces. All adjustments to the Kosovo Force (KFOR) posture are decided by the North Atlantic Council as the security situation on the ground evolves. Surely, a certain level of cooperation and coordination with the UN, the EU, and some other international actors also exists. Officially, NATO strongly supports the Belgrade-Pristina EU-brokered Normalization Agreement (2013).

Kosovo is a particular case for European and general global politics, international relations, and for the further development of, and role for, the state in world politics. Some consider this case to be step in the overall NATO and U.S. strategy toward global governance [Guskova, 2013; Ponomareva, 2020]. In this sense, the Balkans have been, and remain, the region with crucial meaning for global security and politics, in which NATO finds both the opportunity to demonstrate its power as well as limitations associated with the emergence of new international actors on the field.

NATO in a Race to Conquer the Balkans

The Balkans in general, and former Yugoslavian countries in particular, have been under significant geopolitical pressure by the West since the end of the bipolar global order [Gajić, Ponomareva, 2020]. The expansion of NATO and the resulting increase of American influence certainly had its geostrategic reasons. The Balkan Peninsula represents a contact zone between the Adriatic and the Black Sea waters in a narrower geographical sense (along the west-east axis),

² With a Eurostat note that “this designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence.”

³ Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro, and Serbia.

and of the Central European and Middle Eastern continental area in a broader sense (along the northwest-southeast axis). Therefore, NATO domination over the Balkans made sense in the context of limiting the expansion of Russian influence in the border area (which represents the first step in the process of ensuring Russia's own borders) in the direction of the Caucasus-Black Sea (with the newly created independent states Georgia, Azerbaijan, Armenia, Ukraine, as well as USSR allies at the time, Romania and Bulgaria) and for uninterrupted planning of activities in the Middle East. The process of NATO expansion in the Balkans is summarized in Table 1.

Table 1. NATO Expansion to the Balkans (1952, 2004–20)

Country	Year of Membership	Geostrategic Significance for NATO
Greece	1952	Securing a position in the Eastern Mediterranean; surveillance of communist states in the immediate vicinity (Bulgaria, Yugoslavia, and Albania); control of Otranto; harmonization of foreign and security policy with Turkey to prevent the outbreak of a large-scale interstate conflict; further securing control of the Dardanelles and the Bosphorus
Bulgaria	2004	Access to the Black Sea coast; control of the strategic direction from the Adriatic to the Black Sea; ensuring access to the Middle East; approaching the southwestern border of Russia
Romania	2004	Access to the Black Sea coast; control of the strategic direction from Central Europe to the Danube Delta; border control to Ukraine; approaching the southwestern border of Russia
Slovenia	2004	Securing a position in the northern Adriatic; control of the strategic direction along the Sava valley to the confluence with the Danube
Albania	2009	Securing a position in the southern Adriatic (control of Otranto); control of the strategic direction from the Adriatic to the Black Sea (through the territory of Kosovo and/or North Macedonia to Bulgarian ports)
Croatia	2009	Securing a position in the central part of the Adriatic waters; control of strategic routes from the Pannonian Plain (Hungary) to the Adriatic Sea (most pass through the territory of Bosnia and Herzegovina); control of the strategic direction along the Sava valley to the confluence with the Danube
Montenegro	2017	Establishment of the Adriatic Troika by linking with Albania and Croatia, whereby NATO fully ensures the communication route from the Gulf of Trieste to the Peloponnese; control of the southern branch of the Belgrade-Bar traffic route
North Macedonia	2020	Completion of control over the southern route of the strategic direction from the Adriatic to the Black Sea; Control of the "Balkan vertical," a key regional traffic route (Athens- Thessaloniki-Skopje-Nis-Belgrade-Budapest) that stretches through the Moravian-Vardar valley

Source: Proroković [2018].

The fact that the Balkan Peninsula is in the focus of American geopolitics became noticeable in the 1990s. The disintegration of communist Yugoslavia brought a bloody civil war. The EU showed that it could not manage the crisis independently, which became an excuse for U.S. engagement. The United States made a pivotal contribution to achieving a peaceful solution in Bosnia and Herzegovina, ensuring relative peace in Northern Macedonia. Further, after

the Washington agreement between Croatian president Franjo Tudjman and Bosnian Muslim leader Alija Izetbegovic, Croatia resolved an interethnic conflict though the most intensive process of ethnic cleansing in Europe since World War II [Human Rights Watch, 1996].

After the Dayton Agreement, peace did not come for everyone in the Balkan region. Today, numerous resources point to the external interference that led to the Albanian uprising in Kosovo in 1998. Undoubtedly, the problem between the majority Albanian population in this Serbian province and the central authorities in Belgrade existed long before. But it is not certain that an actual war was inevitable. On the contrary, intense (more secret than public) negotiations between Belgrade and Pristina (Slobodan Milosevic and Ibrahim Rugova) on extended autonomy for the Albanians, guaranteed by the international community and mediated by the U.S. Department of State and the Vatican (Catholic organization St. Eugene), were ongoing in 1998.

The State Department's exit from this process marked the end of the search for a peaceful solution through negotiation. In already known and investigated circumstances, the escalation of armed conflicts eventually led to NATO aggression on Yugoslavia in 1999. As a result, the U.S. established the Bondsteel military base in central Kosovo. The U.S. presence was also legalized and legitimized through the KFOR army peacekeeping mission structures.

In general, the United States became a critical factor in the regional security of the Western Balkans during the 1990s. Therefore, to secure their position in the long run, all Western Balkan countries needed to join NATO. But looking back, it is clear that an unexpected issue had arisen. Basically, Albania was the only one to complete its accession to NATO with no problems or scandals. Although there was no referendum on joining NATO, the mood and preferences of the citizens were in favour of such a step, and all political parties advocated it in their programmes [Hendrickson, 1999; Maklen, 2008]. Where then did the unexpected problem arise?

In the second half of the 1990s, American engagement in the Western Balkans became extremely anti-Serbian, resulting in further NATO aggression. Such an approach also meant that the United States was essentially not interested in implementing Resolution 1244 or negotiating the status of Kosovo. It seems fair to underscore that NATO members have higher cohesion than other UN members, although the United States has been the most significant deviating member since 1980 [Ozkaleli, Gunes, 2021]. Therefore, NATO bypassed the UN Security Council document on several grounds, creating a new reality and simulating negotiations on a status solution. Martti Ahtisaari, as an envoy of the UN secretary-general and a mediator for negotiations between Belgrade and Pristina, had a ready solution before the beginning of the entire process. However, negotiations failed, U.S. pressure on Belgrade to comply with Ahtisaari's concept of "supervised independence" did not work, and Kosovo Albanians unilaterally declared independence in 2008. This has prevented Serbia's accession to NATO in the long run as such a step would mean renouncing Kosovo.

Public opinion in Serbia is clearly opposed to joining NATO. Opinion polls consistently show over 80% of respondents are against such a step. Numerous organizations, including the very influential Serbian Orthodox Church, share this position. This would be difficult to ignore, even if pro-Western (pro-American) politicians came to power in Serbia at some point. Serbia is a meaningful country in the Western Balkans, and NATO and the EU are aware of that. However, the entire American plan to solve the "problem" with Serbia ultimately came down to looking for politicians in Belgrade who would sign the recognition of Kosovo. Since 2008, no different vision has been offered. The U.S. did not want to discuss alternative solutions to the Kosovo issue but only reiterated that Kosovo's independence is a reality. This remains a key pillar of U.S. efforts to enhance stability in the Balkan region. U.S. priorities in Kosovo

cover the issue of the comprehensive normalization of Kosovo's relations with Serbia, centred on mutual recognition [U.S. Department of State, 2022].

The development of the situation in Montenegro and Northern Macedonia has certainly given the U.S. a reason for such an approach. In both cases, American pressure paid off. And the desired outcome was achieved—two countries became members of NATO. However, in Montenegro, the majority of citizens were against joining NATO. Due to that, the government did not organize a referendum, although it had been announced, and led a campaign to abruptly end it.

The ongoing, pronounced polarization in Montenegro has been noticeable since the independence referendum in 2006. Ruling thanks to American support, Milo Djukanovic had to agree to numerous concessions regarding the distance from Russia, creating a hybrid identity based on fierce anti-Serbian attitudes, establishing bilateral relations with Pristina, and joining NATO.

Northern Macedonia had organized a referendum, but it failed. Greece has long blocked Macedonia's accession to NATO, demanding to change the country's name. The authorities in Skopje refused to do so, but with the overthrow of Nikola Gruevski, a kind of "coloured revolution," and the bringing to power of Zoran Zaev, they finally met that condition. The Prespa Agreement (signed by Zaev and Tsipras) established a new name—Northern Macedonia. However, the majority of the Macedonian, Slavic-Orthodox population opposed the decision. Thus, the referendum question was crafted as "Are you in favour of European Union and NATO membership by accepting the agreement between the Republic of Macedonia and the Republic of Greece?" Since more than half of the registered voters did not show up (Table 2), the State Election Commission declared the referendum a failure. Nevertheless, Northern Macedonia is a NATO member today.

Table 2. Macedonian Referendum Results (2018)

Response	Votes	%
Yes	609,427	91.45
No	37,687	5.65
Invalid votes	19,230	2.90
Total votes	666,344	100.00
Registered voters	1,806,336	36.89

Source: Compiled by the authors based on data from European Election Watch [2018].

Officials, representatives of NATO, and the EU ignored the fact that almost two thirds of the citizens did not support the proposal. In the Assembly, the majority was then "patched" by pressure and blackmail, even by detaining and kidnapping members of parliament. Johannes Hahn laconically concluded that this was just the application of "Balkan methods." In the further institutional procedure, the illegal became legal, based on the prime minister's declaration of the referendum having been successful. The international community (NATO and the EU) accepted that development and determined it to be legitimate from their perspective. The decision was adopted, the story ended. For the EU and NATO, the referendum process is not disputable; it was, in any event, "consultative."

In contrast, the process in Bosnia and Herzegovina is still not over, so this country has stayed out of NATO. Moreover, the complex internal structure and the existence of three con-

stituent peoples and two entities, with the Serbs being the constituent people and the Republika Srpska one of the two entities, makes it complicated to join NATO, even though Bosniaks (Muslims) and Croats are in favour. Therefore, it will not be a surprise if, in the case of Bosnia and Herzegovina, they resort to looking for creative solutions to open the way for joining NATO.

Because, as long as Serbia stands firmly on the position that it does not need NATO membership, a change of attitude within the Serbian entity in Bosnia and Herzegovina cannot be expected. Creative interpretations are also related to the membership of the so-called Republic of Kosovo in NATO. Namely, the inflexibility of the representatives of Serbia, who refuse to accept the new reality and allow Pristina's membership in the UN, has forced western experts to think about an alternative. Diplomatic focus is gradually shifting to convincing the four NATO members that have not yet recognized the Republic of Kosovo (Spain, Greece, Romania, and Slovakia) to do so [Popadić, 2021]. After that, there would be no obstacle to NATO membership. It is debatable how feasible this development is due to the unwavering attitude of some NATO members who do not want to legalize secession (Spain is in the lead among these four) and because it is in direct conflict with Resolution 1244. Kosovo Albanians are not allowed to establish their own military forces.

Regarding Serbia, since 2007, the formulation of the military neutrality thesis in a parliamentary resolution concerning the preservation of territorial integrity (dedicated to the situation in Kosovo and Metohija) has become an official position and has gradually gained some content. Finally, it is elaborated in the National Security Strategy of the Republic of Serbia from 2018 [Government of the Republic of Serbia, 2019]. Spoiling the success of NATO enlargement, the Balkans continue to demonstrate noticeable resistance to NATO's further expansion for the first time after the fall of the bipolar order. They have also publicized the view that membership in this military alliance is not the only way to protect national security [Ponomareva, Proroković, 2021].

The calls for full expansion of NATO to the Western Balkans come from NATO, primarily from the United States, and not from the Western Balkans. The leadership of Montenegro and Northern Macedonia did not resist these pressures, although the public's mood in specific situations was utterly different. The goal of the United States is to strengthen its presence in the region through the "suction" of the Western Balkan countries into NATO. That is why it is allowed to circumvent democratic procedures, ignore the majority's will, and even advocate for open violations of international law.

Russia's Return to the Balkans and Feedback From Local States

"Russia is far away!" This slogan has been used so often in all Balkan countries (not just the Western Balkans) for the past 15 years in speeches by politicians, comments from journalists, and even scientific papers, that it has become a cliché. To say that Russia is far away is nothing strange. However, even a glance at the geographical position of the Balkan Peninsula shows an entirely different picture. For example, if we drew a radius around Belgrade, the largest city in the Western Balkans, as far as Moscow, we would see that London is approximately the same distance away. However, so far, the slogan "Great Britain is far away" is not heard.

On the contrary, Great Britain is a factor of regional security in the Western Balkans. British influence and British interests are taken for granted; they are considered a normal phenomenon in current politics. It is absurd that the same is true for the United States. Nobody says, "America is far away!" You get an even more exciting result by describing the circle with the centre in Belgrade and the radius to Sevastopol. The capitals of the 15 EU member states,

including Brussels as the seat of the EU, remain out of the circle.⁴ Crimea is closer to the Western Balkans than Western and Northern Europe. Moscow is not so far away!

From an historical point of view, since the end of the 18th century, Russia has constantly been present in the Balkans. The Eastern question⁵ could not have been solved without Russia, so in that context, the Balkans represent one of the foreign policy priorities of Russia. The Soviet Union's influence encompassed Bulgaria and Romania, Yugoslavia and Albania. Despite entering into numerous disputes with Moscow (Yugoslavia since 1948 and Albania since 1961), these countries remained communist; the Soviet influence was weakened but did not disappear.

After the collapse of the Soviet Union during the 1990s, Russia, as a permanent member of the UN Security Council, and because of its historical role in the Balkans, became an unavoidable factor in the search for peace solutions in the post-Yugoslav era. Without Russia, there are no stable and long-term solutions—that was clear to both the State Department and the EU. Representatives of Russia have participated in the Dayton negotiations and the negotiations in Rambouillet. Thanks to the work of Russian diplomacy, the final version of Resolution 1244 was reached. At that time, it was not said, “Russia is far away!”

Why, all of a sudden, despite geographical determinism and historical facts, is Russia becoming a far eastern, Eurasian destination, a country that cannot help anyone in the Balkans? The answer is simple: because of politics. Or maybe more precisely, because of geopolitics. The distancing of the Western Balkan states from Russia became projected in the first decade of the 21st century in parallel with implementing the concept of NATO expansion. That is why the British and especially the Americans are considered close, and they are anticipated not only as the closest neighbours but also as hosts.

They have deployed their military installations, both independently, like NATO, and under the flag of UN peacekeeping missions in Bosnia and Herzegovina, Northern Macedonia, and Albania and on the territory of Kosovo. However, it remains unclear whether NATO will install its base in Montenegro. Information about that has appeared occasionally in the local media since 2017. The last in a series is about constructing a new military barracks according to NATO standards in Andrijeva, in the north of the country, but without specifying whether the facility will be used exclusively by Montenegrin military forces or will accommodate members of other NATO armies.

The campaign, promoting the idea that Russia is far away (some, especially the politicians, took this matter very seriously), aimed to make meaningless any attempt to intensify bilateral relations with Moscow and relativize Russian initiatives in this part of Europe automatically. After 2014, the campaign continued in a far more radical form, manifested by introducing sanctions and the expulsion of Russian diplomats, and by promoting the thesis of Russia's malignant influence.

Non-Balkan factors, primarily American and British, but to some extent also German and French, played a key role in designing and organizing the campaign, both through official channels and through the activities of non-governmental organizations and foundations for “spreading democracy” and “protecting human rights.” Individuals and administrations of the Western Balkan entities only represented mere perpetrators. Thus, their responsibility, of course, is not less. Domestic political elites agreed to such a game, and some even began

⁴ Vilnius, Riga, Tallinn, Helsinki, Stockholm, Copenhagen, Amsterdam, Brussels, Luxembourg, Dublin, Paris, Madrid, Lisbon, Valletta, and Nicosia.

⁵ The Eastern question is the conditional designation (accepted in historical and diplomatic literature) of international contradictions from the end of the 18th century to the beginning of the 20th century, concerned with instability and emerging collapse of the Ottoman Empire (Sultan Turkey) and the struggle of the great powers (Austria/Austria-Hungary, Great Britain, Prussia/Germany, Russia, and France) for the division of its possessions, primarily in Europe.

to enjoy it, considering the purpose of their actions is to be constantly proving their loyalty to Washington. The president of Montenegro, Milo Djukanović, went the furthest in that. But it is also necessary to underline that these elites were only executors.

The Western Balkans was not among the top priorities of Russian foreign policy. However, some consider that Russia is not now returning to the Balkans because it has never left [Bechev, 2017].

Indeed, Russia's foreign policy has projected its presence in the region since the 1990s with different approaches in different countries. Russians tried to maintain good relations with all Western Balkan countries. However, the crisis that arose due to the disintegration of communist Yugoslavia forced Russia to clash with the United States occasionally. Although these conflicts were not of high intensity, nor did they produce dramatic consequences in the relations between Moscow and Washington, they existed.

All Western Balkan countries have directed their foreign policies toward the EU since 2000. EU membership is a priority, so they agree to the sacrifices. Privatization, a transformation of economic systems, and the political transition open the door to the spread of western influence in the Western Balkans. In such an environment, relations with Russia went to the second plan. There was cooperation with Moscow, but it involved rather individual ad hoc actions as opposed to enacting some well-thought-out strategy. Also, the impulses to expand cooperation mostly came from Moscow, and the Western Balkan actors accepted them, willingly or unwillingly, in their original or changed form.

The turning point came in 2006. Russia's plan to build a strategic South Stream pipeline, which would pass through the territories of Bulgaria and Serbia and supply gas to Western Europe, was perceived by the United States as a geopolitical project and a great challenge. Since then, pressure on regional actors to join NATO has intensified. By recognizing Serbia as a potential Russian ally, the United States encouraged Kosovo Albanians to unilaterally declare independence [Stolberg, 2007], further problematizing Serbia's position in international relations.

In the background of dominating the EU path for the new Balkan states, Russia brought an alternative integration plan to the table in the form of the Eurasian Economic Union (EAEU) idea. Although the effectiveness and vitality of this Russian initiative is still under question, the model competes with the only one existing before. The appearance of a new alternative bothers the western partners.

Thus, the United States has sought to consolidate its presence in the Western Balkans. Since 2014, all NATO members and candidates for membership have been required to pursue an extreme anti-Russian policy. The demands of the United States were followed by the foreign and security policy of the EU, measures of sanctions against Russia, and the impossibility of maintaining normal bilateral relations. The Montenegrin public mostly does not see Russia as a problem, even less as a challenge, and the Macedonians demonstrate the same attitude. However, this does not influence official policies. The only country in the region that continuously strengthens the Russian vector of its foreign policy is Serbia.

Consequently, the Serb entity in Bosnia and Herzegovina follows the same vector. For others, Russia is far away. Despite the geographical determinism and historical facts, Russia is becoming a far eastern, Eurasian destination, which cannot help anyone in the Balkans. Montenegro and Northern Macedonia are forbidden to think about the Russian vector. Albania has little interest in that. Bosniak-Muslim entities of Bosnia and Herzegovina and Kosovo have already perceived Russia as a problem. With tremendous pressure from the West, it seems that very little can change in this status quo. Changes will occur when and if the relationship between Moscow and Washington undergo a qualitative modification.

For now, NATO and the EU are conducting a permanent campaign to suppress Russian influence. Restrictions include: constant monitoring of operations of Russian companies, tracking of the media (Radio Sputnik, with an editorial office in Belgrade, is always in the focus of numerous western non-governmental organizations and research centres located in the Balkans), and the placement of various misinformation that have become part of Western Balkan political folklore. For its part, the United States uses at full capacity the position it has built since the early 1990s, the ties that it has made, and the mechanisms of dependence on American political mercy or financial aid to restrain growing Russian influence. The U.S. intends to remain the one and only external actor of regional security and gain the potential to manage all critical political processes in the Balkans through the order of hegemonic stability. At this stage, the United States skillfully uses local specifics, namely the weak horizontal ties between the Balkan states and communities, which provides greater opportunities for external players [Arlyapova, 2018]. The U.S. defines its attitude toward Russia primarily through the prism of its long-term geopolitical goals. The key instrument in achieving these goals is NATO.

Through this angle, the Balkan Peninsula should have already been a secured “NATO zone,” a geographical region in which the United States is the only guarantor of regional security.

All this highly affects the economy. Achievements in external trade with the Russian Federation remain very modest for all Balkan states except for Serbia and are not even close to the EU trade partners [Trading Economics, n.d.].

Russian efforts to come back to the region have been noticeable since 2006. It strengthened its influence primarily through energy projects and relied on international agreements that guarantee its position as a significant regional economic and political interaction player. This activity makes Russia an obstacle for NATO. It slows down its further progress on the Eastern front [Michta, 2014] and downgrades coordination of pressures on the immediate Russian border in the post-Soviet space [Ponomareva, Proroković, 2021].

Conclusion

Since the first changes in the world order, NATO has consistently developed its position in the Western Balkans. As a part and instrument of the West, NATO has been very effective and successful in this direction. Of course, strengthening its positions in the Balkans has become a piece of an overall strategy of expansion to the east, moving toward the post-Soviet space and Russia.

Unhindered eastward progress lasted until 2006, with Russia coming back on the Balkan scene within the strategic South Stream pipeline project. Russia has offered an alternative economic integration model to the peninsula in competition with the previously dominating EU membership path for all new Balkan states. Moreover, Russian initiatives have brought additional perspectives for local communities. However, perception of the Russian vector varies considerably from state to state.

The unexpected appearance of another power in what had been considered a secured area led to an intensification of the NATO membership process in the Balkans. Allies put considerable pressure on regional actors to avoid closer economic and political ties with Moscow. There were apparent efforts to bring all kinds of interaction with Russia under overall control. Since 2014, local NATO members and candidates have pursued strongly pronounced anti-Russian policy.

This analysis leads to several conclusions. First, NATO is interested in expanding its presence in the region. The ideal project for the alliance is the formation of NATO-Yugoslavia,

that is, the expansion of the political and military infrastructure of the organization within the borders of the former SFRY. Second, there is a complex of conducive and complicating factors determining the capacity of the final consolidation of NATO in the region. The main local obstacle to the region's absorption is not Belgrade but the integral Serbian society. Third, in the context of recent events and Moscow's demands for NATO to "get your stuff and get out to the borders of 1997," there is undoubtedly a change in the Russian policy toward the Balkans. In the political and economic sense, it could be a long and generally unpromising game within the EAEU.

The Russian Federation is entirely satisfied with Serbia's military neutrality in military-strategic terms. At the same time, the need to build up military-technical cooperation with both Belgrade and Banja Luka is obvious. Finally, the current situation requires additional efforts from NATO and the West to maintain a dominant role and position in the region. All this together significantly reduces and downgrades their previously achieved capabilities in terms of the global governance on the Balkan scene.

References

- Arlyapova E. (2018) Vneshnie centry' vliyaniya na Balkanax: Rossiya i Evrazijskij soyuz [External Centers of Influence in the Balkans: Russia and the Eurasian Union]. *Religion, National Identity and the State in the Balkans in the XIX–XX Century*, vol. II (S. Anchev (ed.)). Veliko Turnovo: St. Cyril and St. Methodius University, pp. 30–54. Available at: https://www.academia.edu/34957102/2018_Внешние_центры_влияния_на_Балканах_Россия_и_Евразийский_экономический_союз_External_Centers_of_Influence_in_the_Balkans_Russia_and_the_Eurasian_Economic_Union_in_Rus_ (accessed 15 June 2022) (in Russian).
- Aron R. (2003) *Peace and War: A Theory of International Relations*. New Brunswick: Transaction Publishers.
- Bechev D. (2017) Russia's Foray Into Balkans: Who Is Really to Blame? Black Sea Strategy Papers, Foreign Policy Research Institute. Available at: <https://www.fpri.org/article/2017/10/russias-foray-balkans-really-blame/> (accessed 15 January 2022).
- European Election Watch (2018) North Macedonia (FYROM): Referendum on Changing Country's Name and Constitution. Center of Strategic and International Studies. Available at: <https://www.csis.org/programs/european-election-watch/2018-elections/north-macedonia-fyrom> (accessed 2 August 2022).
- Eurostat (2022) Enlargement Countries: Statistical Overview. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Enlargement_countries_-_statistical_overview (accessed 9 January 2022).
- Gajić S., Ponomareva E. (2020) Accelerated Expansion of NATO Into the Balkans as a Consequence of Euro-Atlantic Discord. *MGIMO Review of International Relations (Vestnik MGIMO-Universiteta)*, vol. 13, no 2, pp. 70–93. Available at: <https://doi.org/10.24833/2071-8160-2020-2-71-70-93>.
- Government of the Republic of Serbia (2019) National Security Strategy of the Republic of Serbia. Available at: <https://www.mod.gov.rs/eng/4350/strategije-4350> (accessed 15 January 2022).
- Guskova E. (2013) *Agressiya NATO protiv Jugoslavii v 1999 godu i process mirnogo uregulirovaniya [NATO's Aggression Against Yugoslavia in 1999 and Peacebuilding Process]*. Moscow: Indrik (in Russian).
- Hendrickson R. (1999) Albania and NATO: Regional Security and Selective Intervention. *Security Dialogue*, vol. 30, no 1, pp. 109–16. Available at: <https://doi.org/10.1177%2F0967010699030001010>.
- Human Rights Watch (1996) Croatia: Impunity for Abuses Committed During "Operation Storm" and the Denial of the Right of Refugees to Return to the Krajina. Vol. 8, no 13 (D). Available at: <https://www.hrw.org/reports/1996/Croatia.htm> (accessed 13 January 2022).
- Köchler H. (2018) Normative Inconsistencies in the State System with Special Emphasis on International Law. *Kosovo: Sui Generis or Precedent in International Relations* (D. Proroković (ed.)). Belgrade: Institute of International Politics and Economics. Available at: https://www.diplomacy.bg.ac.rs/pdf/knjige/2018_Kosovo_Dusan_Prorokovic.pdf (accessed 15 June 2022).

- Maklen M. (2008) Albania and NATO. Why We Do Need NATO? Albanian Institute for International Studies. Available at: <https://www.aiis-albania.org/sites/default/files/Albania%20and%20NATO%20-%20Why%20do%20we%20need%20NATO.pdf> (accessed 15 June 2022).
- Michta A. (2014) NATO's Eastern Front. CSIS Report, Center of Strategic and International Studies. Available at: <https://www.csis.org/analysis/nato%E2%80%99s-eastern-front> (accessed 7 January 2022).
- Morgenthau H. J. (1955) *Politics Among Nations. The Struggle for Power and Peace*. New York: Alfred A. Knopf.
- North Atlantic Treaty Organization (NATO) (1999) Military Technical Agreement Between the International Security Force (KFOR) and the Governments of the Federal Republic of Yugoslavia and the Republic of Serbia Available at: <https://www.nato.int/kosovo/docu/a990609a.htm> (accessed 10 December 2021).
- Ozkaleli F. M., Gunes A. (2021) Allied but Deviating NATO in the Multipolar World. *Global Governance: A Review of Multilateralism and International Organizations*, vol. 27, issue 4, pp. 561–86. Available at: <https://doi.org/10.1163/19426720-02704002>
- Ponomareva E., Proroković D. (2021) NATO vs Russia: Impact on Balkan Regional Security. *Europe in Changes: An Old Continent at a New Crossroads* (K. Zakić, B. Demirtaş (eds)). Belgrade: Institute of International Politics and Economics, Faculty of Security Studies, University of Belgrade. Available at: https://doi.org/10.18485/iipe_euchanges.2021.
- Ponomareva E. (2020) Quo Vadis, Serbia? *Russia in Global Affairs*, vol. 1, no 69, pp. 158–79. Available at: <https://doi.org/10.31278/1810-6374-2020-18-1-158-179>.
- Popadić J. (2021) Kosovo spremaju za članstvo u NATO [Kosovo Is Being Prepared for NATO Membership]. *Politika*, 1 June. Available at: <https://www.politika.rs/scc/clanak/480335/Kosovo-spremaju-za-clanstvo-u-NATO-u> (accessed 6 January 2022) (in Serbian)
- Proroković D. (2018) *Geopolitika Srbije: položaj i perspektive na početku XXI veka [Geopolitics of Serbia: Position and Perspectives at the Beginning of the XXI Century]*. Beograd: *Službeni glasnik* (in Serbian).
- Stepić M. (2020) Kosovo i Metohija: Geopolitički Aspekti Brzog Rešenja i Zamrznutog Konflikta [Kosovo and Metohija: Geopolitical Aspects of Rapid Resolution and Frozen Conflict]. *Nacionalni interes*, vol. XVI, no 38, p. 24 (in Serbian).
- Stolberg S. G. (2007) Bush Is Greeted Warmly in Albania. *New York Times*, 10 June. Available at: <https://www.nytimes.com/2007/06/10/world/europe/10cnd-prexy.html> (accessed 2 January 2022).
- Stoltenberg J. (2019) NATO: Maintaining Security in a Changing World. Speech by NATO Secretary General Jens Stoltenberg. Ambassador Donald and Vera Blinken Lecture on Global Governance, Columbia University. Available at: https://www.nato.int/cps/en/natohq/opinions_169183.htm (accessed 5 January 2022).
- Stoltenberg J. (2021) Closing Press Conference by NATO Secretary General Jens Stoltenberg Following the Meeting of NATO Foreign Ministers, Riga, Latvia. Available at: https://www.nato.int/cps/en/natohq/opinions_189152.htm (accessed 8 January 2022).
- Trading Economics (n.d.) Russia Imports by Country. Available at: <https://tradingeconomics.com/russia/imports-by-country> (accessed 4 January 2022).
- U.S. Department of State (2022) U.S.-Kosovo Relations. Available at: <https://www.state.gov/countries-areas/kosovo/> (accessed 14 January 2022).

The Role of the World Customs Organization in the Implementation of the World Trade Organization Agreement on Trade Facilitation¹

R. Davydov

Ruslan Davydov—First Deputy Head of Federal Customs Service of Russia; 11/5 Novozavodskaya, Moscow, 121087, Russian Federation; SZR_FTS@ca.customs.gov.ru, in 2016–17 Chair of the Council of the World Customs Organization

Abstract

In this article, the role of the World Customs Organization (WCO) in the implementation of the Trade Facilitation Agreement (the Agreement, TFA) is examined as an important element in the current multilateral regulation of the international trading system. Based on an article-by-article analysis of the Agreement and the WCO Kyoto Convention, as well as an assessment of the potential and actual impact of the WCO instruments on its implementation, the author finds that there are no methods, nor a system of indicators, to assess the effectiveness and efficiency of such work, or the measures taken. The key to achieving a qualitative shift in the implementation of the Agreement is a detailed diagnosis of the state of affairs in developing and least developed countries and the specification and digitalization of data on the priority areas, the amounts and timing of all types of assistance, and the support provided to them. In conclusion, the importance of adequate self-assessment by countries of their readiness to implement the Agreement, the relevance of developing the necessary capacity to implement the Agreement, and bilateral and multilateral cooperation with donors is justified. Proposals for improving the work of the WCO and the WTO to ensure timely implementation of the Agreement are formulated.

Keywords: World Customs Organization, world trade, World Trade Organization, Trade Facilitation Agreement, role of the WCO, instruments of the WCO, customs authorities, trade facilitation

For citation: Davydov R. The Role of the World Customs Organization in the Implementation of the World Trade Organization Agreement on Trade Facilitation. *International Organisations Research Journal*, vol. 17, no 2, pp. 224–249 (in English). doi:10.17323/1996-7845-2022-02-10

Introduction

At the beginning of the 21st century, the global economic community took several active steps aimed at stimulating and developing international trade, as international trade has been and remains one of the main drivers of global economic growth since the second half of the 20th century. According to a study by the Organisation for Economic Co-operation and Development (OECD) [2013], a 1% decrease in global trade costs increases global income by at least \$40 billion. The global income of developing countries is expected to increase by at least \$40 billion, most of which (63%) will be generated by developing countries.

¹ This article was submitted 29.11.2021.

One of the outcomes of this work was the conclusion of the Trade Facilitation Agreement (the Agreement, TFA) during the 9th Ministerial Conference of the World Trade Organization (WTO) in December 2013 in Bali, Indonesia, which entered into force on 22 February 2017. Today it is one of the fundamental international documents aimed at improving the conditions for international trade [Vorontsova, 2018].

In principle, this is the first multilateral trade agreement concluded since the establishment of the WTO 26 years ago. Economists at the United Nations (UN) European Commission estimate that full implementation of the Agreement could reduce trade costs by an average of 14.3% and increase global trade by up to \$1 trillion per year with the greatest benefits accruing to the lowest-income countries [UN, 2018].

At the same time, harmonization and simplification of customs procedures to facilitate international trade is one of the main strategic objectives of the World Customs Organization (WCO), founded in 1952 [WCO, 2019] (Figure 1). The WCO seeks to improve the efficiency of customs services, including through the creation of international instruments to harmonize customs systems and promote effective communication among its members [UNECE, 2012].



Figure 1. WCO's Strategic Goals in Accordance With the 2019–22 WCO Strategic Plan

Source: Drafted by the author based on the WCO data [2019].

To achieve this strategic goal, the main WCO instruments that enshrine the principles and obligations of countries in the field of customs administration are [Bozhidaeva, 2021]:

- revised Convention on the Simplification and Harmonization of Customs Procedures, 2006 (hereinafter, the Kyoto Convention) [WCO, 2008];
- SAFE Framework of Standards [WCO, 2021a];
- E-Commerce Framework of Standards [WCO, 2018a];
- Time Release Study Guidelines [WCO, 2018b];
- Risk Management Compendium [WCO, 2011];
- Guidelines for Post Clearance Audit [WCO, 2012a];
- Single Window Compendium [WCO, 2014a];
- WCO Data Model [WCO, 2020];
- Coordinated Border Management Compendium [WCO, 2009];
- WCO Transit Guidelines [WCO, 2017].

Within this list, the revised Kyoto Convention deserves special attention as it includes a full range of trade facilitation measures. It contains a comprehensive set of commitments developed by the WCO member states to ensure trade facilitation and outlines detailed standards for customs administration [Bobrova, Kozhankov, 2019].

According to the information provided by the WCO Secretariat, the practical implementation of the Agreement is largely related to issues of customs administration—up to 98% of the Agreement's provisions are directly or indirectly related to them. At the same time, in 40% of the provisions of the Agreement customs authorities are the main implementers [Goshin, Moser, 2016].

Therefore, there is a situation in which the international community is attempting to achieve the goal of trade facilitation using various agreements, conventions, and instruments developed under the auspices of two international organizations [Sidorov, Sidorova, 2020]. It is obvious that for the successful implementation of the Agreement concluded under the auspices of the WTO, it is necessary to ensure close cooperation and interaction within the WCO, as well as to achieve coordination and coherence between the two organizations. The membership of the WTO and the WCO coincide by almost 90%; the member states of these international organizations control up to 98% of global trade [Burasova, 2020]. At the same time, the set of competencies, tools, and measures for the implementation of agreements within the framework of the WTO and the WCO differ significantly. For example, the WCO lacks the tools to enforce agreements (work is based on voluntary adherence to agreements and recommendations) and dispute settlement, while in the WTO the dispute settlement mechanism is the main tool to ensure the implementation of agreements. In 2021 alone, eight trade disputes were registered in the WTO for one reason or another [WTO, 2021]. At the same time, the existing agreements in the WCO in terms of monitoring and review of the implementation of major international instruments are not implemented in full, which is regularly emphasized by the international community on the platform of specialized committees of this international organization.

At the same time, while many studies are devoted to the analysis of the TFA [Balandina, 2015], assessments of the implementation of the Kyoto Convention for the implementation of the Agreement are usually considered only during meetings of specialized bodies of the WTO and the WCO and are beyond the scope of a broad academic discussion.

Numerous academic studies on the implementation of the Agreement through WCO instruments note the difficulties of organizing systemic work, the lack of representative analytics, and the fragmented actions of the main stakeholders [Goshin, Moser, 2016].

In this connection, it appears relevant to conduct a systematic study of the possibility of using WCO tools to implement the TFA, to assess the practical measures of the international community in this area and their results, and, based on this analysis, to formulate recommendations aimed at improving the effectiveness of the interaction between the WTO and the WCO to implement the Agreement.

Therefore, if the hypothesis of insufficient use by these international organizations, as well as by members of the TFA, of the capabilities available in the WCO tools and the need for more effective and substantive coordination of the WTO and the WCO efforts to implement the Agreement is confirmed, recommendations can be developed both to accelerate the TFA's implementation through a more active use of WCO tools, resources, and capabilities and to obtain synergy of cooperation between the two organizations.

To assess the potential of the WCO instruments to implement the Agreement, a comparative analysis of the provisions of the Kyoto Convention and the Agreement is conducted below.

The International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention) and the Trade Facilitation Agreement

The revised Kyoto Convention, which entered into force in 2006, provides a comprehensive set of customs procedures aimed at facilitating legitimate international trade while ensuring the effectiveness of customs controls for the full, legitimate, and timely collection of all customs duties, as well as the protection of society and the environment [Klimova, 2020]. It incorporates the key principles of simplification and harmonization of customs procedures: predictability, transparency, and use of information and communication technologies, as well as advanced customs technologies such as risk management, preliminary information, and post-clearance audit.

Countries that have acceded to the Kyoto Convention have reduced time for customs clearance, increase of fiscal revenues, increase of foreign direct investment and overall improvement of economic competitiveness [Yasui, 2010].

The TFA also contains provisions for accelerating the transportation, release, and clearance of goods, including goods in transit. It provides measures to promote effective interaction between customs and other regulatory agencies aimed at facilitating trade and compliance with customs regulations.

A key feature of the TFA is that developing and least developed WTO member states are free to determine the time frame for accession to certain provisions of the Agreement, which are included in separate annexes (B and C). At the same time, the adoption of obligations under Annex C is linked to the need for technical assistance and capacity building in the field of customs administration and border management [Vorontsova, 2018].

A comparative analysis of the Agreement and the Kyoto Convention shows that Chapter I of the TFA, covering its substantive part, correlates 90% with the provisions enshrined in the Kyoto Convention. The 48 provisions of Chapter I of the Agreement have similar provisions in more than 150 articles of the Kyoto Convention. In addition, the 48 provisions of the Agreement have references that are disclosed in 71 articles of the General Annex to the Kyoto Convention and seven articles of its Special Annexes.

The nature of the interrelation between the Agreement and the Kyoto Convention, as well as the other WCO instruments, can be examined using two of what appear to be the most important TFA articles—the provisions governing prior decisions and the release of goods (Tables 1 and 2).

Article 3 of the Agreement obliges the WTO members to provide advance rulings on tariff classification and origin (which is also required by the WTO Agreement on Rules of Origin). It also encourages members to provide advance rulings on the application of customs valuation methods and on certain other requirements (exemptions/preferences, quotas, and so on). This article also sets out the conditions and features concerning advance rulings.

A number of WCO instruments/tools elaborate on the obligations and guidelines for issuing provisional decisions (“binding decisions”/“binding information”) in the areas of classification, determination of origin and customs valuation. Standard 9.9 of the General Annex to the Kyoto Convention determines that binding decisions are issued at the request of the individual concerned, whereas in the Agreement the applicants are the exporter, the importer, or any person with a justified need or their representative. The Kyoto Convention Guidelines [WCO, 2010] for this standard cover many aspects of mandatory decisions, including their scope, notification, timing, and use. The Recommendation for Implementing Programmes for Binding Pre-Entry Classification Information [WCO, 1996] establishes the basic principles

of programmes for mandatory preliminary classification information. The Recommendation for Improvement of Tariff Classification Work and Related Infrastructures [WCO, 1998] deals with prior classification, including mandatory classification information. The WCO Technical Guide to Binding Origin Information [WCO, 2015] covers all the details of this service. Finally, the Practical WCO Guide to Customs Valuation [WCO, 2018] provides general recommended procedures for preliminary customs valuation decisions.

The provisions of the Agreement on prior decisions have certain specificity, but are without clarification, for example, regarding the validity period of decisions; the WCO instruments recommend specific practical deadlines (regarding prior information on the product code—at least one year from the date of issue, in the case of determining the country of origin the WCO recommends three years from the date of issue).

In addition, the WCO instruments and tools provide more guidance as to the time within which binding decisions on origin must be made: as soon as possible, but no later than 150 days from the submission of the request. This provision is taken from the WTO Agreement on Rules of Origin, which is binding for WTO members.

As for the scope of application, the provisions of the Agreement cover only imports, while the WCO classification and origin instruments apply to exports as well.

On the other hand, the WCO instruments and tools do not contain provisions for issuing a notice of rejection or reasons for it, with the exception of the WCO Technical Guide to Binding Origin Information.

The WCO Data Model, for example, contains the elements, their formats, and specifications that allow traders to submit specific information about the preliminary decision as part of the goods declarations.

Table 1. Comparison of the Provisions of the Agreement and the WCO Instruments, Using the Provisions on the Issuance of Preliminary Rulings as an Example

WTO	WCO
Article 3 “Advance Rulings” TFA	General Annex to the Kyoto Convention (Chapter 9 “Information, Decisions and Regulations of the Customs Service,” Standard 9.9). Recommendation on the Introduction of Programmes for Binding Pre-Entry Classification Information (1996). Recommendation on Improvement of Tariff Classification Work and Related Infrastructure (Annex, Part II) (1998). Technical Guide to Binding Origin Information. Practical Guide to Customs Valuation. WCO Data Model

Source: Drafted by the author based on analysis of Agreement and WCO tools.

Article 7 of the Agreement deals with such fundamental procedures and principles of modern customs activity as:

- processing of goods prior to their arrival (7.1);
- electronic payment of duties, taxes, fees, and charges collected by customs on imports and exports (7.2);
- separation of the stages of the release of goods and the final determination of the amounts of customs duties (7.3);
- risk mitigation using a risk management system (7.4);

- post clearance audit (7.5);
- setting and announcing average release dates (7.6);
- measures to simplify trade procedures for authorized operators (7.7);
- accelerated release of certain types of goods (7.8);
- perishable goods (7.9)

When comparing these provisions with existing WCO documents, it seems obvious that there is a similar or generally more detailed description of the obligations set out in the provisions of the Kyoto Convention (Chapters of General Annex), standards and recommendations in the WCO agreements and instruments that require their incorporation into national legislation and practice. If we focus only on the Kyoto Convention in terms of the implementation of the TFA, it appears that 32 provisions of Article 7 of the WTO Agreement are disclosed in 60 provisions of the WCO Kyoto Convention. For example, similar provisions to Article 7, paragraph 7.1 of the Agreement were previously set out in Chapter 3 of the General Annex of the Kyoto Convention (Standard 3.25), requiring the inclusion of national rules governing the submission and registration or verification of the goods declaration and supporting documents prior to the arrival of goods, and in Chapter 7 of the Kyoto Convention General Annex, requiring the use of information technology for these purposes. In addition, the WCO members developed guidelines for the immediate release of goods in the early 1990s, updating them in 2014 and 2018 due to the active introduction of modern information and communication technologies in customs administration practices under the Kyoto Convention.

Analysis of Article 7.2 to 7.9 of the Agreement confirms that most of the provisions of the TFA have similar provisions in WCO instruments. These provisions of the Agreement are in one way or another already enshrined and detailed in numerous provisions of the Kyoto Convention, the SAFE Framework of Standards to secure and facilitate trade, the Kyoto Convention Guidelines on Information and Communication Technology, the 2011 Single Window Compendium (updated in 2017), the 2018 Immediate Release Guidelines, the 2011 Risk Management Compendium, communication through the WCO Global Customs Enforcement Network that has been in operation for over 20 years, through the implementation of the WCO Guideline for Post-Clearance Audit since 2006, through a sequential Time Release Study including software and methodology application guidance, and implementation of the WCO Data Model in customs systems.

Table 2. Comparison of the Provisions of the Agreement and the WCO Instruments on the Example of Regulations on the Release of Goods

WTO	WCO
Article 7 “Release and Clearance of Goods” TFA	General Annex to the Kyoto Convention: Chapter 3, Clearance and Other Customs Formalities (Standards, 3.13, 3.14, 3.17, 3.25, 3.32, 3.34, 3.40), Chapter 4 “Duties and Taxes” (Standard 4.9), Chapter 5 “Security” (Standards 5.1–.7), Chapter 6 “Customs Control” (Standards 6.3–.5), Chapter 7 “Application for Information Technology” (Standard 7.1), Chapter 9 “Information, Decisions and Rulings Supplied by the Customs” (Standard 9.9); SAFE Framework of Standards; SAFE Package; Immediate Release Guidelines; Guidelines on Information and Communication Technology;

WTO	WCO
	Single Window Compendium; Risk Management Compendium; Guideline for Post-Clearance Audit; Time Release Study Guideline (TRS); Software TRS Online; Customs International Benchmarking Manual

Source: Drafted by the author based on analysis of the Agreement and WCO tools.

A full article-by-article comparative analysis of the Agreement and the Kyoto Convention is presented in the Annex. It seems that this analysis may be useful for further research in the country-by-country analysis of the results of the implementation of the Kyoto Convention and the Agreement, as well as the analysis of the effectiveness of this work.

WCO and TFA Instruments

The WCO toolkit has harmonized obligations and standardized approaches and principles in customs matters and builds national practices and guidelines for capacity building and international cooperation [Yudina, 2021].

Following the conclusion of the Agreement, the WCO has taken several tangible steps aimed at creating conditions for its successful implementation. In June 2014, the Mercator programme [WCO, 2014b] was launched after approval by member states to ensure uniform implementation of the Agreement using WCO tools. Mercator is also intended to ensure cooperation at borders and along international trade routes to create conditions for the smooth movement of goods [Kraslavskaya, 2020].

This programme provides tailored assistance to countries, taking into account national contexts and conditions for the implementation of trade facilitation measures, through mechanisms such as:

- donor funding through the Customs Cooperation Fund;
- the use of international customs instruments to implement the Agreement;
- engaging a global network of customs experts to provide in-country assistance;
- technical assistance and capacity building, focusing on needs assessment, strategic planning, implementation, monitoring, and evaluation;
- training of officials and the business community, including on the WCO e-learning platform;
- awareness-raising through regional seminars and educational outreach;
- development of solutions based on factual data, taking into account local, regional conditions
- use of performance measurement and results-based management;
- supporting collaboration with all stakeholders to ensure coordinated border management and partnership between customs and business.

Results-based management and performance evaluation should be an integral part of the planning process and activities to monitor the implementation of the Agreement in the framework of the Mercator programme [Davydov, 2015].

However, it can be stated that in practice there were no specific indicators and methodologies to evaluate the WCO activities and its member states in the implementation of the Mercator programme; the results are usually presented in unsystematic reports on the activities

(workshops and conferences) without an in-depth analysis of the situation or practical recommendations to improve the overall picture.

In December 2013, the WCO established the Trade Facilitation Agreement Working Group (TFAWG) [WCO, n.d.b] as the main platform for discussing assistance in implementing the Agreement. The group consisted of representatives from customs administrations, trade ministries, international organizations related to border management, the private sector, academia, and other stakeholders. More than 200 delegates met twice a year under the auspices of the working group. At its last meeting, held via video conference on 8–9 March 2021, the following statistics characterizing the implementation of the Agreement were given [WCO, 2021b]. The share of countries that completed the ratification procedures was 69.7% of the total number of WTO members. Accordingly, in the four years since the necessary level of approval for the entry into force of the Agreement was met (two thirds of the total number of member states) this share increased only by 3%. The share of developing and least developed countries that have joined the Agreement remained at 60.4%. At the same time, the WTO plans to reach accession rates of 83% by 2023 and 96% by 2028. The level of adherence to certain articles of the Agreement related to transparency is even lower: only 98 members notified the WTO Committee on Trade Facilitation of the publication of trade regulation information (Article 1.4), 83 notified the Single Window (Article 10.4.3), 110 notified customs brokers (Article 10.6.2) and 101 countries provided data on contacts for information exchange (Article 12.2.2).

The meeting of the working group noted that most of the least developed countries, as well as a significant number of developing countries during the four years of the Agreement have not yet identified, or have not yet received, the specific amount of assistance needed to meet their category C obligations under the Agreement.

At the same time, under the pretext of the need to focus resources on the practical implementation of the Agreement in the context of the coronavirus pandemic, the WCO Council (the highest body of the organization) decided in June 2021 to terminate the working group and “assign the implementation of specific articles of the Agreement to various WCO Committees” and also to include these issues in the agenda of the WCO Permanent Technical Committee meetings [WCO, n.d.a].

As a result, practical efforts to implement the Agreement within the framework of the WCO over the past year or two have been reduced to tracking the notifications of countries on the adoption of obligations and their implementation. Practical experience in implementing the Agreement is discussed only in the format of an exchange of practices, so this work does not lead to concrete steps to reduce the time frame for implementation or to fill it with concrete qualitative content. This seems to be why the lack of requests for assistance from a number of developing and least developed countries, or the failure to receive assistance in response to existing requests, was highlighted as a major risk during the final meeting of the working group.

In this context, it appears that the WCO's potential to implement the TFA remains largely untapped. Moreover, recently, due to various circumstances, including coronavirus restrictions, even those tools that were actively used before (the most striking example is the termination of the TFAWG) have not been used.

Findings and Recommendations

At present, the potential contribution of the Kyoto Convention and the other WCO instruments to the implementation of the TFA is substantially greater than their use and possible impact.

It seems that at present there are objective conditions in which the two leading organizations—the WTO and the WCO, which set the rules and recommendations in the field of world

trade—should carefully analyze more than four years of practice related to the implementation of the Agreement and take coordinated actions to restart the mechanisms of its implementation. The WTO has already taken steps in this direction. In 2021, its members launched work on the review of implementation of the Agreement for four years. Several proposals have been formulated, including a regular comparison of the actual and stated terms of implementation of obligations, an analysis of the causes of actual delays, the formation of the evidence base in support of the implementation of obligations and to justify the necessary requirements, the possibility of obtaining feedback from the business community, and other ideas. The first deliverables based on the results of the work are expected by the end of 2021 or early 2022.

Hence, it is necessary to establish truly representative analytics and feedback between members and the main stakeholders represented by the WTO and the WCO and to move from recording statistical data on the formal accession of members to the Agreement or its individual articles to a qualitative and objective assessment of the results of such accession.

A key factor in achieving a qualitative shift in the implementation of the Agreement, which at one time was positioned as a breakthrough tool for assisting the least developed and developing countries through the development of international trade, would be a detailed diagnosis of the state of affairs in these countries, specifying and digitalizing data on the priority areas of work, as well as of the amount and timing of all types of assistance and support for them.

The Agreement provides for greater freedom and autonomy for the least developed and developing countries in the distribution of notifications of accession to the provisions of the Agreement in categories B and C [Kozhankov, 2016]. At the same time, the relevance of adequate self-assessment of countries' readiness for implementation, directions, and volumes of capacity necessary to implement the provisions of category C, as well as bilateral and multilateral cooperation with donors, is obvious.

In this regard, the following recommendations are offered as specific proposals for improving the work to ensure timely implementation of the Agreement.

First, conduct an additional “mapping” of the articles of the Agreement to which the least developed and developing member states have acceded should be conducted, assessing the “coverage” of accession to the various articles of the Agreement, internationally and regionally.

Second, the WCO Permanent Technical Committee, together with the WTO Committee on Trade Facilitation, should form questionnaires on the implementation of the Agreement in least developed and developing countries and recommend that they conduct a self-assessment of the effects of accession in accordance with the proposed questionnaires. This could provide quantitative and qualitative assessments of the impact of accession to the Agreement on increasing cross-border trade in these countries, transit potential, and growth. In the absence of the necessary resources and competencies to conduct such self-assessments in developing and/or least developed countries, assistance should be offered to conduct such studies, including through WCO's existing mechanisms to assist in the capacity building of customs administrations.

Third, effectiveness and efficiency of the activities under the Agreement should be assessed by, for example, comparing the implemented articles with the economic effect of the measures taken calculated in terms of the growth rate of foreign trade turnover of these countries, as well as the gross domestic product. Thus, it is necessary to develop and implement appropriate methods of calculation.

Fourth, a similar analysis with respect to donor funds should be conducted, estimating the economic effect of the assistance provided depending on the amount of funds invested in the implementation of the Agreement.

Fifth, given the rapid development of cross-border e-commerce, a systematic analysis of the impact of the development of e-commerce on the implementation of the Agreement should be carried out.

Sixth, the research potential of the WTO and the WCO should be combined, since these two organizations have highly qualified experts in the field of international trade, necessary research tools, and the ability to obtain comprehensive information necessary for analysis from their members.

Undoubtedly, the potential and role of the WCO here is underestimated and not fully engaged. As the only international professional organization, the WCO is already making efforts to develop methodologies for assessing the implementation of universal customs instruments, which are directly aimed at the practical implementation of trade facilitation. The development of systematic and practical cooperation between the two organizations to give a new impulse to the use of the WCO resources for the implementation of the Agreement seems to be the only way to obtain an objective picture of the situation in the countries, the reforms carried out, the needs and amounts of necessary assistance, and the effectiveness of the implemented measures, including their actual impact on economic development.

The actualization of collaborative work on the implementation of the Agreement could provide a significant synergistic effect from the consolidation of efforts of the WTO and the WCO, the two largest international organizations in the field of governance and regulation of international trade for the development of the world economy in the context of a number of destabilizing factors in the first quarter of the 21st century.

References

- Balandina G. V. (2015) Sodejstvie torgovle i uprosichenie procedur [Trade Facilitation or Simplification of Procedures]. *Torgovaya politika*, vol. 1, no 1, pp. 14–71. Available at: <https://tpjournal.hse.ru/article/iew/8081> (accessed 15 June 2022) (in Russian).
- Bobrova O. G., Kojankov A. YU. (2019) aktualnie voprosy yuridicheskoy tekhniki pri podgotovke novoy redakcii mezhdunarodnoj konvencii ob uprosichenii i garmonizacii tamozhennyh procedur. Tamozhennye chteniya [Topical Issues of Legal Technique in the Preparation of a New Edition of the International Convention on the Simplification and Harmonization of Customs Procedures]. *Nauka i obrazovanie v usloviyah stanovleniya innovacionnoj ekonomiki: Sbornik materialov Mezhdunarodnoj nauchno-prakticheskoy konferencii. V 3-h tomah* [Science and Education in the Conditions of the Formation of an Innovative Economy: Collection of Materials of the International Scientific and Practical Conference in 3 Volumes (S. N. Gamidullaeva (ed.)), pp. 19–29. Available at: <https://elibrary.ru/item.asp?id=41759287> (accessed 15 June 2022) (in Russian).
- Bozhidaeva E. I. (2021) Mekhanizm ocenki effektivnosti deyatelnosti tamozhennyh organov s ispol'zovaniem instrumentov, razrabotannyh VTamO i drugimi mezhdunarodnymi organizatsiyami [Performance Evaluation Mechanism for Customs Authorities Using Tools Developed by the WCO and Other International Organizations]. *Ekonomicheskie sistemy*, vol. 14, no 2, pp. 146–52. Available at: <https://elibrary.ru/item.asp?id=46183861> (accessed 15 June 2022) (in Russian).
- Burasova I. S. (2020) Rol' mezhdunarodnyh organizatsiy v razvitii tamozhennogo sotrudnichestva [The Role of International Organizations in the Development of Customs Cooperation]. *Aktualnye voprosy razvitiya tamozhennogo dela: Materialy Regional'noj nauchno-prakticheskoy konferencii studentov Kaluzhskogo filiala RANHiGS pri Prezidente Rossijskoj Federacii, obuchayushchihsya po special'nosti 38.05.02 "Tamozhennoe delo"* [Topical Issues in the Development of Customs Business: Materials of the Regional Scientific and Practical Conference of the Kaluga Branch of the RANiPA under the President of the Russian Federation, Studying in the Specialty 38.05.02 "Customs"] (P. V. Samylov (ed.)), pp. 97–103. Available at: <https://elibrary.ru/item.asp?id=44259512> (accessed 15 June 2022) (in Russian).
- Davydov R. V. (2015) Sovremennye problemy razvitiya Vsemirnoj tamozhennoj organizatsii [Modern Problems of Development of the World Customs Organization]. *Vestnik Rossijskoj tamozhennoj akademii*, no 4, pp. 61–5. Available at: <https://cyberleninka.ru/article/n/sovremennye-problemy-razvitiya-vsemirnoy-tamozhennoy-organizatsii/viewer> (accessed 15 June 2022) (in Russian).

Goshin V., Mozer S. (2016) K voprosu o funkcionirovanii rabochej gruppy VTamO po uproshteniju procedur trgovli [On the Issue of the Functioning of the WCO Working Group on Trade Facilitation]. *Academicheskij vestnik Rostovskogo filiala Rossijskoj tamozhennoj akademii*, issue 1(22), pp. 18–24. Available at: <https://elibrary.ru/item.asp?id=25797167> (accessed 15 June 2022) (in Russian).

Klimova I. A. (2020) Princip uproshteniya procedur trgovli v mezhdunarodnom tamozhennom prave [The Principle of Trade Facilitation in International Customs Law]. *Mezhdunarodnyj pravovoj kur'er*, no 7, pp. 28–35. Available at: <https://elibrary.ru/item.asp?id=43878995> (accessed 15 June 2022) (in Russian).

Kozhankov A. YU. (2016) Soglasenie Vsemirnoj torgovoj organizacii ob uproshtenii procedur trgovli: predposylki prinyatiya i obshchaya harakteristika [World Trade Organization Agreement on Trade Facilitation: Prerequisites for Adoption and General Characteristics]. *Vestnik Rossijskoj tamozhennoj akademii*, no 4, pp. 37–43. Available at: <https://cyberleninka.ru/article/n/soglasenie-vsemirnoy-torgovoy-organizatsii-ob-uproshtenii-torgovli-predposylki-prinyatiya-i-obshchaya-harakteristika/viewer> (accessed 15 June 2022) (in Russian).

Kraslavskaya G. I. (2020) Mezhdunarodnye instrumenty tamozhennogo administrirovaniya [International Tools for Customs Administration]. *Nauka i obrazovanie: hozyajstvo i ekonomika; predprinimatel'stv; pravo i upravlenie*, no 7(122), pp. 15–7. Available at: <https://elibrary.ru/item.asp?id=42986019> (accessed 15 June 2022) (in Russian).

Organisation for Economic Co-operation and Development (OECD) (2013) OECD Trade Facilitation Indicators: Transforming Border Bottlenecks Into Global Gateways. Available at: https://www.oecd.org/regreform/facilitation/OECD_Trade_Facilitation_Indicators_updated-flyer_May_2013.pdf (accessed 11 September 2021).

Sidorov V. N., Sidorova E. V. (2020) Deyatel'nost' Organizacii ob"edinennyh nacij v sfere uproshteniya procedur trgovli [United Nations Activities in the Field of Trade Facilitation]. *Vestnik universiteta im. O.E. Kutafina (MGYUA)*, no 12, pp. 95–110. Available at: <https://doi.org/10.17803/2311-5998.2020.76.12.095-110> (in Russian).

Union Nations (UN) (2018) Predstavljajushhie interes voprosy, kotorye vznikli posle dvadcat' tret'ej sessii i drugie mezhdunarodnye izmeneniya [Matters Arising Since the Twenty-Third Session and Other International Developments]. Economic Commission for Europe Executive Committee. ECE/TRADE/C/CEFACT/2018/3. Available at: https://unece.org/fileadmin/DAM/cefact/cf_plenary/2018_plenary/ECE_TRADE_C_CEFAC2018_3R.pdf (дата обращения: 6.09.2021) (in Russian).

United Nations Economic Commission for Europe (UNECE) (2012) Practicheskoe rukovodstvo po uproshteniju procedur trgovli: Vsemirnaja tamozhennaja organizacija [Practical Guide to Trade Facilitation: World Customs Organization]. Available at: <https://tfig.unece.org/RUS/contents/org-wco.htm> (accessed 2 October 2021) (in Russian).

Vorontsova N. A. (2018) Vsemirnaya torgovaya organizaciya: k voprosu ob uproshtenii tamozhennyh procedur trgovli [World Trade Organization: To the Question of Simplification of Customs Trade Procedures]. *CHast' 1. Moskovskij zhurnal mezhdunarodnogo prava*, no 1, pp. 44–59. Available at: <http://doi.org/10.24833/0869-0049-2018-1-44-59> (in Russian).

Vorontsova N. A. (2018) Vsemirnaya torgovaya organizaciya: k voprosu ob uproshtenii tamozhennyh procedur trgovli [World Trade Organization: On the Issue of Trade Facilitation]. *CHast' II. Moskovskij zhurnal mezhdunarodnogo prava*, no 3, pp. 53–64. Available at: <http://doi.org/10.24833/0869-0049-2018-3-53-64> (in Russian).

World Customs Organization (WCO) (1996) Recommendation of the Customs Co-operation Council on the Introduction of Programmes for Binding Pre-Entry Classification Information. Available at: http://www.wcoomd.org/-/media/wco/public/global/pdf/about-us/legal-instruments/recommendations/hs/hs_reco_june1996_en.pdf?la=en (accessed 22 September 2021).

World Customs Organization (WCO) (1998) Recommendation of the Customs Co-operation Council on the Improvement of Tariff Classification Work and Related Infrastructure. Available at: http://www.wcoomd.org/-/media/wco/public/global/pdf/about-us/legal-instruments/recommendations/hs/hs_reco_june1998_en.pdf?la=en (accessed 22 September 2021).

World Customs Organization (WCO) (2008) The Revised Kyoto Convention. Available at: http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv.aspx (accessed 10 September 2021).

World Customs Organization (WCO) (2009) Coordinated Border Management Compendium. Available at: <http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/coordinated-border-management.aspx> (accessed 5 September 2021).

World Customs Organization (WCO) (2010) Kyoto Convention: General Annex Guidelines. Available at: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/dev/rkc-guidelines-ch-1.pdf?la=en> (accessed 22 September 2021).

World Customs Organization (WCO) (2011) Customs Risk Management Compendium. Available at: <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/risk-management-compendium.aspx> (accessed 6 September 2021).

World Customs Organization (WCO) (2012a) Guidelines for Post-Clearance Audit. Available at: <http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/guidelines/pca-guidelines.aspx> (accessed 4 September 2021).

World Customs Organization (WCO) (2012b) Practical Guidelines for Valuation Control. Available at: <https://rocb-europe.org/uploads/1/e-training/materials/en/customs-valuation/3-practical-guidelines-valuation-control-eng.pdf> (accessed 16 June 2022).

World Customs Organization (WCO) (2014a) A Supplement Edition to the WCO Single Window Compendium. Available at: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/single-window/sw-compendium-supplement-edition.pdf?la=en> (accessed 3 September 2021).

World Customs Organization (WCO) (2014b) Mercator Programme. Available at: <http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/mercator-programme.aspx> (accessed 30 August 2021).

World Customs Organization (WCO) (2015) Technical Guidelines on Advance Rulings for Classification Origin and Valuation. Available at: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/origin/instruments-and-tools/guidelines/guidelines-on-advance-rulings-for-classification-origin-and-valuation.pdf?la=en> (accessed 22 September 2021).

World Customs Organization (WCO) (2017) Transit Guidelines. Available at: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/transit/transit-guidelines.pdf?db=web> (accessed 6 September 2021).

World Customs Organization (WCO) (2018a) Framework of Standards on Cross-Border E-Commerce. Available at: <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/frameworks-of-standards/ecommerce.aspx> (accessed 5 September 2021).

World Customs Organization (WCO) (2018b) Guide to Measure the Time Required for the Release of Goods. Available at: <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/time-release-study.aspx> (accessed 4 September 2021).

World Customs Organization (WCO) (2019) Strategic Plan WCO 2019–2022. Available at: <http://www.wcoomd.org/-/media/wco/public/global/pdf/about-us/administrative-documents/wco-strategic-plan-2019-2022.pdf?db=web> (accessed 12 September 2021).

World Customs Organization (WCO) (2020) WCO Data Model. Available at: <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/data-model.aspx> (accessed 6 September 2021).

World Customs Organization (WCO) (2021a) Safe Framework of Standards. Available at: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en> (accessed 5 September 2021).

World Customs Organization (WCO) (2021b) Executive Summary of the Virtual Meeting of the WCO Working Group on the WTO Trade Facilitation Agreement, 8–9 March. Available at: <http://www.wcoomd.org/en/search.aspx?keyword=PT0112Ea> (accessed 16 September 2021).

World Customs Organization (n.d.a) Permanent Technical Committee. Available at: <http://www.wcoomd.org/en/topics/facilitation/resources/permanent-technical-committee.aspx> (accessed 20 September 2021).

World Customs Organization (n.d.b) Working Group on the Agreement on Trade Facilitation. Available at: <http://www.wcoomd.org/en/topics/facilitation/resources/working-group-on-the-wto-agreement-on-trade-facilitation.aspx> (accessed 3 September 2021).

World Trade Organization (WTO) (2021) Chronological List of Disputes Cases. Available at: https://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm (accessed 7 September 2021).

Yasui T. (2010) Benefits of Revised Kyoto Convention. World Customs Organization. Research Paper No. 6. February. Available at: http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/research/research-paper-series/rkc_benefits.pdf?la=e (accessed 15 September 2021).

Yudina A. O. (2021) Rol' Vsemirnoj tamozhennoj organizacii v regulirovanii vneshneekonomicheskikh svyazej [The Role of the World Customs Organization in the Regulation of Foreign Economic Relations]. *Aktual'nye problemy mezhdunarodnyh otnoshenij v usloviyah formirovaniya mul'tipolyarnogo mira: sbornik nauchnyh statej 10-j Mezhdunarodnoj nauchno-prakticheskoy konferencii* [Actual Problems of International Relations Under the Formation of a Multipolar World]. Kursk, pp. 484–6. Available at: <https://www.elibrary.ru/item.asp?id=47555646> (accessed 16 June 2022) (in Russian).

Annex. Comparison of the Provisions of the World Trade Organization Agreement on Trade Facilitation and the International Convention of the World Customs Organization on the Simplification and Harmonization of Customs Procedures

Article in the WTO Trade Facilitation Agreement (hereinafter—Agreement)	Provision of the International Convention on the Simplification and Harmonization of Customs Procedures (hereinafter—Convention)
Article 1: Publication and Access to Information	
1. Publication Provision is made for the prompt publication of information on a non-discriminatory basis and in an easily accessible form for the information of all interested parties	General Annex, Chapter 7 “Application of Information Technology,” Chapter 9 “Information, Decisions and Rulings Supplied by the Customs (Standards 9.1–.2) Provision shall be made for unrestricted access of any individual concerned to all relevant information of general nature relating to customs legislation, including clarified information prior to the entry into force of the amendments
2. Information Available Through Internet The information provided is intended to be available and updated via the Internet	General Annex, Chapter 7 “Application of Information Technology,” Chapter 9 “Information, Decisions and Rulings Supplied by the Customs (Standard 9.3) Provision is made for the use of information technology to facilitate the presentation of information
3. Enquiry Points It is intended to establish or maintain one or more information centres to respond to reasonable inquiries from interested parties	General Annex, Chapter 9 “Information, Decisions and Rulings Supplied by the Customs” (Standards 9.4–.8) Provision of the most accurate information on the specific issues raised, relating to customs legislation at the request of the individual concerned in the shortest possible time
4. Notification Provides for notification to the WTO Committee on Trade Facilitation of the places of publication of information, contacts of information centres	General Annex, Chapter 9 “Information, Decisions and Rulings Supplied by the Customs” (Standards 9.1–.3) Provision is made for unrestricted access of any individual concerned to all relevant information of general nature relating to customs legislation, including clarified information prior to the entry into force of the amendments. <i>Note:</i> The provisions are compatible, although the rules of the Convention do not require such (similar) notification
Article 2: Opportunity for Comment, Information Before Entry Into Force and Consultation	
1. Opportunity for Comment, Information Before Entry Into Force Provision is made to allow an appropriate time and opportunity for traders and other interested parties to comment on the proposed introduction or amendment of laws and other acts of general application	General Annex, Chapter 1 “General Principles” (Standard 1.3) Provision is made to establish and maintain interaction with traders in the framework of enhancing cooperation and facilitating participation in the development of best practices. <i>Note:</i> The Convention provides for trading parties to be consulted and informed of changes in laws and regulations in advance of entry into force but does not specifically mention the need to allow trading parties to comment on a proposed introduction or change
2. Consultation Provision is made for regular consultations between border authorities and interested parties	General Annex, Chapter 1 “General Principles” (Standard 1.3) Provision is made to establish and maintain interaction with traders in the framework of enhancing cooperation and facilitating participation in the development of best practices
Article 3: Advanced Rulings Provision is made for a provisional decision within a reasonable time to an applicant who has submitted a written request containing all necessary information	General Annex, Chapter 9 “Information, Decisions and Rulings Supplied by the Customs” (Standard 9.9) Provision is made for the issuance of a mandatory prescription at the request of the individual concerned provided that the customs service has all the necessary information

Article in the WTO Trade Facilitation Agreement (hereinafter—Agreement)	Provision of the International Convention on the Simplification and Harmonization of Customs Procedures (hereinafter—Convention)
Article 4: Appeal or Review Procedures	
1. Procedure for to appeal or review Provision is made for any individual in respect of whom an administrative decision is made by customs authorities to appeal against such a decision in pre-trial and judicial procedures	General Annex, Chapter 10 “Appeals in Customs Matters” Provides the right to appeal on customs issues by any individual concerned in the pre-trial and judicial order
Article 5: Other Measures to Enhance Impartiality, Non-Discrimination and Transparency	
1. Notification for Enhanced Controls or Inspection Provision is made for intensified controls or inspections at the border based on the risk with respect to food, drink, and feed to protect human life and health, animal, or plant in its territory	General Annex, Chapter 6 “Customs Control” (Standards 6.3–.4) Provision is made for the use of a risk management system for customs control (determining the individuals and goods, including vehicles to be checked and the extent of such checks)
2. Detention Provision is made for promptly informing the carrier and the importer in case the goods are delayed for inspection by customs or other competent authorities.	General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standards 3.33–.37), Chapter 6 “Customs Control” (Standards 6.1, 6.8) It is intended that when a decision is made to inspect goods, such inspection shall take place as soon as possible after registration of the goods declaration. At the same time, to improve customs control, the Customs Service seeks to cooperate with trade parties and conclude a memorandum of understanding. <i>Note:</i> There is no provision in the Convention expressly stating that Customs shall inform the carrier or the importer, but there is a Standard 3.36 in the General Annex, according to which Customs shall consider requests by the declarant for personal presence or the presence of his representative during the inspection of goods. Such requests must be granted except in exceptional circumstances
3. Test Procedures Provision is made for the possibility of re-inspection, upon request, if the result of the first inspection of the sample taken on arrival of the goods declared for import was unsatisfactory	General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standard 3.38) Provision is made for taking samples only when deemed necessary by Customs to ascertain the description by tariff and/or value of the goods declared or in order to ensure the application of other provisions of national law
Article 6: Discipline on Fees and Charges Imposed on or in Connection With Importation or Exportation and Penalties	
1. General Discipline on Fees and Charges Imposed on or in Connection With Importation or Exportation Applies to all payments and fees, except for import and export duties and taxes. Provision is made for the publication of information on such payments and duties, as well as an effort to reduce their number	General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standards 3.2), Chapter 9 “Information, Decisions and Rulings Supplied by the Customs” (9.7); Specific Annex A, Chapter 1 (Paragraph 19) It is envisaged that any fees (for customs formalities outside the established working hours of the customs authority, cargo operations) charged by the customs service should be limited to the approximate value of the services provided. <i>Note:</i> The Convention does not provide for a periodic review of duties and charges, as provided for in the text of the Agreement
2. Specific Disciplines on Fees and Charges for Customs Processing Imposed on or in Connection With Importation and Exportation It is envisaged that customs clearance duties should be limited to the approximate cost of services	General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standard 3.2), Chapter 9 “Information, Decisions and Rulings Supplied by the Customs” (9.7); Specific Annex A, Chapter 1 (Paragraph 19) It is envisaged that any duties (for customs formalities outside the established working hours of the customs authority, cargo operations) charged by the customs service should be limited to the approximate value of the services provided

Article in the WTO Trade Facilitation Agreement (hereinafter—Agreement)	Provision of the International Convention on the Simplification and Harmonization of Customs Procedures (hereinafter—Convention)
<p>3. Penalty Disciplines Penalties for violation of customs laws, other legal acts or procedural requirements shall be imposed on the individual responsible for the violation</p>	<p>General Annex, Chapter 3 “Clearance and other Customs formalities” (Standards 3.39, 3.43); Specific Annex H, Chapter 1 (Paragraphs 19–25) Provision is made for: – release, provided that no offences are detected; – setting the penalties applicable to each category of customs offences that can be dealt with in an administrative settlement (the severity or extent of the penalties, depends on the seriousness or importance of the customs offence committed and the previous activities of the person concerned connected with the customs service)</p>
Article 7: Release and Clearance of Goods	
<p>1. Pre-Arrival Processing Provision is made for procedures to enable the submission of documents, including in electronic form, to begin processing them prior to the arrival of goods to expedite the release of goods upon arrival</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standard 3.25), Chapter 7 “Application of Information Technology” Provision is made for the regulation of the submission and registration or verification of the goods declaration and supporting documents prior to the arrival of goods, including the use of information technology</p>
<p>2. Electronic Payment Provision is made for electronic payment of duties, taxes, fees, and charges levied by customs authorities and in connection with imports and exports</p>	<p>General Annex, Chapter 7 “Applications of Information Technology” (Standard 7.1) Provision is made for the use of information technology by the Customs Service in cases where it is cost-effective and efficient for the Customs Service and traders</p>
<p>3. Separation of Release From Final Determination of Customs Duties, Taxes, Fees, and Charges Provision shall be made for the release of goods before a final decision on customs duties, payments, taxes, and fees, if such a decision is not made prior to arrival, upon arrival or as soon as possible after arrival</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standards 3.13, 3.14, 3.17, 3.40), Chapter 4 “Duties and Taxes” (Standard 4.9), Chapter 5 “Security” (Standards 5.1–.7) Provision shall be made for the filing of a preliminary or incomplete goods declaration. The release of such declarations shall not be delayed subject to the provision of any required guarantees to ensure the collection of any applicable duties and taxes</p>
<p>4. Risk Management It is envisaged to establish and maintain risk management system for customs control purposes</p>	<p>General Annex, Chapter 6 “Customs Control” (Standards 6.3–.5) Provision is made for the customs service to use a risk management system for customs control</p>
<p>5. Post Clearance Audit Provides for the establishment or application of a post clearance audit to ensure compliance with its customs and other related laws and other regulations</p>	<p>General Annex, Chapter 6 “Customs Control” (Standard 6.6) It is envisaged that customs control systems include controls based on audit methods</p>
<p>6. Establishment and Publication of Average Release Times It is envisaged to measure and publish average release time using tools such as, among others, the World Customs Organization’s Time Release Study periodically and consistently</p>	<p>There is no similar provision in the text of the Convention itself. Implemented through the following WCO tools: – Time Release Study (TRS) – TRS Online software – Customs International Benchmarking Manual</p>
<p>7. Trade Facilitation Measures for Authorized Operators Provision is made for additional trade facilitation measures for operators who meet certain criteria, which are hereinafter referred to as authorized economic operators</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standard 3.32) Special procedures are provided for authorized individuals who meet the criteria established by Customs, including having a proper Customs compliance file and a satisfactory system of keeping commercial records</p>

Article in the WTO Trade Facilitation Agreement (hereinafter—Agreement)	Provision of the International Convention on the Simplification and Harmonization of Customs Procedures (hereinafter—Convention)
<p>8. Expedited Shipments It is envisaged to adopt or retain procedures which permit the expedited release of at least those goods which have arrived by air by individuals who have requested such treatment while customs control is retained</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” Provision is made for: – joint control at common border crossing points by the customs administrations concerned – release under guarantee – prioritization of inspections of goods by customs authorities</p>
<p>9. Perishable Goods Provision is made for expedited release and priority for any necessary inspections of perishable goods to prevent damage and spoilage</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standard 3.34) When planning inspections of goods, it is envisaged to give priority to the inspection of live animals and perishable goods, as well as other goods, the need for urgent inspection of which is recognized by the Customs Service</p>
<p>Article 8: Border Agency Cooperation Provision is made for the cooperation and coordination between authorities and agencies responsible for border controls and procedures relating to the import, export, and transit of goods in order to facilitate trade</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standard 3.35) Provides that if goods are to be inspected by other competent authorities and the Customs Service also plans to inspect them, the Customs Service shall ensure that such inspections are coordinated and, if possible, carried out simultaneously</p>
<p>Article 9: Movement of Goods Intended for Import Under Customs Control Provision is made for the movement of goods intended for import within the country under customs control from customs point of entry to other customs point within its territory, where the goods will be cleared and released</p>	<p>Special Annex E, Chapter 1 “Transit” It is envisaged that the Customs Service allows the transportation of goods under customs control on its territory, in particular, from the customs office of arrival to the domestic customs office</p>
<p>Article 10: Formalities Connected With Importation, Exportation and Transit</p>	
<p>1. Formalities and Documentation Requirements Provides for analysis of documentation requirements, revision of formalities and documentation requirements</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standards 3.11–.19) Provision is made for: – determination of the content of the goods declaration, including in electronic form – limiting the list of data to be included in the goods declaration – limiting the requirement for only those documents that are necessary for customs control – the possibility of submitting documentation by electronic means of communication – no requirement for translation of supporting documentation, except in cases where this is necessary for the processing of the declaration of goods</p>
<p>1. Acceptance of Copies There is an aspiration to accept paper or electronic copies of supporting documents required as part of import, export, and transit formalities</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standards 3.11–.19) Provision is made for: – determination of the content of the goods declaration, including in electronic form – submission of a minimum number of copies of the goods declaration – The possibility of submitting documentation by electronic means of communication</p>

Article in the WTO Trade Facilitation Agreement (hereinafter—Agreement)	Provision of the International Convention on the Simplification and Harmonization of Customs Procedures (hereinafter—Convention)
<p>3. Use of International Standards Provides for the use of international standards as the basis for import, export, and transit formalities and procedures</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standard 3.11), Chapter 7 “Application of Information Technology” (Standard 7.2) Provision is made for: – when implementing computer systems, the Customs Service shall use relevant internationally accepted standards – the paper format of the goods declaration should comply with the UN model form – the electronic format of the goods declaration is based on international standards for electronic information exchange, as defined by the recommendations on information technology of the Customs Cooperation Council</p>
<p>4. Single Window The intention is to create or maintain a “single window” system to provide documentation and/or required data for the import, export, or transit of goods through a single border crossing point</p>	<p>The Convention does not explicitly contain a similar provision. In turn, this issue is addressed by a provision in its General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standard 3.25): Provision is made for the submission and registration or verification of the goods declaration and supporting documents prior to the arrival of the goods</p>
<p>5. Pre-Shipment Inspections Provision is made to eliminate the requirement to use pre-shipment specifications in relation to tariff classification and customs valuation</p>	<p>The Convention does not contain a similar rule. The WCO Practical Guidelines for Valuation [2012b] provides some guidance on developing a strategy to eliminate pre-shipment inspection (for the purpose of determining customs value)</p>
<p>6. Use of Customs Brokers It is envisaged that, without prejudice to the essential interests of public policy the requirements for the mandatory use of customs brokers (intermediaries) should not be introduced</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standards 3.6–.7), Chapter 8 “Relationship Between the Customs and Third Parties” (Standards 8.1–.7) Provision is made for: – the determination of the conditions for an individual to act as a declarant of goods – any person who has the right to dispose of the goods has the right to act as a declarant – the possibility of conducting transactions with the Customs Service through an authorized third party</p>
<p>7. Common Border Procedures and Uniform Documentation Requirements It envisages the application of common customs procedures and unified documentation requirements for the release and customs clearance of goods throughout its territory</p>	<p>General Annex, Chapter 3 “Clearance and Other Customs Formalities” (Standards 3.11, 3.20) Provision is made for: – the paper format of the goods declaration should comply with the UN sample form – the goods declaration in electronic form is based on international standards of electronic exchange of information defined in the Recommendations on Information Technology of the Customs Cooperation Council – permission to submit the goods declaration to any established customs authority</p>
<p>8. Rejected Goods Provides for the possibility for the importer to divert or return the goods to the exporter or another person if such goods are rejected by the competent authorities because they do not meet the established sanitary or phytosanitary requirements or technical regulation measures</p>	<p>The Convention does not mention the return of goods that do not meet the prescribed sanitary or phytosanitary requirements or technical regulations. However, Chapter 4 of the General Annex to the Convention mentions the compensation to be given to the importer/exporter for goods that are returned General Annex, Chapter 4 “Fees and Taxes” (Standard 4.19) Provision is made for: – refunds of duties and taxes on imported or exported goods if, at the time of import or export, they are found to be defective or otherwise not in conformity with agreed specifications and are to be returned to the supplier or other person</p>

Article in the WTO Trade Facilitation Agreement (hereinafter—Agreement)	Provision of the International Convention on the Simplification and Harmonization of Customs Procedures (hereinafter—Convention)
9. Temporary Admission of Goods and Inward and Outward Processing	
<p>9.1 Temporary Admission of Goods It is provided the possibility of importing goods into its territory with conditional exemption, in whole or in part, from import duties and taxes, if such goods are imported for special purposes, are intended for re-export and have not been subject to any changes, except for natural wear and tear and loss due their use</p>	<p>Special Annex G, Chapter 1 It is provided that certain goods may be brought into a customs territory with conditional exemption, in whole or in part, from import duties and taxes; such goods must be imported for a specified purpose and must be intended for re-export within a specified period without undergoing any change except normal wear and tear due to their use.</p>
<p>9.2 Inward and Outward Processing The possibility of processing of goods on and outside the customs territory is provided. The goods admitted for processing may be re-imported with full or partial exemption from import duties and taxes</p>	<p>Special Annex F, Chapters 1–3 Provision is made for: – goods for processing in the customs territory are subject to full conditional exemption from import duties and taxes; – goods may be temporarily exported for manufacturing, processing or repair abroad and subsequently re-imported with full or partial exemption from import duties and taxes</p>
<p>Article 11: Freedom of Transit Provision is made for: – the exclusion of the use of rules or formalities representing implicit restrictions on transit traffic – transit shall be exempt from all charges or fees, except charges for transportation or those commensurate with the administrative costs occasioned by the transit or the cost of services rendered – giving goods to be in transit through the territory of any other state treatment no less favourable than that which would have been accorded to those goods had they been transported from their place of origin to their destination, without going through the territory of another state</p>	<p>Special Annex E, Chapters 1–2 Provides that goods transported under customs transit shall not be subject to duties and taxes, subject to compliance with the established conditions and the provision of any required guarantees. <i>Note:</i> Freedom of transit and the principle of non-discrimination are not covered by the equivalent provisions of the Convention. The freedom of transit in Article 11 of the Agreement is not limited to customs transit only. It is a holistic approach that includes other governmental agencies, in particular transport ministries</p>
<p>Article 12: Customs Cooperation Provision is made for: – exchange of information on claims in other states – exchange of information to verify import and export declarations upon request – ensuring the safety and confidentiality of the information exchanged – prompt response to requests for information – possibility to postpone or refuse a response to a request – comparing the cost of preparing a response to a request with the value of the information obtained – ability to enter into bilateral or regional agreements for the provision or exchange of customs information and data</p>	<p>General Annex, Chapter 1 “General Provisions,” Chapter 3 “Clearance and Other Customs Formalities,” Chapter 6 “Customs Control” (Standard 6.7), Chapter 7; Specific Annex H, “Offences,” Chapter 1 Provision is made for: – cooperation with other customs administrations and the conclusion of mutual administrative assistance agreements – wherever possible, all parties directly concerned shall be consulted in the introduction of information technology – the use of electronic methods of exchange of commercial information – combination of electronic methods and methods of authentication and identity of documents on paper – the right of the Customs Service to retain information for its own use for customs purposes and, where appropriate, to exchange such information with other Customs administrations and other legally authorized parties by electronic means for the exchange of commercial information – determining the procedure to be followed by Customs after it has discovered a Customs offence and the steps it may take – authorizing the Customs Service to obtain evidence of an offence <i>Note:</i> The scope of the Article of the Agreement for information exchange is very narrow (mainly only for the verification of import and export declarations in prescribed cases). The requested party may refuse to provide information based on its national legal system. This article does not replace the exchange of information on the basis of bilateral/multilateral/regional agreements. The agreement does not cover information exchange on a voluntary basis (only on a request basis)</p>

Source: Drafted by the author based on analysis of the Agreement and WCO instruments.

A Brief History of the G20 Institutional Dynamics (2008–21)¹

M. Larionova

Marina Larionova—PhD, Head, Centre for International Institutions Research (CIIR), Russian Presidential Academy of National Economy and Public Administration (RANEPA); 11 Prechistenskaya naberezhnaya, Moscow, 119034, Russian Federation; E-mail: larionova-mv@ranepa.ru

Abstract

The Group of 20 (G20) brought together leaders of the key advanced and emerging market countries to manage the 2007–08 financial and economic crises, reform the international architecture, devise a new global consensus, ensure recovery, and promote strong, sustainable, and balanced growth. Established as an anti-crisis mechanism and designated by its members as a premier forum for international economic cooperation, the G20 transformed into a global governance hub. Since its first summit, the G20 has generated high expectations and has become a subject of research and assessment for analysts, mass media, and the general public. Each summit's deliberations, decisions, and engagements have been scrutinized. Critics of the G20 claim it has lost relevance and was not capable of responding to the degradation of multilateralism, or the COVID-19 pandemic and the crisis it induced.

In this article, the logic of historical institutionalism is applied to explore the confluence of dynamics in the G20's evolution: demand for G20 leadership; agenda expansion and institutionalization; and legitimation, accountability, and engagements. It is concluded that the G20 changed global governance trends, creating a more inclusive global governance that integrates the G20's own extensive and diverse cooperation networks with the networks of the other international institutions and engagement groups involved in G20 policy processes. The networked governance, alongside the rotating presidency, the Troika, and various outreach mechanisms, augment the G20's authority and reduce the legitimacy gap perception. The benefits from the early decisions, established and expanding agenda, patterns of engagement, cognitive scripts, embedded ideas, and internalized norms became strong endogenous sources of stability, reinforced in positive feedback loops. Despite tensions between members, the value that the G20 provides and the global public goods it generates, real and expected returns, constitute significant incentives for the G20's continued engagement, sustain its evolving dynamics, and consolidate its path-dependency. The downside of the G20's resilience is its inability to undertake innovative initiatives in the wake of COVID-19 or to provide the powerful leadership the world needed to overcome the pandemic and the related economic and social crises. Notwithstanding these failures, the G20 remains the crucial hub of contemporary global economic governance. However, the lock-in may entail the risk of losing relevance to other institutions.

Keywords: G20, institutional dynamics, global governance, financial crisis, COVID-19 pandemic

Acknowledgements: the article was written on the basis of the RANEPA state assignment research programme.

For citation: Larionova M. (2022) A Brief History of the G20 Institutional Dynamics (2008–21). *International Organisations Research Journal*, vol. 17, no 2, pp. 250–274 (in English). doi:10.17323/1996-7845-2022-02-11

¹ This article was submitted 27 February 2022.

Introduction

The leaders of the Group of 20 (G20) held 16 summits and agreed 2,834 commitments in the 13 years since their first meeting in November 2008 in Washington, which brought together heads of the key advanced and emerging market countries to manage the 2007–08 financial and economic crises, reform the international architecture [G20, 2008], devise a new global consensus [G20, 2009a], and ensure recovery and strong, sustainable, and balanced growth [G20, 2009b]. The G20 establishment was a response to power shifts, increased interdependency, mounting vulnerabilities, uncertainties in economics, and lack of authoritative institutions capable of preventing or dealing with the risks. Set up at this critical juncture as an anti-crisis mechanism [Cooper, 2010] and designated by its members as a premier forum for international economic cooperation, the G20 has transformed into a global governance hub [Kirton, 2013, pp. 46–7] and a focal point in networked governance [Cooper, 2020]. Despite many failures, this 21st century institution plays a unique role in global governance [Greco et al., 2021], understood in this article as “the sum of laws, norms, policies, and institutions that define, constitute, and mediate relations among citizens, society, markets, and the state in the international arena” [Weiss, Thakur, 2010, p. 6].

From its first leaders’ meeting the G20 generated high expectations and became a subject of research [Bradford, Wonhyuk, 2011], assessment [Fues, Messner, 2016], and critique [Dadush, Suominen, 2011, p. 14] for analysts, mass media and the general public. Each summit’s deliberations, decisions and engagements have been scrutinized. The 10th anniversary of the G20, along with the radical changes in world politics,² engendered a comprehensive analysis of its summitry role and purpose in global governance [Berger, 2020]. The body of G20 scholarship, as evidence of its prominence,³ makes the task of contributing to the research daunting. This article provides a review of the dynamics of the G20’s evolution: demand for the G20 leadership; agenda expansion and institutionalization; and legitimation, accountability and engagement. Applying an historical institutionalist logic, the article surveys key decisions, failures, and achievements of each of the summits with a focus on the functions the institution performs, the value it provides for the members, the benefits (global public goods) it produces, and the path dependencies it creates [Hall, Taylor, 1996, p. 20]. It concludes by highlighting the main factors that sustain the G20’s resilience, relevance, leadership, and governance capacity.

Historical Institutionalists’ Tools for Understanding Institutional Dynamics

Historical institutionalism (HI) is neither a theory nor a specific method; rather, it is an approach to studying international institutions that provides a set of analytical concepts for understanding international institution’s dynamics: path dependence, sequencing, incremental change, and critical junctures [Steinmo, 2008]. Alongside rational choice and sociological institutionalist approaches, HI developed in the 1980s and 1990s in critical reaction to behavioural and structural functionalism theories. Countering their emphasis on political outcomes as the products of aggregated societal behaviour or as derivatives of the interplay of actors’ interests, the new institutionalism sees institutions as intervening variables between actors’ preferences

² Including the rise of populist and nationalist movements, the U.S.’ withdrawal from multilateral agreements, Brexit, heightening tensions between the U.S. and China, technological changes and competition for technological superiority, and stagnation in the reform of global governance institutions.

³ See for example S. Slaughter [2019, p. 13].

and political outcomes and explores the role of institutions in determining these outcomes and the actors' interests and behaviours [Rosamond, 2000, p. 114].

Regarding institutions as rules that structure behaviour, the three institutionalisms differ over the definitions of the institutions and their understating of actors' nature. The rational choice school defines institutions as formal organizations and argues that individuals cooperate and follow rules because they calculate the costs and benefits that accrue from the institutional arrangements and want to maximize their gains. Sociological institutionalists regard individuals as social beings who follow a "logic of appropriateness" and value institutions as social norms governing societal life and social interaction. For HI, actors are both norm-abiding rule followers and rational actors [Steinmo, 2008, p. 163], while institutions are "the formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy" [Hall, Taylor, p. 6]. Accepting the rational choice institutionalist premise that states create institutions because they see benefits from the functions performed by these institutions and respecting the sociological institutionalist thesis that institutions influence actors' behaviours and preferences by providing cognitive scripts, models, and norms, HI emphasizes member states' primacy in making institutional choice and the institutions' capacity to shape the members' preferences, structure the political situation, and influence political outcomes.

Importantly, HI underscores the temporal nature of institutional dynamics and its contingency on past processes [Nexon, 2012]. From the perspective of HI, at the time of creation (t) actors are not aware of the institution's future dynamics and cannot predict its long-term implications for their actions at $t + n$. Thus, institutional architects and institutional subjects will have to operate in an environment defined by the institutional choices made in the past and preceding institutional dynamics, which shape and constrain actors at a later time.

As the sunk costs are incurred and the institutions yield increasing returns, policymaking is characterized by path dependencies and lock-ins. Early decisions that brought considerable returns create path dependencies—incentives to stick to institutional and policy choices, adapting them incrementally to political transformations. Lock-ins mean that, valuing the benefits provided by the institutions, actors stick with them even if the results are no longer satisfying or the members' preferences diverge and there is no rational reason for continued existence of the institution. Hence, the institutions remain in equilibrium for extended periods despite internal and external political transformations. As highlighted by Thomas Rixen and Lora Anne Viola, path dependence does not mean non-change, rather it refers to a process that becomes self-reinforcing because it is subject to increasing returns. In an ongoing feedback loop, the institution produces effects, which become causes of subsequent effects, which in their turn also become causes [2016].

HI also differs from the other schools by its understanding of the mechanisms of institutional change and the role of ideas (understood as collective solutions to common challenges) in shaping political decisions and outcomes. In this perspective, institutional transformation is the product of changes in ideas held by actors [Hall, 1996]. Though highly sensitive to social and historical context and recognizing the importance of exogenous sources of change, HI views institutional dynamics as an endogenously driven, evolving process rather than exogenous, shock-activated leaps from one equilibrium to another. Long periods of stability and incremental change can be disrupted by critical junctures—exogenous events that may change dynamics and set the institutions on another path of development. However, the exogenous sources of change can be stymied by endogenous sources of self-reinforcement, including but not limited to the perceived and real benefits from the current set-up, uncertainty about advantages of alternative institutional arrangements, ideas and narratives embedded in the agenda, internalized

norms of behaviour, patterns of interaction, compliance procedures, institutional culture, and extensive networks of stakeholders involved in the institution's performance.

As with any analytical approach, HI has its weaknesses. HI's interest in historical analysis and the contingency of change processes implies a methodological preference for qualitative case study research drawing on empirical description of important institutional cases. All in all, sensitive to temporal boundaries and the role of different variables in institutional dynamics, HI provides useful analytical tools for understanding institutional development [Steinmo, 2008, p. 175].

Initially focusing on national political institutions, processes, and outcomes, at the end of 1990s the institutionalist perspective was taken up by European Union (EU) studies of integration and EU governance [Pollack, 2004]. More recently, historical institutionalism was adopted by some scholars of international relations to explore international stability and change [Rixen, Viola, 2016] and informal clubs such as the G20 [Viola, 2019]. It has not been used so far to trace the G20 or any other institution's dynamics across a lifespan.

In this article, the HI approach is applied to explore the G20's institutional development from 2008–21, identify variables affecting its pace and direction, and reflect on the causes of the G20's resilience to deep changes even in conditions of radical external geopolitical and economic transformations.

Guided by HI's focus on sequencing and the temporal nature of change processes, the analysis is structured around periods characterized by distinct institutional dynamics: the five formative summits of 2008–10 defining the G20's path dependency; the 2011–13 feedback loop consolidating and reinforcing internal sources of its stability; the 2014–16 period of continued equilibrium and incremental change despite tensions between members; the 2017–19 sticking to the path in the absence of cohesive club dynamics; and the 2020–21 path entrenchment at the critical juncture of the triple crisis.

The First Five Formative Summits: From Washington to Seoul (2008–10)

The November 2008 Washington summit changed global governance dynamics by creating a more representative and legitimate (compared to the Group of 7 (G7)) summitry mechanism for managing the world economy, defining common principles for reform of financial markets, adopting a plan for their implementation, rejecting protectionism, and agreeing on closer macroeconomic cooperation to avoid negative spillovers and to restore growth. Criticized for illegitimacy [Aslund, 2009], the G20 leaders represented over two thirds of the world's population and 90% of the world's economy. They launched engagement and institution building processes, establishing four working groups (WG),⁴ with participation of the international financial institutions (IFIs), to develop recommendations on financial regulatory reform and “directed the finance ministers to... consult with officials in other economies and then report back to the leaders” [Bush, 2008].

The G20's first summit put an end to a decade-long debate on options for legitimizing G7-led economic governance [Bradford, Linn, Martin, 2008], created a precedent for inviting guest-countries⁵ and heads of international institutions (IIs),⁶ set up a pattern for engagement

⁴ WG1 Enhancing Sound Regulation and Strengthening Transparency; WG2 Reinforcing International Co-operation and Promoting Integrity in Financial Markets; WG3 Reforming the IMF; and WG4 The World Bank and Other Multilateral Development Banks.

⁵ The Netherlands and Spain.

⁶ Heads of the International Monetary Fund, the World Bank, and the Financial Stability Forum.

with IIs, and launched reform of the international architecture requesting urgent expansion of the Financial Stability Forum (FSF). It also put an end to the debate on other economic governance options, such as the establishment of “the Global Economic Coordination Council... at a level equivalent with the UN General Assembly and the Security Council... to assess developments and provide leadership in addressing economic issues that require global action while taking into account social and ecological factors” proposed by the Stiglitz Commission [UN, 2009, p. 91] and strongly opposed by the U.S. and the UK; the latter two wanted an informal G20, in which they would have much more influence, to take charge of the global response [Wade, 2012]. The choice for informality provided the members with a flexible framework for deliberation and decision-making, which reduces transaction costs without establishing liability for actions and operates on principles of consensus, volunteerism, relatively low bureaucracy and cooperation with other international institutions, and consultations with partner countries and engagement groups.

The April 2009 London summit consolidated the cooperative dynamics. Its historical achievements included the commitment to triple resources available to the International Monetary Fund (IMF) to \$750 billion, including \$250 billion of new special drawing rights (SDR) allocation, support for independent IMF surveillance of the G20 members’ policies, and an agreement to establish a new Financial Stability Board (FSB) with a mandate to coordinate and monitor progress in strengthening financial regulation. The leaders extended the pledge to refrain from raising new barriers to investment or trade to the end of 2010, supplemented it with a promise to rectify and promptly notify the World Trade Organization (WTO) of any such measures, and requested the WTO to monitor and report publicly on the G20’s adherence to this commitment. The London summit decisions were facilitated by Prime Minister Gordon Brown’s shuttle diplomacy, negotiations among world leaders on the substance of a “global new deal,” intensive consultations between finance ministers (FM) and the WGs, the IMF’s assessment of global economic policies [IMF, 2009], the G20’s responses to the banking crisis [IILS, 2009], and the International Labour Organization’s (ILO) proposals on mitigating the impact of the crisis on jobs [Ibid.]. The presidency report on the implementation of the Washington action plan became a first step toward self-accountability. The participation of IIs was expanded to include heads of the UN, the WTO, the FSF and the chairs of the New Partnership for Africa’s Development (NEPAD) and the Association of Southeast Asian Nations (ASEAN). The summit put in motion the G20’s accountability and self-accountability process, consolidated engagement with IIs, increased regional actors’ representation, and stimulated knowledge generation for evidence-based deliberation and decision-making. But it did not agree to the new global deal envisioned by the presidency.

The deal was adopted at the September 2009 Pittsburgh summit as the Framework for Strong, Sustainable and Balanced Growth. The G20 committed to ensure that the members’ fiscal, monetary, trade, and structural policies are collectively consistent with sustainable and balanced growth trajectories. The returns generated by the first summits led to the G20’s transformation from an ad hoc meeting to the premier forum for international economic cooperation. The leaders established the FSB, set up the Framework WG, and asked the IMF to assist in the mutual assessment process (MAP), thus continuing the institutionalization and global governance development processes. The Organisation for Economic Co-operation and Development (OECD) joined the club, providing policy recommendations focused on structural reforms, and became a strategic advisor to the G20 on an exponentially growing number of issue areas.

“The Anglo-American condominium” [Ünay, 2014] consolidated its influence over the G20’s formation with Canada taking over as host for the June 2010 summit. In Toronto, the leaders pledged to implement responsible fiscal policies, strengthen financial supervision,

promote more balanced current accounts, undertake monetary policies consistent with price stability, maintain market-oriented exchange rates, and undertake structural reforms. These commitments were further elaborated in the Seoul action plan and constituted the core of the G20's narrative for the next decade. The Canadian presidency convened the first meeting of labour and employment ministers to coordinate policies to stimulate job creation and created the Development WG with the mandate to elaborate a multi-year action plan. Another innovation was the FMs meeting with business leaders, intended as "a 'reality check' from the front lines of global commerce" [G20, 2010a]. It provided an impulse to the birth of the Business 20 (B20) and other outreach groups serving the triple functions of knowledge generation for the G20, engagement between the formal and informal tracks, and the G20's legitimation.

The G20's formative period, which shaped its formal and informal procedures, its discourse and conventions, and its contagion and institutional development dynamics, was completed in 2010 with the Seoul summit. The leaders emphasized their will to deliver on the decisions they made and hold themselves accountable and agreed to expand and refine the MAP by including assessment criteria. The Korean presidency introduced the practice of outlining policy commitments by G20 members. The summit's milestone decisions included commitments to a more than 6% shift in quota shares to dynamic emerging market and developing countries and a comprehensive quota formula review in the IMF by January 2013. The quotas shift only became effective three years later, in 2016, due to the resistance of the U.S., the biggest shareholder. The quota formula review, annually repeated and delayed, was postponed to the 16th general review to be carried out in 2020–23 by the 40th meeting of the International Monetary and Financial Committee (IMFC) in October 2019. The Seoul Development Consensus for Shared Growth and the Multi-Year Action Plan on Development defined the principles and priority areas of the G20 development agenda for six years until the G20 Action Plan on the 2030 Agenda for Sustainable Development was adopted at the September 2016 Hangzhou summit. The presidency institutionalized engagement with business summits, promised to enhance the G20's accountability and legitimacy through systemic consultations "with international organizations, in particular the UN, regional bodies, civil society, trade unions and academia" and reached a consensus on principles for non-member invitations to make the forum more representative.⁷

The G20's transformation to the leaders' level was a response to the exogenous shock of the global financial crisis (GFC). Though it retained the club nature of the G7 and financial G20 membership, the leaders' G20 became an institutional innovation. Bringing leaders of the G7, the BRICS (Brazil, Russia, India, China, and South Africa) and other major emerging economies together to coordinate positions and forge collective consensus-based decisions, the G20 had a unique authority, a broad and expanding agenda, unprecedented contagion dynamics, an unparalleled multiplicative effect, and a mandate for reform of the global economic order. As history showed, the G20 did not deliver on the promise of reform due to the U.S' resistance, supported by other G7 members who prioritized financial regulation over the international institutions and monetary system reform [Larionova, Shelepov, 2019]. This failure became a major factor constraining the G20's future global governance performance.

Nevertheless, following the critical juncture forced by the GFC, the formative summits defined the trajectory of G20 dynamics. The G20's early decisions produced tangible benefits for the members and international community and generated expectations of future returns. An expanding agenda and emerging patterns of engagement embedded shared ideas and internalized norms of the members' behaviors. Increasing involvement of international institutions and

⁷ The leaders agreed to invite no more than five non-member invitees, of which at least two would be African countries [G20, 2010b, para. 73–4].

social partners enhanced the perception of the G20s legitimacy and effectiveness. These factors became strong endogenous sources of future self-reinforcement.

Global Governance Hub: From Cannes to St Petersburg (2011–13)

The French 2011 presidency steered the G20 amid severe downside risks of weakening economic activity, inadequate repair of balance sheets across major advanced economies, concerns over the sustainability of public debt in the euro area, a slowdown in emerging economies, falling demand, and rising unemployment [IMF-G20, 2011]. The summit deliberation and decision-making drew on 22 reports prepared by 12 IIs and a joint Business 20-Labour 20 statement [B20-L20, 2011] urging the G20 to make employment a priority. The Cannes declaration, the communiqué and the action plan together listed an impressive range of commitments, including renewed efforts to promote decent jobs. The G20 set up the Task Force on Employment. The first meeting of the agriculture ministers adopted an action plan on food price volatility and agriculture. UK prime minister David Cameron's report, prepared at the request of President Sarkozy, provided insights for the G20's role in global governance [PMO, 2011]. It confirmed the G20's value as a leader-led and informal group. The leaders formalized the troika, made of past, present and future presidencies, as a coordination mechanism; requested the sherpas to develop a proposal on engagement with civil society, defined the rotation order for the next four years, and agreed that after 2015, annual presidencies would be chosen from rotating regional groups, starting with the Asian grouping. In the face of continued challenges to recovery, the G20 members invested in institution building, expanded the agenda, and integrated more stakeholders into the forum's performance, but they did not make any transformative changes, continuing to act within the scripts and institutional choices generated in the formative period.

Los Cabos and St Petersburg sustained the path dependency trend through further institutional expansion and deepening of engagement with IIs. In 2012, growth remained weak with fragile financial conditions in the EU, large fiscal imbalances in the U.S. and Japan, and decelerating economic activity in major emerging economies. The Mexican presidency prioritized actions to support economic stabilization, recovery, and structural reforms for growth and employment. The G20 formalized the self-accountability process by establishing the Los Cabos Accountability Assessment Framework to ensure that accountability would be country-owned, concrete, consistent across members, fair, open, transparent, and based on a "comply or explain" approach. The presidency convened the first meetings of the trade, foreign affairs and tourism ministers. The dynamics of engagement with IIs gained speed. The Mexican presidency received an overwhelming 50 contributions from IIs, 15 of them submitted for the summit deliberations. It initiated the first meeting of youth and convened the G20 think tanks to discuss the summit agenda and propose initiatives for the G20. Since 2012, Think 20 became an "ideas bank" for the G20, providing in-depth analysis and policy recommendations.

Global growth prospects in 2013 remained lackluster and were marked down repeatedly, while the unwinding of unconventional monetary policies in some advanced economies created spillover risks for emerging economies [IMF-G20, 2013]. In this context, one of the St Petersburg summit's key achievements was the G20's commitment to cooperate to ensure that policies implemented to support domestic growth also support global growth and financial stability and to manage their spillovers on other countries. The leaders agreed to develop national growth strategies and country-specific plans on employment. The G20 endorsed the G20/OECD action plan to address base erosion and profit shifting and the G20 work plan on financing for investment. For the first time in its history the leaders stressed that the well-being of individual people should be at the centre of the growth agenda [G20, 2013] giving a start to

the new G20 agenda for which inclusiveness became the fourth pillar of growth [Larionova et al., 2013]. The presidency expanded collaboration with the IIs and engagement partners. The first Civil 20 process ended with a forum, a meeting with the Russian president, and Civil 20 recommendations for inclusive growth. It became instrumental in harnessing the potential of civil society and enhancing the G20's transparency and legitimacy.

In an ongoing feedback loop in 2011–13, the G20 consolidated, reinforced, and expanded endogenous sources of its stability. In response to persistent demand for improving global economic governance efficiency, the G20 continued its institutional development, refining internal governance and compliance procedures, bringing in new items on the agenda, forging innovative solutions, building up internal working mechanisms, advancing its institutional culture, and engaging with extending networks of institutional partners. It mainstreamed the problems of inequality and inclusiveness in global economic governance. Bringing the international organizations into the process of deliberation, decision-making, implementation, and compliance assessment, the G20 increased its influence and embeddedness in the system of international institutions. The period also marked the beginning of the G20's transition from the hub driving a system of global governance actors into a focal point of refraction of these actors' interests and activities. This is not to say that it stopped being the hub and heart pumping blood into the system.

A Focal Point in Networked Governance: From Brisbane to Hangzhou (2014–16)

Brisbane to Hangzhou continued the period of stability and incremental change in the G20's life cycle despite tension between members and rising threats of inequity. Amid slow and uneven recovery, the Brisbane summit set an ambitious goal to lift the G20's gross domestic product (GDP) by at least an additional 2% by 2018, endorsed the Global Infrastructure Initiative to raise the quality of public and private infrastructure investment, and committed to reduce the gap in participation rates between men and women by 25% by 2025. The members presented their comprehensive growth strategies and employment plans for coordination. The Australian presidency proposed the G20 Principles on Energy Collaboration intended to make international energy institutions more representative and facilitate competitive, efficient and transparent energy markets. The leaders asked the energy ministers to consult on options to take this work forward. In response to the Ebola outbreak, the G20 committed to support affected countries and called on IFIs to assist in dealing with the economic impacts of the crises. The G20 proved resilient to internal tensions between members. Whereas following the divide in Ukraine and the crash of Malaysia Airlines flight 17, the Australian prime minister questioned President Putin's participation in the Brisbane summit, accusing Donetsk and Luhansk "separatists" of downing the aircraft and Russia of supporting the regions [Mosendz, 2014], BRICS explicitly stated its members' shared position that "custodianship of the G20 belongs to all Member States equally and no one Member State can unilaterally determine its nature and character" [Government of South Africa, 2014].

The Turkish G20 presidency was held in a period of sluggish growth, spreading geopolitical pressures, and increasing inequality in the G20 countries. The country was going through a difficult period, with a slowing economy, two elections in June and November 2015, revived confrontations between the ruling Justice and Development party and the outlawed Kurdish Nationalist PKK, two million refugees, and frustrated efforts to tackle terrorism. Despite these constraints, the presidency sustained the G20's collective dynamics. It defined the 2015 G20 priorities as implementation, inclusiveness and investment for growth. Implementation was vi-

tal given that, according to the IMF's assessment, the G20 members had complied with about a half of their multi-year commitments to attain the Brisbane goal [G20 Framework Working Group, 2015]. The Antalya action plan put forward new measures to address inequalities, including reducing the share of young people at risk of being permanently left behind in the labour market by 15% by 2025. The first energy ministers' meeting contributed to the inclusiveness, adopting the G20 Energy Access Action Plan. Establishment of Women 20, aimed at promoting gender-inclusive economic growth, and nine regional B20 consultation forums reaching out to the business community from non-G20 economies became a meaningful contribution to the presidency's inclusiveness priority.

Amid subdued economic growth and rising inequalities, the Chinese presidency sought to forge a new path for growth. It proposed an ambitious 10-point vision for the 11th G20 summit, including action plans to boost the digital economy's development, adoption of an indicator system for structural reforms, a global trade growth strategy, and a set of guiding principles for global investment. The Hangzhou Consensus was adopted as a step to unleash the innovations and digital economy potential for inclusive growth. The G20 Blueprint on Innovative Growth, the G20 2016 Innovation Action Plan, the G20 New Industrial Revolution Action Plan, and the G20 Digital Economy Development and Cooperation Initiative set out the cooperation principles, directions and measures. A dedicated G20 task force was established to take forward the digital economy agenda. The G20 Action Plan on the 2030 Agenda for Sustainable Development was intended to take the G20's development cooperation to a new level. China struck a good balance between continuity and innovation in the G20 agenda's dynamics. The presidency maintained productive interaction with engagement and outreach groups, sustaining the G20's legitimacy dynamics. Expanding involvement of the IIs in the G20 process augmented the G20's role as a focal point of global governance.

Despite tensions between members, in 2014–16 the G20 retained equilibrium and persisted in its incremental development through layering of internal institutions, orchestrating IIs' contribution to the G20 process, and broadening of the agenda. The value the G20 provided for the members and the global public good it generated, increasing real and expected returns, provided significant incentives for the members' engagement, sustained the G20's evolving dynamics, and consolidated path-dependency.

Testing Times: From Hamburg to Osaka (2017–19)

Expectations of the German G20 2017 presidency were both high and low. Increasing challenges of de-globalization, economic inequality, and climate change demanded strong collective action. The country's economic power, diplomatic influence, and the chancellors' veteran standing in the G20 created a unique potential for consolidating the G20's role as a global public good sponsor despite the U.S. president's divisive position on international trade and climate, Brexit negotiations, and the national September parliamentary elections in Germany. Notwithstanding these external and internal pressures, substantial progress was achieved on the presidency's priorities of digital economy, health and migration. Ministerial meetings on health and digital economy were institutionalized. Though the G20's solidarity was tested by the U.S. government's decision to pull out of the Paris climate agreement, the other 19 members reaffirmed their strong commitment to the agreement in the Hamburg Declaration. A compromise was forged on trade. The commitment to resist protectionism, which recurred in all summit documents since Washington, was superseded by a promise to keep markets open and continue to fight protectionism while recognizing the role of legitimate trade defence instruments. The Science 20 joined the G20 engagement family. All in all, the G20 demonstrated resilience to

new tests and confirmed its role as a premier forum for economic cooperation. It also demonstrated that the incentives to stick to the institutional and policy choices, institutional culture, and the benefits from cooperation proved strong enough to withstand the internal disruption.

Reaching consensus proved ever more difficult in 2018 against the retreat from multilateralism, spiraling trade tensions, a deadlock in the WTO reform negotiations, mounting debt, and increasing inequalities. The Argentinian presidency focused on the most pragmatic priorities of unleashing people's potential for the future of work, private resources mobilization to reduce the infrastructure deficit, and increased agricultural productivity. Simultaneously it sought to ensure progress on the G20's goal to generate fair and sustainable growth. The 2018 G20 summit was preceded by failures to achieve consensus at the OECD annual ministerial council meeting [OECD, 2018], and the G7 and Asia-Pacific Economic Cooperation (APEC) summits. The sherpas' negotiations on the Buenos Aires declaration were the longest and hardest in the G20's history. The 31-paragraph document reaffirmed the G20's commitments to use all policy tools to achieve strong, sustainable, balanced, and inclusive growth, support WTO reform, and fully implement the Paris Agreement by the 19 members. In view of the role of education for the future of work, education ministers meetings were institutionalized.

Prime Minister Abe's priorities for the Japanese G20 2019 presidency included launching the Osaka process for a data free flow with trust (DFFT) under the governance rules agreed by IIs with the G20 leadership and building "Society 5.0" through a comprehensive integration of digital technologies into all spheres of life [Abe, 2019]. The Japanese presidency faced multiple challenges of the continued deadlock in the reform of IIs, the U.S.-China trade tensions threatening to reduce global GDP by 0.5% [Lagarde, 2019], terrorist outbreaks, ecological shocks in different parts of the world, and oil prices spikes. Domestically, Japan had to manage April's nationwide local elections and imperial transition. The June summit produced modest progress. On trade and climate change the language basically repeated the Buenos Aires declaration. The G20 Osaka leaders' declaration did not even mention Society 5.0 and the data initiative was reduced to the launch of a dialogue on harnessing the potential of data and the digital economy for sustainable growth. These decisions helped maintain the G20's dynamics, but they signalled how hard it was to find solutions to global challenges in absence of a cohesive club dynamic [Mackintosh 2021].

The G20 stood the tests of failing multilateralism and rising tensions between members. Established patterns of collaboration with IIs and engagement groups, as well as its capability to adjust the narrative and procedures in response to endogenous pressures proved to be powerful sources of the G20's resilience. The continued progress and collective commitments underscored that all members had significant vested interests in sustaining the G20 as a hub of global governance.

The Triple Health-Economic-Social Crisis Trial: From the Virtual Summit to Rome (2020–21)

Saudi Arabia announced its G20 2020 presidency priorities of empowering people, safeguarding the planet, and harnessing the benefits of digitalization in December 2019. Two months later the world changed in the wake of the coronavirus pandemic. The G20 March emergency summit decisions to close the financing gap in the World Health Organization (WHO) Strategic Preparedness and Response Plan, provide immediate resources to the WHO's COVID-19 Solidarity Response Fund, inject over \$5 trillion into the global economy, minimize trade disruptions, and work with front line IIs to support emerging and developing countries facing the health, economic, and social shocks of COVID-19 set off an intense torrent of G20 emergency

meetings and actions by IIs. The G20 action plan, Supporting the Global Economy Through the COVID-19 Pandemic, adopted in April, promised to ensure the continued flow of vital medical supplies and equipment, provide support to businesses and households, keep the markets open, and support a time-bound suspension of debt service payments for the poorest countries. However, the \$1 trillion IMF and \$200 billion World Bank and regional development bank lending packages backed by the G20 were a fraction of what was needed, provided only temporary support, exacerbated the debt sustainability problem, and dwarfed in comparison with the G20's \$10 trillion fiscal support for their economies [IMF-G20, 2020].

The G20 did not endorse the IMF's proposal for boosting global liquidity through a sizeable SDR allocation [Georgieva, 2020] as they did in 2009, did not commit to cooperation on developing vaccines, and did not come up with a plan to rescue the sustainable development goals (SDGs), or even a sizable debt relief initiative. The Debt Service Suspension Initiative deferred payments, but did not reduce debt. Even after its extension by six months, it was projected to suspend payments for a total of [Bolton et al., 2020, p. 11] of the estimated \$477 billion in eligible countries debt stock [Munevar, 2020]. And it left out of the framework 68 countries with estimated external public debt service amounts projected to reach \$273.43 billion in 2020 [Fresnillo, 2020]. The November summit did not produce significant initiatives. To prevent potential future crisis, a comprehensive G20-led debt relief initiative was needed that would provide for at least five years' suspension with a possible write-off of the accumulated debt services amounts, an agreement with the IFIs on a debt standstill mechanism for private creditors, and consultations on establishment of a mechanism for sovereign debt cancellation and restructuring. By and large, in 2020, the G20 acted as a driver and coordinator of anti-crisis actions but failed to respond to the demand for visionary leadership, as it had provided in 2008–09.

The Italian presidency was marked by a two-speed recovery from the COVID-19 induced crisis, a quest for vaccination amid persistent waves of pandemic, mounting private and public debts, and rising inequalities. The urgency of offsetting the pandemic's impact on the SDGs' backslide, ensuring sustainable and equitable recovery, and preventing potential global warming engendered crisis [IPCC, 2021] was coupled with the imperative to address the downside risks of the spread of new virus variants and different paces of vaccination. The Italian presidency defined people, planet, and prosperity as priorities for 2021 with the intent to consolidate the G20's lead in responding to these challenges. The reunion of the G7 members with the arrival of the Biden administration, Italy's commitment to the EU Green Deal, and the Union's digital transformation goals resulted in closer alignment of the presidency agenda with G7 2021 priorities and the EU's plan for transition to climate neutrality by 2050.

Italy made combating climate change a cross-cutting issue in all tracks, co-hosted the 26th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP26) with the United Kingdom, and held the first-ever G20 meeting of energy and environment ministers, who reaffirmed the G20's "steadfast commitment to tackle climate change by strengthening the full and effective implementation of the Paris Agreement" [G20, 2021a]. The G20 reenergized climate governance dynamics and helped to converge the efforts of IIs fighting climate change. However, despite the IMF's strong advocacy of a carbon price floor agreement [Georgieva, 2021; Parry, Black, Roaf, 2021] and the G7's support for "the establishment of a fair and efficient carbon pricing trajectory to accelerate the decarbonization" [G7, 2021], the G20 members did not agree on the issue. Their choice of the policy mix for transitions to a low-greenhouse gas emission economy was mindful of the need to take into account national circumstances (of developing countries). Thus, the G20 emphasized investing in sustainable infrastructure and innovative technologies that promote decarbonization and circular economy, and designing mechanisms to support clean energy sources, mentioning the use of carbon pricing mechanisms and incentives as a possible tool if appropriate [G20, 2021b, para. 30].

The G20 supported the long-awaited new IMF general allocation of SDRs in an amount equivalent to \$650 billion, previously opposed by the U.S., to help meet the long-term global need for reserve assets. The allocation was conditioned on enhanced transparency and accountability in the SDRs' use and reporting, preserving their reserve asset characteristics [G20, 2021c] and was coupled with the establishment of a new Resilience and Sustainability Trust, which would act as a mechanism for countries to voluntarily channel a share of their allocated SDRs to help vulnerable countries [G20, 2021b, para. 10].

A milestone decision was reached in the OECD/G20's Inclusive Framework on Base Erosion and Profit Shifting (IF) to address tax challenges arising from digitalization of the economy. The G20 members endorsed key components of the two-pillar package [G20, 2021c], including re-allocation of 20–30% of profits of the most profitable multinational enterprises (MNEs) above a set profit margin to the market jurisdictions (pillar one) and an introduction of a minimum global tax level of 15% on MNEs (pillar two) [OECD, 2021]. According to the OECD estimate, awarding of the taxing rights to the market jurisdictions will result in annual reallocation of more than \$100 billion while the minimum tax rate of 15% should generate around \$150 billion per year. Both decisions are expected to be finalized in 2022 and become effective in 2023, thus contributing to fair taxation and inclusive growth. The G7 took the lead on this decision, committing to the application of the new international tax rules at its June finance ministers and central bank governors meeting. No break-throughs were made on the digital economy.

The transformation of the Digital Economy Task Force into the Digital Economy WG, the first meetings of research ministers, and the first formal meetings of ministers of culture continued the institution building within the G20 network. The G20 engagement groups' agendas contributed to strengthening the networks of the G20 think tanks, businesses, youth, trade unions, and other social actors and their role in the G20's legitimation. Involvement of the IIs in the G20's deliberation and decision-making, the participation of Spain, the Netherlands, Alegria, Brunei (as chair of ASEAN), the Democratic Republic of the Congo (as chair of the African Union), New Zealand (as president of APEC), Singapore (as governor of the Global Governance Group (3G)),⁸ and Rwanda (as chair of NEPAD) enhanced the G20's representativeness and the legitimacy of its decisions.

The COVID-19 and economic and social crises it induced became the second critical juncture for the G20 after the 2008–09 financial and economic crisis. The G20 was expected to take up leadership for a powerful coordinated response. It did harness a broad spectrum of internal mechanisms and key resources from IIs to overcome fractured actions countering the pandemic and its consequences. It brought health support to vulnerable countries and green and inclusive recovery to the heart of multilateral cooperation. The G20 innovated its engagement procedures to enable intensive flows of digital consultations. However, these changes were incremental and situational. The G20 did not undertake any institutional innovations, did not implement normative reforms, and did not generate shared transformative ideas. It remained entrenched on its path and may risk becoming locked-in and losing relevance [Johnstone, 2021].

⁸ Singapore has been invited to participate in the G20 summits from 2010–11 and from 2013–21 as the governor of the Global Governance Group (3G), an informal grouping of 30 small and medium-sized UN members, established by Singapore in 2009 to promote greater dialogue between the G20 and the broader UN membership. See: Government of Singapore [n.d.].

Conclusion

The transition from the G7-led to G20-led governance in response to the exogenous shock of the GFC became an institutional innovation. Bringing together leaders of the major advanced countries and emerging economies to align positions and forge collective, consensus-based decisions, the G20 had a unique authority, unprecedented contagion dynamics, an unparalleled multiplicative effect, and a mandate for reform of the global economic order.

The Washington to Seoul summits defined the trajectory of G20 dynamics. The benefits from the early decisions, established and expanding agenda, patterns of engagement, cognitive scripts, embedded ideas, and internalized norms became strong endogenous sources of stability, which were reinforced in positive feedback loops in subsequent years. The G20 robustly institutionalized, and developed dense multilayered intra group communication mechanisms and processes and a unique model of engagement with IIs, guest countries, and engagement groups. The G20's self-accountability mechanisms contributed to its transparency and compliance, which according to independent assessment stands at an average of 75% during 2008–20 [G20 Information Centre, n.d.]. Integration of the non-G20 countries and the big family of the transnational engagement groups into G20 processes fostered its representativeness and perception of its legitimacy. The presidency rotation between advanced and emerging markets and developing countries made global economic governance more inclusive. The IIs' structured involvement in G20 deliberations, decision-making, commitment implementation, and compliance monitoring augmented the G20's authority in generating consensus-based, collective norms and increased embeddedness in the system of international institutions. These institutional developments proved to be powerful sources of the G20's resilience and consolidated its path dependency.

Despite tensions between members, the value the G20 provided for them and the global public goods it generated created real and expected returns that constituted significant incentives for their continued engagement and sustained the G20's evolving dynamics.

The downside of the G20's resilience is its inability to undertake bold and transformative policy initiatives in the wake of the COVID-19 eruption. Even at the critical juncture created by the triple exogenous shock, the G20 changed only incrementally and was not able to provide the powerful leadership the world needed to overcome the pandemic and the subsequent economic and social crises. Despite this failure, the G20 remains the crucial hub of contemporary global economic governance. In a mutually reinforcing way, augmentation, contagion, and legitimation sustain continued demand for the G20's leadership role [Luckhurst, 2020]. However, lock-in may entail risks of losing relevance to other institutions such as the OECD, the G7, or regional arrangements.

References

Abe S. (2019) Toward a New Era of “Hope-Driven Economy”: The Prime Minister's Keynote Speech at the World Economic Forum Annual Meeting. Davos, 23 January. Available at: https://japan.kantei.go.jp/98_abe/statement/201901/_00003.html (accessed 31 January 2022).

G20 Information Centre (n.d.) G20 Analysis. University of Toronto. Available at: <http://www.g20.utoronto.ca/analysis/index.html#compliance> (accessed 31 January 2022).

Aslund A. (2009) The Group of 20 Must Be Stopped. *Financial Times*, 27 November. Available at: <https://www.ft.com/content/37deaeb4-dad0-11de-933d-00144feabdc0> (accessed 31 January 2022).

B20-L20 (2011) B20 L20 Joint Statement. Cannes, 3–4 November. Available at: <https://www.ranepa.ru/images/media/g20/2011cannes/2011-b20-l20-en.pdf> (accessed 29 September 2022).

- Berger A. A. (2020) Decade of G20 Summitry: Assessing the Benefits, Limitations and Future of Global Club Governance in Turbulent Times. *South African Journal of International Affairs*, vol. 26, issue 4, pp. 493–504. Available at: <https://doi.org/10.1080/10220461.2019.1705889>.
- Bolton P., Buchheit L., Gourinchas P.-O., Gulati M., Hsieh C.-T., Panizza U., di Mauro B. W. (2020) Born Out of Necessity: A Debt Standstill for COVID-19. CEPR Policy Insight No 103, Centre for Economic Policy Research. Available at: https://cepr.org/active/publications/policy_insights/viewpi.php?pino=103 (accessed 17 June 2022).
- Bradford C. I., Wonhyuk L. (eds) (2011) *Global Leadership in Transition. Making the G20 More Effective and Responsive*. Brookings Institution Press, Korean Development Institute.
- Bradford C., Linn J., Martin P. (2008) Global Governance Breakthrough: The G20 Summit and the Future Agenda. Brookings Policy Brief No 168, The Brookings Institution. Available at: https://www.brookings.edu/wp-content/uploads/2016/06/12_g20_summit_bradford_linn.pdf (accessed 31 January 2022).
- Bush G. W. (2008) Remarks Made by President George Bush at Closing Press Conference, G20 Summit. Washington DC, 15 November. Available at: <http://www.g20.utoronto.ca/2008/2008bush.html> (accessed 31 January 2022).
- Cooper A. F. (2010) The G20 as an Improvised Crisis Committee and/or a Contested Steering Committee for the World. *International Affairs*, vol. 86, no 3, pp. 741–57. Available at: <https://doi.org/10.1111/j.1468-2346.2010.00909.x>.
- Cooper A. F. (2020) The G20 Is Dead as a Crisis or Steering Committee: Long Live the G20 as Hybrid Focal Point. *South African Journal of International Affairs*, vol. 26, issue 4, pp. 505–20. Available at: <https://doi.org/10.1080/10220461.2019.1699855>.
- Dadush U., Suominen K. (2011) Is There Life for the G20 Beyond the Global Financial Crisis? *Journal of Globalization and Development*, vol. 2, issue 2. Available at: <http://doi.org/10.1515/1948-1837.1244>.
- Fresnillo I. (2020) Shadow Report on the Limitations of the G20 Debt Service Suspension Initiative: Draining Out the Titanic With a Bucket? European Network on Debt and Development (EURODAD) Report, 14 October. Available at: https://www.eurodad.org/g20_dssi_shadow_report_page_18 (accessed 31 January 2022).
- Fues T., Messner D. (2016) The G20 Balancing National Interests With the Global Common Good. *China Quarterly of International Strategic Studies*, vol. 2, no 3, pp. 293–309.
- Georgieva K. (2020) Speech: Restoring Sustainable Flows of Capital and Robust Financing for Development. International Monetary Fund, 8 July. Available at: <https://www.imf.org/en/News/Articles/2020/07/09/sp070820-restoring-sustainable-flows-of-capital-and-robust-financing-for-development> (accessed 31 January 2022).
- Georgieva K. (2021) Speech: Launch of IMF Staff Climate Note: A Proposal for an International Carbon Price Floor Among Large Emitters. Remarks by Managing Director Kristalina Georgieva at the Brookings Institution Event: Building Climate Cooperation: The Critical Role for International Carbon Price Floors, 18 June. Available at: <https://www.imf.org/en/News/Articles/2021/06/18/sp061821-launch-of-imf-staff-climate-note> (accessed 31 January 2022).
- Government of Singapore (n.d.) G20. Ministry of Foreign Affairs. Available at: <https://www.mfa.gov.sg/SINGAPORES-FOREIGN-POLICY/International-Organisations/G20> (accessed 29 September 2022).
- Government of South Africa (2014) BRICS Ministers Meet on the Sidelines of the Nuclear Security Summit in the Hague. 24 March. Available at: <https://www.ranepa.ru/images/media/brics/brazpresidency2/nuclear.pdf> (accessed 31 January 2022).
- Greco E., Botti F., Bilotta N. (eds) (2021) *Global Governance at a Turning Point: The Role of the G20*. Rome: Edizioni Nuova Cultura. Available at: https://www.iai.it/sites/default/files/iairs_5.pdf (accessed 17 June 2022).
- Group of 20 (G20) (2008) Declaration of the Summit on Financial Markets and the World Economy. Washington DC, 15 November. Available at: <https://www.ranepa.ru/images/media/g20/2008washington/Declaration%20of%20the%20Summit%20on%20Financial%20Markets.pdf> (accessed 31 January 2022).
- Group of 20 (G20) (2009a) Leaders' Statement. London, 2 April. Available at: <https://www.ranepa.ru/images/media/g20/2009london/2009communique0402.pdf> (accessed 31 January 2022).

- Group of 20 (G20) (2009b) G20 Leaders Statement. Pittsburgh, 24–25 September. Available at: <https://www.ranepa.ru/images/media/g20/2009pittsburgh/G20%20Leaders%20Statement.pdf> (accessed 31 January 2022).
- Group of 20 (G20) (2010a) Report to G-20 Ministers of Finance: Notes for Remarks by the Honourable John Manley, Chair, G-20 Business Summit. Toronto, 26 June. Available at: <https://www.ranepa.ru/images/media/outreach/B20-2010-toronto.pdf> (accessed 31 January 2022).
- Group of 20 (G20) (2010b) The Seoul Summit Document. Available at: <https://www.ranepa.ru/images/media/g20/2010%20Korea/g20seoul-doc.pdf> (accessed 31 January 2022). Para. 73–74.
- Group of 20 (G20) (2013) G20 5th Anniversary Vision Statement. Available at: <https://www.ranepa.ru/images/media/g20/2013spbsummit/G20%205th%20Anniversary%20Vision%20Statement.pdf> (accessed 31 January 2022).
- Group of 20 (G20) (2021a) Joint G20 Energy-Climate Ministerial Communiqué. Naples, 23 July. Available at: <https://www.g20.org/the-g20-climate-and-energy-ministerial-meeting-adopts-a-joint-communicue.html> (accessed 17 June 2022).
- Group of 20 (G20) (2021b) Leaders' Declaration. Rome, 31 October. Available at: <http://www.g20.utoronto.ca/2021/211031-declaration.html> (accessed 17 June 2022).
- Group of 20 (G20) (2021c) Third Finance Ministers and Central Bank Governors Meeting Communiqué. Venice, 9–10 July. Available at: <http://www.g20.utoronto.ca/2021/210710-finance.html> (accessed 17 June 2022).
- Group of 7 (G7) (2021) Carbis Bay Summit Communiqué. Cornwall, 11–13 June. Available at: <https://www.g7uk.org/wp-content/uploads/2021/06/Carbis-Bay-G7-Summit-Communique-PDF-430KB-25-pages-3-1.pdf> (accessed 31 January 2022).
- Hall P. A., Taylor R. (1996) Political Science and the Three New Institutionalisms. *Political Studies*, vol. 44, issue 5, pp. 936–57. Available at: <https://doi.org/10.1111%2Fj.1467-9248.1996.tb00343.x>.
- Intergovernmental Panel on Climate Change (IPCC) (2021) Summary for Policymakers. In: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* (V. Masson-Delmotte, P. Zhai, A. Pirani, S. L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M. I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J. B. R. Matthews, T. K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, B. Zhou (eds)). Cambridge University Press. Available at: <https://doi.org/10.1017/9781009157896.001>.
- International Institute for Labour Studies (IILS) (2009) The Financial and Economic Crisis: A Decent Work Response. International Labour Organization (ILO). Available at: https://www.ranepa.ru/images/media/g20/2009london/wcms_104074.pdf (accessed 31 January 2022).
- International Monetary Fund (IMF) (2009) IMF Note on Global Economic Policies and Prospects: Executive Summary. IMF Staff Note, 19 March. Available at: <https://www.imf.org/external/np/g20/031909a.htm> (accessed 31 January 2022).
- International Monetary Fund (IMF)–Group of 20 (G20) (2011) Global Economic Prospects and Policy Challenges. Meeting of G20 Finance Ministers and Central Bank Governors. Paris, 14–15 October. Available at: <https://www.imf.org/external/np/g20/pdf/101511.pdf> (accessed 31 January 2022).
- International Monetary Fund (IMF)–Group of 20 (G20) (2013) Update on Global Prospects and Policy Challenges. G20 Leaders' Summit. St Petersburg, 5–6 September. Available at: <https://www.imf.org/external/np/g20/pdf/2013/090513.pdf> (accessed 31 January 2022).
- International Monetary Fund (IMF)–Group of 20 (G20) (2020) Implementation of the G20 Action Plan. Available at: <https://www.imf.org/external/np/g20/pdf/2020/071620a.pdf> (accessed 31 January 2022).
- Johnstone I. (2021) The G20, Climate Change and COVID-19: Critical Juncture or Critical Wound? *Fullbright Review of Economics and Policy*, vol. 1, no 2, pp. 227–245. Available at: <https://www.emerald.com/insight/content/doi/10.1108/FREP-05-2021-0031/full/html> (accessed 17 June 2022).
- Kirton J. J. (2013) *G20 Governance for a Globalized World*. Farnham: Ashgate.
- Lagarde C. (2019) How to Help, Not Hinder Global Growth. International Monetary Fund (IMF) Blog, 5 June. Available at: <https://blogs.imf.org/2019/06/05/how-to-help-not-hinder-global-growth/> (accessed 31 January 2022).

- Larionova M., Rakhmangulov M., Safonkina E., Sakharov A., Shelepov A. (2013) The Russian Federation G20 Presidency: In Pursuit of a Balance Between Fiscal Consolidation and Sustainable Growth. *International Organisations Research Journal*, vol. 8. no 4, pp. 122–79.
- Larionova M., Shelepov A. (2019) The G7 and BRICS in the G20 Economic Governance. *International Organisations Research Journal*, vol. 14, no 4, pp. 48–71. Available at: <http://doi.org/10.17323/19967845-2019-04-03>.
- Luckhurst J. (2020) The New G20 Politics of Global Economic Governance. *International Organisations Research Journal*, vol. 15, no 2, pp. 42–59. Available at: <http://doi.org/10.17323/1996784520200203>.
- Mackintosh S. P. M. (2021) *The Redesign of the Global Financial Architecture: State Authority, New Risks and Dynamics*. Routledge.
- Mosendz P. (2014) Angry Australian Prime Minister Aims to Remove Russia From G-20 Summit. The Atlantic, 21 July. Available at: <https://www.theatlantic.com/international/archive/2014/07/australia-aims-to-remove-russia-from-g-20-summit/374748/> (accessed 31 January 2022).
- Munevar D. (2020) The G20 “Common Framework for Debt Treatments beyond the DSSI”: Is It Bound to Fail? Part I. European Network on Debt and Development (EURODAD) Blog, 22 October. Available at: https://www.eurodad.org/the_g20_common_framework_for_debt_treatments_beyond_the_dssi_is_it_bound_to_fail#:~:text=The%20G20%20recently%20announced%20the,of%20the%20Covid%2D19%20pandemic (accessed 31 January 2022).
- Nexon D. (2012) Historical Institutionalism and International Relations. *E-International Relations*, 16 April. Available at: <https://www.e-ir.info/2012/04/16/historical-institutionalism-and-international-relations/> (accessed 28 January 2022).
- Organisation for Economic Co-operation and Development (OECD) (2018) Statement of the Chair of MCM. Paris, 30–31 May. Available at: <https://www.oecd.org/mcm-2018/documents/Statement-French-Chair-OECD-MCM-2018.pdf> (accessed 31 January 2022).
- Organisation for Economic Co-operation and Development (OECD) (2021) OECD/G20 Base Erosion and Profit Shifting Project: Addressing the Tax Challenges Arising From the Digitalization of the Economy. Available at: <https://www.oecd.org/tax/beps/brochure-addressing-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-july-2021.pdf> (accessed 31 January 2022).
- Parry I., Black S., Roaf J. (2021) Proposal for an International Carbon Price Floor Among Large Emitters. Staff Climate Notes No 2021/001, International Monetary Fund. Available at: <https://www.imf.org/en/Publications/staff-climate-notes/Issues/2021/06/15/Proposal-for-an-International-Carbon-Price-Floor-Among-Large-Emitters-460468> (accessed 31 January 2022).
- Pollack M. (2014) The New Institutionalism and European Integration. *European Integration Theory* (A. Wiener, T. Diez (eds)). New York: Oxford University Press, pp. 137–56.
- Prime Minister’s Office (PMO) (2011) Governance for Growth: Building Consensus for the Future. A Report by David Cameron, Prime Minister of the United Kingdom. Available at: <http://www.g20.utoronto.ca/2011/2011-cameron-report.pdf> (accessed 31 January 2022).
- Rixen T., Viola L. A. (2016) Historical Institutionalism and International Relations. *Historical Institutionalism and International Relations: Explaining Institutional Development in World Politics* (T. Rixen, L. A. Viola, M. Zürn (eds)). Oxford University Press, pp. 3–35.
- Rosamond B. (2000) *Theories of European Integration*. Palgrave.
- Slaughter S. (ed.) (2019) *The G20 and International Relations Theory*. Cheltenham: Edward Elgar Publishing Limited.
- Steinmo S. (2008) Historical Institutionalism. *Approaches and Methodologies in the Social Sciences: A Pluralist Perspective* (D. Della Porta, M. Keating (eds)). Cambridge University Press, pp. 118–38. Available at: <https://doi.org/10.1017/CBO9780511801938.008>.
- Ünay S. (2014) Transformation Trajectory of the G20 and Turkey’s Presidency: Middle Powers in Global Governance. *Perceptions*, vol. XIX, no 4, pp. 137–67. Available at: <https://dergipark.org.tr/tr/download/article-file/815776> (accessed 17 June 2022).

United Nations (UN) (2009) Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System. Available at: https://www.un.org/en/ga/econcrisissummit/docs/FinalReport_CoE.pdf (accessed 16 June 2022).

Viola L. A. (2019) The G20 Through the Lens of Historical Institutionalism. *The G20 and International Relations Theory* (S. Slaughter (ed.)). Cheltenham: Edward Elgar Publishing, pp. 116–135. Available at: <https://doi.org/10.4337/9781786432650.00011>.

Wade R. (2012) The G192 Report. *Le Monde Diplomatique*. Available at: <https://mondediplo.com/2012/08/09/un> (accessed 16 June 2022).

Weiss G. T., Thakur R. (2010) *Global Governance and the UN: An Unfinished Journey*. Indiana University Press.

