

**INDIA-CHINA SEARCH FOR A NEW INTERNATIONAL ORDER:
ECONOMIC PARTNERSHIP THROUGH THE BRICS MECHANISM**

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Abstract

The rise of India and China occurred at a time when the global economic order is in shamble. The rise of India and China posed a direct threat to the existing global order that needs major structural adjustment and changes. As such the timings for the emergence of these two major powers could not have been better. The economic down-turn in 2008 and the resultant economic crisis of 2009 and the growing south-south cooperation in the form of BRICS (earlier called BRIC before South Africa joined the club in 2010) further enhanced the west apprehensions about the rise of India and China. The paper put forth the argument that the existing global order is no longer relevant as it doesn't represent the world but the interest of few Westerns Powers. The emerging powers therefore have found leadership in India and China through international arrangements like the BRICS which can raise their concerns and question the legitimacy of the existing order.

Keywords: Global Economic Order, Emerging Powers, South-South Cooperation, BRICS, India-China Economic Partnership

Introduction

The emergence of India and China has been met with much scepticism especially by the western powers that saw the two emerging economies as a possible threat to their position and dominance. India and China is forging a very fragile but very important partnership in bringing forth a new global order through economic partnership, an order that will allow the two emerging powers to play substantial role. Though India and China have many differences both in their economic development patterns and foreign policy orientations; their common global aspirations enabled and necessitate the two emerging Asian economies to unite. The BRICS mechanism facilitated the two to work together for a new global economic order that favours the two and to bury the differences for a common cause that will benefit both the countries. Since the formation of the BRICS, differences between members have been sidelined and agendas for more representative international economic bodies have been prioritised. The paper will examine how on different occasions India and China and other BRICS members have collectively work together for setting the agendas in multilateral economic bodies like WTO, IMF and World Bank.

It has been rightly argued that the rise of China and India marked the end of Western

dominance as this “will certainly reshape the world order and foster a new international economic and political landscape” (Youkang 2014). Therefore it is not surprising that the Western Powers are alarmed by the rise of China and India. It is in this line, the paper seeks to trace the reasons that led to the discontent of countries, especially the emerging countries, of the existing global order; what explains or led to the coalition among emerging powers; the rise of China and India and its repercussions to the global order; the challenges that lies before China and India; and how realistic the search for an alternative global order.

The Discontent with the Existing Order and the Rise of Coalition among Emerging Powers

The global order is “an interlocking web of institutions, arrangements and alliance relationships has benefited many countries’ but this very order ‘was constructed largely by the United States and Europe” (Kliman 2012) in their choice and preference. The failure of the west to engage the other emerging countries in a more equitable way has led to the ‘fractures and fragments’ of the existing ‘rule-based global order’ built around the post war dynamics. The World Bank and International Monetary Fund which formed the bedrock of the current global economic order were established to promote economic development and financial stability, while the formation of the General Agreement on Tariffs and Trade were intended “to promote trade liberalisation’ but this order or system ‘never encompassed the entirety of the world” (Kliman 2012).

It is very interesting to note that “even as the idea of sovereign equality gained ground and as international institutions expanded dramatically in both number and scope, hierarchy and inequality remained central to both their conception and functioning” (Hurrell 2006). This is very unusual and this lead one to question the very idea and concept of equality. How can equality be promoted in a system or order based on inequality? Scepticism about the international order gets translated into reality when “the ordering role of hierarchy was formalized” (Hurrell 2006) in the form of special voting rights as in the United Nations Security Council where any of the five permanent members can veto just any resolution. When such exclusive rights and privileges exist how can the countries or member states, that do not enjoy such privileges, trust the order to be just and equal? The existing international economic order like the International Monetary Fund (IMF), World Bank etc. are “sites of power, and unequal power has played a consistently important role both in their construction and their operation” (Hurrell 2006). While these countries makes the rules of the game, other countries who have no/very little say in laying the ground-works of such an order are expected to abide to such rules. The base or foundation on which the present/existing international economic order is built is fraught with inequality and designed by western developed countries to control and dominate the world by means of subordinating greater good or welfare to their own interest.

The rising/emerging powers need some actor or institution in place that will further their interest which the existing international institutions chose not to do as it is clearly dominated by the West to further its interest at the cost of other emerging powers. For instance the votes in IMF are clearly controlled by USA and EU. It is but natural that India and China are ‘demanding the democratization of international relations’ (A Shared Vision 2008, Kakonen 2014: 88). It is no surprise that aspiring great powers who felt that their voice and interest are not justly represented seeks to challenge such a system or order to build new order that will be favourable to them.

The search for South-South cooperation or coalition by weaker states or mid level states,

in this case India and China can be explained by the following three reasons outlined by Andrew Hurrell in his article ‘What Space for would be great powers’ (2006). The first is that building coalition through institution helps in constraining “the powerful through established rules and procedures” and the fundamental idea behind this is to tie down the powerful in as many ways as possible (Hurrell 2006). This explains the effort of India and China through BRICS and other channels to promote new norms or order that would be favourable to their interest as against the order imposed by the west. The second reason for weaker power to form institutions is because “institutions provide weaker states with political space to build new coalitions in order to try to affect emerging norms in ways that are congruent with their interests, and to counterbalance or at least deflect the preferences and policies of the most powerful” (Hurrell 2006). Thus the “activist coalitional policies of Brazil and India within the WTO” highlighted by Nirlakar “provide very good example most notably in terms of the G20 coalition created at Cancun in 2003” (Hurrell 2006) of how mid range countries tries to deflect the powerful. The third reason is that ‘institutions open up and ‘voice opportunities’ that allow relatively weak states to make known their interests and to bid for political support in the broader market place of ideas” (Hurrell 2006). India has a reputation for defensiveness and its tradition as a tough, inflexible and in the view of some is an “ideological negotiator” (Nirlakar cited in Hurrell 2006). What is notable is the fact that these rising powers used “the language of democracy and representativeness to push for the reform of international institutions’ and ‘economic liberalism as a stick with which to attack US and European protectionism” (Hurrell 2006); the very language used by the US and other western countries to promote the current international order.

There is no doubt that the international economic order is already changing and this can be seen as a “challenge the role and influence of the current leading powers but do not necessarily change the system itself” (Barma et al. 2009). According to Barma and others, “rising powers have found each other to be more and more important trading partners in the last 25 years” (Barma et al. 2009). It is possible that the ‘new global economic regime will be based on BRICS’ (Kakonen 2014: 94-95). This new order will “be inherently more democratic than the current regime” (Jacques 2012) which is based on the Bretton Woods System. The group of rising powers “can route around the existing order” (Barma et al. 2009: 537) and establish ‘an alternative order co-existing with the still dominant order’ (Kakonen 2014).

China and India are at the forefront of the endeavour to reform and restructure the international order and in fact they have “already been injecting considerable energy into the reform of international politics” (Youkang 2014). They have also been pushing for an international order based on the Five Principles that ‘will be fair, rational, equal and mutually beneficial; the ideal international system should be founded on openness, tolerance and respect for diversity, and the right of each country to choose its own path of social, economic and political development in which fundamental human rights and the rule of law are given their due place, should be respected’ (Youkang 2014: 109-11). The two countries also believed that “the continuous democratization of international relations and multilateralism are an important objective in the new century” (Youkang 2014).

India, China and other emerging countries has of late came to realise that in a multi-polar and diverse world order, pure economic cooperation is not sufficient and therefore “emerging countries have to collaborate across the board with their own platform if they want to elevate their international position” (Sinha and Xianpu 2014). It is in this line that India and China

supports BRICS and other organization hoping that such mechanisms “will help deepen cooperation with developing countries” and “BRICS notably brings together the world’s major emerging economies, and India thus has high hopes for cooperation between its members” (Sinha and Xianpu 2014).

The Search for a New International Economic Order: China-India Economic Partnership through the BRICS Mechanism

The G20 after the 2008 global financial crisis has emerged as the key institution to steer the financial order out of the growing instability. However despite the initial signs of successes, the G20 “failed to produce breakthroughs on issues vital to the long-term health of the global economy such as chronic trade imbalances” (Kliman 2012). As such, countries like India and China “possessing large and growing economies, strategic locations” (Kliman 2012) and stable governments are in a position to effect changes and also to question or challenge the legitimacy of the existing international order.

The rise of India and China is significant for different and varied reasons such as ‘the socio-economic development of Asia, the regional order, the progress of regional cooperation and the enhancement of the region’s strategic position’ but more importantly it is “critical for the global economy, international politics, global governance, and the revitalization of civilisation” (Youkang 2014). The simultaneous rise/emergence of India and China in a “western dominated international system has been of immense significance” (Youkang 2014) and constitutes one of the most remarkable feature of the post-Cold War era. The great performance of India and China even when the whole world was reeling when the international financial crisis hit the global market in 2008 (Youkang 2014) greatly enhanced the status of the two emerging economic giants.

The rise of China and India has brought about “a new Asian paradigm” and is “altering the balance of power in Asia and shifting various countries strategic position in the region” by influencing the “interactions of the major Asian powers and outside power” (Youkang 2014) within Asia. The rise of India and China has also “given Asia considerably greater weight in the existing international system” (Youkang 2014). The US National Intelligence Council on Mapping the Global Future argued that “the emergence of China and India will transform the geopolitical landscape and shape a new international order.....the ‘arriviste’ powers, China and India have the potential to render obsolete the old categories of East and West, North and South, Aligned and Nonaligned, Developed and Developing” (NIC Report 2004).

The idea of BRIC was first mooted by a Goldman Sach’s economist, Jim O’Neil in a paper titled ‘Building Better Global Economic BRICs’ which includes the four emerging economies of Brazil, Russia, India and China to “introduce four growing economies as promising investment opportunities for global investors” (Kakonen 2014). He never thought that this would become “a real platform for international cooperation and a significant force in the international community” (Sinha and Xianpu 2014). Since the global financial crisis in 2008, the “traditional centers of the world economy in the west have simultaneously slow economic growth or have even stagnated” (Kakonen 2014). The global financial crisis in 2008 “brought BRICS to the fore and gave relevance to its emerging common positions” and BRICS have genuine and quite robust cooperation in trade, economic and environmental issues (Sinha and Xianpu 2014). The BRICS members in its summit at Sanya sent “out a message on something

badly needed in international relations” and that is bigger role and voice for emerging powers and specifically the five BRICS members (Sinha and Xianpu 2014).

In an era of changing international political and economic orders, BRICS as an institution can play a significant role of bringing about world peace, security, stability and growth as the members shares common interest in bringing the “end to the monopoly of developed countries in shaping the new international order” (Kumar and Xianpu 2014) which will be multi-polar in nature . Since the Yekaterinburg summit (the first summit), BRICS members have been working together for “a fair, democratic and multipolar world order’ and it is upon BRICS to work with pragmatism and better co-ordination as it is only ‘through a common stance can they play a greater role in international affairs” (Kumar and Xianpu 2014). The coalition and cooperation among emerging powers in the form of BRICS can be understood as the challenge of the international order that was “constructed by the West since the beginning of the 16th century is now been challenged by this so-called rising powers” (Kakonen 2014).

Whether BRICS as an institution will play the role of advancing the collective interest of emerging states has become a major challenge as “some of the BRICS countries might be satisfied with increasing their voice and role in global politics and within regional structures” by democratizing the existing order without pulling down the system (Kakonen 2014). Although BRICS as an institution is not based on challenging the global order, it has the ability and the necessary elements to bring about an alternative global order. The China-India axis if carefully nurtured can increase the South-South cooperation to ‘replace the existing order with one that would better reflect international realities’ and it is also China and India among the BRICS ‘members for whom the reform of the international regime would not be enough’ and both felt the strong need to change “the rules of the game, although both lean on the growth oriented market economy” (Kakonen 2014).

BRICS as a mechanism can help its members to “secure more sway and rule-making influence, and advance the goal of a multipolar world” (Sinha and Xianpu 2014). Many developing countries including India and China have made substantial development after the end of the Cold War but are unable to make significant changes in the existing economic and political order. It thus follows that only “when they band together and proactively take part in global politics can they change their marginal role and become equal participants in global governance” (Sinha and Xianpu 2014). The 2008 financial crisis which facilitated the emerging economies to consolidate their position in the global economy gave one opportunity for the emerging economies to work together and challenge the system which is overwhelmingly dominated by the developed countries. Through the BRICS, emerging countries and especially India and China can “work together and enhance their power in international organizations such as the IMF and World Bank, reform an unreasonable economic order to the benefit of developing countries and formulate policies and regulations to advance the interests of the majority of developing countries” (Sinha and Xianpu 2014).

The reform of the international financial institution has been the main agenda since the first BRICS summit (2009). The subsequent BBICS summits emphasised that “without this reform, the legitimacy of the IMF and World Bank is problematic since they do not represent the growing weight of BRICS and other developing countries” (Joint Statement by 2nd Summit 2010, 4th Summit 2012, and 5th Summit 2013). Thus the reform of the international economic order formed “the most important common goal for BRICS” (Kakonen 2014). BRICS also

emphasised on the principle that “every country has the right to choose its own path of social, economic and political development” (Kakonen 2014). This shows that India and China are actively trying to change the international scene through BRICS platform as evident in the ‘A Shared Vision 2008’ and ‘Russian FP 2008’. BRICS reports shows that “it wants the reform of various international institutions in order to provide a rightful place and voice for emerging nations with regard to defining the norms and rules of international interaction” (Kakonen 2014). The West is “over represented in international institutions” as the existing “rule-based international order reflects a balance of power that no longer exists” (Kilman 2012) and thus has become obsolete while the emerging powers have hardly any say. The BRICS Summit provided a platform for leader of emerging countries and particularly important for India and China “to meet regularly and for their countries to share development experience and solve problems in bilateral relations, facilitating their simultaneous international rise” (Sinha and Xianpu 2014). It is also interesting to observe how the two countries “are also seeking to use the BRICS mechanism to address problems in their bilateral relations regarding economics and trade, politics and security” (Sinha and Xianpu 2014). The BRICS mechanism also contributes to building trust between the two countries by re-emphasising history and the friendly relations between the two civilisations (Sinha and Xianpu 2014).

Challenges before India and China: The rise of China and India is not a solitary one and many phenomena and developments are emerging with the rise of the two Asian giants which resulted in the changing regional power dynamics and power shifts. One important phenomena of this change is that “strategic tendencies have been unmasked that aim to contain China by means of India” (Youkang 2014). Prominent amongst them are the North America and Asia Treaty Organization (NAATO), Four State Alliance (US, Japan, Australia and India), Arc of Freedom and Prosperity which is based on shared values with the US, Japan, Australia with India at the core (Youkang 2014).

With the simultaneous rise of China and India, the West is alarmed by the possible partnership between the two emerging powers that could pose a challenge to the existing (western) hegemony. American scholars have, on the basis of ‘power transition theory’ argued that “the likelihood of China-India conflict will increase as the scale of their power converges, due to their being in the same region; their unsettled border issue is seen as a fundamental condition for serious confrontation, and when well-matched in strength terms, China and India are destined to rival each other for dominance in the regional and global hierarchy of power” and conclude that “the strategic competition between these two countries will be a feature of 21st century geopolitics” (Youkang 2014). It is upon India and China to work together in “removing such provocations and interferences, and ensuring that the China-India relationship develops normally” (Youkang 2014).

Another alarming consequence of the rise of China and India is the increasing involvement of external actors in the ‘Asian affairs’. The United States and European powers are “vigilant in the face of the emerging China and India” and have “made significant policy adjustments” by targeting certain “Asian countries and regional organizations in particular as major forces to win over, ally with and count on for support, in order to shape Asia’s strategic posture into one that will be more favorable to themselves” (Youkang 2014). This created “various possibilities for a reordering of power in Asia and complicated the Asian situation and security environment” (Youkang 2014).

The West is “generally critical of any form of progress made by non-Western countries” as this would mean a competition to their existing dominance (Sinha and Xianpu 2014). With the rapid growth of the Chinese and Indian economy in the twenty-first century, these two countries are both ‘partners as well as strategic competitors’. Trade and cooperation at international forum have definitely grown both in volume and substance but at the same time the “mistrust between China and India is deepening, which has been termed their trust deficit”. When the interactions and cooperation grows between two states increases, trust between the two is expected to grow but this is not the case in China-India relation. While “India is fearful of the relationship between China and Pakistan”, China is equally anxious “about an alliance of India and the US to contain China” (Sinha and Xianpu 2014).

However in this theatre where the re-ordering of the international financial system and one in which India and China are major actors, the relationship and trust level between the two powers are very ambiguous. As India’s economic growth reach an all-time high and the obvious interest of Washington in engaging with New Delhi which even went to the extent of Washington endorsing India’s bid to join the club of Permanent Members in the UN Security Council India at times “tends toward becoming a supporter of the existing international order” while on other “issues that speak to the nature of the international system, however, India’s positions remain ambiguous” (Kliman 2012). As its economy continues to expand, India will have a “greater cause to hold a stake in key international economic arrangements” (Kliman 2012) if they choose to abide by the rule-based system of the current order.

Critics have argued that BRICs as an institution is seen by its members for advancing their national interest rather than for the “equitable and fair global order” (Brusch and Papa 2012). It is very interesting to note that BRICS members form a heterogeneous coalition of often competing powers that share one common interest “to erode the western hegemonic claims” (Kakonen 2014). BRICS to be able to advance the “collective interest of emerging states’ and act as ‘a new major player in the international relations” (Kakonen 2014) it should be flexible enough to accommodate the “intra-coalition friction” (Briitsch and Papa 2012:5) and go beyond meeting the interests of individual members.

How realistic and practical is the search for a new order

The world today is not only faced with economic challenges but also ‘major structural changes and adjustments’ and as such the rise of China and India is very opportune which has “exerted tremendous influence on Asia as a region, and made its mark on all regions and dimensions of the international arena” (Youkang 2014). Both China and India are ancient civilizations greatly reduced and destroyed by colonialism. With the recent socio-economic development, these two ancient civilizations felt that they are and can embark upon a path of national rejuvenation and “inspired the two peoples with pride, enriched their spiritual and material wealth and paved the way for the continuation of Eastern civilization and cultural prosperity” (Youkang 2014). Another distinct characteristics of the rise of China and India is that these two powers have “succeeded in forging a development path with their own characteristics that does not follow the western model, and in rising simultaneously in a West-dominated international system, which provides valuable lessons for other developing countries” (Youkang 2014).

Despite the many differences, “the BRICS countries are brought together by common international aspirations and their own international economic needs” and the BRICS Summit

has played an important “role in building up BRICS as a cooperation mechanism” (Sinha and Xianpu 2014). BRICS have facilitated the increased bilateral interactions between China and India. Recently China and India have not only expanded their bilateral diplomatic contact but their interaction in international fora as well. Both for the two countries and others, “this sharp new trend highlights the values and vision China and India share, and also reflects their common challenges and concerns” . It is true that China and India have many other options to resort for advancing their relation but BRICS hold a special place and “have an irreplaceable function” (Sinha and Xianpu 2014) because of the nature and objective as an institution.

China and India are not only regional powers but have all the “potential to be world powers, which bestows their simultaneous rise with major, far-reaching significance for the international community” (Youkang 2014). The simultaneous rise of China and India has substantial consequence for global governance in every field. China and India had jointly and actively “promoted climate change negotiations, the WTO Doha Round and UN reform, encouraged the establishment of good financial, trade and energy environments, and proactively taken part in international peace-keeping, dispute settlement, and post-conflict reconstruction efforts” (Youkang 2014).

Both history and theory suggest that “rising powers can have a profound, sometimes violent, effect on the international politics” (Barma et al. 2009). International order is a “set of rules and common practices imposed by a dominant state” (Dicicco and Levy 1999). Barma et al. argued that the existing theories “do not, and cannot, fully capture the many significant international political phenomena now developing independently of the Western powers and the global institutions” (Barma et al. 2009). No order can last forever and when new rising powers emerged, they will “either be satisfied and will continue supporting the existing order, or they are dissatisfied and will seek to revise the ordering elements of international politics in ways that better reflect the true distribution of power in the system” (Barma et al. 2009: 528).

When the Cold War ended, there was a pressing need for emerging countries like India to reorient its foreign policy strategy. With the end of this bi-polar war “the USA no longer needed third-world countries to help it counter the Soviet Union, and India’s strategic value for US diplomacy started to weaken” as it was “no longer courted by the US and USSR” (Sinha and Xianpu 2014). To fill this vacuum, India sought to build cooperation with other emerging countries to ‘further its own economic development’. In this effort, India and other emerging countries started the building of “a multilateral cooperation framework between emerging economies’ that will help them ‘to offset the impact of Western countries in international economics, finance, and climate change” (Sinha and Xianpu 2014).

Both India and China possessed “a range of economic, military and political power resources” with the “capacity to contribute to the production of international order, regionally or globally” and “some degree of internal cohesion and capacity for effective state action” (Hurrell 2006). They both have aspirations to be recognised in the international platform and have a greater say in international order are characteristic to both India and China. The rise and assertion of China and India is also categorical to the fact that “challenges to the legitimacy of international order’ do not result from ‘the protests of the weak” but from people or states “with capacity and political organization to demand a revision of the established order and of its dominant norms in ways that reflect their own interests, concerns and values” (Hurrell 2006). Both these countries have “historically espoused conceptions of the international that challenged

those of the liberal developed West” (Hurrell 2006). The two nations have very diverse aspirations and pathways but since the end of the Cold War the two countries have become “more and more open to cooperating in pursuit of greater democracy in international relations, higher international status, faster development, and the natural resources for which their fast-moving economies are hungry” (Sinha and Xianpu 2014).

The bond between BRICS members is growing stronger and stronger over the time. For instance, BRICS members showed great maturity in the third BRICS Summit held in Sanya. When all the members were not happy with the exchange rate policy of the Chinese government, BRICS leaders chose to emphasise on “trade deals between members of the bloc and increased representation of their nationals within the leadership of major international organizations like the World Bank and the International Monetary Fund” (Sinha and Xianpu 2014). This shows BRICS as an institution have a set agenda and the members focussed on the agenda instead of allowing the intra-coalition friction to gain importance. Though the social and political set up of BRICS member states are very diverse but in an economic sense “this diversity makes BRICS economies complementary, and there is great potential for increasing cooperation for the benefit of BRICS members” (Kakonen 2014). Another thing that keeps the BRICS members together is that “they have all turned their backs on the western path to modernization” (Kakonen 2014).

The rise of China and India has already shown that states that have “the potential for political influence and are not satisfied with their current roles in international order” (Barma et al. 2009, Kakonen 2014). BRICS has already been presented as an organization that is interested in reforming the existing international order. But it is also possible that BRICS has already constructed an alternative international order while its members have been increasingly connecting themselves with each other (Barma et al. 2009, Kakonen 2014).

It seems to be already evident that the global economic order is first and foremost being challenged by China and India, which are not just nation-states but global regions and old civilizations. They are located between traditional north and South, creating semi-central societies. These two powers have re-entered global history (Schwengel 2008). This kind of argumentation means that when we talk about global change the issue is not necessarily about BRICS but about China and India (Kakonen 2014). India sees itself as a global power in its own right. India also believes that the whole world is “increasingly looking at India to shape global norms” (Nonalignment 2.0 2012) and “China simultaneously sees itself as a renewed Middle Kingdom in the future global order, it is more than likely that it will be hard for BRICS to function as a coherent international organization in terms of shaping a new international order” (Kakonen 2014). While “for Brazil, Russia and South Africa a reform of the institutions that are vital in the governance of the current international order could be enough” (Kakonen 2014).

It is always assumed that rising powers are faced with two options; “assimilate to the existing order or to challenge it” (Barma et al. 2009). Barma and others argued that apart from these two options, the emerging or rising powers do have and can opt for a third choice and that is the “emergence of an alternative international order that exists parallel to the predominant order” where the focus will not be on “the behaviour of a single rising power or a waning hegemon”, but rather if “a core set of states is gravitating towards a new set of patterns and rules of behaviour in international politics” (Barma et al. 2009).

The existing literature and scholarship of international relations is not equipped to explain “the implications of a nascent empirical pattern where emerging countries are deepening their

interconnectivity during the course of their collective ascent” (Barma et al. 2009). As such the rise of China and India is placated to two binary: will they join the existing international order or will they challenge it? It is not easy to answer this question as “the existing theoretical paradigm has deeply constrained the ability of scholars to understand the variance” of behaviours (Barma et al. 2009) of rising powers. The strategic choices facing rising powers “extend beyond the fight versus assimilate paradigm’ and that rising powers can ‘route around the existing order and help define and join an alternative international order” (Barma et al. 2009). As emerging nations “continue to preferentially deepen their interconnectedness with each other, they might use their mutual transactions to form an alternative international order that would upend the tenets that liberal international order is predicated upon—we suggest this already beginning to occur” (Barma et al. 2009). This is exactly what is happening between India and China. The two countries have differences in every way possible; be it development pathways or regime and governance type but both will benefit by cooperating in economic arrangements and the setting up of an alternative order.

As it is, emerging countries like China and India “do not want either conflict or assimilation” and they “pursue their own national goals and regime survival” while looking for “an alternative international order, backed by their increasing collective heft that neither directly opposes nor adapts to the American led order” (Barma et al. 2009). It is generally assumed that in international economy that “a hegemon is necessary for order to be maintained in the global system of trade and finance” (Barma et al. 2009). The formation of an alternative world order, according to Barma and others (2009) could be based on ‘reinforcing the sovereignty norm and reorienting the international order away from institutions and towards transactions’ and this would mean an order “built on the dynamic density of the transactional flows within its own sphere” (Barma et al. 2009). As such, the new order will be governed by “a deepening network of transactions, which serves to regulate state behaviour rather than through formal international institutions” (Barma et al. 2009) and the role of a hegemon will become obsolete.

Most Western powers are alarmed by the rise of BRICS especially after the Sanya Summit as this signify a marked departure from the history of how Western countries coerced Asian and African countries to joining the western dominated international system through the use of their hard military power since the Industrial Revolution. With the rise of BRICS, “Asian and African countries have been gradually bridging the gap with the Western world” and after the 2008 financial crisis, “the G20 grouping has replaced the G8 as the main global platform for addressing economic problems” (Kumar and Xianpu 2014). The Western powers are also concerned because of the fact that the rise of emerging economies headed by the BRICS would leave the Western Powers ‘with a shrinking slice of the pie’. Their position of absolute predominance increasingly appears more one of mere comparative advantage and the possibility of the BRICS leapfrogging the West in the leadership of the West in International System (Kumar and Xianpu 2014).

Conclusion

India, China and other emerging countries have already created an international economic order by routing around the existing order. This nascent order is built around transactions (both economic and political) and does not challenge the existing western dominated liberal order. It can be argued that the western liberal order will disintegrate on its own as the alternative order

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in which emerging powers will have a greater say (with India and China at the centre) solidifies. This new order is a loose coalition of emerging powers who are wary of the western dominance and are united in their common aspirations for greater role in international relations. The biggest challenge for this coalition or network is the intra-coalitional frictions because the network consists of diverse groups of states and peoples. The new coalition can only go forward by routing around the common aspirations and sidelining the differences.

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