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on the EU foreign policy towards the BRICS and other emerging powers:
objectives and strategies
(2011/2111(INI))

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the EU foreign policy towards the BRICS and other emerging powers: objectives and strategies
(2011/2111(INI))**

The European Parliament,

- having regard to Article 21 of the Treaty on European Union, in particular its point (h), which sets forth that the Union shall define and pursue common policies and actions, and shall work for a high degree of cooperation in all fields of international relations, in order to promote an international system based on stronger multilateral cooperation and good global governance,
 - having regard to Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service¹,
 - having regard to its resolution of 5 April 2011 on migration flows arising from instability: scope and role of EU foreign policy²,
 - having regard to its recommendation to the Council of 8 June 2011 on the 66th Session of the United Nations General Assembly³,
 - having regard to its resolution of 13 September 2011 on an effective raw materials strategy for Europe⁴,
 - having regard to its resolution of 7 July 2011 on EU external policies in favour of democratisation⁵,
 - having regard to the Commission Communication on the Financial Framework 2014-2020 (COM(2011)0500),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Foreign Affairs and the opinion of the Committee on Development (A7-0000/2011),
- A. whereas the economic growth of Brazil, Russia, India, China and South Africa (the BRICS) entails an increased relevance of those countries in foreign policy terms;
- B. whereas, with the process of consolidation of strong economic and foreign policy powers such as the BRICS, a multi-polar system has emerged, where global leadership is increasingly shared amongst several countries and regional blocks of countries; whereas such a multi-polar system entails a progressive shift in global economic power to the

¹ OJ L 201, 3.8.2010, p. 30.

² Texts adopted, P7_TA(2011)0121.

³ Texts adopted, P7_TA(2011)0255.

⁴ Texts adopted, P7_TA(2011)0364.

⁵ Texts adopted, P7_TA(2011)0334.

BRICS and other emerging economies and further entails a shift of sovereignty and control, in foreign policy terms, from existing powers to emerging powers; whereas the current economic crisis has accelerated the process of transfer of powers from existing to emerging powers;

- C. whereas without an inclusive new global governance system based on close consultation and cooperation with the BRICS, there will be little incentive for emerged and emerging powers to cooperate and concert action on major global issues with the potential risk of (i) political and economic fragmentation and the emergence of competing world orders and separate regional areas, (ii) the disentanglement of global economic structures and investment flows and (iii) the creation of regional blocks of influence with very limited international coordination and no concerted solution possible for transnational challenges;
 - D. whereas the consolidation of the economic and political power of the BRICS and other emerging countries as the world's largest economies may not necessarily be associated with the transition from low-income economies to middle-income economies and, thereby, the emergence and consolidation of a large middle class; whereas the lack of a large middle class in such countries would mark the end of the substantial role in world affairs of countries characterised by affluent societies and a stable and moderate political orientation;
 - E. whereas at the end of the third BRICS leaders meeting, on 14 April 2011, the BRICS leaders issued a joint declaration calling for more international cooperation and a strengthening of global governance, and expressing support for multilateral diplomacy with the United Nations and the G-20; whereas all five BRICS countries have been concurrently present in the UN Security Council during 2011;
 - F. whereas the EU should play a proactive part in building a United Nations system that can effectively contribute to global solutions, peace and security, democracy and a rule-of-law-based international order; whereas, in accordance with Article 21 of the TEU, the EU is formally committed to effective multilateralism with a strong UN at its core;
1. Stresses how the current economic crisis has demonstrated the interdependence between the emerged powers and the BRICS and other emerging countries; points out that stable economic growth of the latter is clearly conditional on stable economic growth of the former; emphasises that political and economic ties between emerged and emerging economies are mutually beneficial and believes that further political understanding and coordination with the BRICS and other emerging countries should thus be pursued by the EU as a matter of priority;
 2. Believes that the interdependence between, on the one hand, the emerged powers and, on the other, the BRICS and other emerging powers maintains a relevant economic dimension, but is essentially political, as both the emerged and the emerging powers share an interest in ensuring an effective system of global governance and in tackling together those global stability and security risks which may curb the global growth potential;
 3. Strongly rejects the contention that, in view of the emergence of new economic and foreign policy powers and potential rivals, the West should agree to relinquish its leadership and focus on managing its decline. Contends, rather, that the West and, in

particular, the EU should focus on achieving the necessary economies of scale and develop concerted efforts to enable it to interact with the emerging powers constructively and effectively; points out to the need to develop an inclusive system of global governance based on cooperation and coordination with the BRICS and other emerging countries, as appropriate; points further to the key role of the West and, particularly, the EU in promoting an inclusive system of global governance such as this;

4. Notes that the BRICS have embarked on quasi-permanent coordination of foreign policy by abstaining from the vote on UNSC Resolution 1973 (2011) on Libya (South Africa was not yet part of the BRICS at that time), by deferring the vote on the EU's role in UNGA, and through their coinciding positions on Côte d'Ivoire, Sudan and the placement of weapons in outer space, as well as by coordinating their action through the BRICS Leaders' meetings. Points out that the BRICS seem to be challenging the current system of international governance; believes that if the EU will duly take into account the new weight, in political and economic terms, of the BRICS and other emerging powers, this may contribute to an orderly reform of global governance without any destabilising effects;
5. Believes that, in light of the increasing relevance of the BRICS and other emerging economies and the looming multi-polar system of governance, the G-20 is the appropriate forum for consensus building and for a decision-making process which is inclusive and able to foster convergence, including regulatory convergence; takes the view that notwithstanding the increasing relevance of the G-20, the G-7 maintains a key role as a consultative, coordinating and consensus-building forum for the emerged powers with a view to dialogue with the BRICS and other emerging economies, and ahead of G-20 meetings; supports the G-20 parliamentary dimension and believes that it should be further consolidated and involved in the decision-making processes to ensure a reinforced democratic dialogue and scrutiny;
6. Notes that, given the increasing global and regional relevance of China, the United States of America may progressively shift its primary attention, political investment and resources to the Pacific and perceive the North Atlantic dimension and cooperation with the EU as less strategic; further notes that Asia will have to play a progressively important role on the foreign agenda of the European Union and European Union Member States; expresses concern that the stance of the United States and the EU towards China and other emerging countries in Asia may not be sufficiently coordinated and may lead to a decoupling of US and EU policies towards such countries; strongly believes that only by coordinating their efforts will the USA and the EU attain the required economies of scale to engage in an effective dialogue with the emerging countries; takes the view that, in addition to the G-7, regular EU-US summits would provide the opportunity to identify common objectives and coordinate strategies;
7. Stresses the importance that the overall coordination of EU foreign policy towards the BRICS and other emerging economies should lie with the High Representative of the Union for Foreign Affairs and Security Policy; believes that the EU should strive to achieve, under the coordination by the High Representative, a better linking of foreign and security policy with EU sectoral policies, such as development, energy security, trade, access to raw materials and rare earths, climate change and migration, with a view to

valorising synergies and ensuring a coherent and systemic foreign policy approach;

8. Takes the view that a coherent foreign policy approach at EU level also entails enhanced coordination between the President of the European Council, the High Representative, the Council, Parliament and the Commission on issues related to the agendas of the G-7, G-8 and G-20;
9. Notes that the EU should have capacity to adjust and reform its internal governance structures in order to ensure a decision-making process able to reflect its plurality and create consensus; stresses the importance that a coherent foreign policy approach at EU level towards the BRICS and other emerging countries be reflected in the organisation of the EEAS; takes the view that with regard to the BRICS, in addition to its organisation along geographical and thematic lines, the EEAS should establish an ad hoc coordinating unit to ensure that all individual policies towards BRICS are compatible from a systemic point of view and that the policy lines adopted are reflected in the EU dialogue with emerged powers such as the USA, Canada and Japan; believes that the EU delegations in BRICS countries and other relevant emerging countries should form a network aimed at providing continuous monitoring and analysis on relations amongst the BRICS and relevant cross-sensitivities, thus enabling a more systemic approach; believes that the EU should direct its resources to leading the reform process of a global system of governance and of international organisations with a view to ensuring a more inclusive consensus-building and decision-making process at global level;
10. Stresses the key, positive role of Parliament's Liaison Office in Washington DC in promoting dialogue and cooperation between Parliament and the US Congress, and believes that, building on this kind of positive experience, the staff of EU Delegations in BRICS countries should include Parliament liaison officers in order to foster a greater understanding of the national parliamentary dimension in each of those countries and promote closer cooperation and dialogue between the European Parliament and national parliaments on a bilateral basis; believes that, in addition to its existing delegations for relations with Russia, India, China and South Africa, respectively, a delegation for relations with Brazil should also be considered;
11. Believes that, with a view to ensuring effective democratic scrutiny of EU policy-making towards the BRICS and other emerging countries, and in order to facilitate an enhanced interparliamentary dialogue with such countries, relevant Parliament staff should develop specialised competence and thus have appropriate analytical tools and monitoring capacity and be able to assist Members in promoting effective dialogue;
12. Welcomes the aforementioned Commission Communication on 'A Budget for Europe 2020', which draws up a proposal for the design of financial instruments and programmes under the next Multiannual Financial Framework 2014-2020; shares the view of the EEAS that the new partnership instrument aimed at supporting EU economic interests in the rest of the world and including non-ODA-eligible activities should be a foreign policy instrument; believes that such a partnership instrument could help consolidate stronger economic ties and thereby stronger political ties with select countries, and welcomes the promotion of regulatory convergence as one of its aims; believes that the new design of financial instruments and programmes should give particular relevance to ad hoc

financing lines supporting emerging countries and potentially emerging countries in consolidating democratic structures and developing good governance and the rule of law, good educational systems and progressive social inclusion; welcomes the proposal by the Commission to include the principle of conditionality in all EU programmes and instruments and believes that this is key to achieving more leverage in promoting universal values and good governance;

13. Instructs its President to forward this resolution to the President of the European Council, the President of the Commission, the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission, the Council, the Polish Presidency of the Council of the European Union, the Commission, and the US State Department.

JUSTIFICATION

The BRICS (Brazil, Russia, India, China and South Africa) and other emerging economies could gather strong relevance in foreign policy terms on the global scene, provided their economic growth further consolidates. In a global economic perspective, seven emerging countries (Brazil, Russia, India, China, Indonesia, Mexico and Turkey) are projected to have larger economies than, collectively, the G-7 countries (USA, Japan, Canada, United Kingdom, Germany, France and Italy) in 2050. In terms of gross domestic product, China is projected to become the world's largest economy before 2020 whilst India could become the fastest growing economy in the world before 2050.

As the current economic crisis demonstrates, there is a strong degree of interdependence between emerged powers and emerging powers and the consolidation of the economic leadership of the latter is clearly conditional on the economic welfare and growth of the former. This provides the potential to go beyond *comitas* and cooperation in economic terms, and strive rather for the creation of a common platform in foreign policy terms, provided a new system of global governance, inclusive enough for the BRICS and other emerging powers and based on shared values, is devised.

In this regard, it should be pointed out that the BRICS have already shown clear ambitions in foreign policy terms: they have held regular meetings since 2009 and are seeking engagement at the international level. In particular, at the end of the third BRICS leaders meeting, on 14 April 2011, the BRICS leaders issued a joint declaration calling for more international cooperation, a strengthening of global governance and expressing support for multilateral diplomacy with the United Nations and the G-20. The BRICS have also been seeking to gather momentum by coordinating their stance on several occasions: they abstained from the vote on UNSC Resolution 1973 (2011) on Libya (South Africa was not yet part of the BRICS at that time), they deferred the vote on EU's role in UNGA, and sought coinciding positions on Côte d'Ivoire, Sudan and on the placement of weapons in outer space. Thus, the BRICS seem to challenge the current system of international governance. However, if an inclusive, new system of governance were to be devised, they could become valuable partners of the West, as the recent reform of the International Monetary Fund, the appointment of its new Director General and the ongoing discussions on how to manage the economic crisis in Europe indicate.

The EU will have to duly take into account the new weight, in political and economic terms, of the BRICS and other emerging powers and use its political leverage to continue to promote universal values in the looming new multi-polar system of global governance and be at the forefront of the process of reform of the international governance system. For this, however, the EU needs to act as a single and robust political and economic entity. This proves all the more necessary, considering that transnational challenges - such as climate change, global regulatory issues, access to raw materials and rare earths, terrorism, sustainable development, global political stability and security – will require a rule-based, inclusive approach based on common values, consensus, close consultation and cooperation with the new emerging powers, if truly shared, effective solutions to transnational challenges are to be found. The EU could and should by all means take initiative in this respect and play a central role.

The aim of this report is to discuss the foundations of a new, inclusive system of global

governance and make recommendations, whilst identifying key areas of reform, where the EU could seek to streamline its action and institutional architecture and thereby increase its potential and effectiveness as global actor.