The BRICS and

Collective Financial Statecraft

Cynthia Roberts,
Leslie Elliott Armijo,
and Saori N. Katada
Contents

List of Figures ix
List of Tables xi
Acknowledgments xiii
Acronyms List xvii

1. Introduction: The BRICS as a Club 1
   BRICS in the Aftermath of the Global Financial Crisis 2
   Strategic Incentives in Unipolarity and Common Aversions 5
   The BRICS and the Global Governance System 8
   Formal Institutions and Informal Powers: The Emergence of Clubs 12
   The BRICS as a Club 16
   Clubs with Power Asymmetries and Dominant Powers with Outside Options 18
   Plan of the Book 22

2. Global Power Shift: The BRICS, Building Capabilities for Influence 24
   Conceptualizing Power 26
   Measuring the Shift in Economic Capabilities 28
   A New, Multipolar World? 37
   The Global Financial and Monetary Capabilities of the BRICS 44
   Redback Rising 59
   Conclusion 64

3. BRICS Collective Financial Statecraft: Four Cases 67
   Defining Collective Financial Statecraft 67
   Four Categories of Collective Financial Statecraft 69
   Inside Reforms: The BRICS Quest for Greater Influence within
   the IMF and World Bank (Case 1) 72
Inside Reforms: Resist Manipulation of Financial Market Power for U.S./Western Political Aims (Case 2) 88

Outside Options: Create Parallel Financial Institutions Controlled by the BRICS (Case 3) 92

Outside Options: Diminish Dollar Dominance and Build the Financial Market Power of the RMB (Case 4) 100

Future Directions and Cooperative Opportunities Not Taken 105

Conclusion: Mostly Successful BRICS Collective Financial Statecraft 106


Six Propositions 110

The View from Beijing: In Search of Legitimacy and Unthreatening Leadership 112

The View from Moscow: Russia’s Struggle for Autonomy and International Influence 125

The View from New Delhi: Amplifying Voice and Anticipating Multipolarity 139

The View from Brasília: Enhancing Status and Inviting Investment 148

The View from Pretoria: Support for Growth and Regional Leadership 157

Conclusion: Explaining BRICS Collaboration 162

5. Conclusion: Whither the BRICS? 167

BRICS and World Order: Too Much Pessimism Is Unwarranted 167

Growth: The Essential Need to Return to the BRICS’ Roots 170

The Tension Between Formal and Informal Rules 174

Summing up: The BRICS, Collective Financial Statecraft, and the Multipolar Future 177

NOTES 183

INDEX 239