

CLOSEOUT FILES



Resolved: That, on balance, the rise of Brazil, Russia, India, and China (BRIC) has had a positive impact on the United States.

Introduction

Since the conclusion of the Cold War, the United States has served as the sole super power throughout the world. It looks like the gig might be up though as Brazil, Russia, India, and China, the four fastest growing developing economies in the world continue to gather power. U.S. hegemony is on the decline and the trend towards multipolarity is irreversible. In 2001, Goldman Sachs argued that the combined economies of the BRICs could eclipse the combined economies of the current richest countries of the world by 2050. The question then becomes has the rise of BRIC had a positive impact on the United States.

Overall, I don't like the topic which is ironic because I loved last year's Russia topic. It is simply too vague and not really specific enough. In addition, it isn't really an easily approachable topic for novice teams, and I predict there will be far too many rounds with little to no clash with one team arguing one thing in China with another team arguing something totally different in India with no weighing mechanism for the judge. Perhaps, I'm just being too pessimistic though. The alternative fuel rounds I ended up judging ended up being pretty good.

The intent of the topic is to view BRIC as a single entity, rather than just the summation of individual parts. There is plenty of evidence and grounds for debate that address the issue as BRIC as a unit so that you should not need to address arguments referring to single countries. Given that there is a strategic alliance between the BRIC countries, the action of a single country has the potential to affect the other three. A capable debater could argue that due to the alliance certain foreign policy actions of a single country could be included into the debate because, by extension, they involve BRIC as a whole. Certain maneuvers to gain power can be viewed as attempts by BRIC to gain influence because a gain by one country also improves the stature of the rest. In addition, economic problems also have the potential to ripple through all countries. Be careful because this doesn't apply to every argument in reference to a single country because much of the time it will not concern BRIC and make sure that the ideas of certain foreign policy issues align with the interests of each country within BRIC.

The word "rise" brings up a particularly interesting aspect of debate. Grammatically, "rise" is the subject of the sentence thus it should be the primary theme of debate. When looking at the rise of BRIC countries, you should not be looking at the rise of each country individually, not only did they take place at different times, but also they took radically different, sometimes opposing, paths. The term "BRIC" was first coined in 2001 by Goldman Sachs, and it later became more of a legitimate alliance. For the most part, you could present the timeline of the rise of BRIC as 2001 until the time you enter your round. Since BRIC clearly hasn't reached its peak yet, it is still on the rise so anything from 2001 through the present should be considered the rise of BRIC. In addition, you can find a lot of evidence saying that while the countries individually are very different one of their big similarities is their impact on the United States which is in what the resolution calls.

Background

<http://www.indiadaily.com/editorial/1627.asp>

India Daily

Russia and China become part of strategic alliance – Putin now looks at BRICS alliance (Brazil, Russia, India, China, South Africa), Sudhir Chadda, Feb. 16, 2005

Russian President Vladimir Putin and Chinese authorities decided to form the strategic alliance for defense, trade and energy. Russia will deliver oil to China and China will collaborate with Russia in Geopolitical strategic defense of Euresia.

Russia's Security Council and the Military Commission of the Chinese Communist Party's Politburo will form a forum and will work closely to make sure both countries can create and maintain the necessary military and political infrastructure as well as coordination.

According to some international think tanks, sources close to Russia's Security Council say recommending countermeasures to check the U.S. geopolitical "offensive" in Eurasia will be perhaps the forum's most important job.

China and Russia are planning joint military exercises. The joint naval maneuvers are scheduled to be held in August in China's Liaodong Peninsula.

Distinctly the world is broken into definite alliances. The first is the US led alliance (thirty or so countries providing military in Iraq). The second one is the European Alliance. There is a considerable overlap between NATO, EU and US led alliance.

The third emerging alliance is BRICS - Brazil, Russia, India, China, and South Africa. The newly formed Russia-China alliance provides Putin the necessary critical mass to move ahead and formally create the BRICS alliance.

Recently Brazil moved ahead and formed a business alliance with Venezuela. China and Russia also formed alliance with Venezuela. In spite of Washington's opposition, Russia plans to provide defense hardware to Venezuela and nuclear reactors to Iran. India is watching closely Washington's decision on providing Pakistan with F16. Delivering F16 to Pakistan will make India take a U-turn from its pro-world posture. The Congress party in India has very close relations with Kremlin for many years.

Putin's current goal is to create the strategic BRIC alliance that will eventually become the strongest trade and military block in the world.

Bush Administration will not sit idle either. Dr. Rice, the current US Secretary of State will take counter measures specially trying to bring India, Pakistan, South Africa and Brazil into US alliances.

The possibility of another cold war between US led alliance and the BRICS looms in the horizon.

The Europeans will act initially as a keeper of the middle ground. The cold war will not be similar to one between America and old Soviet Union. While Putin is putting together the BRICS alliance, he does shy away from meeting US President George Bush. There will be cordial relations between China and America, India and America as well as Russia and America. The covert war will be in the area of trade, commerce and finance. That is where India and China stand out. Russian oil is a great factor. Russia-Venesuela-Iran forms CRICS mail oil and Gas resource.

<http://www.bloomberg.com/apps/news?pid=20601109&refer=home&sid=aEufOnNVjnhM>

Bloomberg

'BRIC' Nations Summit Seeks to Turn Economic Might Into Clout

May 15, 2008

By Patrick Donahue

``It's really a group that first existed as a concept in the minds of analysts and subsequently came to exist as a practice between the countries," Brazilian Foreign Minister [Celso Amorim](#) said in a May 8 Bloomberg Television interview in Brasilia. ``The meeting is recognition of the fact that we are four big economies with a large influence in the world."

Public Forum Article

I judged last weekend, and I was pretty unimpressed with the presentation of the first speech. It is the only thing in the entire round that you can prepare 100% ahead of time, so it is really inexcusable to mess up. When almost every team reads their speech with little to no eye contact, why not set yourself apart and memorize it? To me it is just laziness. When a person is sitting there judging and you're not connecting at all with the judge it gets kind of boring for the judge. I realize that there is some differences of opinion as to how the case should be structured and whether or not there should be a light opener or not, but I personally prefer a fun interesting opener. One girl got up and had a great witty intro, but presented it in a straight monotone with no eye contact, which completely defeated the purpose. First impressions count for a lot, so at the bare minimum you should have the first paragraph memorized and then when the judge looks down to flow you can look down as well. It is such an easy way to set yourself apart as not just another kid reading his case to me. Do you think attorneys read their prepared opening statements in court to the judge? No.

Moving on to crossfire, it is imperative that you ask specific questions. What do you gain by asking can you clarify your second point? All that does is give the other team free reign to make another speech, and it is then hard to cut them off without looking like a jerk. You don't want to give them time like that to promote their case, make them do it during their speeches. Ideally you have questions that warrant yes or no responses or are very specific so it doesn't allow them to shift into having time to make a speech about their own case. The world may not be so black and white but you can phrase your questions that way, and as a result force some foolish shortsighted answers. Also it is somewhat annoying and the sign of a bad team when only one teammate talks during the grand crossfire. Also you can effectively get away with talking longer and making a stronger case by having one person answer the question and then naturally have the other teammate finish with his two cents as well. One person can only carry the team so far.

The final focus is the most influential part of the round. When you get up and say "Pro has clearly won this debate and this is why you have to vote pro" you aren't really accomplishing anything in those ten seconds. In addition, you sound kind of obnoxious as a judge I think really I have to? I can't vote con? Watch me. By saying that I don't think you know what you're right and I was going to pick up the other team but now that you put it that way. No. The judge has been watching round (hopefully) and if you get up and say con hasn't addressed any of or points when they have you look borderline dumb. The speech is only a minute, so you should make the most of it. Hammer home the main issue of the debate and tell the judge why you won the round not that you won the round. If you focus more on the why, I think you'll achieve greater success while debating.

Pro Analysis

It is important to view this debate through a few different lenses because there are certain issues that will come up in every round. For this topic I wouldn't be worried about running "stock" arguments but rather being able to debate the most important arguments more effectively than your opponents.

Clearly, BRIC has played an important role in the global economy and on the pro it is obvious that you should show their rise has benefited not only the global market but also the U.S. market. Begin by presenting the massive economic growth by BRIC; according to the Brookings Institute, "Following 35 years of strong economic output by the Group of Seven economies, during which they commanded approximately 65 percent of the global output and the so-called "BRIC"—Brazil, Russia, India, China—economies accounted for about 7 percent, we have seen the Group of Seven's share falling to 58 percent over the past five years and the BRIC's share rising to more than 11 percent. The BRICs and other emerging economies are booming, integrating into the global economy." The growth by BRIC helps to foster the global markets by increasing the total economy with each participant receiving a larger share. A tenant of economics is that international trade serves as a more productive allocation of resources and the growth of these countries only makes the global markets more efficient by including more inputs.

Growth in these countries is synonymous with increased revenue and profits; since these countries have more money, they can re-inject that capital in the economy in the form of investments. This injection of capital is clearly a benefit to the world and U.S. system because it supports additional growth that would not have occurred otherwise. If the con is crafty enough to say that this is not an injection of money because money isn't created and that it just comes from somewhere else in the economy, your response is money as a whole is finite but wealth is created through the spread of money from person to person. As reported by the Moscow Times, "Russia, India and China -- the so-called BRIC countries -- can step in to help spur global economic growth, Omura said. Recent investments by Russian companies in developing countries could signal a comeback to some of the Soviet Union's former spheres of influence, ranging from the CIS to Latin America and Africa, said Renovachairman Viktor Vekselberg, who heads RSPP's international committee." There are benefits to having multiple powers in the world, one of which is the ability for these powers to support areas that might not be at the forefront of American policy. Moreover, the Brookings Institute states, "Indian and Brazilian multinationals have made major acquisitions of flagship European and North American brands. And in 2007, a new breed of sovereign wealth funds injected more capital into shaky U.S. and European financial institutions than the International Monetary Fund provided to Asian economies at the height of their financial instability in 1997." From this we can derive a direct link between BRIC supporting the American economy by investing and purchasing American brands. More importantly though is the second half of that quote; BRIC has had a mitigating effect on the downturns of the global economy and that is reason enough to affirm the resolution.

Along those lines, the Brookings Institute also says, “The strong growth of Russian oil production in the past decade was an important moderating force on oil prices globally.” When inelastic goods are controlled by a cartel, such as OPEC when it comes to oil, commodities can become grossly over priced and will consequently have a negative effect on all consumers. Russia has played a key role when it comes to balancing the position of OPEC by increasing competition of a critical component of the world economies.

The U.S. by itself cannot achieve the same beneficial results it can with the support from BRIC; in the global view, both the U.S. and BRIC have more to gain by working together than they do working apart. This stems from the mutual roles of the U.S. and BRIC in each others economies; both choose to trade and consume from each other because they see it as a benefit and they obviously wouldn't make that decision to trade if they were not gaining from it. Despite the extremist views out there, neither BRIC nor the U.S. can function as economically efficient as they can without each other. The Asian Perspective says, “Today, all four BRICs have deep economic ties with the United States. Trade statistics reporting America's worst bilateral trade imbalances for 2006 place China at the top of the list; Russia ranked 13th, India 18th, and Brazil 26th. The United States needs the BRIC markets much less than the BRICs need the American market. As destinations for American exports, China ranked fourth, Brazil 13th, India 21st and Russia a distant 33rd. When the tables are turned, we see the sort of leverage the U.S. can exert.” Trade imbalances refer to the fact that the U.S. imports far more than it exports to these countries. Examining this statistic shows how dependent these foreign nations are on U.S. consumption so there is a reason why these countries support fostering ties with America. harming the United States would only serve to harm their own countries and at this point in their rise, BRIC cannot afford to curtail relations with America. Overall, BRIC has a reason to trade with the U.S., a mutual benefit, and that can be confirmed through world-wide economic benefits.

One of the benefits of additional powers in the world is that they are able to focus on specific regions that the U.S. could not otherwise involve itself in their affairs. BRIC growth has been associated with increases of involvement in regional diplomacy and, across the board, there have been movements by the BRIC countries to lead international policy in their areas. While this isn't necessarily BRIC as a unit doing this, each country is doing it in its region; therefore, the impacts are the same. Brookings Institute reports this happening by all of the countries in which they state, “Trade and the Doha Round: In the Doha Round of World Trade Organization negotiations, India has played a leading role among the Group of 77, the largest intergovernmental organization of developing states in the United Nations, in pushing for reductions in agricultural subsidies in developed countries...Brazil, in particular, emboldened by strong economic growth, has been pursuing a more active regional and global role. Democratic institutions have been strengthened in most countries in the region. Fiscal and monetary discipline have become a cornerstone of economic policy...As China's economy has grown, so has its engagement with and integration into the Asia-Pacific region through its ‘smile diplomacy’—it has settled regional territorial disputes, abjured the use of force in Southeast

Asia, and actively promoted and supported regional cooperation. A growing network of regional political agreements and arrangements place China at the center—ranging from the ASEAN + 3 agreement at the head-of-state level (the three additional participants being China, Japan, and South Korea) to a dizzying array of regional and bilateral trade and monetary arrangements.” Not only do these benefits impact the regions around BRIC countries but they are also extended to the global market. Effective diplomacy by BRIC to resolve territorial disputes, trade disagreements are issues that the U.S. does not have to spend the time or effort on. And even if the U.S. wouldn't have involved itself, resolving these issues can still be seen as a benefit for the world.

On the forefront of many judges' minds will be how has the rise of BRIC affected the power of the United States? On the pro, you need to present the idea of power as not one of a zero-sum situation(only a finite amount of power) but rather that there are benefits in the existence of other world powers and that the U.S. has profited from the role of BRIC in international diplomacy. Remind your opponents and your judge that the topic is discussing what has happened in the past, not what might happen in the future; this is crucial because I don't think there are many who would disagree that BRIC could pose a threat to U.S. 30 years from now. The Observer Research Foundation summarizes the position of BRIC when they state, “Despite the rise in anti-American sentiments, no alternate power bloc has been able to challenge the United States in a significant manner, due to the huge gap that the US has managed to create between Washington and centres of power in almost all spheres...Although countries like China, in an effort to counter such unilateral tendencies on the part of the US, started aligning with major powers such as Russia as well as strengthening bilateral and multilateral ties within the region, it has not been able to shift the balance in its favour or even form a wider coalition of nations to counter Washington.” This is key evidence that should be presented because it takes into account the timeframe of the resolution. The rise of BRIC has really only been the past 10 years and while many economic gains have been made, there hasn't been enough time for BRIC to carve out an overwhelming position in global power. BRIC hasn't yet reached a point to challenge the U.S. politically and many of their actions have complemented the goals of the United States.

Con Analysis

The Pro team will undoubtedly have an argument referring to the economic impacts of BRIC on the United States. A significant amount of time needs to be spent at some point in the round thoroughly addressing any economic benefits the Pro states because a cursory overview will not be enough to properly convince a judge otherwise. A multi-faceted response containing negatives associated with the consumption growth of BRIC, interwoven nature of the BRIC economies, saturation of cheap labor, and holding of American debt will be more effective.

According to the Brookings Institute, "China's sustained rapid growth, along with that of India, has contributed to a big jump in commodity prices. The higher costs of inputs have two negative effects: reducing profits and hence lowering the supply of the final goods; and causing the prices of final goods to rise, thus preventing profits from absorbing the entire cost increase." To fuel growth in the BRIC countries, they need to consume materials (primarily building materials), which has adverse effects on the supply for the rest of the world. Since BRIC consumption increases commodity prices, U.S. investments in infrastructure become less profitable and will most likely prevent private commercial ventures. Overall, this stifles the entire global market and only prolongs the economic slowdown. Goldman Sachs states, "The BRIC's share of global oil demand has been on an upward trend since 1995, jumping from 15.9% then to an estimated 18.6% in 2006." BRIC consumption of Oil puts upward pressure on oil prices which have disastrous impacts on the U.S. High gas prices have the capacity to ripple throughout the economy like we all saw last summer, and an increase in consumption by BRIC only decreases the available supply of oil. From this point you should add points about less money for spending by U.S. citizens in conjunction with limiting the U.S. economy. While this wasn't BRIC consciously acting against the U.S., their actions to improve themselves have unintended repercussions that harm the U.S. One could say that this is necessary for them to grow but that doesn't counter the fact that this is one instance of a negative economic affect and directly relates to the rise of BRIC

When BRIC countries undergo periods of growth, they do not turn to the U.S. to fuel their growth projects. According to the International Herald Tribune, "Funds investing in Brazil, Russia, India and China are soaring ahead of those focused on all emerging markets by combining the world's two most populous nations with two countries that are feeding their expansion. 'The four countries all have high economic growth and there seems to be a virtuous cycle between them,' said Grant Yun Cheng, a fund manager at dit-BRIC Stars fund in Frankfurt. Demand for commodities and building materials in China and India is injecting money into the economies of Russia, a major oil producer, and Brazil, rich in natural resources, he said." BRIC is harming the rest of the world through increased commodity prices, but they continue to profit due to their unique alliance with each other. The BRIC companies can grow on their own and throughout the process are not supplementing the American market. Overall, BRIC holds major

reserves on many foreign imported goods including raw materials and natural gas, thus collectively they have power to influence foreign relations by controlling supply.

As globalization has connected the world, cultural advancements in BRIC countries have allowed for massive amounts of cheap labor that have caught the eye of many American businesses. The Brookings Report shows, “Together, these two huge nations (China and India) are adding 1.2 billion lower-wage workers to the global economy. With lagged adjustment of ‘capital,’ this puts downward pressure on the wages of similarly skilled workers elsewhere.” BRIC countries all have a strong IT service industry that has incited many U.S. companies to outsource American jobs to these foreign countries. The pro team will mention how it makes U.S. businesses more competitive, which it does, but you can play this to the judge by discussing the detriments associated with U.S. job loss. What benefit is there to striving American businesses if they no longer employ American workers? Outsourcing is a sensitive issue because it can be debated from both sides, so even if outsourcing itself is not the problem then, as the evidence states, putting downward pressure on wages across the world is a problem. All this is doing is putting an even greater divide between the upper and lower or middle classes.

As the United States falls further into debt, we must look at who exactly is funding this American debt; China obviously, but what other countries? According to the United Press International, “China is sitting on foreign exchange reserves of more than \$1.5 trillion, and Russia has more than \$500 billion, India close to \$300 billion and Brazil around \$200 billion.” All of the BRIC countries are in possession of international debt thus they all have the same impact even though the debt is held by individual countries. The risk associated with this is most accurately described by the Council on Foreign Relations when they say, “America’s continued descent into greater and greater indebtedness threatens an important source of its influence: the dollar’s role as the critical global currency. A cautionary note regarding America’s current path is provided by Britain’s loss of military and political primacy in the twentieth century; that development followed a shift from creditor to debtor status. Similarly, a prolonged decline in the dollar’s value and increasing indebtedness will erode America’s dominance in political and security spheres.” While it might be difficult to factually prove that America is losing its dominance, it can be shown through in how other countries view the United States and their willingness to abide by American policy. On the whole, we have seen the value of the American dollar decreasing and very few individuals will attempt to argue U.S. is as powerful as it was a decade ago.

Considering the resolution contains “on balance” you need to recognize that there have been some economic benefits from the growth of these countries; it has certainly changed the global economy, primarily China. The distinction that needs be made is the difference between the economies of these individual countries and the economic theory of BRIC as a whole, which is to trade amongst themselves.

One of the key examples of BRIC having a negative impact on the United States is that the views of the BRIC alliance are to consciously work against the U.S. Despite what benefits the Pro might bring up, that doesn’t change the fact that the world visions of BRIC do not

coincide with the hopes of America. Bloomberg reports, "Besides the economic front, the BRIC group could prove to be a growing counterweight to U.S. hegemony in global affairs." No doubt, BRIC has been growing as a global figure and it is very reasonable to assume they have different needs than the United States and want what is best for their own countries. Granted, the U.S. is looking out for itself as well, a growing foreign power threatens the power of the United States. Even more that just the rise of an alternative power, BRIC is actively working against the United States and that has negative impacts when foreign countries gain more power in international diplomacy. Bloomberg also states that, "Russia wants BRIC to become a 'notable factor in multilateral diplomacy,' to help strengthen 'multi-polarity,' acting Russian Foreign Ministry spokesman [Boris Malakhov](#) said in a statement." The actions of the U.S. for quite some time have conflicted with the interests of the BRIC countries, and now that they have the position to start challenging the U.S. we have seen moves on their part to limit the United States' scope throughout the world. This can be seen later in the analysis though the United States' loss of influence in certain regions of the world.

The Observer Research Foundation proposes that, "While the US acknowledges the difficulty in maintaining a unipolar world order, given that the rise of new power centres is a reality, the US wants to maintain its primacy in the international system as an important grand strategic objective through a range of tools, including political, economic and military. Scholars have argued that 'continued American hegemony is important because it is seen as the prerequisite for systemic stability.'" It is in the best interest of the United States to exert their influence over much of the world. As you will see through the evidence, BRIC conflicts with the political, economic, and military spheres of the United States. The second part of that quote also adds an interesting idea to the concept of U.S. hegemony, in that it actually creates a safer world environment. From there, you can expand that concept to any rise by an alternative power creates conflict throughout the world; this doesn't have to be a military conflict but the evidence will further explain why this is such a negative for the U.S.

According to Stefani Jones of the International Diplomacy Council, as countries become international powers, they begin this procedure by exerting influence throughout their region; this is particularly harmful to the U.S. because it means that America has less power over these areas. As ties diminish between these regions and the U.S., these regions turn to alternative powers for guidance and sometimes even choose to bypass dealing with the United States. On the Con, you can show how this has been occurring in all of the regions around the BRIC countries.

According to the Brookings Institute, "While the United States has been focused elsewhere, important trends have swept the Latin American and Caribbean region. The region's countries have begun to diversify their economic and political relations. Brazil, in particular, emboldened by strong economic growth, has been pursuing a more active regional and global role." This is congruent with the notion that countries must become regional leaders before they can become international leaders. While there is some benefit in the idea that the U.S. will not need to meddle in the affairs of places all over the world, you can respond to that by stating that

it might not be in the United States' best interest to do so; however, there is a benefit to retain some sort of influence or power over the region. Latin America is particularly more important to the U.S. than some Asian countries because of its proximity. The Brookings Institute states, "Neglect of Latin America and the Caribbean and alienation from its leadership are proving costly to the United States because no other region has a greater impact on the daily lives of Americans. Through their impact on flows of natural resources, goods and investment, shifts in the region can affect the health of U.S. firms and the U.S. economy. In addition, shifts in migration patterns can have an impact on U.S. labor markets, politics and society." As Latin America turns to the upcoming superpower Brazil, the U.S. needs to be increasingly aware of adoption of BRIC policies in Latin America. While this is something that will be more likely in the future, the knowledge of its future occurrence diminishes from the present. At the very least this can be viewed as a separation of a key region away from U.S.

Moving eastward, the Brookings Institute states, "China's growing influence in the Asia-Pacific region has been matched by America's neglect of its important regional allies. The U.S. has neglected the 21-nation Asia-Pacific Economic Cooperation forum's economic agenda; as a result, regional policymakers have learned to bypass the United States in favor of Asia-only forums. And while the U.S. has devoted its energies to negotiating bilateral free trade agreements with selected East Asian countries, it has neglected the ASEAN + 3 approach that increasingly dominates the region's economic architecture." This presents more of an economic issue and while promoting world trade is beneficial, it doesn't help when the U.S. is not involved in these interactions. Unfortunately these economic connections extend to diplomacy as well; when countries consciously choose to not interact with the U.S., we no longer have economic, diplomatic, or military influence in those regions. International diplomacy is a very strategic process and BRIC has only disrupted the comfortable position of the U.S. and the world.

Including a military argument is somewhat of a risky concept because there hasn't necessarily been a military conflict between the U.S. and BRIC in the past; however, there have been instances in which BRIC has flexed its military muscle. In 2005, Russia and China conducted joint military exercises that didn't have the intention to threaten any country but it can be inferred that the purpose was to show their alliance to the rest of the world. According to the India Daily, "Russian and Chinese military are having secret joint sessions to create the strategy of self defense in case of any invasion from other countries...Sources say, Russia and China have formally joined hands to stop expanding American and European military as well as economic global influences." Of the countries that actually have the potential to be a significant threat to the U.S., Russia and China top the list; a military alliance between these two countries pose the largest military threat to the U.S. A public showing of military exercises doesn't serve as a benefit to the rest of the world, if anything, it can be considered as a perceived threat and instills fear into the minds of those around the world. The most notable resistance to a U.S. military procedure has been the public dismay and potential threats regarding the proposed U.S. missile shield in Poland. It is in the interest of America to have this defense shield to protect from attacks from the middle east or North Korea and, not admittedly, Russia and China. There was a

time in the past in which the U.S. would have been able to go forward with these plans without friction from other countries; no longer does America reside in the time. Since the rise of BRIC, the U.S. has had to alter its desires to accommodate for alternative powers because they now have the capability to threaten military action, just as Russia has done in regards to the missile shield. At the very least, China and India are preparing themselves to handle any potential military threats from other countries, i.e. the U.S. India Daily also states, "International think tanks suggest that soon Russia-China strategic partnership will form a NATO type military and G7 type economic alliance. India and Brazil will be invited to join the alliance." While this hasn't taken place yet, there doesn't need to be a formal organization to still have the anti-American sentiment between these countries. On the top of everyone minds when it comes to these countries, is the potential military threat from these companies, instill this into the minds of your judges and it may serve as a powerful argument.

Pro Blocks

BRIC increased diplomatic influence decreases the power of the U.S.

Contrary to what many believe, a strong BRIC actually helps U.S. interests. Militarily, a strong BRIC promotes stability in regions without threatening us in the least. Economically, each country is a huge market for the other – we need each other (actually they need us more than we need them). But let's focus on our diplomatic interests. In recent years the United States has badly hurt itself by throwing its weight around as the world's only superpower. Our arrogance has hurt us abroad, cost us key allies – in Iraq certainly, and elsewhere – and has strengthened our true enemies – the Islamic radicals who DO have an ideology and who DO want us dead. It may be hard for some to acknowledge, but things didn't automatically get better for us when the US became the only superpower, and they wouldn't automatically get worse if Russia or some other BRIC nation were to climb back to superpower status. We can protect ourselves militarily, and we can compete economically. We have nothing to fear. In the meantime, though, we need a strong BRIC – one that can rein in true enemies in Asia, provide energy to our European allies, and buy American products. Increased BRIC participation in organizations set up by the West such as the World Trade Organization is a good thing. “The road to global power, in effect, runs through the Western order and its multilateral economic institutions.”

Rise of BRIC inflates commodity prices

The rise of BRIC strengthens the global economy and makes it more stable, both very good things. The logic behind rising commodity prices is that increased global demand leads to a rise in prices; however, you also have to consider that there has been an increase in global supply as well which drives down prices. This increase in demand and consumption overall is a good thing for the United States because of the quantity of American products they consume. In addition, United States' companies have been able to utilize cheaper labor in these nations to help drive down prices for every American consumer. The main thing you have to keep in mind is that the U.S. has the upper hand. BRIC doesn't have a monopoly on cheap labor and they rely much more heavily on us than we rely on them, thus giving us leverage.

BRIC economic growth only benefits BRIC

Not true. The United States gains nothing by having an unstable/volatile global economy. One of the main things that the rise of BRIC has done is make the global economy more stable especially at a time when the U.S. economy is going through such a rough time. A strong BRIC gives the U.S. better trading partners. In addition, as the standard of living goes up in these countries their consumption goes up as well thus opening new previously untapped markets for U.S. products, especially luxury items. It isn't a zero sum game. A healthy BRIC is also good for the U.S.

Outsourcing of jobs

Outsourcing isn't bad. In general, the jobs outsourced are jobs that Americans don't want, let alone at the wages that citizens in lesser developed countries are willing to do them at. In addition, it helps those developed countries as well. According to BusinessWeek, outsourcing has been the cause of the latest upward movement in developing countries. A more developed global economy opens up opportunities for the United States. By utilizing these other labor sources, it significantly lowers production costs and thus prices for everyone including American consumers. Overall, just like in any form of trade, both countries benefit. You can find a bunch of literature on how outsourcing is good (or bad, in fact so much that it was a pfd/Ted Turner topic four years ago)

BRIC economies take market share away from the U.S.

It's hard to say. One can't deny that because of BRIC the global economy has expanded so even if the U.S. is getting a smaller percentage of the pie if the pie is that much bigger it is still a net gain. In addition, you can't really prove that BRIC is taking market share away from the U.S. You could show correlation but not causation. Many would argue that the decline of the United State's dominant/unipolar market share was inevitable/unsustainable. Therefore, it isn't a harm unique to BRIC. The fact that BRIC is rising in a way that goes through Western organizations, that has expanded the global economy, and promoted stability in an otherwise unstable time are all good impacts.

Military Threat

The United States military is in a league of its own. "The U.S. has three tremendous advantages over any rivals when it comes to conventional warfare: it is several steps ahead in terms of weapons technology, it has the wealth and capacity to produce more of these weapons than any rival, and it has the experience and tactical skill to employ them effectively. In terms of power projection (where intelligence gathering, transport capabilities, and bases matter), no other country (or group of countries) will be able to match America's global military reach for decades. The best others can hope to do is counter this conventional power with WMD (Asian Perspective)." The U.S. also has a significant advantage in terms of WMDs; however, other countries aren't a threat in terms of WMD possession because of mutually assured destruction (MAD). In addition the general trend with the rise of BRIC has been one towards less nuclear weapons which is a positive impact. Now turn this argument. It is clear that BRIC remains not a threat to the U.S. The U.S. has served as the sole policeman in the world for far too long. As BRIC gains strength we gain more policemen spread throughout the world while remaining the sheriff and unthreatened ourselves. Despite what we may think, we can't keep watch effectively over the entire world all at once.

BRIC mentality is Anti-U.S.

BRIC has been very cooperative. While there may be some anti-American rhetoric at home, it is just that, rhetoric. BRIC understands how much they need the U.S. Their success in large part depends on the U.S., so any actions hurting the U.S. will hurt themselves much more.

Furthermore, two people can hate each other while still maintaining trade relations where both are impacted positively. I wouldn't say they hate us though considering they are buying Western luxury items to show off their status. If anything, perhaps they hate how much more the United States is benefiting then themselves in their relationship.

Con Blocks

Growth Of BRIC Economies Supports the U.S. Economy/global

No. You have to look at where a lot of this growth has come from. As a result of BRIC's rise and increase in economic productivity, the United States has lost significant market share. According to John Poretto of the Associated Press, "The BRIC's share of the industry's market value has grown from virtually nothing 15 years ago to more than one third today, while American companies' stake has dwindled from more than half to less than a third." This is hardly a good thing for the U.S. economy. In addition, these nations have continued to steal more and more jobs from Americans via outsourcing at a time when we arguably need jobs most and unemployment continues to rise. Finally, BRIC's rise has led to price inflation. Most notably, the rise of BRIC has had negative effect on the U.S.'s energy markets. All four countries' drastic increase in energy consumption has led to higher prices for the American consumer.

BRIC becomes leaders in the region

A strong BRIC with local support in the region is bad for the United States. It inherently takes away from U.S. hegemony. In addition while arguably one nation by itself can not directly pose a threat to the U.S., a group of countries rallying behind Brazil, Russia, India, and/or China can. Would you rather a country reported directly to Russia or the United States for leadership? The answer should be the latter, but unfortunately with the rise of BRIC the answer is becoming more and more the former.

BRIC is willing to engage in Diplomacy

All rhetoric. Overall BRIC's participation has been forced at best. Yes BRIC has participated in some multinational diplomatic organizations; however, we live in a time where it would be impossible to have zero participation. They are simply unwilling (especially Russia and China) to merge with Western organizations on our terms (see card). Overall, this has undeniably led to a loss in U.S. hegemony which negatively impacts the U.S. in myriad ways.

BRIC interest align with the U.S.

A ridiculous claim. If this were true then where has BRIC been in the fight against terrorism? Why has BRIC, notably Russia, taken so many steps backwards democratically then? BRIC is in it to make money all too often at the expense of the United States.

BRIC has not threatened U.S. power

There are other ways to negatively impact a country than direct confrontation. In addition, it is hard to deny that BRIC is more of a threat today than they were years back before “the rise.” If they are more of a threat to our economy and potentially militarily now than they were, then this is a negative impact. The United States is losing its sole superpower status faster and faster as BRIC gains more power. In addition as BRIC increases its hegemony, this gives them one more tool for leverage against other nations in the area.

Crossfire

There are a few ways to go about debating every topic, but the most important aspect that is often overlooked is that you need to adapt your style to the proceedings of the round. If you are losing a specific point in a round then don't spend a significant amount of time discussing it in crossfire unless you have a plan that can sway that argument towards your side. That in itself is easy enough but this topic allows for something slightly more strategic.

It is very likely that crossfire on this topic will diminish very quickly to the basic citing of specific examples of one country doing something beneficial or detrimental for the U.S. That is not what this topic is about; specific occasions do not prove that the rise of BRIC has had a positive or negative affect. I would actually suggest debating this topic through more of a theoretical lens while adding examples to support those theories. With that in consideration, you need to be prepared for your opponents to make those mistakes so here are a few questions you will need to have in your arsenal.

How does what your saying apply to BRIC?

Is that associated with the rise of BRIC or rather just the policy of a certain country?

So to you that one event of a certain country is enough to say that on balance the rise of BRIC has had a beneficial/detrimental impact on the U.S.?

Moving to specific points that I guarantee in some fashion that will come, you will need to be prepared to discuss BRIC economically, diplomatically, and possibly militarily.

P: Can your really say that BRIC has not been a key part of the global economy?

C: Each of these individual countries have been but not BRIC as a whole. What is the benefit to the U.S. of BRIC's trade within their own countries?

P: Certainly you are not trying to say that these countries only trade with each other? And even their interlaced trade helps to increase the overall pie of the global economy so it helps everyone who is a part of it.

C: The countries do trade with the rest of the world but what is unique to BRIC when it comes to the economy? It is more than just the addition of the economies of separate countries; it's the way in which they interact with each other, which doesn't help the U.S.

C: Don't you think that mutual military agreements between Russia and China is a negative for the U.S.?

P: Not when they don't have an intention of harming the U.S. nor have they in the past. Has there been a military situation between the U.S. and BRIC?

C: Not directly, but that doesn't mean there haven't been military conflicts that involved the U.S. How do you explain the Russia- Georgia conflict? Georgia is one of our allies correct?

P: First off, if you look to what actually happened Georgia started that conflict, clearly Russia of all countries would need to make a defensive military move. Next, I would hardly consider that to be a move of BRIC rather than just Russia. Under this resolution, we would need to have seen a military movement of BRIC as a whole.

C: That is not necessarily true because one country with the knowledge that they have the military backing of other countries might take military action that they would otherwise not have taken.

C: Since power is a zero-sum game, doesn't the rise of BRIC lessen the power of the U.S.?

P: I wouldn't agree that power is a zero-sum game and when it comes down to it BRIC has a relatively strong dependence on the U.S. for consumption. Given that wouldn't harming the U.S. also hurt them?

C: For the most part, economic relations are separate from diplomatic ties. Countries can still trade with each other despite great ideological differences and even poor diplomatic relations. In relation to BRIC, just because we trade doesn't mean that they don't have a negative diplomatic impact on the U.S.

P: All countries have their squabbles with other countries, that's a given but when it comes down to it the U.S. and BRIC have worked well together on the international policy stage.

C: The U.S. might work with the individual countries but not BRIC. Wouldn't you say that the U.S. has primarily been the lone superpower of recent years?

P: The U.S. is still the most powerful nation but yes we have been.

C: And because of that we have a tendency to exert quite a bit of influence when it comes to international policy?

P: I wouldn't say that anything the U.S. wants it gets but it does have the most influence.

C: And BRIC has been fully aware of this. As they gain power they exert more influence on the global level. They do not want the U.S. to remain in the status quo of being the lone superpower. BRIC, as a unit, has been escalating its position in the world and its goal is to diminish the power of the U.S. so that BRIC can shift international diplomacy to benefit itself.

Pro Outline

BRIC Economies are Growing	23
BRIC Benefits Global Economy	23
Purchased Brands and Inject Capital	24
Russia has Moderated Oil Prices	24
Russia is Major Market for Consumer and Investment Goods	25
Outsourcing Isn't Negative	26
Outsourcing did not cause Recession	26
Outsourcing Helps the Economy	27
Economic Benefits of Brazil	28
US Economy Decline Not Dramatic	28
BRIC Economies Remain Small and Complement Rather than Rival	29
BRIC Driven by Exports to US	29
BRIC Large Luxury Markets for US Products	29
BRIC Economies More Dependent on US	30
BRIC Consumption Way Up	31
List of US Companies Doing Well in BRIC	31
World Economy Growing Courtesy of BRIC	31
BRIC Helps World's Financial Stability	32
Rise of BRIC Encourages New Technologies and Innovations	32
Brazil has Caused Benefits in Region	33
India has Become a Diplomatic Leader	33
China has Become a Diplomatic Leader	34
Global Carbon Emissions	35
BRIC Scores Well Environmentally	36
BRIC Needs the U.S.	36
BRIC has More to Lose	37
Easier to Join West than Overturn	37
BRIC is Open for Diplomacy	38
Diplomacy with BRIC Maintains the U.S's Role	40
US Dwarfs BRIC Militarily	40
BRIC Not Threat to US Militarily	41
US Conventional Warfare Unmatched	41
Not All Power Transitions -> War	42
Europe Has the Most Power to Lose from Rise of BRIC	42
Countries will not Follow Russian Anti-American Sentiment	43
BRIC has not Threatened U.S. Power	43
Western Order Accommodates Rising Powers	44
BRIC Rise Strengthens Other Ties	44
Multipolarity Inevitable and More Stable	45

Con Outline

Latin American Residents have Poor Ties with the U.S.	46
U.S. has Decreasing Influence in Latin America	46
Russia Holds Foreign Papers	47
Debt has a Negative Impact on the U.S.	48
BRIC has Caused Economic Problems	49
BRIC Consumption Increases Commodity Prices	50
China and India Add Low Wage Workers to the World	51
India has Trouble Creating Jobs	51
Diplomacy Decisions Hurt World Trade	52
India Threatens U.S. Jobs	52
Outsourcing to BRIC	53
Anxiety with Chinese Trade	54
China Harms American Markets	54
Russia Doesn't Offer much Economic Benefit	55
BRIC Self-Sufficient	56
BRIC Economic Gains are Lost	58
Difficult to do Business with BRIC	58
BRIC is Taking Market Share Away from U.S. Companies	58
US Companies Must Train to Compete with BRIC	59
Hard to do Business in BRIC	59
Competitive Threat to Canada's Economy	59
Russia and China Pose a Military Threat	60
US Reason to be Concerned Militarily	61
BRIC Embarking on Military Expansion	62
Power Transitions -> War (Historical Example)	62
Rise of BRIC Hurting US in Terms of Energy	63
BRIC Environmental Degradation	63
BRIC Working Against the U.S	64
Russia is Anti-America	66
BRIC not Falling	66
Putin Leads BRIC Alliance in Energy Confrontation Against West	67
BRIC is anti-British	68
BRIC has Problems with Methods of U.S. Policy	69
China is Causing the U.S. to Change Policy	69
Diplomacy with BRIC has Detrimental Impacts	70
BRIC is Reducing U.S. Power	71
Unwilling to Merge with Western Organization on Our Terms	71
China Has No Plans Support US Hegemony	72
Bigger Rival than Soviet Union = Profound Shift	72
U.S. is Experiencing a Change in World Standing	73
Power is a Zero-Sum Game	73
Rise of Alternative Power in Negative for the U.S.	74
China has been Decreasing International Participation	77
BRIC is Corrupt	77
Conflicts within BRIC	77
Russia is Making Moves to Insure Global Position	78
Replacing Middle East as Opponents of Free World	78
BRIC Rise Lowers Tolerance of America	79

Pro Evidence

BRIC Economies are Growing

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

The “made in the USA” financial crisis comes at the same time economic policymakers are confronting the emergence of a group of rising powers, from China and India to the Gulf states and Russia. We are now living in a rapidly shifting economic environment. Following 35 years of strong economic output by the Group of Seven economies, during which they commanded approximately 65 percent of the global output and the so-called “BRIC”—Brazil, Russia, India, China—economies accounted for about 7 percent, we have seen the Group of Seven's share falling to 58 percent over the past five years and the BRIC's share rising to more than 11 percent. The BRICs and other emerging economies are booming, integrating into the global economy, and learning to assert their interests more forcefully.

BRIC Benefits Global Economy

Russian investment in Sub Saharan Africa has brought the continent back into their sphere of influence, Anna Smolchenko, March 2, 2006, “Russian Firms Urged to Invest in Third World”
Moscow Times

Russia, India and China -- the so-called BRIC countries -- can step in to help spur global economic growth, Omura said. Recent investments by Russian companies in developing countries could signal a comeback to some of the Soviet Union's former spheres of influence, ranging from the CIS to Latin America and Africa, said Renovachairman Viktor Vekselberg, who heads RSPP's international committee. Resource-rich South Africa was very attractive for Russian companies, Vekselberg told reporters on the sidelines of the conference. "Soon we will see Russian capital there," he said. Eastern Africa was another potential magnet for investment, he said, without elaborating.

Purchased Brands and Inject Capital

http://www.brookings.edu/reports/2008/~//media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

This revolution in national income shares is emblematic of a broader global dispersion of wealth and economic dynamism. In contrast to the shift of the world's financial epicenter from the City of London to Wall Street in the interwar period, stock markets and commodity exchanges are now proliferating in multiple financial centers; thus, in 2006, 18 of the 20 largest initial public offerings took place outside the U.S. and were spread out among 11 stock exchanges. Indian and Brazilian multinationals have made major acquisitions of flagship European and North American brands. And in 2007, a new breed of sovereign wealth funds injected more capital into shaky U.S. and European financial institutions than the International Monetary Fund provided to Asian economies at the height of their financial instability in 1997.

Russia has Moderated Oil Prices

http://www.brookings.edu/reports/2008/~//media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

The energy supply challenge: The strong growth of Russian oil production in the past decade was an important moderating force on oil prices globally. Russia's current decline is therefore a cause of general concern for consumers worldwide. Russian oil is high-cost oil, and thus all investment in future supply is subject to great risk from price volatility. Russia is likely to continue to underinvest unless the West can help solve the fundamental problem for the Russians: large risk.

Russia is Major Market for Consumer and Investment Goods

http://www.brookings.edu/reports/2008/~//media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

For more than eight years Russia, has benefited from the global commodities boom as have few other countries in the world. Prudent management of its oil and gas windfall has resulted in large fiscal and financial surpluses. At home, welfare and public and private wealth have risen dramatically. For the world, Russia has emerged as a major market for consumer and investment goods. As 2008 draws to a close, however, the outlook for Russia has begun to dim. Oil and gas output growth has slowed and even contracted. The Russian stock market has suffered from the combined drop in oil prices and the global credit crunch. Geopolitical tension since Russia's invasion of neighboring Georgia in early August 2008 has led to calls to exclude Russia from the global economy. All these developments threaten Russia's potential contributions to the global economy.

Seventeen years into its transition from central planning to a free market economy, Russia presents a conflicting picture. It has the second-largest number of Forbes billionaires after the U.S. At the same time, the structure of its economy continues to bear a strong imprint from its Soviet past. The production structure—the type and size of factories and the location of entire cities—is highly unnatural from a market standpoint. Its management model is also distinct: a combination of companies operated by private owners but under the watchful eye of the closed inner circle of the country's political leadership. The description of the Russian economy as “Russia, Inc.” is apt.

As a potential market, as an energy supplier and as a major financial power, Russia now occupies a prominent place in the global economy. Eight years of annual GDP growth exceeding 7 percent have made Russia's 140 million consumers, still with pent-up demand from decades of shortages under communism, one of the world's most attractive markets.

Outsourcing Isn't Negative

http://www.cluteinstitute-onlinejournals.com/Programs/Rothenburg_2008/Article%20285.pdf

Another BRIC in the IT Outsourcing Wall Michael Adams, Jacksonville University Russell Baker, Jacksonville University , 2008 EABR & TLC Conferences Proceedings

“Business process outsourcing (BPO) contains the transmission of processes along with the associated operational activities and responsibilities, to a third party with at least a guaranteed equal service level and where the client contains a firm grip over the (activities of the) vendor for mutual long term success”. Wikipedia Introduction BPO is the long-term transfer of non-core business processes to an external provider to maximize shareholder value. BPO allows US firms to become more efficient organizational structures providing firms the possibility of significant process cost reduction thus gaining productivity growth.. Hence, outsourcing has become a major source for strategic competitive advantage. As the process automation and information technology has become the core process to any business strategy; the last two decades has advanced significant development in the field of IT outsourcing. Automating and integrating processes indeed have changed the way business is being done.

Outsourcing did not cause Recession

<http://www.cfr.org/publication/7749/trade.html>

Council on Foreign Relations

Many economists say that outsourcing of white-collar jobs is not the primary, or even a major, reason the U.S. economy is not creating enough new jobs to make a significant dent in the unemployment rate. Some argue that the practice is helping to stimulate the economy.

However, these economists also concede that the low level of job creation in recent years has made it more difficult for workers who lose their jobs to outsourcing to find new ones. Some 3 million private-sector jobs have been lost since the U.S. economy peaked in 2000, most of them in manufacturing. These economists say the drop in employment, however, is primarily explained by factors other than outsourcing, such as:

- the bursting of the tech bubble and its effects on Wall Street;
- the general downturn in the business cycle;
- the consolidation of retailing under mega-companies like Wal-Mart;
- technological advances that have made some jobs obsolete;
- the chilling economic effects of the September 11 attacks and subsequent events.

"There's no evidence that outsourcing caused the recession, and there's no evidence that it's making it worse," says Erica L. [Groshen](#), an assistant vice president at the Federal Reserve Bank of New York. Not all analysts agree with this assessment. Thea Lee, assistant director of public policy at the [AFL-CIO](#), says outsourcing is a major cause of job loss since 2000. And, she says, "outsourcing is one of the causes for the truly dismal job performance since the recession has ended."

Outsourcing Helps the Economy

<http://www.cfr.org/publication/7749/trade.html>

Council on Foreign Relations

Many economists say that these steps are a form of economic protectionism that will only further slow the U.S. economic recovery. As an example, Benn [Steil](#), the acting director of the Maurice R. Greenberg Center for Geoeconomic Studies at the Council on Foreign Relations, points to the overall negative economic effect that subsidies for the struggling U.S. steel industry had on the economy. Protecting the industry from lower-cost imported steel hurt U.S. carmakers and other domestic industries that use steel. "It's very clear that the price we paid as an economy per steel worker job was hundreds of thousands of dollars," he says. On January 26, Federal Reserve Chairman Alan Greenspan cautioned lawmakers not to increase trade barriers to keep jobs in the United States. While some workers will lose jobs because of outsourcing and other forms of foreign competition, he said the U.S. economy is resilient enough to generate new jobs to compensate. "We can thus be confident that new jobs will replace old ones as they always have, but not without a high degree of pain for those caught in the job-losing segment of America's massive job-turnover process," Greenspan said.

Many economists argue that outsourcing is just another form of free trade, which increases wealth in the economy. They say that employing workers at lower cost allows U.S. companies to be more efficient and productive, permitting them to create the same amount of goods with fewer resources. In turn, this lowers the price of the goods in the United States, strengthening U.S. companies and freeing workers for other tasks. The savings allows U.S. companies to stay afloat and expand in a highly competitive global market, says Jagdish N. [Bhagwati](#), the André Meyer senior fellow in international economics at the Council on Foreign Relations and the author of the recently published "[In Defense of Globalization](#)." "Outsourcing is not destroying American jobs. These jobs are going anyway, because otherwise the goods would be too expensive to produce" and the companies that make them would no longer be competitive, he says.

Some 70 percent of the U.S. economy is not vulnerable to offshoring because it is composed of services such as retail, restaurants and hotels, health care and other services that necessarily take place locally, according to a McKinsey analysis that examined the economic impact of offshore outsourcing.

Economic Benefits of Brazil

<http://www.industryweek.com/ReadArticle.aspx?ArticleID=13256>

Industry Week, By [John S. McClenahan](#)

Jan. 1, 2007

Brazil. Has a history of high inflation, high interest rates and high import duties to protect domestic industry. But "the macroeconomic climate has been fairly stable . . . under [President Luiz In cia] Lula [da Silva]," notes Thomas Duesterberg, president and CEO of Manufacturers Alliance/MAPI, an Arlington, Va.-based business and public policy research group with about 450 member companies.

The ethanol industry is growing, and Brazil has a lot of iron ore, to which the Chinese increasingly are trying to get access, says Duesterberg. Nordson has had sales and service operations in Brazil for 15 years, but no manufacturing.

Brazil is closer to the U.S. than China, meaning goods arrive faster, but the cost of labor is higher because of Brazil's currently booming economy, says Kurt Cavano, CEO of New York-based TradeCard Inc., a firm that offers technologies to automate trade transactions. Brazil is in the same time zones as the U.S., meaning "you don't have to be up all night or have an agent there," he adds.

Auto companies and consumer packaged goods producers have built operations in Brazil, and "they've been fairly successful," observes Kevin Prouty, senior director for manufacturing solutions at Symbol Technologies Inc., a Boston-based provider of mobility solutions. Brazil is "just such a large, economically stable population you really can't ignore it," he asserts. The country is a "reasonably good" place in the long run, adds Conrad Winkler, a Chicago-based vice president of consulting firm Booz Allen Hamilton who focuses on manufacturing and supply chain strategies.

US Economy Decline Not Dramatic

http://www.businessweek.com/magazine/content/03_43/b3855187_mz035.htm

BusinessWeek, October 27, 2003

Although the relative importance of the U.S. declines quite considerably, it's still one of the two largest economies [with China] at the end of the period and still the richest economy. So it's not a story of dramatic decline of the U.S. Because of its favorable demographics [such as a stable birth rate], it ends up looking a lot better than the other developed economies. And on an income per capita basis, really only Russia will move into the income levels of the developed countries. So you'll have a situation where the largest economies of the world are no longer necessarily the richest countries.

BRIC Economies Remain Small and Complement Rather than Rival

<http://www.asianperspective.org/articles/v31n4-f.pdf>

Mark R. Brawley, Asian Perspective, 2007

Remarkably, the BRICs' combined GDP has been projected to pass that of the G6 within forty years, with China's GDP being larger than that of the United States.² While striking, several qualifications should be raised as we interpret such projections. Even with this growth, the GDP per capita of any one of the BRICs would remain low compared to that of the United States, for instance. Such differences matter, for it suggests these countries' economies would complement the American economy rather than directly rival it.

BRIC Driven by Exports to US

http://www.adweek.com/aw/content_display/special-reports/other-reports/e3ibd2a4d5f94f9578bb5e64247c12ae3b1

Noreen O'Leary
AdWeek
February 1, 2008

China and India, along with Russia, are expected to be among the fastest-growing economies in the world this year (although a U.S.-triggered global downturn could impact the BRIC economies, which are still heavily driven by exports).

BRIC Large Luxury Markets for US Products

http://www.adweek.com/aw/content_display/special-reports/other-reports/e3ibd2a4d5f94f9578bb5e64247c12ae3b1

Noreen O'Leary
AdWeek
February 1, 2008

China and Russia are now among the world's top luxury markets as newly affluent consumers want Western badges of status to signal their arrival into prosperity. And because rapid change has become the norm in BRIC countries, consumers are becoming fast adopters of technology.

BRIC Economies More Dependent on US

<http://www.asianperspective.org/articles/v31n4-f.pdf>

Mark R. Brawley, Asian Perspective, 2007

Today, all four BRICs have deep economic ties with the United States. These ties give the U.S. some economic leverage over all four (even over China, despite the mass media's reading of the two's trade relations). Trade statistics reporting America's worst bilateral trade imbalances for 2006 place China at the top of the list; Russia ranked 13th, India 18th, and Brazil 26th.³ First, note that the content of trade fits with each countries' comparative advantage. In the case of China, a major source of goods flowing into the American economy, the United States imports labor-intensive light manufactures. The same could be said of India's exports to the United States, though India and Brazil also export iron and steel to the United States. Russia and Brazil export raw materials to the U.S. as well. While one could fixate on the bilateral balances, I raise these statistics to question who has leverage in the relationship. These economies matter to the United States (all four being among the top 20 sources of imports into the U.S.), yet it would be a stretch to say the U.S. would find it too costly or too difficult to replace their goods with imports from other sources. Neither China nor India has a monopoly on cheap labor; no one of the BRICs exports large amounts of goods requiring advanced technology—none exports goods that cannot be matched in sophistication by other producers. (Only Brazil exports more advanced manufactures to the U.S., and these products fall within a narrow range of sectors, such as aircraft.) The United States needs the BRIC markets much less than the BRICs need the American market. As destinations for American exports, China ranked fourth, Brazil 13th, India 21st and Russia a distant 33rd. When the tables are turned, we see the sort of leverage the U.S. can exert. The United States is both the second largest export market and second largest source of imports for Brazil. The U.S. is the second largest export market, and third largest source of imports for India. China needs the U.S. market for its exports (it is that country's second largest), though the U.S. is not among the top 5 sources of Chinese imports. (The media portrays this as leverage over the U.S., as if the U.S. would not be able to find others interested in exporting to the U.S. market.) Russia would be the least vulnerable to American economic leverage, since the United States is neither a major market for Russian exports, nor is the U.S. a major exporter to Russia. Economically, the other three depend more on the U.S. than the U.S. depends on them.

BRIC Consumption Way Up

http://www.adweek.com/aw/content_display/special-reports/other-reports/e3ibd2a4d5f94f9578bb5e64247c12ae3b1

Noreen O'Leary
AdWeek
February 1, 2008

By some estimates, Russians are now spending 70-80 percent of their per capita income at retail. Consumption grew by 27 percent, in U.S. dollars, in 2006 and sales in the retail, consumer goods, finance and construction sectors are expected to increase 40 percent over the next several years, according to investment bank Renaissance Capital.

List of US Companies Doing Well in BRIC

http://www.adweek.com/aw/content_display/special-reports/other-reports/e3ibd2a4d5f94f9578bb5e64247c12ae3b1

Noreen O'Leary
AdWeek
February 1, 2008

Not surprisingly, Western marketers like Coca-Cola, Ikea, American Express, Nestle, Wrigley, Procter & Gamble and Unilever are rapidly expanding there.

World Economy Growing Courtesy of BRIC

<http://www.mainstreamweekly.net/article1072.html>

Benjamin Todd
Mainstream
December 3, 2008

Experts in the Financial Times are of the view that in spite of the financial crisis and the stunted growth of the American economy, the world economy is still dramatically growing, courtesy the BRIC countries. Significant developments in terms of the economic strides of India, China and Brazil were taken note of and these states invited to some meetings of the G-8 five years ago when the Goldman Sachs specialists announced that the process of formulating the global economic policy should be radically transformed to meet the current and future needs of the world economy.

BRIC Helps World's Financial Stability

<http://www.mainstreamweekly.net/article1072.html>

Benjamin Todd

Mainstream

December 3, 2008

Despite being responsible for the current global economic crisis, the United States is now trying to place the greater part of the burden on the developing countries to maintain the world's financial stability. Washington is trying to impose on these countries the forms of their participation in the international financial institutions so as to continue to limit their potential to influence the process while widening the US ability of the US to use other countries' gold and currency reserves.

According to international experts, it is necessary to not only transform the world economy to overcome the current financial crisis, but also to prevent recurrence of similar situations in future. According to the Merrill Lynch's Governing Director Alex Patelis, who heads the World Economy Department, the financial crisis points to the need to create a new financial world order; he has emphasised that the current world financial system, established in 1944, does not meet the present-day requirements. The emerging markets, the members of BRIC (Brazil-Russia-India-China) in particular, have increased their influence over the years and are, in fact, the creditors of the developed world. The international community needs a much more stable and transparent system to control and regulate the activities of the biggest multinational corporations.

Rise of BRIC Encourages New Technologies and Innovations

<http://www.tradingmarkets.com/.site/news/Stock%20News/2078245/>

Trading Markets

December 11, 2008

Tierney added that the key to overcoming overseas competition emerging from the BRIC nations will be a steady focus on big-picture entrepreneurship that will involve leveraging opportunities in the global market and investing in new technologies and innovations, rather than restricting activity to regional trade and old systems.

Brazil has Caused Benefits in Region

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

While the United States has been focused elsewhere, important trends have swept the Latin American and Caribbean region. The region's countries have begun to diversify their economic and political relations. Brazil, in particular, emboldened by strong economic growth, has been pursuing a more active regional and global role. Democratic institutions have been strengthened in most countries in the region. Fiscal and monetary discipline have become a cornerstone of economic policy.

India has Become a Diplomatic Leader

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

Trade and the Doha Round: In the Doha Round of World Trade Organization negotiations, India has played a leading role among the Group of 77, the largest intergovernmental organization of developing states in the United Nations, in pushing for reductions in agricultural subsidies in developed countries.

China has Become a Diplomatic Leader

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

As China's economy has grown, so has its engagement with and integration into the Asia-Pacific region through its "smile diplomacy"—it has settled regional territorial disputes, abjured the use of force in Southeast Asia, and actively promoted and supported regional cooperation. A growing network of regional political agreements and arrangements place China at the center—ranging from the ASEAN + 3 agreement at the head-of-state level (the three additional participants being China, Japan, and South Korea) to a dizzying array of regional and bilateral trade and monetary arrangements.

On the international scene, Chinese officials have pursued deft economic diplomacy, winning over potential adversaries. Despite some stark differences in the Doha Round negotiations for the World Trade Organization relative to developing countries like India, China has worked with other rising powers to shape these negotiations' agenda. Though the chronically large balance-of-payments surpluses of China indicate an undervalued exchange rate, it has managed to deflect serious interference by the International Monetary Fund.

China's growing influence in the Asia-Pacific region has been matched by America's neglect of its important regional allies. The U.S. has neglected the 21-nation Asia-Pacific Economic Cooperation forum's economic agenda; as a result, regional policymakers have learned to bypass the United States in favor of Asia-only forums. And while the U.S. has devoted its energies to negotiating bilateral free trade agreements with selected East Asian countries, it has neglected the ASEAN + 3 approach that increasingly dominates the region's economic architecture.

Global Carbon Emissions

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

At the heart of the international debate on climate policy lie two key tensions. First is the tension between the worldwide need to avoid damaging disruption to the Earth's climate and the critical importance of reducing global poverty. Analysts agree that the world's already-heavy dependence on fossil fuels is only likely to worsen if developing countries continue to stoke their rapid economic growth in traditional carbon-intensive ways. The second tension is over the distribution of costs and the competitive implications of mitigating greenhouse gas emissions. China and India argue not only that they cannot reduce emissions without technology and financing from rich countries but also that developed countries should act first because they are responsible for the buildup of greenhouse gases in the atmosphere. And though the members of the European Union and most other developed countries are unlikely to meet their targets, they have tried to take action by ratifying the Kyoto Protocol and taking steps to implement it. In sharp contrast, the U.S. rejected Kyoto and has taken no regulatory action at the federal level. As a result, the U.S. lacks credibility in international negotiations and will find it difficult to prevail until it makes a serious domestic commitment to action.

BRIC Scores Well Environmentally

David Roodman
Center For Global Development
October 10, 2007

The Commitment to Development Index (CDI) ranks 21 of the world's richest countries on their dedication to policies that benefit the five billion people living in poorer nations. Moving beyond simple comparisons of foreign aid, the CDI ranks countries on seven themes: quantity and quality of foreign aid, openness to developing-country exports, policies that influence investment, migration policies, stewardship of the global environment, security policies and support for creation and dissemination of new technologies.

This year for the first time, CGD research fellow David Roodman extended the environment component of the Index to cover four of the biggest developing countries: Brazil, Russia, India and China, a group Goldman Sachs dubbed the BRICs. This working paper explores the indicators that make up the environment component (global climate, sustainable fisheries, and biodiversity and global ecosystems) and explains how the BRIC countries stack up to their right-country counterparts.

He finds that the BRICs score remarkably well compared to the 21 rich countries covered by the Index: when thrown in with the usual 21, they rank second, fourth, fifth, and eleventh. They generally perform well on the greenhouse gas emissions, consumption of ozone-depleting substances, and tropical timber imports. And the BRICs have joined important international environmental accords. As a group, their major weakness is low gas taxes. In addition, Amazon deforestation and heavy fossil fuel use pull Brazil and Russia, respectively, below the CDI 21 average on greenhouse emissions per capita. China's abstention from the U.N. fisheries agreement puts it a half point below the other BRICs.

BRIC Needs the U.S.

http://www.upi.com/Emerging_Threats/2008/05/14/Walkers_World_Building_with_BRICs/UPI-85781210769660/

United Press International

Walker's World: Building with BRICs, By MARTIN WALKER, UPI Editor Emeritus

Published: May 14, 2008 at 8:54 AM

They may all share a common desire to see the United States taken down a peg or two, but so do many Europeans. And the future prosperity of all the BRIC countries depends on the continued prosperity and consumption of Americans, Europeans and Japanese, who for decades to come will continue to be the world's richest countries in terms of income per head.

BRIC has More to Lose

http://www.boston.com/business/articles/2007/07/06/us_oil_companies_influence_wanes/?page=full

U.S. oil companies' influence wanes

By John Porretto, AP Business Writer | July 6, 2007

Jerry Taylor, an energy analyst at the Cato Institute, a free-market oriented think tank, said the trend documented in the Goldman Sachs report doesn't necessarily make the United States more vulnerable. Governments have rarely used the so-called "oil weapon" by cutting off supplies to other markets, he said. If they did they'd risk hurting themselves, due to lost revenue, more than they'd hurt the United States, he added.

Easier to Join West than Overturn

<http://www.foreignaffairs.org/20080101faessay87102/g-john-ikenberry/the-rise-of-china-and-the-future-of-the-west.html>

G. John Ikenberry

Foreign Affairs

January/February 2008

China does not just face the United States; it faces a Western-centered system that is open, integrated, and rule-based, with wide and deep political foundations. The nuclear revolution, meanwhile, has made war among great powers unlikely -- eliminating the major tool that rising powers have used to overturn international systems defended by declining hegemonic states. Today's Western order, in short, is hard to overturn and easy to join.

BRIC is Open for Diplomacy

http://www.brazil.org.uk/newsandmedia/articles_files/20080608.html

Embassy of Brazil in London

The BRICs and the Rearrangement of the World

Article by the Brazilian foreign minister, Celso Amorim, published in the Folha de São Paulo on 8 June 2008

At the WTO, the manner in which Brazil, China and India have already been collaborating within the G-20 framework demonstrates the potential for that kind of cooperation. We welcome the future entry of Russia into the WTO as a positive development in the evolution of the multilateral trading system.

We also recall the dialogue between the G-8 and the G-5, in which the BRICs are present on both sides of the table. At a time when there is interest in economic stability and expanding trading relations, without unwarranted barriers against trade or investments, the BRICs share the desire to see their views reflected in the discussions of the major topics on the international agenda, such as combating hunger and poverty, energy security, climate change, and promoting development.

<http://yaleglobal.yale.edu/display.article?id=8917>

Council on Foreign Relations.

Daniel W. Drezner, pub. date: 3-15-07, associate professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and the author of "All Politics Is Global," Yale Global Online, "The New New World Order,"

Last fall, Washington launched the U.S.-China Strategic Economic Dialogue. In December, Treasury Secretary Paulson led six cabinet-level U.S. officials and the chair of the Federal Reserve in two days of discussions with their Chinese counterparts on issues ranging from energy cooperation to financial services to exchange rates. On matters as diverse as dealing with North Korea and Darfur, reigniting the Doha Development Agenda, and consulting with the International Energy Agency, Washington has tried recently to bring China into the concert of great powers.

BRIC is Open for Diplomacy (Cont'd)

The United States has reached out to India as well. For most of the 1990s, the United States was primarily concerned with managing India's dispute with Pakistan over Kashmir and defusing potential nuclear crises. Even though Pakistan is a significant U.S. ally in the war on terrorism, the U.S.-Indian relationship has warmed considerably over the past five years. In November 2006, the U.S. Department of Commerce arranged its largest-ever economic development mission to India, expanding the commercial dialogue between the two countries. Last year, they also concluded a bilateral agreement to cooperate on civilian nuclear energy -- a de facto recognition by the United States that India is a nuclear power. The agreement reinforces India's commitment to nonproliferation norms in its civilian nuclear program, but it keeps India's military program outside the orbit of inspections by the International Atomic Energy Agency. Critics of the deal have warned that it threatens the NPT. But the Bush administration argues that India is emerging as a great power, the nuclear genie cannot be put back in the bottle, and because India is a democracy, the genie will do no harm. According to the 2006 National Security Strategy, "India now is poised to shoulder global obligations in cooperation with the United States in a way befitting a major power."

More ambitiously, the Bush administration has tried to reshape international organizations to make them more accommodating to rising powers. In some instances, the changes have occurred almost as a matter of course. The formation of the G-20 bloc of developing countries, for example, compelled the United States to invite Brazil, India, and South Africa into the negotiating "green room" at the September 2003 WTO ministerial meeting of the Doha Round of trade talks, in Cancún. Since then, U.S. trade negotiators have been clamoring for greater participation from China in the hope that Beijing will moderate the views of more militant developing countries.

Similarly, the United States has encouraged China to participate periodically in the G-7 meetings of finance ministers and central-bank governors. Washington's aim is to recognize China's growing importance in world politics and economics and in return get Beijing to concede that its exchange-rate policies and its repression of domestic consumption contribute to global economic imbalances. Officials from Brazil, India, and South Africa have also been invited to G-7 meetings on occasion, on the theory that, as a recent paper from the Treasury Department argued, "addressing global [macroeconomic] imbalances requires engaging heavily with new actors outside the G-7."

Meanwhile, the Bush administration has moved toward greater cooperation with emerging powers on other issues as well, especially energy, the environment, and nuclear proliferation. Washington has engaged China through APEC's Energy Working Group. It has encouraged China and India, which are anxious to secure regular access to energy, to work with the International Energy Agency in order to create strategic petroleum reserves.

Diplomacy with BRIC Maintains the U.S's Role

<http://yaleglobal.yale.edu/display.article?id=8917>

Council on Foreign Relations.

Daniel W. Drezner, pub. date: 3-15-07, associate professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and the author of "All Politics Is Global," Yale Global Online, "The New New World Order,"

The Clinton administration had good reasons for not doing more. Remaking international institutions is a thankless task that requires holders of power to voluntarily cede some of their influence. There was no urgent need to undertake it in the 1990s: China and India were rising, but their great-power status still seemed a long ways off. Even minor shifts in long-standing U.S. foreign policy -- such as the reduction of U.S. troops in Germany -- caused great controversy. Most important, the Clinton administration's reinforcement approach worked. The creation of the WTO strengthened the global trade regime. NATO led effective operations in Bosnia and Kosovo. The Nuclear Nonproliferation Treaty (NPT) was renewed indefinitely. Despite the occasional gripe about American hyperpower, the United States seemed able to legitimately advance its interests through the adroit use of multilateral diplomacy. By and large, American hegemony went unchallenged.

US Dwarfs BRIC Militarily

<http://www.asianperspective.org/articles/v31n4-a.pdf>

Leslie Elliott Armijo

Asian Perspective

2007

Although there are currently 192 member states in the United Nations, in 2006 the United States alone accounted for an astonishing 45.7 percent of world military spending. Britain, with the next largest share, contributed only 5.1 percent.¹⁶ The only other countries that account for 2 percent or more of total world military expenditures are the remaining members of the G-5, France, Japan, and Germany, plus three of the four BRIC countries—China, Russia, and India, the latter with 4.3, 3.0, and 2.1 percent, respectively.¹⁷ Together, the shares of these seven countries total only 26.1 percent of world military expenditure. Militarily, the world is unequivocally unipolar.

BRIC Not Threat to US Militarily

<http://www.asianperspective.org/articles/v31n4-f.pdf>

Mark R. Brawley
Asian Perspective
2007

Nonetheless, the forces of three of the BRICs are aimed at each other as much as (if not more than) at American targets. China and India have been rivals for some time, as have Russia and China. Even though the three Asian powers have developed long-run plans to increase the size and technological sophistication of their armed forces, all remain several stages behind the level of American forces. Russia's military forces have declined in numbers and operational abilities, with little chance of improving in the near future. Russia continues to develop advanced weaponry, though it cannot afford to produce these in volume. Brazil's military remains primarily focused on internal and regional capabilities, posing little current or future threat to the United States. Of course, China, Russia and India already have nuclear capabilities (and Brazil could join them in short order if it so desired); all four could surely produce other weapons of mass destruction, along with capable delivery systems. In conventional forces, the United States has an enormous lead in strategic lift, combined forces operations, organization, tactical skill, and weaponry—to develop rival conventional capabilities, the BRICs would need to invest several decades of concentrated effort merely to catch up. It is more likely that a BRIC would construct armed forces rivaling the United States militarily in numbers, or develop the ability to project power within their own region, backed by weapons of mass destruction (WMDs) that could threaten the American homeland. This would make them potent challengers, if not quite as dangerous as the former Soviet Union. Two or three BRICs allied together would present a much more serious threat.

US Conventional Warfare Unmatched

<http://www.asianperspective.org/articles/v31n4-f.pdf>

Mark R. Brawley
Asian Perspective
2007

The U.S. has three tremendous advantages over any rivals when it comes to conventional warfare: it is several steps ahead in terms of weapons technology, it has the wealth and capacity to produce more of these weapons than any rival, and it has the experience and tactical skill to employ them effectively. In terms of power projection (where intelligence gathering, transport capabilities, and bases matter), no other country (or group of countries) will be able to match America's global military reach for decades. The best others can hope to do is counter this conventional power with WMD.

Not All Power Transitions -> War

<http://www.foreignaffairs.org/20080101faessay87102/g-john-ikenberry/the-rise-of-china-and-the-future-of-the-west.html>

G. John Ikenberry

Foreign Affairs

January/February 2008

But not all power transitions generate war or overturn the old order. In the early decades of the twentieth century, the United Kingdom ceded authority to the United States without great conflict or even a rupture in relations. From the late 1940s to the early 1990s, Japan's economy grew from the equivalent of five percent of U.S. GDP to the equivalent of over 60 percent of U.S. GDP, and yet Japan never challenged the existing international order.

Europe Has the Most Power to Lose from Rise of BRIC

<http://yaleglobal.yale.edu/display.article?id=8917>

Council on Foreign Relations.

Daniel W. Drezner, pub. date: 3-15-07, associate professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and the author of "All Politics Is Global," Yale Global Online, "The New New World Order,"

Although European countries are still significant, their economic and demographic growth does not match that of either the emerging powers or the United States. Having been endowed with privileged positions in many key postwar institutions, European countries stand to lose the most in a redistribution of power favoring countries on the Pacific Rim. And since they effectively hold vetoes in many organizations, they can resist U.S.-led changes. The Europeans argue that they still count thanks to the EU, which lets them command a 25-member voting bloc in many institutions. But if the EU moves toward a common policy on foreign affairs and security, it will be worth asking why Brussels deserves 25 voices when the 50 states comprising the United States get only one.

Countries will not Follow Russian Anti-American Sentiment

<http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentID=2008110921515>

Saudi Gazete

Russia's attack on US policies

By Michael Stott

But no major state is likely to want to follow Russia down a stridently anti-American path when the United States has just elected a new president, Moscow-based analysts said. "There is a lot of enthusiasm around the world for Obama," said Maria Lipman of the Moscow Carnegie Centre. "Except for a few harshly anti-American states, other countries will find it wiser to wait and see." Fyodor Lukyanov, editor of Russia in Global Affairs magazine, said Moscow was mistaken if it believed the Washington G20 meeting would allow it to strengthen its influence at the expense of the United States. "The fact that the United States is hosting the meeting and has invited other emerging nations strengthens its role, and China will also want to strengthen its influence," he said. "I don't think any serious state will be keen to join an anti-American alliance led by Russia."

BRIC has not Threatened U.S. Power

<http://www.observerindia.com/cms/sites/orfonline/modules/analysis/AnalysisDetail.html?cmaid=15556&mmaid=15557>

Observer Research Foundation, Just another BRIC in the Wall?, Dr. Rajeswari Pillai Rajagopalan*, 23 December 2008

Richard Haass writes that despite the rise in anti-American sentiments, no alternate power bloc has been able to challenge the United States in a significant manner, due to the huge gap that the US has managed to create between Washington and centres of power in almost all spheres.

In the context of this debate, BRICs also have been identified, as potential future competitor to the US and other advanced industrial countries. Nevertheless, it should be noted that despite the relative decline in US power, the unipolarity is still a feature of the international system. Although countries like China, in an effort to counter such unilateral tendencies on the part of the US, started aligning with major powers such as Russia as well as strengthening bilateral and multilateral ties within the region, it has not been able to shift the balance in its favour or even form a wider coalition of nations to counter Washington.

Western Order Accommodates Rising Powers

<http://www.foreignaffairs.org/20080101faessay87102/g-john-ikenberry/the-rise-of-china-and-the-future-of-the-west.html>

G. John Ikenberry, Foreign Affairs, January/February 2008

The most important benefit of these features today is that they give the Western order a remarkable capacity to accommodate rising powers. New entrants into the system have ways of gaining status and authority and opportunities to play a role in governing the order. The fact that the United States, China, and other great powers have nuclear weapons also limits the ability of a rising power to overturn the existing order. In the age of nuclear deterrence, great-power war is, thankfully, no longer a mechanism of historical change. War-driven change has been abolished as a historical process.

State power today is ultimately based on sustained economic growth, and China is well aware that no major state can modernize without integrating into the globalized capitalist system; if a country wants to be a world power, it has no choice but to join the World Trade Organization (WTO). The road to global power, in effect, runs through the Western order and its multilateral economic institutions.

BRIC Rise Strengthens Other Ties

<http://www.asianperspective.org/articles/v31n4-f.pdf>

Mark R. Brawley, Asian Perspective, 2007

Moreover, the United States may find additional assistance from the economically advanced countries who are its long-standing allies. The EU, Japan, and Canada all maintain close military ties with the United States, despite bickering and disputes over recent foreign policy decisions. These states may keep pace with the BRICs (though there are several reasons to think the EU and Japan will have considerably slower economic growth, and thus not provide much to the U.S.), but they will surely be interested in defending the status quo. Moreover, they too are likely to feel threatened by the dramatic rise of some of the BRICs. A resurgent Russia could compel the Europeans back toward the U.S.; an increasingly powerful China is just as likely to drive Japan into a tighter embrace with the United States.

In practice, the United States would face serious difficulties intervening in the BRICs' economic rise, despite American leverage over any single one. The United States may be able to afford to cut links with any one or all the BRICs, hurting them more than itself. Yet that alone will not slow down their growth much. Even an embargo on American foreign direct investments in these countries would have a very limited effect. The BRICs' economic growth will be driven by internal dynamics more than by external forces. American attempts to slow these countries' economic growth are simply unrealistic.

Multipolarity Inevitable and More Stable

<http://eng.globalaffairs.ru/numbers/23/1192.html>

Alexander Lomanov

Russia in Global Affairs

6-15-08

China is optimistic about assessing general global tendencies – the influence of developing countries is growing; the tendency toward multipolarity is irreversible; and the global balance of forces promotes stability. This situation prompts China to engage in a gradual democratic reform of the status quo instead of challenging it. “This will give China the international peaceful image of a responsible big country, not a rebel,” says Dr Guan Li, deputy director of the International Strategy Institute of the CPC Party School.

Con Evidence

Latin American Residents have Poor Ties with the U.S.

http://www.brookings.edu/reports/2008/~//media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

Meanwhile, the region's residents have grown increasingly alienated from the United States. In a 2007 Zogby poll of Latin American elites, only 14 percent of decisionmakers from the region described Washington's handling of relations with Latin America as "good" (13 percent) or "excellent" (1 percent). The remaining 86 percent thought U.S. policy was "fair" or "poor." But 27 percent of Latin American elites described China as the country they believe is most important to their region's future—a close second after the United States (30 percent).

U.S. has Decreasing Influence in Latin America

http://www.brookings.edu/reports/2008/~//media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

Neglect of Latin America and the Caribbean and alienation from its leadership are proving costly to the United States because no other region has a greater impact on the daily lives of Americans. Through their impact on flows of natural resources, goods and investment, shifts in the region can affect the health of U.S. firms and the U.S. economy. In addition, shifts in migration patterns can have an impact on U.S. labor markets, politics and society. The United States has a large stake in the future of Latin America and the Caribbean, but unless it reengages with the region, its ability to influence transformative trends will continue to decline.

Russia Holds Foreign Papers

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

And as the world's biggest producer of oil and natural gas, Russia plays a crucial role in global energy security. Finally, Russia now holds the world's third-largest foreign currency reserves.

The financial challenge: Russia is third only to China and Japan as a foreign holder of Western—mainly U.S.—government securities. These massive funds represent a transfer from Western consumers to Russia's state coffers. America would be better off if these funds were recycled back into its economy in the form of equity investments.

http://www.upi.com/Emerging_Threats/2008/05/14/Walkers_World_Building_with_BRICs/UPI-85781210769660/

United Press International

Walker's World: Building with BRICs, By MARTIN WALKER, UPI Editor Emeritus

Published: May 14, 2008 at 8:54 AM

If this week's meeting is to be the first such BRIC summit, they certainly could afford to build almost any institution they choose. China is sitting on foreign exchange reserves of more than \$1.5 trillion, and Russia has more than \$500 billion, India close to \$300 billion and Brazil around \$200 billion.

Debt has a Negative Impact on the U.S.

<http://www.cfr.org/publication/8927/>

[budget_and_current_account_deficits_jeopardize_us_influence_warns_council_special_report.html](http://www.cfr.org/publication/8927/budget_and_current_account_deficits jeopardize_us_influence_warns_council_special_report.html)

Budget and Current Account Deficits Jeopardize U.S. Influence, Warns Council Special Report
September 29, 2005

Council on Foreign Relations

America's continued descent into greater and greater indebtedness threatens an important source of its influence: the dollar's role as the critical global currency. "A cautionary note regarding America's current path is provided by Britain's loss of military and political primacy in the twentieth century; that development followed a shift from creditor to debtor status. Similarly, a prolonged decline in the dollar's value and increasing indebtedness will erode America's dominance in political and security spheres."

As a consequence of these deficits, the United States faces several worrying outcomes. One likely result is that foreign governments and private investors, confronted with an endless vista of U.S. budget deficits, will tire of accumulating Treasury securities. Borrowing costs for the Treasury would then rise significantly and the dollar would fall sharply. The economy would slow dramatically, driven indirectly by a slump in the housing market or directly through falling private consumption.

BRIC has Caused Economic Problems

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

China's sustained rapid growth, along with that of India, has contributed to a big jump in commodity prices. The higher costs of inputs have two negative effects: reducing profits and hence lowering the supply of the final goods; and causing the prices of final goods to rise, thus preventing profits from absorbing the entire cost increase. This stagflationary (inflationamid-contraction) situation has confronted the central banks in Europe and the U.S. with the difficult choice of contracting credit to blunt higher inflation or of expanding credit to offset reduced production. This dilemma is now complicating efforts to meet the new challenge of creating additional liquidity to calm the financial turmoil that started with the bursting of the U.S. subprime mortgage bubble in February 2007.

Inevitably, weakened demand in the U.S. and Europe is being transmitted to suppliers in Asia and elsewhere, in turn slowing down their growth, and hence moderating the commodity price boom. The lesson is that economic globalization has created such complex interdependence and new powerful actors that the guardianship of global prosperity has become a multilateral enterprise, in which widening cooperation (for example, in trade deregulation, financial flows and environmental commons) is paramount for avoiding unintended negative side effects.

BRIC Consumption Increases Commodity Prices

<http://www2.goldmansachs.com/ideas/brics/book/BRIC-Full.pdf>

BRICS AND BEYOND

Goldman Sachs Global Economics Group

November 2007

China is driving much of the BRICs story, with its role in the BRIC's drive for commodities most obvious in oil. China's share of world oil consumption has risen by three-quarters over the past decade, and China is projected to account for half of the BRIC's total oil consumption this year. Since 2000, China's share of world demand has nearly doubled for almost every industrial metal group.

Finally, we look at agricultural commodities, where China's dominance of the global textile industry is evident in its nearly 40% share of the world cotton market. We also find that cultural patterns rather than income dominate data on meat consumption, with national preferences (for pork in China, poultry in Russia, beef in Brazil and a vegetarian diet in India) affecting global consumption patterns.

The BRIC's share of global oil demand has been on an upward trend since 1995, jumping from 15.9% then to an estimated 18.6% in 2006. This is almost entirely due to demand growth in China. The IEA estimates that China's share of global oil demand will reach 8.2% in 2006 from just 4.7% in 1995.

China is by far the largest BRIC consumer in all of the major base metal groups, accounting for nearly 30% of global demand for zinc and more than 25% of world demand for lead.

Chinese demand for industrial metals has outpaced even the robust growth in its overall economy, which is 85% larger today than in 2000. Since 2000, China's share of world demand has close to doubled for almost every industrial metal group.

Structural factors behind rising food prices in the BRICs higher incomes and demand for alternative energy sources mean that food-related inflationary concerns are unlikely to abate. Pressures for higher crop yields are likely to intensify environmental degradation. But the BRICs are key agricultural exporters as well as importers, and higher food prices might boost rural incomes.

China and India Add Low Wage Workers to the World

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

The adjustment pains reflect not only the integration of China but also that of India. Together, these two huge nations are adding 1.2 billion lower-wage workers to the global economy. With lagged adjustment of “capital,” this puts downward pressure on the wages of similarly skilled workers elsewhere— while increasing corporate profits and the earnings of other complementary inputs.

India has Trouble Creating Jobs

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

India boasts a large pool of educated labor, a young workforce, a booming service sector, and a growing manufacturing sector. Yet the country's economic dynamism masks the fact that it has a weak manufacturing base and that a substantial proportion of its workforce is still engaged in low-productivity activities in the agricultural sector. The recent growth in the manufacturing sector is promising, but this sector remains hampered by restrictive labor market regulations that, for instance, make it difficult for medium-sized and large industrial firms to layoff workers even in economic downturns. This has resulted in a prevalence of smaller enterprises in the manufacturing sector that are not able to reap the benefits of economies of scale, making this sector a lot less dynamic and a less effective source of job creation than it could be. And though the boom in services has boosted GDP growth, it has failed to create large numbers of jobs relative to the rate of population growth.

Diplomacy Decisions Hurt World Trade

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

However, fears over losing domestic manufacturing share to exports from China have led to a breakdown in negotiations. In response, India has begun to pursue free trade agreements with the European Union and the United States. These bilateral agreements could be corrosive to the cohesion of the world trading system.

India Threatens U.S. Jobs

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

Outsourcing: Growth in the service industry has been the bright spot in the Indian economy, with the service sector as a whole now accounting for more than half of GDP. Even though the high-end services sector (including business processing) accounts for just about 1 percent of India's GDP, this sector has received a lot of attention and is seen in the U.S. as threatening domestic jobs.

Outsourcing to BRIC

http://www.cluteinstitute-onlinejournals.com/Programs/Rothenburg_2008/Article%20285.pdf

Another BRIC in the IT Outsourcing Wall Michael Adams, Jacksonville University Russell Baker, Jacksonville University
2008 EABR & TLC Conferences Proceedings

The current President Lula da Silva's government has set a national IT outsourcing goal of \$2 billion in exports for IT services by 2007.

Russia's legacy as a former communist nation makes it ideal for IT outsourcing to the US: (1) with a highly educated population and (2) yet a relatively low wage base. The Russian outsourcing industry is currently growing at about 10 per cent per year and was estimated to be worth \$1bn US in 2005.

The Indian IT industry presently employs 1.04 million professionals. Indian IT industry is expected to total USD \$36 billion in 2006 and USD \$89 billion in 2009 growing at a CAGR of 35%. Total revenue of Indian IT industry is USD 28.4 billion, with revenue being split as follows: Export Software and Services 46%; Domestic Software and Services 15%; BPO 18%; Hardware 21%. The Indian Business Process Outsourcing (BPO) industry is estimated to be \$30 billion by 2012.

Mainland China is expanding its IT infrastructure by adding more than 400,000 potential IT workers every year, usually at rates considerably cheaper than India. The market is expected to slow to about a 20% growth rate in 2008.

US firms that outsource to emerging markets, such as Brazil, Russia, India, and China (BRIC), are focusing not only on low-cost benefits of such countries; rather, a majority of them perceive such countries as a huge market for their products and services. About 50 percent of the American firms revealed that low-cost is the reason for conducting business in BRIC countries, while about 75 percent revealed that access to new customers and markets is the major reason. About 80 percent of the organizations are implementing strategies to target the Chinese market, while about 55 percent plan to do so in the next few years. About 64 percent of the organizations agreed that India offers „significant market opportunities“, while less than 50 percent plan to enter the Brazilian and Russian markets.

Even though China trails India in BPO experience and qualifications, its substantial cost advantages coupled with its large educated labor pool will provide future opportunities. China is attractive to the U.S. and other multinationals "because of talented work force," according to the study. In November 2001, China joined the World Trade Organization (WTO). Since receiving favorable country status, over 130 US companies have established R&D facilities there.

Anxiety with Chinese Trade

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

China is growing rapidly through its outward orientation and engagement with the world economy. Its growth has provoked anxiety in the United States and concerns about its perceived unfair trade practices.

China Harms American Markets

http://www.brookings.edu/reports/2008/~media/Files/rc/reports2008/10_global_economics_top_ten/top_ten_2008.pdf

Brookings Global Economy and Development

The Top 10 Global Economic Challenges Facing America's 44th President

China's growth has been accompanied by growing anxiety in the United States. While U.S.-based multinationals rush to establish a foothold in China's growing market and U.S. consumers stock up on "made in China" merchandise, American manufacturing workers, small business owners and politicians have become anxious about this latest wave of globalization. Though fears of a permanent loss of U.S. comparative advantage are overblown, concerns about an unequal distribution of the benefits and pains are not.

At the same time, the large U.S. trade deficit and China's rapid rise have sparked accusations that China's economic strategy is unfair. The U.S. goal in promoting China's accession to the WTO in 2001 was to bind China to increasing responsibility in the international arena. Yet China has often failed to live up to its WTO commitments and rules on intellectual property, export subsidies and import deterrents. The U.S. Department of Homeland Security reports that nearly 70 percent of products seized for infringing on intellectual property rights originate in China. Chinese firms that meet specified export performance targets are eligible for tax rebates. And firms that choose Chinese-made equipment over imported equipment also qualify for tax rebates.

Russia Doesn't Offer much Economic Benefit

<http://www.industryweek.com/ReadArticle.aspx?ArticleID=13256>

Industry Week

By [John S. McClenahan](#)

Jan. 1, 2007

Russia's big negatives are logistics problems and organized crime, states Cavano. The Russians "appear to want to control the extractive industries pretty closely. [And] even some of the other major industries, like telecommunications, appear in recent years to have come under the sway of the authorities, the groups closely tied to the centers of political power," says the Manufacturers Alliance's Duesterberg. "We hear very little among our members about investment in Russia," he relates.

Of the four BRIC countries, the risk of the government taking away a company's business -- or that someone will take away the business and the government won't protect the company -- is probably highest in Russia, believes Booz Allen's Winkler.

Outside the energy sector, U.S. companies have been slow to locate in Russia, confirms Dan McCarthy, distinguished professor of global management and innovation at Northeastern University's School of Business in Boston. "For the most part, because of the obsolete condition of the manufacturing sector in general in Russia, [U.S. manufacturers] have to go in through another [company's] greenfield [investment]," adds Sheila Puffer, another professor at Northeastern's business school.

BRIC Self-Sufficient

<http://www.iht.com/articles/2006/08/16/bloomberg/sxfunds.php>

The International Herald Tribune

Brazil, Russia, India and China: Giants among markets

By Michael Tsang

Published: THURSDAY, AUGUST 17, 2006

Funds investing in Brazil, Russia, India and China are soaring ahead of those focused on all emerging markets by combining the world's two most populous nations with two countries that are feeding their expansion. "The four countries all have high economic growth and there seems to be a virtuous cycle between them," said Grant Yun Cheng, a fund manager at dit-BRIC Stars fund in Frankfurt. Demand for commodities and building materials in China and India is injecting money into the economies of Russia, a major oil producer, and Brazil, rich in natural resources, he said.

"China needs a lot of raw materials, which Brazil and Russia provide," said Cheng, whose Deutscher Investment Trust is a unit of Allianz Global Investors; he started the fund last September. "India is also moving to more infrastructure spending, so it will also need a lot of commodity investment."

<http://www.thecuttingedgenews.com/index.php?article=717&pageid=21&pagename=Energy>

Cindy Hurst, a political-military research analyst with the Foreign Military Studies Office. She is also a Lieutenant Commander in the United States Navy Reserve.

August 25th 2008

Cutting Edge Senior Contributor

The vast majority of Russia's oil and natural gas is piped west to countries in the former Soviet Union and Europe. Due to fears of Russia's capability to use its energy as a political tool and weapon, Europe has been striving to reduce its own dependence on Russian supplies. This is prompting Russia to look east, toward Asia to secure its security of demand. With its booming economic growth, China is an ideal partner to Russia.

The rapprochement created the conditions for China to turn to Russia for some of its oil needs. While Russia has the oil to provide China, China has the capital to help improve some of Russia's poor infrastructure. However, the exchange is not without difficulties. Russian internal affairs have been fraught with politics that make construction processes slow and complex, and, therefore, solutions to quench China's growing thirst for energy are slow to materialize.

BRIC Self-Sufficient (Cont'D)

Russia has been supplying oil to China via railway since 2004 under an agreement setup by Yukos, once Russia's second largest oil company, which was ultimately forced into bankruptcy. Meanwhile, China and Russia are negotiating two natural gas pipelines: the eastern pipeline would enter China at Manzhouli, and the western pipeline would enter Xinjiang at Altay. According to Wang Haiyun, Director of Energy Diplomacy Research Center of China Foundation for International Studies, a memorandum of understanding on these two pipelines has already been signed.

In May 2008, newly elected Russia President Dmitry Medvedev visited Beijing. According to RBC Daily, a Russian newspaper that focuses on business and economics, Medvedev's goal was to confirm "Russia's view of China as a serious geopolitical ally in challenging the West. His agenda also "consists of very difficult issues, above all energy ties."

There is a strong political undercurrent in China's pursuit of oil. China and Russia have been striving for a strong alliance. But the dominant purpose behind the China-Russia relationship can be seen as a way to control the power of the U.S. As both countries feel they are threatened by the U.S., they aim to use a strategic alliance as a means to overcome their strategic isolation through cooperation. Russia sells advanced weaponry and oil to China while China returns hard currency.

Part of China's geo-economic strategy goes beyond its alliance with just Russia. China has joined forces with Brazil, Russia and India in a new coalition of emerging superpowers proposed by President Putin, called the BRIC alliance—this for Brazil, Russia, India and China. There has also been talk of other countries, such as Iran, South Africa and Venezuela joining the pack as well. The current coalition encompasses over 40 percent of the total world population. The idea of BRIC came about due to growing concerns of U.S. and European domination over the world economy and political scene. There is a sense of uneasiness and a fear that the U.S. has too much control over, among other things, the world's oil. One of the shared goals of the BRIC alliance could very well be to lessen Western influence over many of the world's sources of oil by joining together in a coalition of countries growing in economic strength and capability, one that will one day outgrow the economic strength of the western powers.

BRIC Economic Gains are Lost

<http://www.nytimes.com/2009/01/01/business/economy/01markets.html?hp>

The New York Times

In 2008, 6 Years of Market Gains Are Lost

By [VIKAS BAJAJ](#)

Published: December 31, 2008

Diversification — the idea that it is unwise to put all your eggs in one basket — did not pay off for investors in 2008, casting doubt over this cornerstone of modern investing. The American market was far from the worst hit in 2008. Stocks have fallen 55 percent to 72 percent in Brazil, Russia, India and China — the so-called BRIC economies that were darlings of the late, great boom. Stocks in developed European and Asian markets also fell sharply, though less than their emerging counterparts. Many commodities like oil and copper crashed.

Difficult to do Business with BRIC

http://www.upi.com/Emerging_Threats/2008/05/14/Walkers_World_Building_with_BRICs/UPI-85781210769660/

United Press International

Walker's World: Building with BRICs, By MARTIN WALKER, UPI Editor Emeritus

Published: May 14, 2008 at 8:54 AM

The second feature they have in common is a dismally low ranking on the World Bank's "ease of doing business" index. China comes in best at 93rd in the world, Russia at 96, Brazil at 121 and India at 134. It is not easy to see how the BRIC countries will make the transition from emergent to mature economies with such unimpressive rankings.

BRIC is Taking Market Share Away from U.S. Companies

http://www.boston.com/business/articles/2007/07/06/us_oil_companies_influence_wanes/?page=full

U.S. oil companies' influence wanes

By John Porretto, AP Business Writer | July 6, 2007

New research by investment bank Goldman Sachs suggests four countries in particular -- Brazil, Russia, India and China, or the so-called BRIC countries -- are grabbing the most market share from American companies. The BRIC's share of the industry's market value has grown from virtually nothing 15 years ago to more than one third today, while American companies' stake has dwindled from more than half to less than a third.

US Companies Must Train to Compete with BRIC

<http://www.asianperspective.org/articles/v31n4-a.pdf>

Leslie Elliott Armijo
Asian Perspective
2007

The four also are seen as future competitors of the United States and other advanced industrial countries. Subhash C. Jain writes: "After the collapse of the Soviet Union, the United States became the lone superpower of the world. But it may not be able to hold this dominant position for long. . . . US companies must train their current and future managers to compete with firms in the BRICs."9

Hard to do Business in BRIC

http://www.adweek.com/aw/content_display/special-reports/other-reports/e3ibd2a4d5f94f9578bb5e64247c12ae3b1

Noreen O'Leary
AdWeek
February 1, 2008

The biggest investment -- and challenge -- for any company doing business in BRIC countries lies in people. Training local staff has become an imperative and retaining them is difficult, and often expensive, as the limited pool of homegrown talent regularly trades up for bigger paychecks and titles.

Competitive Threat to Canada's Economy

<http://www.tradingmarkets.com/.site/news/Stock%20News/2078245/>

Trading Markets
December 11, 2008

A recent study of Canadians' attitudes towards globalization has revealed two-thirds of respondents believe the emerging economic powers of Brazil, Russia, India and China (the BRIC nations) represent a competitive threat to Canada's economy with disparate opinions between have and have-not provinces.

Russia and China Pose a Military Threat

<http://www.indiadaily.com/editorial/02-03b-05.asp>

India Daily

Russia and China announce strategic partnership in a bid to counter expanding Western military and fiscal influences

Babu Ghanta, Special Correspondent

February 03, 2005

Tang Jiaxuan, a member of China's State Council, said Russia and China have similar positions on regional and global issues. Tang said Moscow is Beijing's key ally in its effort to maintain a strategic partnership.

Sources say, Russia and China have formally joined hands to stop expanding American and European military as well as economic global influences.

The strategic partnership can be very significant in providing a combined counter effect to the only Super Power of the world – America.

The partnership between China and Russia actually started last year just after the start of the Iraq war. The two countries came close to each other in terms of supporting each other. Russia now provides significant amount of China's energy needs. China now provides financial guarantee and loan to Russia without announcing the same explicitly.

Russian and Chinese military are having secret joint sessions to create the strategy of self defense in case of any invasion from other countries.

In the front of fight against terrorism, Russia and China has also formed an alliance. China and Russia both are concerned about Islamic militants in Chechnya as well Chinese Muslim areas in South West China.

China's creation of a mechanism to consult with Russia on security issues marks the first time China has ever entered into such a venture, a senior Chinese official visiting the Kremlin said.

China secretly loaned Russia US Dollar 6.0 Billion to nationalize the Yukos oil company.

International think tanks suggest that soon Russia-China strategic partnership will form a NATO type military and G7 type economic alliance. India and Brazil will be invited to join the alliance.

Russia and China Pose a Military Threat (Cont'd)

<http://www.spacedaily.com/news/china-05n.html>

China, Russia To Hold First Ever Joint Military Drill

2005 Agence France-Presse.

Beijing (AFP) Feb 01, 2005

Russia and China will conduct their first ever joint military exercises in August or September to better coordinate the fight against terrorism, state media reported Tuesday. Russian First Deputy Defence Minister Alexander Belousov confirmed the war games during talks in Beijing, the China Daily said. "We will hold our first joint command staff exercises with the Chinese army in August or September involving various forces to practice issues involving fighting our common enemy - international terrorism," he said.

In December, the Russian news agency Interfax said the exercises would be on Chinese territory and include the army, navy, air force units, and submarines. Russia and China have had tense relations, with the two sides fighting two brief border wars in the 1950s, but the border dispute was resolved last year when Moscow gave up rights to a few small disputed islands. Russia remains one of China's top arms suppliers, with a 15-year-old arms embargo in effect from the European Union. Russian-Chinese defense cooperation gained momentum in the 1990s after Western nations imposed the embargo following the 1989 crackdown on pro-democracy protestors in Beijing's Tiananmen Square. Cooperation was cemented in 2000 at a summit meeting between Russian President Vladimir Putin and his then Chinese counterpart Jiang Zemin.

US Reason to be Concerned Militarily

<http://www.asianperspective.org/articles/v31n4-a.pdf>

Leslie Elliott Armijo

Asian Perspective

2007

But if China or others of the BRICs might be catching up, then the realist perspective gives reason to be concerned—or relieved—at the imminent demise of America's unipolar moment. Some realists suggest that a period of particular danger for interstate war occurs when the former hegemon is declining and a new one rising.³³ Tellingly, however, many realist analysts worry about the emergence of China—and the reemergence of Russia—as major powers in the current century, but seem unconcerned about Japan, India, and Brazil. Perhaps this is because China and Russia appear to pose a greater military threat, as both are long declared nuclear states with large standing armies.

BRIC Embarking on Military Expansion

<http://www.asianperspective.org/articles/v31n4-f.pdf>

Mark R. Brawley
Asian Perspective
2007

More disturbing, the BRICs' economic rise implies the potential for disruption of the international balance of power. Economic capabilities do not translate directly into military power, of course. Militarily, these three countries clearly do not rival the United States. India and China are both embarking on expansion of their naval and air forces, with the desire to project power further from their shores. For instance, India recently announced the launching of new warships, as well as its first military satellite.

Power Transitions -> War (Historical Example)

<http://www.foreignaffairs.org/20080101faessay87102/g-john-ikenberry/the-rise-of-china-and-the-future-of-the-west.html>

G. John Ikenberry
Foreign Affairs
January/February 2008

But when the power of a challenger state grows and the power of the leading state weakens, a strategic rivalry ensues, and conflict -- perhaps leading to war -- becomes likely. The danger of power transitions is captured most dramatically in the case of late-nineteenth-century Germany. In 1870, the United Kingdom had a three-to-one advantage in economic power over Germany and a significant military advantage as well; by 1903, Germany had pulled ahead in terms of both economic and military power. As Germany unified and grew, so, too, did its dissatisfactions and demands, and as it grew more powerful, it increasingly appeared as a threat to other great powers in Europe, and security competition began. In the strategic realignments that followed, France, Russia, and the United Kingdom, formerly enemies, banded together to confront an emerging Germany. The result was a European war. Many observers see this dynamic emerging in U.S.-Chinese relations. "If China continues its impressive economic growth over the next few decades," the realist scholar John Mearsheimer has written, "the United States and China are likely to engage in an intense security competition with considerable potential for war."

Rise of BRIC Hurting US in Terms of Energy

<http://www.power-technology.com/features/feature1417/>

Mitch Beedie, Freelance Writer

Power-Technology.com

November 1, 2007

The effect on the market is prominent; the BRIC nations have already overtaken the US in the global energy industry. Over the last 15 years the dominance of energy supply by US and European companies has weakened markedly. Largely at the expense of the US, BRIC nation suppliers have taken a third of the energy supply market. The top companies now include PetroChina, Gazprom, Petroleo Brasileiro and India's Oil & Natural Gas Corp. Mining, manufacturing and other industries are likely to follow.

There is another undercurrent caused by the rise of BRIC that in some ways is a much larger concern than the changing of the energy markets. Even now, taking only around 20% of global oil, China and India's growth is increasing international oil prices. Supplies are working almost flat out already and, if world oil supply has indeed already peaked, future worldwide scrambling could send prices rocketing.

This will damage countries that are heavily dependent on imports, prompting them to turn to other fossil fuels where possible. China and India are already ramping up power plant construction using their huge coal reserves.

BRIC Environmental Degradation

<http://www.power-technology.com/features/feature1417/>

Mitch Beedie, Freelance Writer

Power-Technology.com

November 1, 2007

We all know that coal emits even more CO₂ than oil. China – which already equals the US in carbon dioxide emissions – plans another 500+ new coal-fired plants by 2012. India plans over 200, with some 75 in the US. Many climatologists believe that such extra CO₂ concentrations could tip many of the world's ecological systems, with catastrophic rises in sea level and abrupt changes in global climate.

In the past, rapid development in the BRIC nations has often come at the expense of environmental degradation. This is 'profitable' in the short term but creates much higher clean-up costs for the future. China's cities are now among the most polluted in the world, and acid rain damages huge areas of countryside. Apart from anything else, this causes huge losses in GDP.

BRIC Working Against the U.S.

<http://www.bloomberg.com/apps/news?pid=20601109&refer=home&sid=aEufOnNVjnhM>

Bloomberg

'BRIC' Nations Summit Seeks to Turn Economic Might Into Clout

May 15, 2008

By Patrick Donahue

“Besides the economic front, the BRIC group could prove to be a growing counterweight to U.S. hegemony in global affairs,” Win Thin, an analyst at New-York-based bank Brown Brothers Harriman & Co., wrote in a May 12 e-mail.

<http://opinionist.com/2007/02/13/putin-makes-it-official-russia-wants-allies-to-fight-us-global-imperialism/>

Putin Makes it Official | Russia Wants Allies to Fight U.S. Global Imperialism

Last Weekend (February 9 thru 11, 2007) saw the [43rd Munich Conference on Security Policy](#) and it caused quite a stir. Putin then mentions a phrase - “BRIC - Brazil Russian India & China” - that we’ll begin to hear a lot more of in coming months. [BRIC](#) refers to the growing economic - and hence political - clout of these emerging economic giants - with whom Putin obviously intends to foster greater political leadership and clarity.

“The combined GDP measured in purchasing power parity of countries such as India and China is already greater than that of the United States. And a similar calculation with the GDP of the BRIC countries – Brazil, Russia, India and China – surpasses the cumulative GDP of the EU. And according to experts this gap will only increase in the future. There is no reason to doubt that the economic potential of the new centres of global economic growth will inevitably be converted into political influence and will strengthen multipolarity.”

<http://www.bloomberg.com/apps/news?pid=20601109&refer=home&sid=aEufOnNVjnhM>

Bloomberg

'BRIC' Nations Summit Seeks to Turn Economic Might Into Clout

May 15, 2008

By Patrick Donahue

Russia wants BRIC to become a “notable factor in multilateral diplomacy,” to help strengthen “multi-polarity,” acting Russian Foreign Ministry spokesman [Boris Malakhov](#) said in a statement. He said Moscow saw the talks as a way to bring the four countries closer together on the world stage.

BRIC Working Against the U.S. (Cont'd)

“Through this informal arrangement, the four nations will understand each others' policies, discuss common factors and issues and leverage their positions through dialogue,” said [Sujit Dutta](#), a strategic analyst at [Institute of Defense Studies and Analyses](#), a New Delhi-based research institution. “With this forum they will try to raise their global profile.”

http://www.brazil.org.uk/newsandmedia/articles_files/20080608.html

Embassy of Brazil in London

The BRICs and the Rearrangement of the World

Article by the Brazilian foreign minister, Celso Amorim, published in the Folha de São Paulo on 8 June 2008

The BRICs have a clear goal within the context of such coalitions variable geometry. Without impulsiveness or defiance, the time has come to begin rearranging the world towards meeting the expectations and needs of the overwhelming majority of humanity.

http://www.thaindian.com/newsportal/india-news/india-and-brazil-rubbish-blames-of-world-food-shortage_10049515.html

Naveen Kapoor, pub. date: 5-16-08, founded PowerWeb Inc., he currently serves as the CEO and president, has led and evaluated Ph.D. programs at MIT in the field of artificial intelligence and process engineering, served on the faculties of both Rutgers and Brown University, Thaindian News, “India and Brazil rubbish blames of world food shortage,”

Addition of Brazil into the India-Russia-China troika has certainly added more seriousness, credentials and power to the club, which seems to be directly challenging the dominance of NATO and US in the international spectrum.

Russia is Anti-America

<http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentID=2008110921515>

Saudi Gazete

Russia's attack on US policies

By Michael Stott

RUSSIA is using the global financial crisis to attack US policies and to try to reduce Washington's influence, but many countries are looking forward to Barack Obama's presidency and few are likely to follow suit. Hours after Obama won the US presidential election, Russian President Dmitry Medvedev accused Washington of "conceit" in causing turmoil on world markets and said it partly triggered Moscow's war with Georgia in August. Medvedev also said in a state of the nation address on Wednesday that Russia would respond to US plans to build parts of a missile defense shield in eastern Europe by stationing new missiles near Poland's border. His comments precede a summit in Washington on Nov. 14-15 at which leaders of developed and developing nations in the Group of 20 (G20) will discuss how to combat the crisis and revive global economic growth.

BRIC not Falling

<http://www.industryweek.com/ReadArticle.aspx?ArticleID=13256>

Industry Week

By [John S. McClenahan](#)

Jan. 1, 2007

For about five years, Russia has been one of the four so-called "BRIC" nations -- the others are Brazil, India and China -- that have attracted substantial interest, and sometimes substantial investment, from U.S.-based manufacturers. But with the Czech Republic, Poland, Hungary, Vietnam, and, again, Mexico emerging as significant markets and places of production, is BRIC crumbling? Not really. Rather there seems to be less hype and more reality about BRIC's place in a world in which manufacturers are chasing lower costs of production and distribution and seeking new markets.

Putin Leads BRIC Alliance in Energy Confrontation Against West

<http://www.indiadaily.com/editorial/01-04f-05.asp>

Sudhir Chadda
India Daily

Putin leads BRIC alliance (Brazil, Russia, India, China) and plays oil trump card – some Russian Yukos oil assets for China and India

Russian President Putin has nationalized the Yukos oil company – the largest oil producer of Russia. It is evident that the West and BRIC will confront each other during the next ten years on energy. As Russia is pushed back by the Western nations especially America, Putin leads the BRIC alliance and plays the oil trump card.

All said and done, the world is already fighting a cold war on crude oil. As China, India and Brazil, their oil appetite will make them glued to Russia and each other. Venezuela well influenced by Brazil will provide additional oil assets to BRIC.

According to sources, the Yukos oil assets are being nationalized. Minority interests in Yukos will be sold to China and India. China and India has money and need to buy the oil assets.

Putin's recent visit to India, China and Brazil and Germany spells strategic planning on controlling accessible international oil assets.

India and China are concerned that the Western nations will try to choke oil supply so that they cannot grow enough to control the world economy in ten to fifteen years. But Russia is eager to have BRIC alliance members to prosper and dominate the world financial and technological scenes.

China has already secured Venezuelan oil assets. India is eagerly looking for oil assets central Asia, These countries cannot depend upon middle-east oil because of instability and unreliable characteristics of oil supply.

Putin by offering the Yukos oil assets to Asian giants have finally glued the BRIC alliance where they can publicly come together as a group.

There is another explanation of this talk on Yukos oil assets for India and China. Putin may use this as a counter measure on what happens in Ukraine.

BRIC is anti-British

<http://www.larouhepac.com/news/2008/05/18/russia-china-india-form-strategic-asymmetric-alliance-against.html>

LaRouche Political Action Committee

Just As LaRouche Anticipated: Russia, China, India In Strategic Asymmetric Alliance Against British War Drive Targeting Asia

May 18, 2008 (LPAC)--

One day after the conclusion of back-to-back summit meetings of the RIC and BRIC groups, comprised of Russia, China, India (RIC) and Brazil (BRIC), Lyndon LaRouche reiterated that the meetings in the Russian city of Yekaterinburg--especially the RIC meeting--represented a profound strategic breakthrough, that would send top British officials climbing up the wall. "This is what I anticipated would occur at some point," LaRouche explained. "Russia, China and India, three great Asian powers, have come together in a strategic asymmetric alliance against Britain's war drive against all of Asia."

LaRouche singled out two features of the RIC session, that preceded the full BRIC meeting with Brazil. First, the fact that Russia and China fully welcomed India into the Shanghai Cooperation Organization (SCO) as an observer, means that all three nations' leaders have concluded "that they must work together, to counter the British destabilization drive, or they will be each destroyed separately," LaRouche said. Second, the fact that India joined Russia and China, in calling for negotiations to resolve the Kosovo crisis, represented a dramatic rebuke of both the European Union and the Bush Administration, who have all endorsed the illegal Kosovo declaration of independence. "Kosovo set the precedent for the breakup of nation-states all over the globe, and Russia, China and India know that they are all targets of such British operations. Russia is the direct target of the Kosovo action, and it fits into the other provocations against Russia, including the push to include Ukraine and Georgia in NATO, and the planned placement of ABM systems in Poland and the Czech Republic. India is targeted by Britain's ongoing Kashmir separatist games, and the British are running operations in the Pakistan frontier with Afghanistan that threaten India, China and Russia directly, as well as Central Asia."

LaRouche addressed his final thoughts to the American people. He warned that the unraveling global financial collapse, and the accelerating British war drive means that the world is facing World War III--right now. The continuing actions of the Bush-Cheney Administration, in backing the British global chaos efforts, and in sabotaging LaRouche's three-step solution to the financial and physical economic breakdown collapse, cannot be tolerated. LaRouche called on the American people, and leading figures in both the Democratic and Republican parties to "wake up" and "take responsibility for forcing a dramatic change in policy, along the lines of what he has spelled out, now." He finished, "Russia, China and India have taken a profound step in the past days, to respond directly, in a coordinated fashion to the Anglo-Dutch oligarchy's war drive. Were the United States to join that effort, the Four Powers could defeat the British empire once and for all, and humanity would owe a debt of gratitude for many generations to come."

BRIC has Problems with Methods of U.S. Policy

<http://yaleglobal.yale.edu/display.article?id=8917>

Council on Foreign Relations.

Daniel W. Drezner, pub. date: 3-15-07, associate professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and the author of "All Politics Is Global," Yale Global Online, "The New New World Order,"

Many of the rising powers believed that the existing global governance structures stacked the deck against them. The IMF's perceived highhandedness during the Asian financial crisis of the 1990s bred resentment across the Pacific Rim. New Delhi was frustrated by Washington's objections to its 1998 nuclear tests and grew tired of being viewed by Washington strictly through the prism of South Asian security. China resented the drawn-out negotiations to enter the WTO. And NATO's bombing of Kosovo was triply problematic for Beijing: the accidental hit on the Chinese embassy in Belgrade aroused nationalist passions, Washington's willingness to cross international borders to protect human rights clashed with Beijing's notion of state sovereignty, and the United States' decision to bypass the United Nations and act through NATO highlighted the limits of China's effective influence over world politics. Heading into the new millennium, the fastest-growing economies in the world were nursing grudges toward the United States.

China is Causing the U.S. to Change Policy

<http://yaleglobal.yale.edu/display.article?id=8917>

Council on Foreign Relations.

Daniel W. Drezner, pub. date: 3-15-07, associate professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and the author of "All Politics Is Global," Yale Global Online, "The New New World Order,"

China is also aggressively courting resource-rich countries. In October 2006, it hosted a summit with more than 40 leaders from Africa to ensure continued access to the energy-rich continent. And its leaders have proposed creating free-trade areas within the SCO and APEC -- displaying such willingness to go ahead that President Bush was forced to remove the global war on terrorism from the top of his APEC agenda, and in November 2006, he called for an APEC free-trade zone.

Diplomacy with BRIC has Detrimental Impacts

<http://yaleglobal.yale.edu/display.article?id=8917>

Council on Foreign Relations.

Daniel W. Drezner, pub. date: 3-15-07, associate professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and the author of "All Politics Is Global," Yale Global Online, "The New New World Order,"

Bush administration's grand strategy: Washington's attempt to reconfigure U.S. foreign policy and international institutions in order to account for shifts in the global distribution of power. The Bush administration has been reallocating the resources of the executive branch to focus on emerging powers. In an attempt to ensure that these countries buy into the core tenets of the U.S.-created world order, Washington has tried to bolster their profiles in forums ranging from the International Monetary Fund (IMF) to the World Health Organization, on issues as diverse as nuclear proliferation, monetary relations, and the environment.

It is, however, running into two major roadblocks. The first is that empowering countries on the rise means disempowering countries on the wane. Accordingly, some members of the European Union have been less than enthusiastic about aspects of the United States' strategy. To be sure, the EU has made its own bilateral accommodations and has been happy to cooperate with emerging countries in response to American unilateralism. But European states have been less willing to reduce their overrepresentation in multilateral institutions. The second problem, which is of the Bush administration's own making, stems from Washington's reputation for unilateralism. Because the U.S. government is viewed as having undercut many global governance structures in recent years, any effort by this administration to rewrite the rules of the global game is naturally seen as yet another attempt by Washington to escape the constraints of international law.

BRIC is Reducing U.S. Power

<http://www.observerindia.com/cms/sites/orfonline/modules/analysis/AnalysisDetail.html?cmaid=15556&mmacmaid=15557>

Observer Research Foundation, Just another BRIC in the Wall?, Dr. Rajeswari Pillai Rajagopalan*, 23 December 2008

The lead - in politico-economic, military and strategic spheres - that the US maintains cannot be challenged soon by any power or any group of powers in the near future. While this is true, it must also borne in mind that although the US has continued to maintain a lead, it is being increasingly faced with challenges from peer competitors like China, Russia and at a lower level, from India too. More significantly, China and Russia are moving into the Western hemisphere, US' backyard in a significant manner, trying to reduce the traditional US influence in there.

Although Chinese policies in Asia and elsewhere in Africa that appear to be both more defensive and economic in nature are also meant to create a deeper foothold in these areas. Such policies in the long term could counter-balance the US interests in the region as also affect the US' relative power and influence in the region.

Unwilling to Merge with Western Organization on Our Terms

<http://eng.globalaffairs.ru/numbers/23/1192.html>

Alexander Lomanov
Russia in Global Affairs
6-15-08

Russia and China have vehemently rejected this model of external “management by objectives.” They have been quite successful in effectuating a “transition without a destination” or, in other words, a type of transformation that does not envision a merger with already existing organizations on terms set forth by the latter. This phenomenon has put up a serious challenge to contemporary political scientists, and although the concept of the “end of history” – that underlay the developed world’s politics after the Cold War – has already revealed its flawed nature, no new concept capable of explaining the ongoing processes has surfaced to date.

China Has No Plans Support US Hegemony

<http://eng.globalaffairs.ru/numbers/23/1192.html>

Alexander Lomanov
Russia in Global Affairs
6-15-08

Along with this, China will apply efforts to avert the damaging impact that the “hegemony and policy of force” – so baldly seen in aggressive actions by NATO and the U.S. in the former Yugoslavia and Iraq – may wield as regards the beneficial tendencies in the development of world order. Some political experts indicate that China has no plans for gaining successes through support of U.S. hegemony.

Bigger Rival than Soviet Union = Profound Shift

<http://www.foreignaffairs.org/20080101faessay87102/g-john-ikenberry/the-rise-of-china-and-the-future-of-the-west.html>

G. John Ikenberry
Foreign Affairs
January/February 2008

China is well on its way to becoming a formidable global power. The size of its economy has quadrupled since the launch of market reforms in the late 1970s and, by some estimates, will double again over the next decade. It has become one of the world's major manufacturing centers and consumes roughly a third of the global supply of iron, steel, and coal. It has accumulated massive foreign reserves, worth more than \$1 trillion at the end of 2006. China's military spending has increased at an inflation-adjusted rate of over 18 percent a year, and its diplomacy has extended its reach not just in Asia but also in Africa, Latin America, and the Middle East. Indeed, whereas the Soviet Union rivaled the United States as a military competitor only, China is emerging as both a military and an economic rival -- heralding a profound shift in the distribution of global power.

U.S. is Experiencing a Change in World Standing

The BRICs (Brazil, Russia, India, and China) Countries as Analytical Category:
Mirage or Insight?*

Leslie Elliott Armijo

Visiting Scholar, Portland State University

Revision of September 28, 2007

Although the United States, the sole superpower since the breakup of the Soviet Union, currently enjoys overwhelming economic, military, and soft power advantages over potential rivals, US hegemony has passed its peak. Nor will Western European countries be the US' main foil in international politics in the decades to come, despite their recent moves toward tighter monetary and political union, which enhances their relative power and influence. Instead, states that looked weak at the close of the Second World War will join the ranks of major powers. Four new poles of the twenty-first century will be those countries jointly dubbed the BRICs (Brazil, Russia, India, and China)—or so the prognosis popular in the contemporary business and financial press goes.

Power is a Zero-Sum Game

<http://yaleglobal.yale.edu/display.article?id=8917>

Council on Foreign Relations.

Daniel W. Drezner, pub. date: 3-15-07, associate professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and the author of "All Politics Is Global," Yale Global Online, "The New New World Order,"

Another difficulty is that rewriting the rules of existing institutions is a thorny undertaking. Power is a zero-sum game, and so any attempt to boost the standing of China, India, and other rising states within international organizations will cost other countries some of their influence in those forums. These prospective losers can be expected to stall or sabotage attempts at reform.

Rise of Alternative Power in Negative for the U.S.

<http://www.observerindia.com/cms/sites/orfonline/modules/analysis/AnalysisDetail.html?cmaid=15556&mmacmaid=15557>

Observer Research Foundation, Just another BRIC in the Wall?, Dr. Rajeswari Pillai Rajagopalan*, 23 December 2008

While the US acknowledges the difficulty in maintaining a unipolar world order, given that the rise of new power centres is a reality, the US wants to maintain its primacy in the international system as an important grand strategic objective through a range of tools, including political, economic and military. Scholars have argued that “continued American hegemony is important because it is seen as the prerequisite for systemic stability,” while acknowledging that maintaining a preponderant position may not be an easy thing for the US especially after a decade or so, given the relative decline in US power along with the rise of new powers and the gradual erosion of the its extended deterrence strategy. Various analyses claim that US’ “unipolar movement is over” and the power will be increasingly spread around major power centres like China, Japan, India, Russia, the US and Europe. Haass in fact terms the emerging scenario as nonpolarity meaning to say that the power will be dispersed among not just two or three powers, but several countries will exercise various dimensions of power.

<http://www.twq.com/02spring/layne.pdf>

The Center for Strategic and International Studies and the
Massachusetts Institute of Technology
The Washington Quarterly • 25:2 pp. 233–248.
SPRING 2002

Collectively, the “Through the Looking Glass” contributors make an important point about U.S. power that policymakers in Washington do not always take to heart: U.S. hegemony is a double-edged sword. In other words, U.S. power is a paradox. On one hand, U.S. primacy is acknowledged as the most important factor in maintaining global and regional stability. “[I]f not for the existing security framework provided by bilateral and multilateral alliance commitments borne by the United States, the world could, or perhaps would, be a more perilous place.”¹

China, specifically, wants the United States to accommodate its rise to great-power status and stop interfering in the Taiwan issue. The political elite in Moscow wants Washington to treat Russia like a great power equal to the United States and stop meddling in Russia’s domestic affairs.² Warnings are issued that for its own good—and the world’s—the United States must change its ways and transform itself into a benign, or “enlightened,” superpower. As the contributions to “Through the Looking Glass” demonstrate, the paradox of U.S. power evokes paradoxical reactions to it. U.S. primacy is “bad” when exercised unilaterally or to justify “isolationist” policies, but U.S. hegemony is “good” when exercised multilaterally to advance common interests rather than narrow U.S. ones.

Rise of Alternative Power in Negative for the U.S. (Cont'd)

Certainly, the United States has many sticks to wield. Being a hegemon, however, also means that the United States has plenty of carrots to use as coalition-building inducements. By making “side payments”—the political science jargon for what most would call bribes— Washington, for example, was able to draw a reluctant Pakistan into its antiterror coalition.

Consequently, the United States should do everything possible to maintain its current hegemony, which has been the goal of U.S. grand strategy for more than a decade. If the duchess of Windsor had been a U.S. strategist, she would have said that the United States could never be too rich, too well armed, or too powerful. Under the administrations of George H. W. Bush, Bill Clinton, and George W. Bush, the overriding aim of U.S. grand strategy has been to ensure that the United States maintains its lofty geopolitical perch by preventing the rise of new great powers (or the resurgence of old ones, such as Russia) that could challenge the United States as king of the hill. (In Pentagon-speak, such powers are called “peer competitors.”) In other words, U.S. grand strategy has sought for the last decade the indefinite prolongation of what one commentator called the United States’ “unipolar moment.”¹⁰

Although at first the conclusion may appear counterintuitive, states that seek hegemony invariably end up being less, not more, secure. Being powerful is good in international politics, but being too powerful is not. The reasoning behind this axiom is straightforward as well as the geopolitical counterpart to the law of physics that holds that, for every action, there is an equal and opposite reaction. Simply put, the response to hegemony is the emergence of countervailing power. Because international politics is indeed a competitive, “self-help” system, when too much power is concentrated in the hands of one state, others invariably fear for their own security. Each state fears that a hegemon will use its overwhelming power to aggrandize itself at that state’s expense and will act defensively to offset hegemonic power. Thus, one of hegemony’s paradoxes is that it contains the seeds of its own destruction.

This insight is not merely abstract academic theorizing but is confirmed by an ample historical record. Since the beginning of the modern international system, a succession of bids have been made for hegemony: the Habsburg Empire under Charles V, Spain under Philip II, France under Louis XIV as well as Napoleon, and Germany under Hitler (and, some historians would argue although the point is contested—under Wilhelm II). None of these attempts to gain hegemony succeeded.

They think that the United States is a qualitatively different type of hegemon: a “benevolent” hegemon whose “soft power” immunizes it against a backlash, that is, its liberal democratic ideology and culture make it attractive to others. U.S. policymakers also believe that others do not fear U.S. geopolitical preeminence because they believe that the United States will use its unprecedented power to promote the common good of the international system rather than to advance its own selfish aims. As then-national security adviser Sandy Berger put it:

Rise of Alternative Power in Negative for the U.S. (Cont'd)

We are accused of dominating others, of seeing the world in zero-sum terms in which any other country's gain must be our loss. But that is an utterly mistaken view. It's not just because we are the first global power in history that is not an imperial power. It's because for 50 years we have consciously tried to define and pursue our interests in a way that is consistent with the common good—rising prosperity, expanding freedom, [and] collective security.¹³

Ironically, it was U.S. intervention in Kosovo that crystallized fears of U.S. hegemony. As a result, an incipient anti-U.S. alliance comprising China, Russia, and India began to emerge. Each of these countries viewed the U.S.-led intervention in Kosovo as a dangerous precedent establishing Washington's self-declared right to ignore the norm of international sovereignty and interfere in other states' internal affairs. The three states increased their military cooperation, especially with respect to arms transfers and the sharing of military technology, and, like the Europeans, declared their support for a "multipolar" world, that is, a world in which countervailing power offsets U.S. power.

Consequently, international politics is also a self-help system in which each actor must rely primarily on its own efforts to ensure its survival and security and in which each can employ the means of its choice, including force, to advance its interests. "States operating in a self-help world almost always act according to their own self-interest and do not subordinate their interests to the interests of other states, or to the interests of the so-called international community. The reason is simple: it pays to be selfish in a self-help world."¹⁶ The nature of international politics impels great powers to think of themselves first; their natural inclination is to act unilaterally.

In alliances, however, a great power must never lose sight of some fundamental tenets of international politics. States that form alliances and coalitions typically have one common interest and many conflicting ones. The interest that binds together allies or coalition partners is the threat that a common adversary poses to the security of all. To defeat that threat, the other, divisive issues among alliance or coalition partners may be forced into the background, but they do not vanish. Even in wartime, coalition partners jockey to gain advantage in the postwar world. Occasionally, coalitions fissure during wartime because reconciliation of the partners' competing interests proves impossible. In any event, once the threat had been disposed, the glue binding an alliance or coalition surely dissolves, and the partners go their separate ways—the inevitable outcome in a self-help system.

Multipolarity is not the best outcome imaginable. The best outcome would be a world in which every other state willingly accepted U.S. hegemony—an outcome about which some may dream, but one that will never be realized in the real world. That outcome, however, is much better than the predictable outcome if the United States continues to follow a grand strategy of primacy. The outcome of that strategy will be really bad: not only will new great powers rise, they will also coalesce against what they perceive to be a U.S. threat.

China has been Decreasing International Participation

<http://yaleglobal.yale.edu/display.article?id=8917>

Council on Foreign Relations.

Daniel W. Drezner, pub. date: 3-15-07, associate professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University and the author of "All Politics Is Global," Yale Global Online, "The New New World Order,"

Separate studies by Robert Lawrence and Iain Johnston, both professors at Harvard University, have shown that China's continued participation in international economic and security regimes have slowly, over many years, transformed Beijing from a revolutionary to a conservative status quo regime. The Strategic Economic Dialogue with China, which has received fair to middling reviews so far, has only just started. As with the Structural Impediments Initiative conducted with Japan over 15 years ago, which eventually opened up the Japanese market to U.S. retailers, progress with China will not come quickly.

BRIC is Corrupt

http://www.upi.com/Emerging_Threats/2008/05/14/Walkers_World_Building_with_BRICs/UPI-85781210769660/

United Press International

Walker's World: Building with BRICs, By MARTIN WALKER, UPI Editor Emeritus

Published: May 14, 2008 at 8:54 AM

The first is the corruption index of Transparency International, on which Brazil, China and India share a lowly 72nd place, which means very corrupt. Russia is almost off the charts in 143rd place. That means honesty is so rare as to be remarkable.

Conflicts within BRIC

http://www.upi.com/Emerging_Threats/2008/05/14/Walkers_World_Building_with_BRICs/UPI-85781210769660/

United Press International

Walker's World: Building with BRICs, By MARTIN WALKER, UPI Editor Emeritus

Published: May 14, 2008 at 8:54 AM

There is a great deal that divides the BRIC countries. Only last week, India ran the final pre-deployment tests of its Agni-3 missile, designed to bring most of China within range of India's nuclear weapons. The Russians have long been nervous of an overcrowded China casting hungry eyes on the almost empty treasure house of Siberia.

Russia is Making Moves to Insure Global Position

Owen Matthews; With Karen MacGregor October 15, 2007 "The Oligarchs Go On Safari; Russians take their place alongside the Chinese in a battle for resources to fuel their growing empires." Newsweek

Russia has strongly encouraged its companies to buy assets around the world because it suits President Vladimir Putin's philosophy of restoring his country's international position. Recent energy deals in Algeria have gone hand in hand with \$4 billion in arms sales from Moscow. Russian businesses interested in South Africa have gotten a boost from a deal Putin made with President Thabo Mbeki to expand nuclear cooperation. Last September Putin made a whistle-stop tour of Africa, with several top Russian oligarchs in tow--including Viktor Vekselberg, who pledged to invest \$2 billion in metal and mining projects in Africa, adding to holdings that include vast Kalahari manganese reserves he has owned since 2004. "I want to see Russia regaining its close partnership with Africa," Putin said, waxing lyrical about Soviet influence on the continent.

While the Chinese are staking ground in Africa mainly to power their burgeoning cities and manufacturing sector, Russians see the deals differently. Russia is the world's largest energy exporter, and has plenty of its own metals and minerals. But rich Russian companies want to extend their global reach while they have the money, and with oil topping \$80 a barrel in recent weeks, the time is now. There's another motive too, analysts say: moving empires beyond the reach of the Kremlin serves as insurance against future political changes in Russia.

Replacing Middle East as Opponents of Free World

<http://eng.globalaffairs.ru/numbers/23/1192.html>

Alexander Lomanov

Russia in Global Affairs

6-15-08

Robert Kagan, a U.S. neo-conservative ideologist, wrote in The Washington Post in April 2006 that the struggle between liberalism and autocracies, which began in the 18th century, is entering a new round, since the great autocratic powers of Russia and China are rebuffing liberalization with increasing strength. They have replaced the free world's former opponents – the petty Middle Eastern dictatorships, which were targeted by the “Bush doctrine.”

BRIC Rise Lowers Tolerance of America

<http://eng.globalaffairs.ru/numbers/23/1192.html>

Alexander Lomanov

Russia in Global Affairs

6-15-08

Assistant Professor Wang Yiwei, from the Center for American Studies at Fudan University, believes that the world tolerates American domination, but with increasing strain and this domination will not go on endlessly. The rise of BRIC (Brazil, Russia, India and China) shows “that the world is not a circle stringed on the Western axis.” The economic weakening of the U.S., “which today eats up tomorrow’s grains,” is becoming more and more noticeable.