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Emerging Economies & Global Development in the New Century: post-bipolar & -NIC lessons from/for BRICSAM

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'In the coming decades, China & India will disrupt workforces, industries, companies & markets in ways that we can barely begin to imagine…How these Asian giants integrate with the rest of the world will largely shape the 21st century global economy.' (Business Week 2005: 38)

'As the Davos programme illustrates, India, long overshadowed by China…is the country of the moment. Signs abound of an India surging with self-confidence…At the root of this change is a reappraisal of the country's economic potential. This has been brought on by a jump in the trend growth rate to 7 to 8 %, double the "Hindu rate of growth"…As the balance of power in the global economy shifts towards Asia, such turbocharged growth rates promise to shorten the time-frame in which India rises up the ranks of the world economic powers.' (Financial Times 2006: 1)

'China & India, 49th & 50th, respectively, ranked much more closely than in previous years. While China dropped three ranks, India moved up five places…India's improved rank mirrors the country's somewhat higher position in the technology index…Both countries continue to suffer from institutional weaknesses which, unless addressed, are likely to slow down their ascension to the top tier of the most competitive economies in the world.' (WEF 2005: xv)
'When it comes to the most important reforms of all, it is China, not India, that seems to be frozen in the headlights. In order to continue to climb the economic ladder, China must create an independent judiciary & give much more social & political freedom to it people. India's legal & electoral systems are highly imperfect, but they have existed for decades & have entered the normal transactions of Indians' daily lives. Meanwhile, the economy is lifting many more people out of poverty than it used to…' (Luce 2006: 25)

'India's recent growth spurt has narrowed the gap in GDP growth performance with China. But the two countries are following very different development patterns & make a fascinating contrast.' (American Express 2006: 2)

'India, thus, enters the twenty-first century on the brink of the biggest transformation in its history. The changes are more fundamental than anything that the country has seen, and they hold the potential to transform it into an innovative, energetic economy of the twenty-first century.' (Das 2004: 346)

'…South Africa should learn from …successful post-war development

experiences…its principal inspiration is that of the East Asian developmental model.' (Southall 2006: xxi)

This very preliminary paper progresses from i) conceptual to ii) empirical overviews with a focus on new century characterised by 'globalisation'…then onto iii) cooperative or conflictual BRICs/BRICSAM[1] coalitions/relations & onto iv) factors other than macro-economic projections, concluding with v) a couple of possible scenarios with profound implications for several established disciplines.

i) Introduction: proliferation of & differentiation among state & non-state actors

The global political economy is in flux, even if most scholars of classical international relations fail to so recognise the multifaceted character of this trend: +/- 200 states & myriad non-state actors. The very diversity of actors & factors with a role in the global political economy needs rethinking: from cities to global events like the Olympics, from natural disasters to regional conflicts. States increasingly interact with a host of major International NGOs (INGOs) & multinational corporations (MNCs), many of which in effect have their own 'foreign policies', brands & forms of 'public diplomacy' (Copeland 2005, Potter 2002). In response to multiple forms of 'globalization', together, such heterogeneous actors are coming to devise forms of 'global governance.' If states largely created post-war intergovernmental institutions, contemporary governance is much more a function of transnational, non-state conceptualisation & animation (Khagram 2006). Institutions & forums, whether formal structures or think tank/policy networks, let along diasporas, matter more than ever; hence the incremental emergence of novel forms of mixed actor global 'regulation' (Gale & Haward 2007). 'Development studies' needs to take note, especially as its founding fathers (see remarkable UNIHP) & institutions (eg IDS at Sussex now 40!) are greying (Development & Change 2005): its purview is expanding dramatically to conflict, corporate codes, ecology, ethical trade, mafias & militias, religion, supply chains etc.

In parallel with such transnational 'horizontal' adjustment, the 'vertical' axis of states is changing as well, at least as rapidly. One direction is downwards: of some 200 governments at least 50 are characterised as 'weak' or 'fragile' states (DFID 2005). The other direction – the heart of this experimental paper – is upwards: 'emerging economies' aspiring towards the top-tier of the contemporary global architecture.

In turn, a distinctive post-bipolar triad of distinctive state types is gradually evolving: established & expanding 'first world' club of the OECD, centred on the G8; new 'second' tier world of 'emerging economies'; & an extensive & heterogeneous 'third world' (previously the G77!?) of the rest: a new three world structure (see special issue of International Affairs (2006) on 'emerging economies' or emerging powers)? In turn, a new typology of non-state actors has likewise been recognised: of global to local NGOs & MNCs (Commonwealth Foundation 1999: 16).

[1] BRICS = Brazil, Russia, India & China
BRICSAM = BRICs plus Egypt, Indonesia, Iran, Malaysia, Mexico, Nigeria, Philippines, South Africa, South Korea, Thailand & Turkey

Both these overlapping 'triangular' formulations – ie a) amongst three types of states & b) between state & non-state (especially INGOs & MNCs) actors – present challenges to development theory & policy, both state & non-state. Increasingly, development issues are defined by dynamic mixtures of different types of actors. Similarly, policy responses involve flexible divisions of labour among diverse actors. After six decades in which policy was characterised by the hegemony of the IFIs & four decades in which theory was largely a function of think-tanks like IDS, thus far, the new century is distinguished by a new fluidity. Such welcome reconceptualization is advanced by the appearance & recognition of the emerging economies, whether conceived as four BRICs or more numerous (& diverse) BRICSAM (of some 6 to 10?). In particular, their newfound status as a new generation of 'developmental states' is leading to shifts in the analysis of global capitalism & of 'new regionalism', as indicated below.

How different are the emerging economies of the new century from the 'model' NICs of the 1970s & 1980s? The NICs declined to follow the dictates of 'extreme' liberalisation advocated in the erstwhile 'Washington Consensus'. But their distinctive 'Asian values' did not exclude cronyism/patrimonialism, including diasporas: hence the Asian crisis, leading to reduced resistance to orthodox liberalisation conditionalities by the end of the last century. It is also undeniable that the move of BRICs/BRICSAM, notably China & India, into the embryonic 'second world' is impacting other markets & continents such as Africa for energy/raw materials/services etc (see more below). Like the post-crisis NICs, they will come to be characterised by less state/more market/more globalisation including diasporas…as captured in the special issue of Business Week (2005: 34):

'Rarely has the economic ascent of two still relatively poor nations been watched with such a mixture of awe, opportunism & trepidation. The post-war era witnessed economic miracles in Japan & South Korea. But neither was populous enough to power worldwide growth or change the game in a complete spectrum of industries. China & India, by contrast, possess the weight & dynamism to transform the 21st century global economy.'

Meanwhile a trio of current issues serves to capture & frame global development. First, notwithstanding the demise or at least decline of the first generation of 'developmental states' in Asia in the 1980s, BRICs may come to claim even capture this mantle in the new millennium. Such ambition may spread into the ranks of BRICSAM, with post-apartheid South Africa so aspiring in mid-decade (Southall 2006). Even non-BRICSAM states like Botswana & Uganda (Mbabazi & Taylor 2005) may so claim given sustained growth over the last decade, building on the notion of an 'African democratic developmental state' articulated in the early-2000s by Thandika Mkandawire (2001) with reference to Mauritius as well as Botswana (Parpart & Shaw 2006).

Second, these emerging economies espouse a wide variety of forms of capitalism beyond established Anglo-American & European corporatist types: not just the great traditions of China (Breslin 2006, Zweig 2006) & India (Jenkins 1999, Khilnani 1997, Kholi 2001) – NB several varieties in Asia (Mukherjee Reed 2003), no longer just Japanese - but also Brazil, Singapore, South Africa (van der Westhuizen 1998) etc; ie from BRICs to BRICSAM. These are characterised by distinct relations between capital & labour, technology & ecology…so the distinctive brands & logistics of, say, Ambev, AngloAshanti, Bank of China, Cemex, China Mobile, Chinese Construction Bank, Embraer, Flextronics, Hyundai, NOL, Pertamina, Petrobras, Petronas, Reliance, SABMiller, Sinochem, Sinopec, Tata, Telebras etc become development issues in the current decade (Ahuja 2006, Sklair & Robbins 2002). Does the apparent contrast between more/less liberal/predictable political economies, exemplified by the place of civil society in, say, India (Das 2004, Manor) by contrast to that in China, even Hong Kong, matter (Quadir & Lele 2004)?

And third, new forms of regionalism, often centred on 'regional powers', are emerging: from China & India through BRICSAM, to other leading countries (eg Egypt, Iran, Nigeria, South Africa, Turkey) (Bowles & Veltmeyer 2007) some of whom are positioned somewhat between new second & third worlds. Such regionalisms along with regional roles can be both formal & informal, economic & strategic, institutional & ecological in character, sometimes reinforced by external diasporic roles & remittances. (Boas, Marchand & Shaw 2005)

Among states & realists, the extent of contemporary global reordering has been obscured by a lingering preoccupation with the old North Atlantic – the US & EU - despite the palpable emergence of new economies/powers, especially China (Breslin 2005 & 2006) & India (Nayar 1979). Along with others, we characterise these as the BRICs or BRICSAM states. But the identity & membership of this grouping is not agreed or all-inclusive. As indicated in the previous paragraph, other non-emerging economies may be included, especially a set of regional powers such as Egypt, Iran, Nigeria, South Africa & Turkey, some of whom have agreed arrangements amongst themselves, such as bilateral China & India & trilateral IBSA. Such a perspective challenges still commonplace established orthodoxies about 'development' & reinforces 'new regionalisms' (ie more fluid & open than formal, interstate arrangements) between the global & local: ecological (eg river basins/island groups), economic (including brands & logistics), informal/illegal (eg drugs, gangs & guns, migrations), social (eg linguistic & religious communities), strategic etc (Boas, Marchand & Shaw 2005).

But a consistent feature of these mid-level states, notwithstanding other variations, is their relative size & influence in both global & regional dimensions. This raises many points, both economic & political, regional & global: is size enough to change the rules/structures of the extant global system? Or does BRICSAM need innovative strategies & extensive strategic alliances to impact, as the G20 did during the WTO's Doha Round at Cancun? Russia was brought into the G8 not because of market size, which was shrinking until the recent energy price rises, but because it was aspiring to meet 'democratic' conditionalities? It exists as something of a bridge as it is at the fringe of the G8 as well as at the border of BRICSAM?

Evidence of such relocations are apparent through 'new multilateralisms' in the 1990s, including heterogeneous coalitions/networks such as Ottawa & Kimberley Processes around landmines & conflict diamonds, respectively, along with the ICC. But are BRICs/BRICSAM as emerging economies/polities more concerned with economics than politics or security (International Affairs 2006)? Might their multinational companies & civil societies have interests different from those of the state?

As we recognised at the start, such analysis presents a range of profound implications for a set of overlapping analytic fields as well as applied policies: not just development studies (Haynes 2005) or political science/economy (Payne 2005) but also regional (Boas, Marchand & Shaw 2005) & security (MacLean, Black & Shaw 2006) studies, to which we return in the Conclusion below. But first, we overview economic dimensions before turning to some of the limitations of macro-economic preoccupations (Cooper, Ankiewicz & Shaw 2006)

ii) Macro-economic Claims of the 'Emerging Economies'

'India has moved close to China in terms of GDP growth but the two countries face different challenges & vulnerabilities…institutions have improved. India remains ahead given its well-developed private sector & a relatively entrenched legal system (as) reflected in World Bank governance indicators. But China's scores have improved faster in recent years.' (American Express 2006: 1 & 3)

Any discussion of global development in the new century needs to note the changing economic status of the emerging powers, whether BRICs or BRICSAM, and their possible influence on both the global economy and the global institutional architecture, both inter- & non-state. Unprecedented growth in China and India draws attention to new players on the global stage. A growing number of increasingly accepted macro-economic scenarios now predict that, in less than 40 years, the economies of Brazil, Russia, India and China will be bigger than those of the G6 (Wilson & Purushothaman (2003)) in US dollar terms.

Elsewhere (Cooper, Ankiewicz & Shaw 2006), informed by Wilson & Purushothaman (2003), we have presented the main economic indices of the BRICSAM countries in comparison to those of the OECD and the rest of the world where applicable. One of those tables compared the size of BRICSAM GDP (individually and as a group) based on current prices and official (market) exchange rates to GDP at purchasing power parity (PPP) rates reflecting differences in the prices of goods and services across countries. The difference in the relative BRICSAM size calculated on this alternative bases is dramatic.

Based on GDP at current prices, BRICSAM's relative size in 2004 was approximately 16% of that of the OECD, while on the PPP basis it spikes to 55%. Simple projections show that, if the annual growth differential between BRICSAM and OECD continues at 6%, the former's GDP will be bigger that that of the latter by the year 2035 (current prices) or 2015 (PPP); ie two decades later. Under a more pessimistic scenario of a 5% annual growth differential BRICSAM overtakes OECD a few years later (6 and 2 years, respectively). Similar projections can be made in trade. Due to much higher growth in BRICSAM trade than GDP, the challenge to the OECD is even more dramatic.

Population data indicate that BRICSAM accounts for almost 60% of global population & more than three times that of the OECD. However, within the group, while most states are growing more than the world average, Russia & South Africa have negative population figures. Most BRICSAM countries still have a higher proportion of rural population than the OECD, with the exception of Brazil, Mexico, Russia & South Africa. However, most have experienced significant shifts in population structure over the past two decades: China, Indonesia & Malaysia have witnessed 20% decreases in their rural populations.

In terms of trade flows, BRICSAM now accounts for over 25% of the global total, up from 15% in the mid-1990s, with exports now constituting 30% of the total, likewise

rising from 15% a decade ago. In 2004 BRICSAM's total exports of merchandise & commercial services were 19% of global exports & 28% of those of the OECD. China leads BRICSAM with approximately one-third of BRICSAM exports. With the exception of Indonesia, Philippines & Mexico, BRICSAM export growth in 2004 exceeded 20% (40% in India!) & was 10% higher than those of the OECD. Simple projections reveal that, if the growth differential for exports between BRICSAM & the OECD countries remains at 10%, exports from the former will surpass those of the latter in 2018. Under a less optimistic assumption of a 5% growth differential, this transposition occurs by 2030.
Many question the sustainability of such BRICSAM growth both in product and trade pointing to potential dangers in the financial structures of at least some of the BRICSAM economies and risk of financial crisis, environmental constraints, dependency on one sector of the economy (for example Chinese growth is based on exports of manufactured goods & Russian on oil and gas exports while that in India is internally generated thanks to growing services trade) and the absorptive capacity of the OECD (imports from BRICSAM). Other social issues may also limit growth, for example growing inequality (India) (Jalan 2004, Kholi 2001), ageing societies (China) (Breslin 2006), or increasing health problems arising from HIV/AIDS (South Africa) (Barnett & Whiteside 2006).

In investment, both FDI & remittances, both BRICs & BRICSAM compete for recognition & inflows. While the overall BRICSAM stock of inward foreign direct investment (FDI) is increasing steadily, it is very unequal across countries, with China alone receiving more than half the total FDI inflows ($55 billion pa; just $5 bn to India) at the expense of Brazil, ASEAN and Mexico; ie there is considerable competition even tension with the grouping over such issues. India wins over China in IT, R&D and business processing FDI but looses in manufacturing and assembly let alone infrastructure (Das 2002, Jalan 2004). According to World Investment Report 2005, India is currently the second most attractive FDI destination for TNCs, with China being first, US third, Russia fourth, Brazil fifth, and Mexico sixth. China is winning the competition thanks to higher effectiveness of its low-wage labour (as opposed to other low-wage labour countries) and fewer restrictions as to workers rights.

Similarly, China accounts for more than 50% of combined BRICSAM foreign reserves (due to large trade surplus and inward FDI). By 2004, BRICSAM accounted for some 40% of global foreign exchange reserves due to the combination of trade surpluses & inward FDI. China, India, Russia & Korea are amongst the largest holders of foreign exchange in the world. In 2005, Chinese reserves alone exceeded $800 billion, a greater than 1000% increase since 1995! Growing Chinese foreign reserves currently kept in US treasuries may even threaten the stability of the American economy if transferred somewhere else (for example, used as cash for buying companies abroad).
Furthermore, BRICSAM countries are also slowly beginning to export capital as their MNCs become more global, with an emphasis on South-South transactions. A recent study by the Foreign Investment Advisory Service (FIAS) of the IBRD & IFC found that 35% of FDI outflows from the developing countries in 2003 was directed to other developing economies (Battat & Aykut 2005). In addition, recent years have witnessed

increased engagement of MNCs from the South in the OECD & elsewhere, especially in sources of energy & minerals (Sklair & Robbins 2002). China's acquisitions of IBM's PC division (now Lenova), MG Rover in the UK, Canadian-listed PetroKazakhstan, Iranian's Yadavaran oilfields (with ONGC of India) & attempted takeover of Unocal & Noranda have attracted political & media attention; cf Dubai Port World's intention to take-over P&O container ports, including those in the US.

NB add here re major Chinese & Indian companies in some sectors: Indian IT multinationals: Infosys, Wipro, Tata Consultancy Services (TCS) (see Ahuja 2006 on the personalities of the Birla & Tata dynasties), NIIT Technologies (Kobayashi-Hilary 2005)…

Onto Initial Public Offerings (IPOs) from the BRICs especially China & India such as Bank of China, China Construction Bank & Reliance…

China's oil companies like CNGC & Sinopec…

Indian pharmaceutical multinationals: Ranbaxy, Dr Reddy's Laboratories…

Nevertheless, there remains a need to contrast overly-optimistic macro-economic trends with more problematic issues of demography, ecology, security etc, including very uneven HDIs. Below, we begin to juxtapose perspectives drawn from analytic & applied development (Haynes 2005) as well as regional (Boas, Marchand & Shaw 2005) & security (MacLean, Black & Shaw 2006) studies.

iii) Convergence and Divergence of Interests and Concerns

'The gap in terms of GDP growth between India & China has narrowed for several reasons. Firstly, China liberalised earlier – in 1978 compared to 1991 in India – but first-mover advantages have diminished & economic policies have converged. Beijing focused initially on agriculture & primary education, its coastal provinces on export-oriented, labour-intensive, manufacturing & attracting DFI.
India has progressed most in services. Its dynamic provinces have also built on a long-standing bias toward skill-intensive production & the excellence of India's tertiary education system. States such as Karnataka & Maharastra have skipped labour-intensive manufacturing & moved, unusually early for a poor country, into high-end manufacturing & skill-intensive services.' (American Express 2006: 3)

The burgeoning literatures on the BRICs/BRICSAM, like those earlier on the NICs & near-NICs, tend to assume that the emerging countries have similar or compatible interests and agendas on the world stage. While it is true to some degree (for example calling for more consideration for their developmental needs and bigger concessions made by developed countries in trade negotiations), BRICSAM countries also compete with one other in various spheres: China/India versus the rest? Russia/Mexico shrinking?

China competing with South Africa (Naidu 2006)? Emerging economies' demands in the IFIs, especially the IMF (Woods & Lombardi 2006)? India increasingly active in the Commonwealth? And the demand for/diplomacy around membership on the UN Security Council separates BRICs from BRICSAM?

In regards to economic competition according to the Global Competitiveness Index (out of 117), China ranked #31 & India #39. In addition to the negative factors identified above, the latest Global Competitiveness Report (WEF 2005) suggests in a box that the Indian economy has to address major constraints like high illiteracy & low enrolment rates, bureaucratic red tape, weak infrastructure & fiscal deficit: '*provided these challenges are met, there is no reason why India could not join the ranks of the most competitive economies in the world*.' (WEF 2005: 19)

In the manufacturing & trade sector, Chinese domination is increasingly at the expense of India, Mexico, South Africa and others. China is currently the biggest exporter to the US replacing Mexico in 2002 (despite NAFTA and geographical proximity). And the impact of the abolition of the MFA (Multi-Fibre Agreement) on BRICSAM will erode many advantages, except for China, now the world's largest textile exporter: with what if any implications for global governance?

But India is more connected & compatible with the established global economy in part as legacy of the *raj*: English language/laws/structures/universities etc (Das 2004)? Hence its considerable FDI increasingly includes remittances from diasporas: onto outsourcing nexus around Bangalore rather than Bangkok or Beijing, arguably, an aspect of myriad 'Commonwealth Plus' (Shaw 2004) connections? Indian capital comfortable in global world as symbolised by Bollywood movies, music etc (Das 2004)…from post-colonial orientation towards old British labour social democracy to…own 'third way' of distinctive democratic federalism with strong Union civil service & military etc…?

This leads on to a new emphasis on migrations/diasporas/remittances, which are distinct from the bifurcated North-South dichotomies of the past with relevance for development policy/theory? The World Bank only 'discovered' remittances in the middle of the first decade of the new century! According to IBRD (2005: 87), based on officially recorded data, the global flow of remittances rose to $167 billion in 2005, up 73% since 2001:
'More than half of that increase occurred in China, India & Mexico. Low-income countries, led by India, registered an increase of $18 billion during this period.'
Some of BRICSAM - Brazil, China, Egypt, India, Mexico, Nigeria & Philippines - are among the top 20 remittance countries globally. GEP 2006 (IBRD 2005: 90) presents the following data for 2004 for the top three remittance-recipients: India $21.7 billion, China $21.3b & Mexico $18.1b; it also includes a box (4.2) detailing 'The recent surge in remittance flows to India' (IBRD 2005: 89). Aside from changes in legal & incentive structures, the Bank suggests that this is a function of successive generations & sectors of Indian migrations:
'India has reported a spectacular increase in remittance inflows – from $13 billion in

2001 to more than $21 billion in 2003…During the oil boom in the 1970s & 1980s, thousands of low-skilled Indian workers migrated to the Persian Gulf countries. In the 1990s, migration to Australia, Canada & the US increased significantly, particularly among IT workers on temporary work permits.' (IBRD 2005: 89)
In passing, we should note that the developmental experiences & perspectives of the South may yet come to challenge the philosophical & intellectual underpinnings of the North's ideals of free trade, human rights, open markets, secular state etc. In particular, if China & India continue to boom without changing their inherited orientations or structures, and the rest of BRICSAM join them, then the intellectual legitimacy/hegemony of the Washington Consensus etc becomes problematic. Certainly, MNCs from the South, mainly from BRICs/BRICSAM, appear with growing frequency in the Fortune Global 500, with important implications for comparative capitalisms/bourgeoisies (Sklair & Robbins 2002)

Another intensifying sphere of competition is access to <u>resources</u>. China and India bid against each other for resource companies (PetroKazakhstan case) but sometimes cooperate (joint purchase of Petro-Canada's stake in Syrian oil fields). Also, China continues to buy out mines, oil and other resource companies in South America and Africa. These transactions are easier to complete than those in the OECD countries as issues of subsidization of purchase (through low-interest loans from the Central Bank), human (and labour) rights and involvement of the government usually are not central. China bigger in Africa than India, especially in terms of oil imports, notably from Angola, Nigeria & Sudan….also RSA (Naidu 2006).

India currently is the leader in <u>information technology</u> services (Ahuja 2006, Das 2004, Kobayashi-Hillary 2005) but China, Russia, Mexico, and a few of ASEAN states are starting to grow their own IT sectors to benefit from the globalisation of services and the second wave of Western outsourcing, this time in services, the first wave having been manufacturing outsourcing to China. Due to the rise of the middle class in the emerging economies, the IT services sector will probably be transformed further. Western markets will mature soon and the biggest business opportunities will come from BRICSAM.

As indicated in the first section, all BRICSAM countries can be considered <u>regional hubs</u> with strong/growing influence on neighbouring countries. But they also compete with each other to take the position of leader in their respective regions (China and India, Brazil and Mexico): micro- to meso- & macro-regions? Formal versus informal/illegal sectors? Of particular note is a 'new' global region - Central Asia – which is increasingly an area of competing regional powers: from Turkey to Iran & India let alone China & Russia (see below re security).

At the same time the BRICs compete for their <u>international status</u> (UN Security Council, membership in the expanded G7) while jointly calling for reforms of the Bretton Woods Institutions (changes in voting structure of IMF + economic cooperation via regional trade agreements outside WTO) (Woods & Lombardi 2006). They also offer each other differential treatment as in the case of recognizing China as a market economy (Brazil and Mexico, similar problem will probably arise when Russia joins WTO).

Yet old/new security threats/discourses intensify as both India & China in BRICSAM & others juxtapose traditional/national security threats plus nuclear/landmines etc. Whilst India & China talk cooperation, they also compete for energy & other resources, particularly in Central Asia & the Gulf. At the start of the 21st Century, China & India are in the top ten in terms of military expenditures - $35 billion (#5) & $23 bn (#9), respectively – and are ranked in the top three in terms of troop strength: China #1 at 2 255 000 enlisted & India #3 with 1 325 000 (Guardian 25 May 2006: 20-21). Both are reinforcing their naval capacities, so facilitating competition in Southeast Asia & the Indian Ocean (IISS 2005b).

But whereas the Indian military is under democratic civilian control & is relatively transparent, the economics & intentions of the Chinese remain shrouded in mystery, particularly given the ubiquitous role of the People's Liberation Army in its economy. India is also engaged in a variety of peace talks with Pakistan, though the emerging Central Asian security complex could still erupt & spill-over from Afghanistan etc (IISS 2005a). And the escalation in both nuclear & conventional missile capabilities throughout Asia, notably those of China, India, Iraq, North Korea & Pakistan, remain worrisome (IISS 2005 a & b). Meanwhile, mafias & militias proliferate along with 'fundamentalists' of assorted affiliations.

iv) From Macro-economic Trends to Other Factors?

'The Economist has been trying, with some frustration, to paint stripes on India since 1991. It doesn't realise that India will never be a tiger. It is an elephant that has begun to lumber & move ahead. It will never have speed but it will always have stamina…The inversions between capitalism & democracy suggests that India might have a more stable, peaceful & negotiated transition in the future than, say, China. It will also avoid some of the harmful side effects of an unprepared capitalist society such as Russia. Although slower, India is more likely to preserve its way of life & its civilization of diversity, tolerance & spirituality against the onslaught of the global culture. If it does, then it is perhaps a wise elephant.' (Das 2004: xix)

The BRICs bring back the notion of a developmental state, but in a different context & in a different policy environment: very large populations, especially China & India, & post-bipolar? So they may all be middle powers but how homogeneous let alone coherent? From non-alignment before end-Cold War to new trio of worlds in global context as indicated above? But competition over resources & markets, especially between China & India, so unstable virtual coalition?

UNDP HDI scores for BRICs:

	1994 (out of 173)	1999 (out of 174)
Brazil	63	79

Russia	34	71
India	135	132
China	94	98

What lessons about the developmental state from the Asian crisis of the mid-1990s? And in Africa in the new century: from RSA (Southall 2006) to Botswana & Uganda (Mbabazi & Taylor 2005)?

Like the US & EU, the emerging economies are increasingly active in negotiating economic cooperation outside the multilateral WTO, encouraged by the seemingly intractable problems of the Doha Round. These Regional Trade Agreements (RTAs) vary in scope & coverage but a growing number go beyond WTO issues to others like services, competition, labour mobility, standards, cooperation in education, investment, S&T, tourism etc (Bowles & Veltmeyer 2007, Ping 2005, van der Westhuizen 1998). Some RTAs seem to be very specific rather than the generic, cookie-cutter character of the WTO, US & EU. They are less legalistic & more exhortational. And they are informed by NGO & think tank monitoring. As indicated below, BRICs & BRICSAM also offer each other differential treatment as in the case of Brazil & Mexico recognizing China as a market economy.

But the very growth of China & India may further exacerbate conflicts around the economic imperatives of oil/water/raw materials… so another, but non-nuclear (?), war (Klare 2002)? Another ‘scramble for Africa’ (cf rapid growth of ‘new’ African energy sources like Chad, Equatorial Guinea & Sao Tome along with Angola & Sudan) (cf above the security)?

Furthermore, China & India both have increasingly imbalanced gender ratios for different reasons: one-child policy versus infanticide (femicide?), respectively: with what implications for security & development, either national or human? Onto another ‘new regionalism’ of trade in young women from their respective regions to China & India

Finally, the BRICs confront endemic corruption: according to Transparency International (2000 & 2005), in terms of perceptions of corruption, in 2000 BRICSAM countries were ranked from # 34 (South Africa) & 36 (Malaysia) to #85 (Indonesia) & 90 (Nigeria); in 2005, Nigeria was #152 & Indonesia 137 by contrast to South Africa’s #46 & South Korea’s 40.

Such trends or possibilities pose challenges *inter alia* to development (Haynes 2005), regional (Boas, Marchand & Shaw 2005) & security (MacLean, Black & Shaw 2006) studies as indicated in final section below.

v) Conclusion: macro-economic versus other projections/futures

I conclude by contrasting orthodox, optimistic, unidisciplinary ‘economistic’ projections with more critical, pessimistic, multidisciplinary political economy scenarios. The latter seek to go beyond uncritical projections preoccupied with 'economic' trends towards a 'real' political economy of development among BRICSAM states. Yet this perspective leads towards more problematic scenarios than those apparent in the optimistic orthodox frame.

But the range of possible 'risks' to the BRICs' projections is considerable as indicated in the above paragraphs re security: from domestic inequalities, such as agricultural/rural to industrial & service economies/urban, to conventional & nuclear conflicts & onto ecological crises & criminal subversion. Such vulnerabilities include corruption, including ubiquitous informal/illegal sectors/networks; shortages of essential inputs like energy, raw materials & water; volatile mix of arms, including nuclear & 'small' like AK47s & landmines; militaries/militias/mafias; ecological instability as aspect of global warming etc (see insurgencies in, say, the souths of both Nigeria & the Philippines).

In turn, these hold profound implications for a set of overlapping approaches & policies as recognised at the end of the Introduction: not just political science/economy but also development (Haynes 2005), regional (Boas, Marchand & Shaw 2005) & security (MacLean, Black & Shaw 2006) studies: how to inject greater realism without losing the genres' resilience? How to reconcile established definitions & discourses with novel data & debates?

Onto a new 'trilateral' world impacted by emerging economies though, arguably, China & India are different compared to the rest as they both have a global reach given the size of their economies as well as the dispersion of generations of diasporas (NB India impacts any Commonwealth data disproportionately!) Yet, varieties of tensions remain along several dimensions: disciplinary, ethical, ideological, regional etc?

What skills required to pursue China or India Inc: technological? Diplomatic? Branding (cf India Inc at Davos/WEF as projected in the Financial Times 2006)? Beyond established tracks two or three to 'public diplomacy' even 'Blackberry diplomacy'? (Copeland 2005, Potter 2002)

Yet if the BRICs/BRICSAM can sustain cumulative growth until the middle of the present century then the power shift away from the North Atlantic to the South will be undeniable & unstoppable. As Humphrey & Messner (2006: 108) suggest, the BRICs, especially China & India will impact development & foreign policies for the foreseeable future in ways that the NICs never did in the late-20th century:

'The emergence of China & India as powerful actors in global governance arenas & in global politics poses a series of questions for development policy & the future of global governance.'

But the threat from fragile states (DFID 2005) remains – the new third or fourth worlds? -

to economic order via drugs/guns/viruses/fundamentalisms? In short, what prospective clash of worlds: beyond North-South dichotomies to formal versus informal? Developmental versus anarchic? Gated versus ungated? Democratic versus authoritarian etc? What world by 2015 if not a single, idealistic one of the MDGs?

We conclude with Das (202: ix) on the distinctive character of one of today's leading developmental states, India:

'The struggle of one-sixth of humanity for dignity & prosperity seems to me a drama of the highest order & of great consequence for the future of the world. It has meaning for all of humanity & sheds light on the future of liberalism in the world.'

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