

EMERGING POWERS

**RISE OF THE SOUTH OR
A RECONFIGURATION
OF ELITES?**

ACHIN VANAİK



Emerging powers: Rise of the South or a reconfiguration of elites?

ACHIN VANAİK*

That we are in the midst of an ongoing historical process whereby certain powers in the South are clearly rising and will exercise growing weight in the wider comity of nations is self-evident. The more obvious candidates include China, India, Brazil, South Africa which have come together in such formations as BRICS, BASIC and IBSA as well as others such as Turkey, Indonesia, Argentina, Mexico, South Korea, Egypt, Iran and perhaps Saudi Arabia and Nigeria. Russia, as much an Asian as a European power also merits inclusion in the category of the 'Emerging South'. But how much change in the existing patterns of geo-political and geo-economic relations will the rise of these countries bring? Any effort at reasonably intelligent yet cautiously controlled speculation about future developments should confine itself to a limited time span of not more than say, the next 20 years.

And just how should this 'rise up' be measured? Furthermore, does the selective rise of some countries means that the weight and power of the South as a whole will rise up? That is to say, are these Emerging Powers going to take the lead in altering existing patterns of global governance in ways that will benefit all the Southern countries and their populations? Or will such selective elevation of some nations lead primarily to greater social and class differentiations within the major countries of the South and to a greater distance between them and the rest of the developing countries? If so, will this not mean a 'North' emerging within the South? Will this new 'North' of various elite dominated regimes somehow be able to work together against the older North to shift power relations significantly towards itself? Or will its individual country components be more preoccupied with prioritising their relations with the power centres of the North and with the existing governing institutions that serve their interests, than with forging ever closer relations with each other? These are some of the issues that this chapter will aim to address with whatever illumination can be obtained from certain quantitative statistical indicators about how things stand at this time.

It is not the case that the South as a whole is rising up. Emerging Powers rather than an 'Emerging South' is the proper characterisation, where this 'rise' is measured by standard indicators concerning the economy and demography and compared with similar indicators for the advanced and industrialized societies (See Chart 1). But even here it is only a handful of countries that really count and which might be expected to challenge the exiting geo-economic and geo-political order, especially if they were to get their act together. Hence, the new and closer attention being paid to groupings such as BRICS, IBSA, BASIC and the G20; and to one undoubtedly rising country, China as a potential superpower of the future capable of standing up to the US. In this respect it might in the future play the role that the Soviet Union once did but with an economy not having the same kind of structural weaknesses and possessing a cultural homogeneity that makes Chinese nationalism the kind of enduring territorial glue that the USSR never had.

WHAT ABOUT BRICS?

Leaving aside the minor outliers of North Korea and Cuba, the collapse of the Soviet bloc and the Chinese turn (followed by Indochina's Communist states) towards the establishment of an essentially capitalist economy has created for the first time ever a truly capitalist world order. The great economic success stories of China and the ASEAN means that the centre of gravity of the world economy has shifted, or will very soon shift, towards the Pacific from either side of the Atlantic where it lay for close to 500 years. Besides East Asia, India has since the 1980s witnessed respectable average annual growth rates of 5 to 6 per cent accelerating

* Achin Vanaik is a TNI fellow, retired Professor of International Relations and Global Politics from the University of Delhi and an active member of the Coalition for Nuclear Disarmament and Peace (India).

to around 8 per cent after 2003 before seeing a slow down due to the Great Recession of 2008 to 2011/12. The petro-economies of West Asia have done well and South Africa and Brazil have also done well by average global standards. The downturn since 2008 was really the first genuinely global recession but the BRICS countries did noticeably better than the major economies of NATO and Japan (See Table 1).

Of course, in the last three decades and more of neoliberal globalisation, inequalities of income and wealth have risen faster than ever before in history. This means that even as the size of the global 'middle class' is growing substantially, the ratio of incomes and wealth of the top quintile to that of the bottom quintile of the world's population has grown to unprecedented and obscene levels. But then capitalist development is always uneven and combined! The job of capitalism is to reproduce capital on an ever-expanding scale and to secure an unending and constant flow of profits through pursuit of unending growth, not to put an end to mass poverty or significantly reduce relative inequalities or to guarantee ecological balance and sustainability. These are always side issues to be addressed with greater or lesser success by national governing elites and by institutions of global governance once they have met their primary goal of promoting the wealth and prosperity of a small minority of upper classes. To stabilise such an order also requires that the main social base of the ruling minority – the middle classes – grow absolutely if not relatively, and have some share of the wealth produced.

It is here that the South economically becomes of *increasing* importance to global capitalism. Northern based TNCs, the governments that succour them, and the elites that now recognize that capitalist globalisation is necessary for their own continued prosperity, all need the expanding markets provided by an expanding 'global middle class'. With the partial exception of the US, Canada, Australia that remain immigrant societies, it is the South, especially the bigger more populated countries that are now taking up the baton of rising middle class growth. There are different definitions of what constitutes the middle class and its growth pattern. Table 2 is derived from the international economics section of *The Carnegie Papers* released in mid-2012 by the Carnegie Endowment for International Peace which uses one such measure prepared by the authors, U. Dadush and S. Ali. While this tells us about the BRICS countries and a few other Southern ones, it doesn't cover the advanced countries. Nevertheless, using another indicator for the latter (see www.huppi.com/kangaroo/8Comparison.htm) which defines middle-class income as lying in the range from 33 per cent below the median income level to 50 per cent above that median level of that particular country's distribution pattern, we get the following results which appear roughly accurate. Japan has a middle class comprising 90.0 per cent of the population, Germany 70.1 per cent, UK, 58.5 per cent and the US 53.7 per cent. The size of the working poor and underclass will be considerably greater in the UK and US than in Germany and Japan but it is the remaining minority of the rich and very rich that lies *some distance above the sum* of the middle class and the strata below, that really holds power in that country and to whose interests these governments are most attuned. Germany has a stronger welfare state and Japan a more egalitarian distribution of income than the UK and US, but here too it is the very small layer at the very top that reigns.

As for the BRICS group of countries, South Africa and Brazil are among the most unequal societies in the world. China's Gini coefficient has also steadily risen, along with Russia's, while India's Gini coefficient (calculated as it is on surveys of consumption expenditure and not on more reliable income data) is widely recognised to be a serious underestimate. In any case, rising inequalities of income and wealth have been characteristic of India's lopsided growth pattern over the last five decades, accelerating after the neoliberal reforms of 1991. It is hardly surprising then that the number of dollar millionaires and billionaires is growing rapidly in the South (See Table 3). To make matters worse, Brazil, China and India are major land grabbers in Africa, and South Africa serves more as a useful entry point for foreign capital to extract resources from the continent than as some kind of bulwark protecting against such ravages. Indeed, it is itself involved in such activities. So much for BRICS 'leading the charge' against Northern exploitation of Africa (See Table 4 and Graphs 1 and 2).

According to Table 5, the members of BRICS, with the exception of Russia, have today a greater proportion of youth than in the advanced countries. However by 2050 it is projected that this gap will disappear, or in the case of South Africa and India be much reduced. But does this mean that between now and 2050 the fast growing number of yearly new entrants into the national job market is going to prove an economic asset?

Not necessarily; indeed, there are reasons to worry about the future performance of the Emerging Powers. As it is, per capita income levels of BRICS (and of other 'emerging powers' like Mexico, Indonesia, Turkey) are currently way behind those of the OECD countries (only South Korea has entered the OECD club). In fact, it is simply not ecologically or materially possible (in terms of resource and energy use) for the per capita levels of even the BRICS and other 'high flyers' to come anywhere close to average per capita levels of the most prosperous OECD countries.

This means, given that the per capita figures are averages hiding gross inequalities, that their relatively lower levels in the future will continue to generate mass discontentment and impoverishment. This is particularly true now where the communications revolution has made it possible for even the world's poor to know how deprived they are compared to the wealthy in their own societies. It was comparative dissatisfactions rather than absolute levels of economic deprivation that helped fatally undermine the Soviet system. In the South, both relative deprivation and absolute immiseration are in all probability going to persist widely enough to make possibilities of intra-South cooperation more difficult, and will be a source-bed for anger to erupt against ruling elites – witness the 'Arab Upheavals' of recent times.

The historical pattern of capitalist industrialisation in the West and Japan was accompanied by the kind of urbanisation and employment generation there that led to the decline of the rural population and peasantry to the point that it constitutes, at most, between 2 to 8 per cent of the overall population. For countries like Brazil, India, China, Mexico the rural population is currently a majority. In due course this may well become a minority, but a significant one well above the proportions now prevailing in the earlier industrialising countries. Even in other countries of the South where urbanisation has been proportionately greater, the informal sector continues to comprise a very large part of the growing urban slum population. The ICT revolution has been a major factor in reducing the employment elasticities of output worldwide. Rising capital intensity even in agriculture means higher levels of unemployment, low productivity, low pay, more part-time work, longer working hours, greater job insecurities and thus a greater proportion than ever of the working poor.

The historic development of an organised and unionised labour force in Western Europe as the accompaniment of its particular pattern of capitalist modernisation, and even the lower levels of such organisation of the labour force in North America and Japan are unlikely to be replicated in BRICS let alone elsewhere in the South. The objective conditions for much greater worker unrest in this part of the world are being laid. Grassroots organisation in slums and in local communities rather than simply at the workplace will become more important and with this the necessity of taking up a diversity of issues such as race, ethnicity, gender, skill difference, etc. to generate more composite forms of unity in action. Urban-based struggles over the "right to the city" i.e., the right for the majority of urban residents to shape and control their own lives will become ever more important. However, given the persistence of the peasantry in much of the South, the land and 'agrarian question' will also remain key issues.

THE QUINTET AND THE ROLE OF THE US

The rise of certain Southern countries, the economic rise of Southeast and East Asia, the emergence of BRICS, IBSA, BASIC, G20 has still not meant a serious change or shift in global power relations. Indeed, the current power shift, one can suggest, is a drift towards the creation of an informal collective. This is likely to be a quintet comprising those countries that by virtue of their combined and absolute levels of demographic, economic and military weights, will be effectively entrusted with the primary responsibility of stabilising the world capitalist order from which all elites and the most powerful TNCs can hope to continue benefiting. These five are the US, EU, Russia, China, India. Japan could have qualified for admission, except that it is so subordinate to the US that it can be taken for granted. With the other relatively more independent entities, negotiated compromises by the US are more regularly required to arrive at collective agreements. There is then, a dialectic of the national and the transnational, of the system of nation states and the globalising economy that will remain at least until truly radical and transformative struggles achieve some

success. Understanding the strengths and weaknesses of the emerging world order is a precondition for carrying out such struggles.

While the top echelons of capital – say, the *Fortune 500* TNCs – share common ground in wanting the greatest freedom of movement for trade and investment so as to maximize the spatial opportunities for making profits, the very fact of competition on a widening scale also guarantees that there will be losers. In short, big capital does not simply want competition for competition's sake but wants competition on *its terms*, i.e., that it be *protected* from losing out in competition or that its losses be minimised as much as possible. There is always a dialectic of competition and protection. TNCs have their 'home' bases where the most powerful economic levers of research and financial control reside, and where the links to 'their' state can provide the most powerful political levers to serve their company interests. This means that inter-capital rivalries and tensions will to some degree translate into inter-state rivalries and tensions that could add to already existing tensions deriving from historical territorial disputes or from geopolitical needs or from ideological differences. Since such inter-state rivalries are far more dangerous and potentially de-stabilising than rivalries between capitals, they must somehow be managed and defused.

Historically, in the first three phases of global capitalist development this was the responsibility imposed on the hegemon. The first phase extended from the late eighteenth century to WWI when Britain, the hegemon, faced the rising challenge of Germany and the US. The second interwar period saw enormous upheaval because there was no hegemonic stability. In the third post-WWII phase, despite bloc rivalry constraining capitalist expansion, the US hegemon did stabilise Western Europe and Japan thereby providing a powerfully attractive model of capitalist liberal democracy to second and third world populations. We are in the fourth phase today, which geo-politically was inaugurated around 1990 when systemic Cold War rivalry ended. Geo-economically speaking, this phase would date back to the late seventies when neoliberal globalisation emerged leading to the eventual abandonment of strong Keynesian and welfarist commitments in the advanced countries, and of state-led developmentalist perspectives and practices in the developing world – even though these departures were spread out over time and place.

For all the claims that the rise of the South portends a dramatic power shift globally, far more likely is the emergence of the above mentioned quintet – the US, EU, Russia, China, India – in which the US, despite its relative (but not absolute) decline, will remain the principal bilateral coordinator and mediator. As it is, the world order is not so much a complex 'web' of multipolar powers, but rather a 'hub-and-spokes' arrangement with the US at the centre and joined by separate spokes to all other powers including the other members of the quintet. That is to say, for all the efforts of the major powers on the circumference to move towards each other and to form different groupings excluding the US, they all continue to give priority to their bilateral relationship with the US. This is an arrangement from which the US benefits greatly and will seek to sustain for as long as possible.

While there will be no collective hegemon nor a replacement of the role played by the US – claims about China as the new hegemon or of India as a near equal power are to be dismissed. The incoherent grouping of BRICS countries also cannot provide an effective alternative or complement to the quintet. The context of escalating economic, social, political and ecological problems worldwide mean that the quintet will in all likelihood fail in its task of stabilisation. A more barbaric world order is on the cards, which makes the necessity of transcending capitalism even more important, and an issue that must be more seriously addressed even among progressives.

To return to the quintet, the reason why others like Brazil, Mexico, Turkey etc. do not 'merit' entry into this club has much to do with them being much weaker military powers (See Graph 3 and Tables 6-10). Brazil has demographic weight (as does Indonesia) and economic strength, but to play a reliable regional and global geo-politically stabilising role requires the ability to exercise force successfully in the last resort, or even well before that. In respect of the economy, by the measure of companies in the top 500, China leads all Southern comers but remains well behind the US (See Table 11). Where Brazil and India have 8 each in the top 500, by mid-2013, China had 89 compared to Japan's 62, Germany's 30 and the US's 132. South Africa does not have any company in the top 500.

It is also important to assess a country's net international investment position as a measure of its economic-financial vulnerability (See Table 12). It might seem from the figures that, compared to China, the US is in an extremely fragile position. While this is certainly a longer term weakness for the US, in the shorter and medium term what is crucial is not the size of one's debt or surplus reserves but the currencies in which these are denominated and held. China's reserves are placed in US Treasury Bills giving much lower interest rates than for foreign debt borrowings. The Euro, Yen and above all the Dollar are and will remain for some considerable time the world currencies and it is the US that more than any other country continues to exercise predominant influence on international currency and interest rates, as well as being able to avoid paying the price for its persistent balance of payments deficits.

It can still be said with a degree of accuracy that of the Southern powers only China can hope to become a major economic rival to the US. But it is no match on the military or cultural front. To exercise hegemony or leadership one must be able to combine the ability to use force with the ability to elicit consent. The latter depends on being to some degree a pole of attraction, of having the kind of society and values that, deservedly or otherwise, other countries and peoples nonetheless would like to imitate. How many states and their ruling and middle classes in the world want to become more and more like Russia, China or India rather than like the US? The EU by its very nature cannot be the single unified aspirational model.

THE WAY AHEAD

More than a 150 years ago, writing in *The Communist Manifesto* Marx anticipated today's reality. He was really the first theorist of globalisation and recognised the deeply contradictory character of the process of capitalist expansion which simultaneously creates wealth with poverty, prosperity with misery, progress with despoliation. This is why he called upon the workers of the world to unite since they had nothing to lose but their chains. Today's call is one given by global elites – “Upper classes and upper-middle-classes of the world unite, you have nothing to lose but your privileges!” The struggle for a much more humane and ecologically sustainable world order cannot then opt out of the quest to go beyond today's capitalist globalisation whose principal political ballast remains US power exercised in conjunction with others. This being the case, any project for moving towards a saner world order must seek to greatly diminish this American power.

Given this necessity what are the weak spots in the global system that progressives can identify and work upon? First, there should be no illusions that emerging powers of the South *behaving as they currently do* can provide the desired sources of resistance. BRICS, IBSA, BASIC are groupings that aim to create more favoured positions for their member countries in the existing (and for them more important) institutions of global governance such as the WB/IMF/WTO and the UNSC. Nevertheless, should the authority of the US be seriously weakened, this would create conditions in which Southern powers would see much greater virtue in cooperating more with each other and in exploring alternative economic arrangements of a more progressive kind.

Currently, the region where resistance to neoliberal forms of development is not only greater but where the search for development alternatives has at least been initiated, howsoever tentatively and uncertainly, is Latin America. It is here too that the US-led effort to set up the FTAA (Free Trade Area of the Americas) was decisively defeated and where the efforts to build forms of regional integration that spread benefits more equally between and within member nations have gone further than elsewhere.

For all the problems and uncertainties faced by ALBA (Bolivarian Alliance for the Americas), Banco de Sur (Bank of the South), CELAC (Community of Latin American and Caribbean States), Mercosur, Telesur, UNASUR (Union of South American Nations), they do represent a more progressive orientation compared to the Northern-dominated neoliberal institutions of global and regional governance. While the bloc of Cuba, Venezuela, Bolivia and Ecuador needs to be strengthened in its radical thrust, the importance of Brazil taking a similar stance will be particularly important given its continental role.

This is why here, as elsewhere, there is no escape from the necessity of national level struggles to replace current elite-serving regimes pursuing either disciplinary or compensatory neoliberalism with genuinely more progressive regimes rejecting the neoliberal path in *toto*.

For Asia, two initiatives of real value which can help change geo-political and geo-economic relations need to be pursued. Initial steps were taken in the past only to be subsequently and quickly stymied. Yet they are both of such obvious value to all concerned including existing governments that the main obstacle is the absence of political will in the relevant Asian capitals. First, even as we need to pursue the promotion of renewable energy sources over the next several decades, there will nonetheless continue to be reliance on oil and gas. Here the proposal of building an Asian Collective Energy Security Grid with oil and gas pipelines running horizontally across Asia from Iran via Central Asia across Russia and Siberia to the eastern coast of China and vertically downwards to the countries of South and Southeast Asia is an idea whose time has come. The existing East Siberian-Pacific Ocean pipeline system for exporting Russian crude to China, Japan and Korea could easily be incorporated into such an overarching infrastructure. Not only would such a network be beneficial cost-wise to both producers and consumers, it would necessarily transform the geopolitics of the region and change relations with an oil and gas hungry Europe and Japan. It would deny the US the leverage it enjoys currently over India, Southeast Asian countries, China, Japan and even Europe by its control over the Middle East (and its efforts to do the same in Central Asia) and over the key sea routes for tanker transportation. As for land routes, the US currently wants to help construct and control oil and gas pipelines from Central Asia that will bypass Iran and Russia via Afghanistan, Pakistan and Turkey and run to ports in allied countries. The former Petroleum Minister of India, Mani Shankar Aiyar in November 2005 set up a ministerial round table conference to discuss these proposals with representatives from the key Northern and Central Asian producers including Russia, and representatives from key Asian consuming countries including China and Japan. This visionary effort was subsequently derailed when Aiyar was pushed out of the Petroleum ministry and relegated to a more junior Cabinet post by the top Congress leadership to the delight of the US since Aiyar was also the foremost critic of both the Indian economic shift towards neoliberal policies and its foreign policy shift towards the US.

Second, the time has also come to push for an Asian Monetary Fund, run much more democratically by its member governments to replace the role of the dollar and current neoliberal institutions like the IMF and WB. Such a body could become a regional clearing house with its own regional currency (in addition to existing national currencies), whose purpose would be to smooth out trade imbalances that would ensure that there are no permanent debtor and creditor nations. This would create a more powerful foundation for permanent cooperation among Asian countries that would also be greatly conducive to resolving conflicts and tensions of a more political-territorial kind. Once again, this was an earlier proposal, this time put forward by Japan during the height of the Asian crisis of 1997. Subsequent impulses in the same direction have not taken off primarily, because of a reluctance of Japan and other US allies to break away from the WB/IMF nexus and its control by the US Treasury.

Politics commands economics. The neoliberal path emerged because of prior shifts in the social relationship of forces between capital and labour in the North. The rise in the power and numbers of Southern elites eventually led to the abandoning of the 'developmental state' where it existed as in East Asia, and as a project-in-the-making as elsewhere in Asia, Africa and Latin America. The collapse of the Soviet bloc added its own impetus to this ideological shift in state policy. Those who would condemn neoliberal globalisation must also condemn the informal Empire Project of the US that underlies it. If Latin America is where neoliberalism has been more successfully challenged it is also because the US has been bogged down in West Asia and North Africa (WANA). This region remains the great political weak spot of its Empire Project.

More than ever, it behoves progressives everywhere to engage in struggles of solidarity with the oppressed masses in this region both against already hated ruling elites and against their principal backer, the US and its allies. In this regard the US can be *politically* defeated (though not militarily) with major geo-economic and geo-political ramifications that would create new opportunities and much brighter

prospects for successfully carrying out progressive changes worldwide. Here the key issues demanding global solidarity efforts are a) against the illegal occupations of Afghanistan, Iraq and Palestine and against installing puppet regimes and leaderships serving imperial interests; b) against the attempt to isolate Iran for developing a nuclear bomb making capacity when the main perspective should be the establishment of a Middle East Weapons of Mass Destruction Free Zone (MEWMDZFZ) that includes Israel; c) justice for the Kurdish people; d) an end to anti-democratic monarchical, theocratic and de facto military rule in the region.

I am greatly indebted to P K Sundaram for his invaluable help in preparing the accompanying graphs and tables
 – Achin Vanaik

Chart 1. Population, GDP and HDI for BRICs, Japan, US and UK









| | Population (2013 estimates) | GDP PPP (2012, million intl dollars) | GDP US\$ (2012) | GDP Per Capita US\$ | GDP Per Capita PPP | HDI Rank New 2013 Estimates for 2012 |
|--|--------------------------------------|--|--------------------|------------------------------|-----------------------------|---|
|  Brazil | 200 million | 2,365,779 | 2,252,664,120,777 | 11,340 | 11,909 | 85 |
|  Russia | 143 million | 3,380,071 | 2,014,774,938,342 | 14,037 | 23,501 | 55 |
|  India | 1.28 billion | 4,793,414 | 1,841,717,371,770 | 1,489 | 3,876 | 136 |
|  China | 1.36 billion | 12,470,982 | 8,227,102,629,831 | 6,091 | 10,587 | 101 |
|  South Africa | 51 million | 585,625 | 384,312,674,446 | 7,508 | 11,440 | 121 |
|  United States | 319 million | 15,684,800 | 15,684,800,000,000 | 49,965 | 49,965 | 3 |
|  United Kingdom | 63.2 million | 2,264,751 | 2,435,173,775,671 | 38,514 | 36,901 | 26 |
|  Japan | 126 million | 4,490,68 | 5,959,718,262,199 | 46,720 | 35,178 | 10 |
| Source: | Wolfram Alpha knowledgebase, 2013 | World Bank | World Bank | World Bank | World Bank | HDI Report |

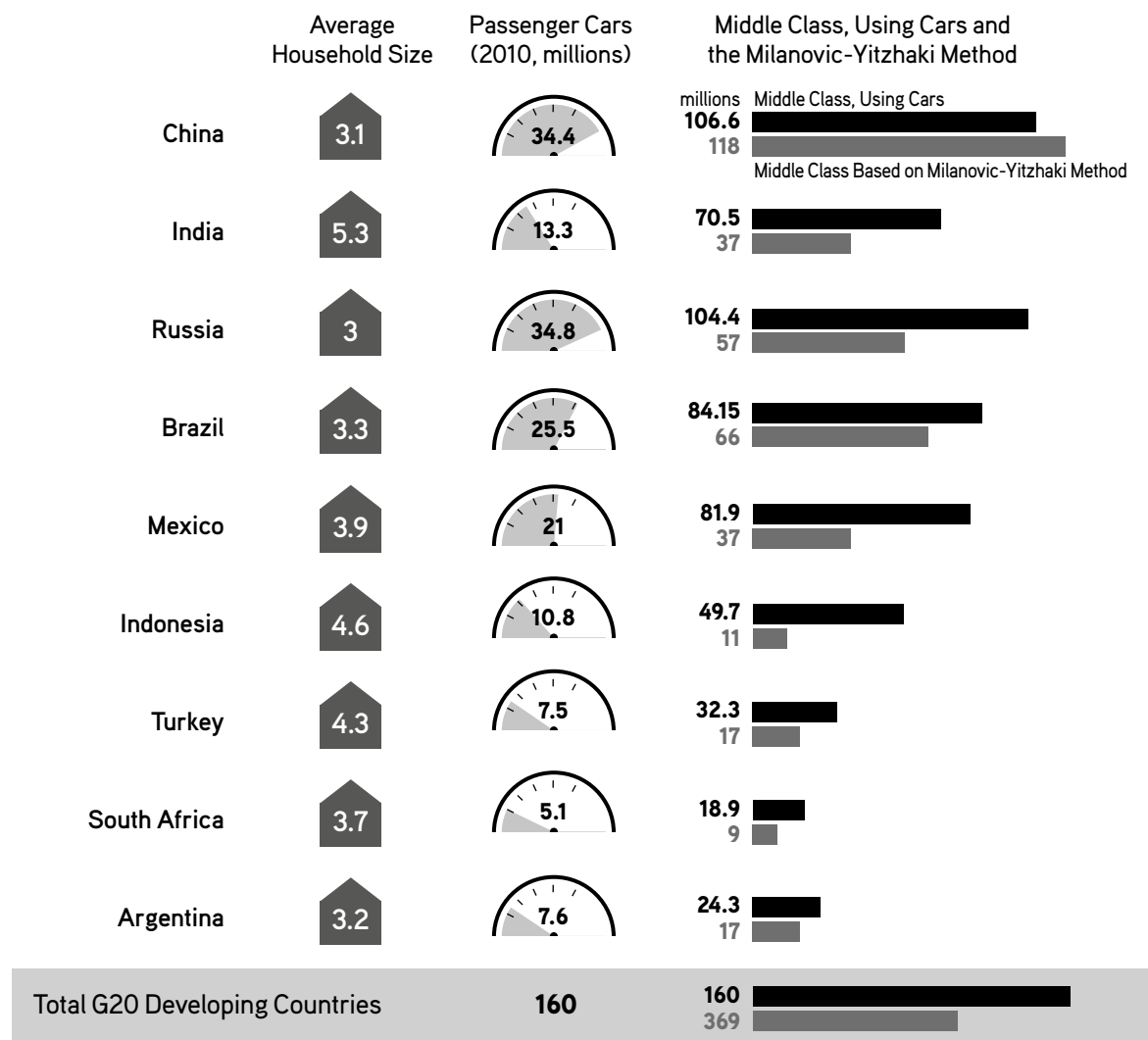
Table 1. GDP growth for BRICS and Industrialised Economies

Annual percentage growth rate of GDP based on constant 2005 US dollars- years of the Great Recession

| Country | In percentage | | | | | |
|--------------|---------------|------|------|------|------|----------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 5-year average |
| Brazil | 5.2 | -0.3 | 7.5 | 2.7 | 0.9 | 3.2 |
| China | 9.6 | 9.2 | 10.4 | 9.3 | 7.8 | 9.30 |
| India | 3.9 | 8.5 | 10.5 | 6.3 | 3.2 | 6.5 |
| Japan | -1.0 | -5.5 | 4.7 | -0.6 | 1.9 | 0.06 |
| Germany | 1.1 | -5.1 | 4.2 | 3.0 | 0.7 | 0.8 |
| Russia | 5.2 | -7.8 | 4.5 | 4.3 | 3.4 | 1.9 |
| South Africa | 3.6 | -1.5 | 3.1 | 3.5 | 2.5 | 2.2 |
| UK | -1.0 | -4.0 | 1.8 | 1.0 | 0.3 | -0.4 |
| US | -0.4 | -3.1 | 2.4 | 1.8 | 2.2 | 0.6 |

Source: World Bank <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/countries/BR-US-IN-CN-ZA-US-GB?display=default>
Average column compiled by the author

Table 2. Size of the Middle Class, shown by Income and Car-use



Source: Milanovic-Yitzhaki method identifies middle-class as earning between (in PPP) \$10-\$50 per day as of 2009. Dadush/Ali measures in terms of car users. U.Dadu and S.Ali (2012): In search of the global middle class, Carnegie Papers. http://carnegieendowment.org/files/middle_class.pdf

Table 3. Number of Billionaires and Millionaires 2012/2013

| | \$ Billionaires Source: Forbes List 2013 | \$ Millionaires (2012) Source: Boston Consulting Group Global Wealth Report |
|---|---|---|
|  Brazil | 37 (2012) | 165,000 2012 World Wealth Report by Capgemini SA and RBC Wealth Management. |
|  Russia | 110 (2013) | 1,80,000 |
|  India | 55 (2013) | 1,68,000 |
|  China | 122 (2013) | 1,304,000 |
|  South Africa | 4 (2012) | 47,491 Credit Suisse Research Institute |
|  United States | 442 (2013) | 5,876,000 |
|  United Kingdom | 37 (2013) | 509,000 |
|  Japan | 22 (2013) | 1,460,000 |

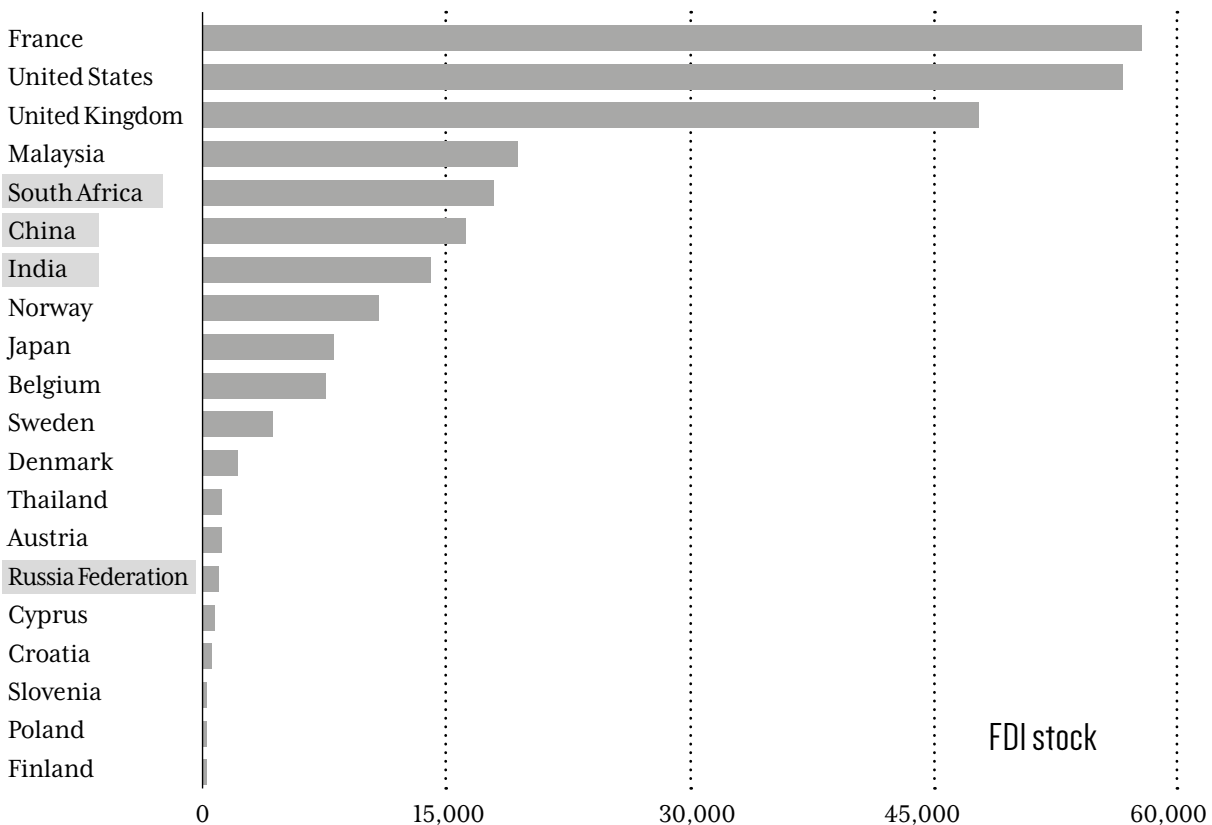
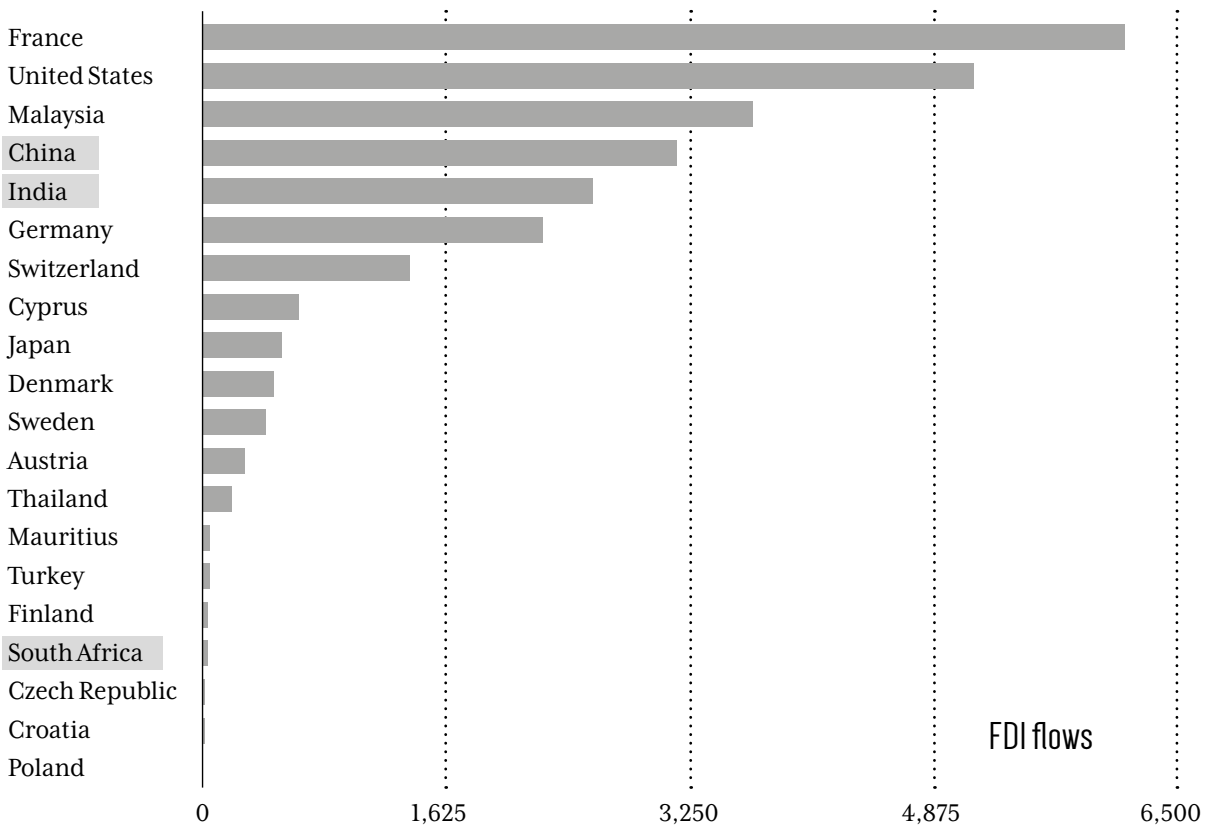
Table 4. BRICS Land Grabs in Africa, as of 2010

| Country and Total Land | Total Land and Regional Area | Target Countries |
|------------------------------|--|---|
| Brazil 28,000 ha | Eastern Africa: 28,000 ha | Mozambique, Ethiopia |
| India 1,924,509 ha | Central Africa: 15,000 ha Eastern Africa: 1,761,800 ha Northern Africa: 8,020 ha South East Asia: 139,689 ha | Cambodia, Indonesia, Lao, Philippines, India, Cameroon, Ethiopia, Madagascar, Mozambique, Sudan |
| China 1,140,683 ha | Central Africa: 10,000 ha Eastern Africa: 126,171 ha South America: 348,972 ha South East Asia: 628,139 ha Western Africa: 26,000 ha | Cambodia, China, Sudan, Lao, Philippines, India, Bolivia, Peru, Argentina, Benin, Cameroon, Ethiopia, Mali, Democratic Republic of Congo, Uganda, Zimbabwe |
| South Africa 1,416,411 ha | Central Africa: 340,000 ha Eastern Africa: 367,174 ha South America: 55,794 ha Western Africa: 650,000 ha | Colombia, Angola, Benin, Cameroon, Ethiopia, Democratic Republic of Congo, Mozambique, Madagascar |

Source: This data does not take into consideration Brazil's takeover of more land through the recently concluded trilateral agreement between Brazil, Japan and Mozambique for 14 million hectares project of agricultural development signed in December 2012 <http://ccs.ukzn.ac.za/files/Bond%20CCS%20Brics%20booklet%2022%20March%202013.pdf>

Graph 1 and 2. Top 20 Investors in Africa 2011

Four of the BRICS countries – S. Africa, India, China and Russia – have grown to rank among the top investing countries in Africa on FDI stock and flows.



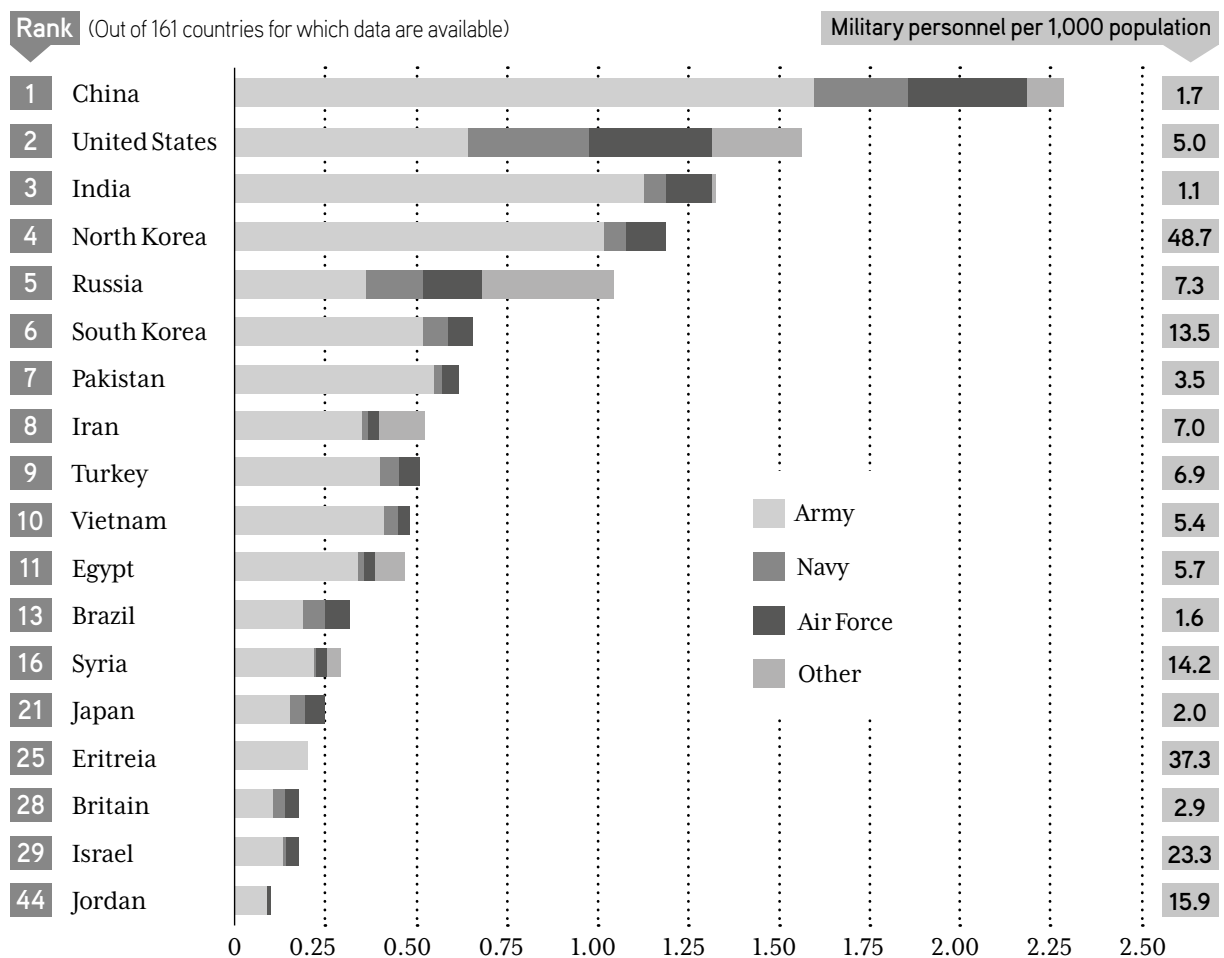
Source: UNCTAD, FDI/TNC database. Note: Data shown are only for those countries reporting outward FDI to Africa in 2011. http://unctad.org/en/PublicationsLibrary/webdiaeia2013d6_en.pdf

Table 5. Young Population in BRICS, US, UK and Japan

| 10-24 age, in millions | Young population in 2013 | % of population | Young population in 2050 | % of population |
|------------------------|--------------------------|-----------------|--------------------------|-----------------|
| Brazil | 50.7 | 25 | 35.5 | 16 |
| Russia | 23.5 | 16 | 20.3 | 16 |
| India | 362.0 | 28 | 340.9 | 20 |
| China | 299.1 | 22 | 183.9 | 14 |
| South Africa | 14.9 | 29 | 12.9 | 23 |
| United States | 63.8 | 20 | 75.3 | 19 |
| United Kingdom | 11.6 | 18 | 12.5 | 17 |
| Japan | 17.9 | 14 | 14.7 | 14 |

Source: The World's Youth 2013 Data Sheet, compiled by P K Sundaram, New Delhi

Graph 3. Global Active Military Personnel Ranking 2010, in millions



Sources: International Institute for Strategic Studies; UN; *The Economist*

Table 6. Military Expenditure by BRICS, US, UK and Japan

| Military Expenditure | 2012 Constant US\$ (millions) | % of GDP |
|----------------------|-------------------------------|----------|
| Brazil | 36751 | 1.5 |
| India | 49353 | 2.5 |
| Russia | [90646] | 4.4 |
| China | [157603] | 2 |
| South Africa | 4848 | 1.1 |
| United States | 668841 | 4.4 |
| United Kingdom | 60218 | 2.5 |
| Japan | 59246 | 1 |

Source: SIPRI Database

Table 7. Military Strength of BRICS, US, UK and Japan

| Military Strength | Total Military | Paramilitary | Police (source: wikipedia) | Police (per 100 thousand population) |
|-------------------|----------------|--------------|----------------------------|--------------------------------------|
| Brazil | 2,062,710 | 395,000 | 478,00(2001) | 282 |
| Russia | 3,524,000 | 449,000 | 782,001 (2013) | 546 |
| India | 4,768,407 | 1,300,586 | 1,585,117 (2013) | 130 |
| China | 1,964,000 | 17,000 | 1,600,000 (2007) | 120 |
| South Africa | 89,535 | 12,382 | 156,489 (2012) | 317 |
| United States | 2,291,910 | 11,035 | 794,300 (2010) | 256 |
| United Kingdom | 410,180 | 0 | 167,318 (2009) | 307 |
| Japan | 284,350 | 12,250 | 251,939 (2006) | 197 |

Source: Military Balance, ISIS, 2010

Table 8. Military Hardware of BRICS, US, UK and Japan

| Military Hardware | Navy | | | Airforce | |
|-------------------|-------|-----------|------------------|----------|-------------|
| | Total | Submarine | Aircraft Carrier | Total | Helicopters |
| Brazil | 106 | 5 | 1 | 822 | 254 |
| Russia | 224 | 58 | 1 | 4498 | 1635 |
| India | 170 | 15 | 1 | 1962 | 620 |
| China | 972 | 63 | 1 | 5048 | 901 |
| South Africa | 24 | 3 | 0 | 235 | 91 |
| United States | 290 | 71 | 10 | 15293 | 6665 |
| United Kingdom | 77 | 10 | 1 | 1412 | 367 |
| Japan | 138 | 16 | 0 | 1252 | 258 |

Source: Global Fire Power (2012): <http://www.globalfirepower.com>

Table 9. Military Expenditure of BRICS, US, UK and Japan 2008-2012

| | Variable | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------|----------------|----------|----------|----------|----------|----------|
| India | Constant USD | 42305 | 50041 | 50553 | 50653 | 49353 |
| | % Share of GDP | 2.6 | 2.9 | 2.7 | 2.6 | 2.5 |
| Russia | Constant USD | [67986] | [71566] | [72918] | [78330] | [90646] |
| | % Share of GDP | [3.7] | [4.6] | [4.3] | [4.1] | [4.4] |
| China | Constant USD | [106774] | [128869] | [136467] | [146154] | [157603] |
| | % Share of GDP | [2] | [2.2] | [2.1] | [2] | [2] |
| South Africa | Constant USD | 4502 | 4665 | 4482 | 4648 | 4848 |
| | % Share of GDP | 1.2 | 1.3 | 1.2 | 1.1 | 1.1 |
| United States | Constant USD | 649010 | 701087 | 720386 | 711402 | 668841 |
| | % Share of GDP | 4.3 | 4.8 | 4.8 | 4.7 | 4.4 |
| Japan | Constant USD | 59345 | 59534 | 58895 | 59530 | 59246 |
| | % Share of GDP | 0.96 | 1 | 0.98 | 1 | 1 |
| United Kingdom | Constant USD | 63609 | 64642 | 63461 | 60961 | 60218 |
| | % Share of GDP | 2.5 | 2.7 | 2.6 | 2.5 | 2.5 |
| Brazil | Constant USD | 31488 | 34334 | 38127 | 36932 | 36751 |
| | % Share of GDP | 1.5 | 1.6 | 1.6 | 1.5 | 1.5 |

Source: <http://portal.sipri.org/publications/pages/expenditures/country-search>

Table 10. Nuclear Weapons Arsenals

| Nuclear Weapons | | Delivery Systems | | |
|-----------------|----------|--|---|--|
| | Warheads | Land | Air | Sea |
| US | 7,700 | 449 LGM-30G Minuteman III nuclear-tipped intercontinental ballistic missiles (ICBM) | | 239 UGM-133A Trident II D-F submarine launched ballistic missiles (SLBM) Ohio-class nuclear-powered ballistic missile submarines (SSBN) |
| UK | 225 | | | Trident II (D-5) sea-launched ballistic missiles (SLBM) Vanguard-class submarines |
| Russia | 8,500 | RS-24 Yars road mobile ICBM | Kh-55 (NATO: AS-15 'Kent') | R-30 Bulava (NATO: SS-NX-30) |
| India | 90-110 | Prithvi I (range 150km); the Agni I (700km); and the Agni II (2,000km) Agni VI, an ICBM with a range of 8,000 to 10,000km | | K-15 (Sagarika) |
| China | 250 | mobile missiles, such as the DF-11, DF-15, and DF-21, and the new DF-31 ICBM | | JL-2 submarine-launched ballistic missiles (SLBM) |
| France | 290 | | 20 Rafale F3 land-based aircraft, 20 Mirage 2000N bombers, 10 Rafale MF3 carrier-based aircraft | four nuclear-powered ballistic missile submarines (SSBN) |

Source: Nuclear Threat Initiative <http://www.nti.org/country-profiles>

Table 11. Fortune Global 500 by revenue in US\$ 2013

| Country | Top 5 companies | Rank in Global 500 |
|--------------|--|--------------------|
| Brazil | Petrobras (oil) | 25 |
| | Banco de Brazil (finance) | 116 |
| | Banco Bradesco (finance) | 168 |
| | Vale (mining) | 210 |
| | JBS (meat) | 275 |
| Russia | Gazprom (oil and gas) | 21 |
| | Lukoil (oil) | 46 |
| | Rosneft (oil and gas) | 99 |
| | Sberbank (finance) | 228 |
| | Sistema (oil to telecoms) | 308 |
| India | Indian Oil (oil and gas) | 88 |
| | Reliance Industries (oil telecoms to retail) | 107 |
| | Bharat Petroleum (oil and gas) | 229 |
| | Hindustan Petroleum (oil and gas) | 260 |
| | State Bank of India (finance) | 298 |
| South Africa | n/a | |
| US | Walmart Stores (retail) | 2 |
| | Exxon Mobiles (oil and gas) | 3 |
| | Chevron (oil and gas) | 11 |
| | Phillips66 (petrochemicals and gas) | 16 |
| | Berkshire Hathaway (finance and holding) | 18 |
| UK | BP (oil and gas) | 6 |
| | HSBC Holdings (finance) | 60 |
| | Tesco (retail) | 63 |
| | Prudential (finance) | 84 |
| | Lloyds Banking Group (finance) | 85 |
| Japan | Toyota (motor) | 8 |
| | Japan Post Holdings (communication and finance) | 13 |
| | Nippon Telegraph and Telephone (telecom) | 32 |
| | JX Holdings (petroleum and metals) | 44 |
| | Honda (motor) | 45 |
| Germany | Volkswagen (motor) | 9 |
| | E.ON (power and gas) | 15 |
| | Daimler (motor) | 23 |
| | Allianz (finance) | 31 |
| | Siemens (electronics and electrical engineering) | 53 |

Source: http://money.cnn.com/magazines/fortune/global500/2013/full_list/

Table 12. Net International Investment Position 2012

The difference between the valuation of all assets abroad as compared to those held within by others in US dollars.

| Country | Net Position in Dollars (+ or -) |
|--------------|----------------------------------|
| Brazil | -\$727448.0 millions |
| Russia | +\$132924.0 millions |
| India | -\$280492.8 millions |
| China | +\$1736424.6 millions |
| South Africa | -\$24750.2 millions (2011) |
| US | -\$3863 895.1 millions |
| UK | -\$223451.1 millions |
| Japan | +\$3423624.7 millions |
| Germany | +\$1460852.9 millions |

Source: <http://imfstext.imf.org/WBOS-query/Index.aspx?QueryId=6325>

The economic rise of China, India, Brazil and others has been met by most analysts in the North with a mixture of breathless excitement or fear. But what does the rise of these nations mean for local and international social movements committed to economic, social and environmental justice?

Does the emergence of a multipolar global order open up policy space for alternative economic visions and pose a necessary challenge to a US and Northern-dominated global order? Or might it instead reinvigorate capitalism and exploitation by a new constellation of corporate elites? How should social movements respond in a way that embraces needed changes to the post-colonial status quo yet supports communities struggles against the impacts of land grabbing, environmental destruction and rising inequality, this time perpetuated by emerging economy governments?

Transnational Institute's (TNI) *Shifting Power Working Paper Series* seeks to help movements navigate our changing multipolar world as well as provide an invaluable source of alternative analysis for students, analysts and journalists.

Published by Transnational Institute

T

The **Transnational Institute** was founded in 1974. It is an international network of activist-scholars committed to critical analyses of the global problems of today and tomorrow.

N

TNI seeks to provide intellectual support to those movements concerned to steer the world in a democratic, equitable and environmentally sustainable direction.

I

www.tni.org



This series is also supported by **Focus on the Global South**, an activist think tank based in Asia providing analysis and building alternatives for just social, economic and political change.

www.focusweb.org