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The BRICS and the Future of 'Informal' IGOs

Are informal intergovernmental organizations such as the BRICS the answer to our future security problems? Felicity Vabulas believes that states are beginning to see their value, which includes diplomatic flexibility, rapid crisis response, and an unquestioning respect for national interests.

By Felicity Vabulas for ISN

Around the world, the efficacy, equity, and legitimacy of intergovernmental organizations (IGOs) are increasingly being questioned. As Stewart Patrick of the Council on Foreign Relations [notes](#), “there has been no movement to reform the composition of the UN Security Council to reflect new geopolitical realities. Meanwhile, the World Trade Organization (WTO) is comatose, NATO struggles to find its strategic purpose, and the International Energy Agency courts obsolescence by omitting China and India as members.”

IGOs have never been a “magic bullet” solution for the world’s security challenges. Because they embody path dependence, they always reflect distributions of power that are quickly outpaced by reality. Today, states are increasingly making use of forms of governance outside of traditional institutions such as the European Union or the United Nations. In particular, *informal intergovernmental organizations* (a term I [coined](#) in an article co-authored with Duncan Snidal) are emerging as both substitutes and complements to existing formal IGOs—in areas as diverse as finance and security. The interplay between informal and formal institutions is what is generating the [“messy multilateralism”](#) that has characterized the opening decades of the 21st century.

Why informal intergovernmental organizations?

Informal IGOs are defined as *an explicit group of associated states having explicitly shared expectations* (rather than formalized treaties) that *participate in regular meetings* but have *no independent secretariat, headquarters, or permanent staff*. In its initial years, the Basel Committee on Banking Supervision (BCBS) was a good example of an informal IGO: states shared a common goal to cooperate on banking supervision, but they did not codify their agreement under international law. Other examples include the G8, the Concert of Europe, the Nuclear Suppliers Group, and the Paris Club.

Typically, states have preferred informal IGOs for five reasons:

1. **To retain flexibility.** This can be valuable when uncertainty about the future is high, distribution problems are severe, or when states do not need or want high precision in their desired outcome.

2. **To preserve their sovereignty.** Lower sovereignty costs are incurred when authority is not delegated to a formal IGO secretariat.
3. **To maintain secrecy.** Informal IGOs are not subject to formal transparency rules and can thus help to maintain secrecy among their members.
4. **To respond more quickly and with lower negotiation costs.** Informal IGOs are especially valuable in crises when leaders must move quickly and without the constraints of formal procedures.
5. **To minimize bureaucratic centralization.** This helps states reduce costs and move fluidly without the constraints of rigid structure.

One of the best recent illustrations of these advantages occurred at the G8 summit in 2009 which addressed the expanding global financial crisis. This forum offered a set of powerful states a venue that maximized flexibility, minimized bureaucracy, and allowed them to quickly set an agenda in a situation of crisis and uncertainty. In other words, an informal IGO was used to bypass potentially slow deliberations in a formal IGO – namely, the IMF, where developing states might have blocked proposed solutions. This shows how states use informal IGOs in strategic ways to enhance and defend their power in a changing world. Informal IGOs enable them to get what they want while still adhering to international law.

That powerful states use international institutions to their advantage should surprise no one. A more novel development is how emerging powers are now using informal IGOs to bypass the constraints of their formal counterparts. Contrary to the consensus of international relations theory, which holds that strong states lock weaker ones into stable and predictable arrangements through *formal* IGOs, emerging powers are increasingly dissatisfied with formal IGOs, especially those that were designed in the immediate aftermath of World War II. States like Brazil and South Africa have tried to shift the institutional status quo of many of these organizations, but with limited success. Since emerging powers have been unsuccessful in changing the rules of the game in formal IGOs, they have increasingly turned to informal ones as an alternative.

Informal organizations such as the Cairns Group, the Development Box Group, and the G-33 have been used to change agriculture and trade arrangements that would have been impossible through the World Trade Organization. Moreover, organizations such as the Alliance of Small Island States and the Cartagena Group were used to bypass the UN Framework Convention on Climate Change and the Kyoto Protocol. In these informal ‘minilateral’ settings, weaker powers find strength in numbers to pursue their interests and protect their economies.

The BRICS ‘organization’

One of the most prominent informal mechanisms that emerging powers are leveraging to circumvent formal IGOs is “BRICS” – a multi-country diplomatic association of five emerging economies: Brazil, Russia, India, China, and South Africa. In 2013, the five BRICS countries represented almost 3 billion people (about 45% of the world’s population) with a combined GDP of US\$14.8 trillion (approximately 18% of global output) and 30% of the world’s territory. The BRICS contributed about 50% of the world’s economic growth and their share of global GDP is expected to reach 26% by 2025, eclipsing the G-7. At the same time, the BRICS countries are woefully underrepresented in important global economic and political institutions. This gap between achieved and officially recognized status explains why these states decided to harmonize their diplomatic and negotiating positions on a host of issues, and effectively organized themselves into an informal IGO.

But why did these states not choose to delegate authority to an established formal IGO? The answer lies in the informal nature of the BRICS grouping itself. The BRICS forum allows the countries it represents to pursue the shared goal of expanding their influence in formal IGOs (as well as more generally) without binding themselves into any agreements under international law. This has been effective in part because the political, economic, and strategic goals of these countries are quite different. Politically, the five countries have very different domestic structures both in terms of their levels of democracy and how they view the relationship between the state and the market. In other words, they have very different values. Russia and China are permanent members of the United Nations Security Council (UNSC) and have not been fully supportive of Brazil and India's aspirations for UNSC membership.

The BRICS countries also have divergent commercial interests. China [represents](#) South Africa's greatest manufacturing competition and India [its largest competitor in services](#). Brazil [has openly criticized](#) China's currency regime. And none of the countries trades enough with each other to justify forming a trading bloc. Strategically, the five countries have little in common – a situation which is accentuated by a legacy of bilateral and regional conflicts between them. China and India, for example, fought a war in the Himalayas in the 1960s, and little has been done to overcome the related tensions since. China and Russia also have [lingering border issues](#) with regards to fishing and migration.

The rationale behind deciding to organize informally rather than delegate to an existing IGO is perhaps best illustrated in the case of India. The informal nature of the BRICS forum allows India to continue to strengthen its ties to the West (such as through the 123 agreement with the United States) while remaining part of a coalition where the two strongest players—Russia and China—have little commitment to democratic values. By not delegating to an independent authority, India executes a careful balancing act that allows it to strengthen its alliance with the US while also strengthening partnerships with countries whose foreign policy goals are at odds with those of the U.S. Being part of the informal BRICS bloc also allows India [to uphold](#) its tradition of 'non-alignment'.

This combination of shared yet divergent interests—which would be undermined in a formal setting—creates powerful incentives to set up an informal IGO. The BRICS countries have not signed a legal agreement, which means that communiqués from their meetings are often broad and vague. While some [have criticized](#) these documents as being “real snoozers, producing statements of such vague blandness that they make G-20 resolutions read like Harry Potter page-turners,” they allow the BRICS countries to emphasize their common desire to increase their collective voice in world affairs while sidestepping differences on specific issues that might otherwise divide them. The informal nature of BRICS also allows these countries to avoid the sovereignty costs of delegating to a formal IGO secretariat or bureaucracy.

To be sure, the future of the BRICS is uncertain, both individually and collectively. Indeed, it is far from clear whether any of the BRICS countries even has a sufficiently defined national interest to know how to collectively bargain with the other four. But for now, the BRICS grouping provides an important alternative mechanism for emerging powers to pursue their collective interests without locking themselves into potentially costly commitments or a new international order.

So what?

Informal intergovernmental organizations have risen to prominence in recent years – that much is certain. But this does not imply that their formal counterparts are obsolete. Most states will continue to operate through formal IGOs, even if rising powers increasingly use informal IGOs to both supplement and bypass them. The real significance of the rise of informal IGOs is that – at least for now – the intergovernmental organization, whether formal or informal, remains a viable model of

global governance.

However, as emerging powers continue to make use of informal IGOs, the legitimacy and credibility of formal ones will be increasingly questioned. Over time, the primarily Western states that have historically benefited from formal IGOs may themselves no longer be able to rely on them in order to strategically portray a multilateral consensus, share the costs of meeting global security challenges, or otherwise legitimize actions in their own interest. Eventually, this could lead even these states to prefer informal IGOs to formal ones. And that would represent an epochal shift in the organization of international politics.

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