The BRICS and Economic Corridors:

Geoeconomic Convergences and Divergences

Strategic Navigation through Economic Corridors Intersecting Geoeconomics and Geopolitics Ed. Kashif Hasan Khan 2025

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This chapter will analyse the convergence and divergence of the BRICS regarding the construction of economic corridors and global economic governance. It will show how their social structure, their technological development, and their long-term role in the international division of labour constrain their capacity to build effective economic corridors and to form coalitions in order to change the status quo in global economic governance.

1. From the Emergence of the Washington Consensus to the Multipolar Building of Competing Economic Corridors

1.1. 1973-1997: The Weakening of the Developing World, the Rise of Neoliberal Dominance, and the Building of the So-called Washington Consensus

1989-1998 was a period that constituted the zenith of neoliberal policies in the 20th century and of US global political and economic hegemony. At that time, a competing alternative economic system to capitalism was collapsing. The USSR economy, already weakened by the Stalinist purges and the horrendous costs of the Nazi invasion, had been dragged since the late 1940s into a costly arms race against the US and its allies. During the four decades of the Cold War, the USSR had been prevented from accessing the most advanced Western technology. The Soviet economy had also been riddled with domestic economic problems generated by a parasitic repressive bureaucracy created in the Stalinist period, the nomenklatura, which stifled innovation and managerial initiative and created structural imbalances in the central planning system, leading to economic inefficiency (Ellman 2014, Gregory 1990). By the mid-1980s, the new technological developments in the ICT and aerospace sectors in the US economy that were embodied in the "Strategic Defense Initiative" a.k.a. "Star Wars," launched by the Reagan administration, could not be matched by a stagnating Soviet economy, technologically isolated and further weakened by rising debt and falling commodity prices that seriously eroded its export revenues (Berend 2009). After an attempt to give up its geopolitical role as a superpower to focus on restructuring the domestic economy under the Soviet Gorbatchev administration, the economic contradictions and the conflicts between conservative and reformist bureaucratic elites led to the disintegration of the USSR in 1991(Meier 2014, Berend 2009).

In parallel, nationalist economic policies pursued by numerous developing economies were also seriously challenged by the debt crisis that affected most of these countries in the 1980s and 1990s. Since WWII and the independence of Asian and African economies, the majority of developing economies, particularly the largest ones (notably Brazil, Mexico, Argentina, apartheid

South Africa, India, Turkey, Egypt, Algeria, Yugoslavia), had engaged in import substitution industrialization (ISI) programs to build a domestic industry and start a technological catch-up with the most developed Western economies (Adda 2012). Protectionist and interventionist industrial and trade policies in these developing countries pursued the Listian strategy of protecting and nurturing their domestic infant industry, which included high tariffs, expropriations of multinational enterprises (MNEs), the creation of state-owned enterprises (SOEs), and subsidies to national industrial champions (Defraigne 2016). These ISI strategies became increasingly ambitious and costly in the 1970s as developing economies could access cheap credit provided by Western banks that faced a liquidity glut in their developed economies after the slowdown of the OECD economies in the early 1970s and the emergence of petrodollars after the sharp increase in oil prices imposed by OPEC in 1973-1974. Lacking a sufficient national industrial technological base, developing economies had to import machine tools or turnkey factories from developed economies to build their domestic industrial base (Defraigne 2016, Adda 2012, Kolko 1988).

Fearing the emergence of new international competitors and recycling second-hand machine tools to maximize their profits, MNEs from the developed economies most often provided developing economies with obsolete technology. This prevented most firms from the developing world from exporting manufactured products and competing in the markets of developed economies. The developing world's infant industries had to rely on their highly protected domestic market to survive but often lacked the necessary economies of scale to be internationally competitive. This meant that most developing economies had to pay back the loans generated by ISI and other development programs with export revenues from agriculture, raw materials, and energy (Oman 1994).

However, these structural weaknesses of many ISI programs were masked throughout the 1970s by the fact that developing countries had good access to cheap credit and benefited from rising global commodity prices. Emboldened by this favourable conjuncture, developing countries began to challenge the institutional structure of global economic governance designed by the US after WWII. In 1974, a group of developing countries questioned the existing global economic governance, declaring that it "was established at a time when most of the developing countries did not even exist as independent states and which perpetuates inequality" and demanded a new economic order, discussed at the UN as a shift to a "new international economic order." Most developing countries organized themselves around the Group of 77 to promote a global South rhetoric (Kolko 1988, Adda 2012). Furthermore, OPEC's capacity to impose, with the tacit backing of Western oil companies, a brutal rise in oil prices gave the illusion to some developing governments that they could build cartels of various commodities to improve their terms of trade with industrialized nations. Contemporary commentators talked about "commodity powers," underestimating the difficulty of replicating cartels of commodities that did not share the high concentration of oil production and distribution. By the mid-1970s, the developing world seemed to be able to improve their bargaining power in global economic governance and promote a model with more state interventionism to speed up the catch-up with the most industrialized economies (Vandermotten & Marissal 2003).

The drastic change in US monetary policy generated by the Volcker shock in 1979-1981 simultaneously caused a rise in international real interest rates and a recession that led to a fall in global commodity prices. These factors provoked an unmanageable explosion of indebtedness that led to a flurry of defaults among developing economies in Latin America, Africa, Asia, and Eastern Europe in the early 1980s (Kolko 1988). Most of these countries had to rely on the IMF as a lender of last resort to access the necessary credits to finance the indispensable imports and the public spending required to avoid a dramatic sudden stop of the domestic economy and the state. The Washington-based IMF and World Bank were mainly controlled by the governments of the US and Western Europe, who enjoyed a veto right in its decision process. Most of their economists were influenced by the neoliberal shift in the economic paradigm that was taking place in the Western developed economies, with the emergence of Monetarist, Hayekian, and New Classical theories focusing on the need to reduce state intervention in the economy (Harvey 2005). They imposed structural adjustment programs that contained provisions to open the economy to trade and FDI and to privatize SOEs in order for these countries to regain creditworthiness and bring back investors. ISI programs were cancelled or scaled down, and numerous countries lost most of their national industrial champions, often replaced by Western or Japanese MNEs. By the end of the 1980s, the economies of most developing countries had considerably increased their degree of openness to Western trade and investors, who increasingly used the local cheap labor in the restructuring of their value chains to minimize production costs.

During these two decades of debt, the US, the EU, and Japan, which enjoyed a position of creditors vis-à-vis the developing countries and therefore a stronger bargaining position than in the 1970s, managed to impose a substantial part of their agenda in the Uruguay Round of the GATT. Under the lobbying pressure of their MNEs, Western governments managed to negotiate stronger multilateral IPR enforcement (with the TRIPs); FDI regulations that increased the freedom of MNEs vis-à-vis hosting states (the TRIMs); and service liberalization (GATS). A new institution, the WTO, was created to monitor the enforcement and dispute settlement of multilateral trade rules (Narlikar 2005).

By the late 1980s, the global economic slowdown between 1973 and 1984, the debt crisis, and the increasing difficulties of the USSR and its satellite states imposed a convergence toward neoliberal economic policies by most governments across the globe. By 1989, neoliberal economic paradigms were so dominant that some Western analysts believed they were becoming a permanent feature of the world economy. World Bank economist John Williamson coined the term "Washington Consensus" to illustrate the acceptance of WB and IMF policies by the developing world (Stiglitz 2008). After the collapse of the USSR, Fukuyama was claiming the end of history as economic and political liberalism had gained considerable ground in one decade (Fukuyama 1989). At the time of the Gulf War in 1991, in which the US led a UN-backed coalition to force Iraqi troops out of Kuwait, the cover of The Economist pictured the US as a "Globo Cop," describing global governance monitored by a single superpower (Defraigne 2013).

1.2. 1998-2009: The Contestation of the Washington Consensus, the Shift of Power in the Global Economy, and the Rise of a Multipolar World

Paradoxically, the triumph of the Washington Consensus was short-lived as the mitigated results of these neoliberal policies of the 1980s and 1990s started to undermine the ideological legitimacy of the US as the benevolent guardian of multilateralism. Some unintended economic consequences of these neoliberal policies were to erode the dominant economic position of the US in the next two decades of the 2000s and 2010s. The opening of the developing world economies imposed by the SAP and the debt crisis created new opportunities for MNEs to restructure their global value chains in the 1990s and 2000s. It provoked exceptionally high growth in the emerging economies of Asia that accelerated their industrialization and technological upgrading, thereby shifting the balance of power in the global economy toward the Asian continent and evolving toward an increasingly multipolar world.

By the end of the 1990s, the Washington Consensus was questioned by a series of recurrent financial crises that affected emerging economies: the 1994 Tequila Crisis that affected Mexico and other Latin American economies, the 1997 East Asia Crisis, the GKO Russian crisis followed by the speculative attack on Brazil's Real in 1998, the second Argentine crisis, and the Turkish financial crisis in 2000 (Adda 2012, Stiglitz 2008, Harvey 2005, Chang 2007). This round of crises highlighted the risks of financial liberalization that had been advised by the IMF and Western governments. The role of the US Treasury and the IMF in the resolution of the East Asian Crisis was perceived by many Asian governments as instrumental in opening further East Asian economies to Western business. Asian commentators coined the term “Wall Street-(US) Treasury-IMF Complex.” The reputation of the IMF was further scorned when it became known that it was aware that Russian President Yeltsin’s entourage was embezzling its funds and tolerating corruption if their government would follow their liberalization agenda (Higgott 2000, Dieter 2006). Entire regions that followed a fast economic liberalization and deregulation agenda advised by the IMF and Western economic advisers, such as Latin America, Sub-Saharan Africa, or Russia, had disappointing and sometimes catastrophic outcomes.

By the early 2000s, the bargaining position of developing economies had considerably improved. Some developing countries that had been able to attract efficiency-seeking FDI and to insert themselves into MNEs’ global value chains by hosting export platforms of manufactured goods and services had significantly strengthened the manufacturing sector and diversified their export structure. This was notably the case of numerous Pacific Asian, Eastern European, and Central American economies. These economies, especially in East Asia, experienced dramatic growth and significantly increased their share in the world economy. Other developing countries that did not benefit as much from this phenomenon, such as Latin America, Africa, the Middle East, and Central Asia, still benefited from a much more favourable conjuncture as commodity prices were back on the rise in the 2000s and as international interest rates, notably the LIBOR, decreased in the same period. This enabled numerous developing countries to accumulate rising export revenues and hard currency stocks, thereby reducing their dependency on the IMF and other Western creditors. These transformations enabled some developing economies to contest the Washington Consensus by stressing the need to keep a degree of economic sovereignty and to protect the domestic infant industry in strategic sectors (energy, telecom, finance, ICT, defence, steel) as a necessary step to catch up economically with the most developed economies.

It is in this context that economists began to increasingly use the term "emerging markets," and Goldman Sachs economist Jim O’Neill coined the term BRIC in 2001 in a famous article “Building Better Global Economic BRICs” (O’Neill 2001). This term was essentially coined to show Western investors new opportunities outside the mature Western markets. However, with the increasingly favorable economic bargaining position of the developing economies and the erosion of the legitimacy of the Washington Consensus, the Western government agenda in favor of deeper economic opening met stiffer resistance from emerging economies.

Furthermore, the war against global terrorism launched by the George W. Bush administration after 9/11 began to raise concern over a possible abuse by the US government of their geopolitical dominant position, especially after the invasion of Iraq in 2003. The governments of Russia, China, Brazil, and India questioned the motives of the invasion by the so-called “coalition of the willing,” as the evidence pointing to the existence of Weapons of Mass Destruction by Saddam Hussein’s regime and of a collusion with Al Qaeda was extremely limited and highly contested. Links between some members of the Bush administration and the oil industry, security services, and the military-industrial complex (e.g., Cheney and Halliburton, or Condoleezza Rice with Texaco Chevron) led some analysts to suggest that the Iraq invasion was a lobbies-driven blatant imperialist policy (Engdahl 2004).

The desire to contain US dominance in the global economic and geopolitical fields was at the root of the first informal meeting of the heads of government of the BRIC at the UN in 2006. Lula for Brazil, Putin for Russia, Singh for India, and Hu Jintao all headed governments that, while willing to embrace globalization and multilateralism, were keen to keep an important role for the state to protect and nurture key sectors of the economy from Western competition and takeovers. This clashed with the agenda of the US, the EU, and Japan regarding global economic governance.

1.3. 2003-2020 The rise of bilateralism and economic corridors as a result of the deadlock in the multilateral system and the erosion of US hegemony

As soon as the Uruguay Round was concluded, the most developed economies, led by the US, wanted to launch the first WTO round to extend multilateral rules on the protection of intellectual property rights and foreign direct investment, access to government procurement for WTO members, and trade facilitation measures to limit technical barriers to trade. This agenda was proposed at the WTO's first inter-ministerial conference in Singapore in 1996 and became known as the "Singapore issues". During successive WTO negotiations in Seattle in 1999, Doha in 2001 and Cancun in 2003, India and Brazil, later joined by China, resisted further liberalisation of trade, FDI and procurement in order to maintain control over some industrial policy instruments to protect and promote national champions in what they considered key industries for their national sovereignty and future economic and military development. By 2003, the US administration was frustrated by the lack of progress at the multilateral level (the WTO's Doha Development Agenda round), but also in its project to create a free trade area of the Americas (in particular by Brazil's stalling tactics) (Defraigne & Nouveau 2022).

Robert Zoellick, the US Trade Representative, announced that the US would move to "competitive liberalism" (a term coined by the US economist Bergstein), i.e. to conclude new-generation bilateral trade agreements (mostly free trade agreements, including some of the Singapore issues) using Article XXIV of the GATT (Zoellick 2003). This would strengthen the US negotiating position in multilateral trade negotiations and provide an alternative if those negotiations stalled. The EU and Japan also engaged in bilateral trade talks, and dozens of bilateral agreements were ratified by the end of the decade. An indirect aim was also to isolate the largest emerging economies that resisted the Singapore issues by imposing these standards on most of the smallest developing countries through bilateral agreements. This led to the creation of hub-and-spoke economic corridors between the US, EU and Japan and their privileged trading partners.

Some developing country governments accepted that their domestic economies would continue to play a subordinate role in the international division of labour, providing primary goods or hosting labour-intensive, low-value-added activities as part of the global value chains of multinational corporations. Their economic elites accepted the role of compradors by concentrating their investments in local services (real estate, local media, local tourism, local retailing and food), while leaving the high value-added and high-tech capital-intensive activities to MNEs from the most advanced economies. It was not difficult for these governments to accept the Singapore issues, as they did not aspire to move up the global value chain and catch up technologically with the most advanced economies. However, the political or economic elites of some emerging economies, who valued economic sovereignty and control over their own global value chains, resisted the strategies of the most advanced economies. This was particularly the case for most of the largest emerging economies (the BRIC but also to a lesser extent Turkey and Indonesia) that could have sufficient financial resources to pursue ambitious industrial and R&D policies.

In this configuration, the slowdown of the global economy that followed the financial crisis of 2008 had significant repercussions. Firstly, it called into question the capacity of Western governments to fulfil their role as leaders of global economic governance. This prompted emerging economies to pursue new initiatives with the objective of enhancing their bargaining position in relation to developed economies. In this context, the heads of government of the BRICS commenced regular formal meetings and were joined in 2010 by South Africa, which was invited to join by China in order to include an African country. The BRICS began to challenge the efficacy of the global monetary system and the decision-making process within the IMF, as well as the role of the dollar as the global currency (Aglietta, 2009). At the 4th BRICS summit held in Delhi in 2012, the BRICS decided to create a BRICS Development Bank (that was later relabelled New Development Bank) with a capital of $100 billions divided in a equal number of shares and votes between each member of the BRICS. US nobel prize Joe Stiglitz declared in 2014 that “it reflects a fundamental change in global economic and political power (...)[1] (Democracy Now 2024). The bank started to operate in 2016.

Secondly, the unsatisfactory outcomes of some IMF structural adjustment programmes (SAPs) and the global financial crisis of 2008 resulted in a considerable erosion of legitimacy and influence of neoliberal economic theories in both emerging and advanced economies. Those economists who had previously criticised the Washington Consensus or praised a greater role for state interventionism in the economy, such as the Korean Ha-joon Chang, the Indian Raghuram Rajan, the Turk Dani Rodrik, found themselves gaining greater influence and recognition. Even those mainstream, renowned analysts who had previously supported neoliberal economic models, such as the FT columnist Martin Wolf or the Nobel Prize-winning economist Joe Stiglitz, began to voice harsher criticisms of these models (Wolf 2015, Stiglitz 2008).

Thirdly, the global financial crisis resulted in a period of economic downturn, characterised by a slowing of growth in developed economies and a continued expansion in emerging economies, particularly the BRIC countries, during the early 2010s. This gave rise to a perception of relative decline in the United States, Europe, and Japan, accompanied by a growing apprehension that the large emerging economies were posing a challenge to their long-standing dominance in the global economy. Analysts, predominantly based in the United States but also in Western Europe and Japan, began to advocate for more protectionist policies as a means of addressing deindustrialisation. They attributed the relocation of labour-intensive activities to emerging countries, particularly China, as the primary driver of unemployment in Western economies. As a consequence of the slower growth of their domestic markets, some of the political and economic elites began to consider the world economy as a zero-sum game. In order to restrict their trade deficit in relation to emerging economies, particularly those in East Asia, an increasing number of US and European economists and policy experts began to promote defensive industrial and trade policies characterised by a greater degree of state interventionism. This involved, for instance, an increase in the level of protectionist measures and the amount of subsidies provided to national enterprises.

In the context of the global economic crisis that began in 2008, the US administration implemented a series of protectionist policies, including the 'Buy American' initiative introduced by President Obama. Concurrently, it pursued a strategy of offensive trade policies with the objective of securing preferential market access for US businesses and containing the economic and geopolitical influence of the BRIC countries, particularly China. The United States government identified Pacific Asia as a region of primary importance, given China's rapid commercial expansion and ascendance as the most influential regional power, surpassing Japan in influence. These were the origins of Obama's pivot to Asia, which were elucidated in Hillary Clinton's article in Foreign Policy, entitled "American Pacific Century". "*Harnessing Asia's growth and dynamism is of central importance to the economic and strategic interests of the United*

[1] https://www.democracynow.org/2014/7/17/nobel_economist_joseph_stiglitz_hails_new

States, and a key priority for President Obama." The United States stands to gain considerably from the current state of open markets in Asia, with regard to investment, trade, and access to cutting-edge technology. The economic recovery of the United States will depend on exports and the ability of American firms to tap into the vast and growing consumer base of Asia. From a strategic perspective, maintaining peace and security across the Asia-Pacific region is becoming increasingly important for global progress. This can be achieved through a number of means, including defending freedom of navigation in the South China Sea, countering the proliferation efforts of North Korea, or ensuring transparency in the military activities of the region's key players (Clinton, 2011). The Obama administration sought to reinforce bilateral relations with its Asian allies. In 2012, it opted to participate in the negotiations for a Transpacific free trade agreement and to exert pressure on Japan to join and conclude the Trans-Pacific Partnership (TPP), which constituted the largest free trade area in the world. Additionally, it sought to prevent China and the other BRICS countries from participating in this agreement.

Additionally, in 2012, the Obama administration initiated negotiations with the EU to establish a transatlantic, next-generation free trade zone, designated the Transatlantic Trade and Investment Partnership (TTIP). Given the high degree of trade and investment openness already enjoyed by these two large economies, the TTIP is unlikely to have a significant impact on the domestic growth of the EU and the US. In essence, the objective of this novel free trade agreement was not merely to facilitate trade and investment flows between the EU and the US, but also to pave the way for a convergence in regulatory frameworks across the Atlantic. This would entail the adoption of uniform technical standards across a multitude of industries. This represented a further attempt to impose global technical standards through a bilateral agreement with the two largest economic blocs at that time (Defraigne & Nouveau 2022). This was explicitly outlined by the EU chief negotiator, Commissioner Karel de Gucht, who stated that "perhaps the greatest value of an agreement will be in our relations with the rest of the world." The question thus arises as to why. This is because the EU and the US are the world's largest markets and the most influential regulators. The adoption of a common approach would serve to enhance the influence of both parties. Furthermore, it may influence the development of regulations on a global scale, including in countries such as Brazil, India, China, and Russia, where current standards are typically considerably lower than those observed in the United States and the European Union (Carai et al. 2020). This prompted some commentators to suggest the possibility of a "West against the Rest" transatlantic strategy.

This trade diplomacy, developed by the United States (and the European Union and Japan), initially involved bilateralism with smaller economies, as exemplified by the US-Singapore FTA (2003), and subsequently, after 2010, the pursuit of comprehensive bilateral FTAs (TTIP and TPP). These initiatives were designed to circumvent the resistance of the BRICS countries to the adoption of the Western liberalisation agenda at the multilateral level and to isolate the BRICS (Defraigne & Nouveau 2022).

In this new environment, which is characterised by slower global growth, mounting protectionism and more assertive trade diplomacy by the most developed economies, the BRICS and large emerging economies adopted a variety of strategies. However, their economic heterogeneity and geopolitical differences meant that they were unable to develop a coherent policy apart from a rhetoric in favour of a multipolar world governance structure. This rhetoric also included criticism of the dominance of Western powers in global economic governance institutions.

2. The heterogeneity of the BRICS: divergence in respective strategies on economic corridors and their role in the global economy

2.1. China

2.1.1. China's insertion in the global capitalist economy and GVCs 1971-2008

In consequence of its unparalleled growth between 1980 and 2012, China's contribution to the global economy, at current market prices, increased from less than 3% in 1980 to almost 17% in 2024, thereby becoming the second largest economy in the world, while the US remained at approximately 25% during this period. Subsequent to 2008, China became the largest exporter and the largest manufacturer, surpassing the United States.

This exceptional performance was made possible by the radical geopolitical change initiated by the Nixon administration, which recognised the People's Republic of China in 1972. This enabled China to insert itself into the global capitalist economy by lifting its trade embargo and welcoming the PRC into the multilateral economic institutions, including the IMF, the WB and eventually the WTO. As the United States and China formed a tacit alliance against the Soviet Union and its allies (notably in Vietnam and Angola), it enabled China to receive numerous loans and grants from the World Bank, engage in some technological transfer from the United States, and develop economic ties with the United States' allies (Japan and Western Europe) (Defraigne 2022b, Kroeber 2020). This geopolitical shift enabled the government to liberalise the Chinese economy in the 1980s and 1990s, facilitating its integration into the global value chains of multinational enterprises (MNEs) from the most advanced economies. This was achieved by establishing labour-intensive export platforms for manufactured products. The Chinese economy presented opportunities for Western and East Asian MNEs that were globalising their production process to lower their production costs, offering a vast pool of cheap and increasingly educated labour, reliable infrastructure in transport and energy, relative political stability or security and geopolitical support from the US (Defraigne 2015).

The 1970s, 1980s and 1990s were decades during which relations between China and the West were relatively warm. This was due to the economic complementarity between the two, which led to the reorganisation of global value chains (GVCs) and an increase in the level of economic interdependence between them, which had never been experienced before. Deng Xiaoping was twice named Time magazine's Man of the Year, and the Clinton administration designated China as a "strategic partner" of the United States. The prevailing view among mainstream analysts in Western governments and multinational enterprises (MNEs) was that the Washington Consensus and the Western multiparty political system would inevitably prevail globally. From this mechanical and biased Western-centred perspective, it was assumed that China would continue to open its economy to Western trade and foreign direct investment (FDI), specialising in labour-intensive activities within the international division of labour determined by global value chains (GVCs) controlled by Western and Japanese multinational enterprises (MNEs). It was increasingly assumed in Western capitals that economic liberalisation would lead to political liberalisation in China, potentially resulting in a transformation or even the dissolution of the Communist Party of China (CCP).

This proved to be a complete misapprehension of the nature, objectives and internal cohesion of the CCP. Following a period of perceived humiliation at the hands of Western powers, from the Opium War to the conclusion of Japanese occupation, the CCP Maoist leadership has consistently demonstrated a greater affinity for Chinese nationalism than for the tenets of classical Marxism. The preservation of national sovereignty and the political control of the CCP over Chinese society, which are inextricably linked in the Maoist ideological framework, has remained a constant primary objective of Beijing since 1949 (Defraigne 2022b).

The CCP's decisions, based on national sovereignty and security, to enter the Korean War against the US and their allies and to break off relations with the Soviet Union at the turn of the 1960s resulted in China facing significant economic isolation and a lack of access to advanced technology (Zhang 2014). Nonetheless, by the late 1960s and early 1970s, it was evident to prominent leaders such as Zhou En Lai that China was at significant risk of falling behind its pro-US Asian neighbours (Japan and the Asian Tigers) as they entered the electronic age while China remained reliant on 1940s technology to produce quality steel. Once more, there was a possibility that China's technological deficiencies might result in another period of foreign domination. In the wake of the 1969-1971 diplomatic overhaul in Washington, which sought to disengage the US from the politically and economically costly Vietnam War and to weaken the USSR, Mao and Zhou En Lai seized the opportunity presented by the Nixon administration to end China's long isolation MacFarquart 1989, Defraigne 2015).

The new ties with Washington enabled a reduction in the burden of the permanent militarisation of Chinese society that had developed during the Cultural Revolution and the increasing US military engagement in Southeast Asia from 1965 to 1972. Additionally, China was able to attempt to import technology and attract foreign direct investment from the United States and its allies with the goal of modernising an industry that was becoming increasingly outdated and to enhance their manufacturing expertise. As the prospect of rapprochement with the United States became increasingly probable, Mao opted to disavow the controversial Gang of Four (which included his wife) that he had previously endorsed during Deng Xiaoping's tenure within the Chinese Communist Party (CCP) (Kroeber 2020, MacFarquart 1989). The CCP leadership under Deng exercised caution in initiating the opening of the Chinese economy, ensuring that the process of economic decentralisation would not result in a loss of control by the CCP over Chinese society. Over the course of four decades, the CCP has thus far succeeded in disciplining (by means of coercion, if necessary), integrating, and co-opting China's civil society organisations and new capitalist entrepreneurs within its political structure. The dissolution of the USSR and the subsequent economic collapse of the 1990s, along with the fate of the Soviet CP elites, were viewed by Beijing as a stark cautionary tale, underscoring the perils of unchecked economic and political liberalisation for China's political elite and the PRC's national sovereignty (Defraigne 2022b).

2.1.2. China's Challenge to Western Hegemony in the Global Economy, 2008-2024

The opening of China's economy was perceived by the CCP leadership as a necessary step to integrate into the world economy and to upgrade its technological capabilities. However, this process was closely monitored to ensure that it did not erode the CCP's political control over the country. Notwithstanding the profound economic reforms and transformations of the domestic economy, the global economy is still perceived by Beijing through a distinctly nationalist and Leninist lens. Leninist ideology posits a dichotomy between imperialist economies and the developing world, which is exploited by capitalists from imperialist powers. In developing countries, there are comprador elites who are beholden to the major imperialist powers and their multinational enterprises (MNEs). These local elites accept a subordinate role in the international division of labour, and their domestic economy is oriented towards the provision of lower-value added activities to imperialist powers. The strategic sectors of the domestic economy, including energy, utilities, finance and technology, are frequently subject to control by imperialist capitalists and their state, which can result in the erosion or even annihilation of national sovereignty. The CCP is resolute in its determination to eschew the fate of comprador capitalism for China and is unequivocal in its rejection of a subordinate role in the global economy, in stark contrast to the stance adopted by some local elites in Latin America, Eastern Europe and Africa.

In light of the experiences of Japan and the East Asian tigers (Singapore, South Korea and Taiwan), the leadership of the CCP has consistently, since the late 1980s, devised policies to facilitate the ascension of Chinese firms within the global value chain (Defraigne 2022b).

Firstly, in order to enable Chinese firms to benefit from economies of scale and learning by doing on their huge domestic market, the government imposed technical barriers to trade as well as important constraints on foreign-based MNEs willing to operate in China (Kroeber 2020). As asserted by numerous Western analysts, the Chinese authorities also postponed the implementation of certain WTO commitments, including those pertaining to IPRs, non-discrimination of foreign investors and China's market access (Dufour 2019; Economy 2018).

Secondly, the Chinese government implemented a strategy designed to foster the growth of domestic industry leaders capable of withstanding international competition and expanding their operations abroad. In 1997, the CCP leadership adopted the policy of "Grasping the big and letting go of the small," which gave the State-owned Assets Supervision and Administration Commission (SASAC) the mandate to transform, restructure, and merge 196 very large SOEs, accounting for 55 percent of state assets, into 80 national champions capable of resisting better international competition (Defraigne 2022b; Wu 2005). The "Going out" or "Go global strategy" (Zǒuchūqù Zhànlüè) became an essential feature of the tenth five-year plan in 2001. Its aim was to facilitate the internationalisation of China's largest firms, enabling them to become MNEs investing and producing abroad, and developing their own GVCs (Shambaugh 2013; Yun 2020; Defraigne 2017). In order to facilitate this internationalisation, the Chinese state has provided protection and subsidies (most often in the form of cheap credit from state-owned banks) for these MNEs, thereby enabling them to expand overseas (Magnus 2018).

Thirdly, the CCP leadership has pursued industrial and research policies with the objective of reducing the technological gap with the most developed economies and of improving China's autonomy in technological innovation. This is with a view to enabling Chinese national champions to move up the GVCs and to develop high-tech, high-value-added activities. In order to achieve this objective, the Chinese authorities have developed a number of policies, most notably the strategy of "indigenous innovation" (自主创新, Zìzhǔ chuàngxīnnénglì). The "Made in China 2025" strategy was initiated in 2015 under the leadership of Xi Jinping, following the launch of the "Indigenous Innovation" policy in 2006 under Hu Jintao (Kroeber, 2020, Defraigne 2022b).

Given China's considerable size and the exceptionally fast-growing nature of its market, coupled with the Chinese government's status as the holder of the largest reserve of hard currency in the world, the capacity to pursue these ambitious industrial policies was unparalleled among developing economies. China experienced the longest period of double-digit growth since the Industrial Revolution, and Chinese multinational enterprises (MNEs) began to emerge, including some high-tech industries such as the BATX and Huawei. This resulted in an unprecedented shift in the global economic balance of power, comparable only to the rise of the US economy in the late 19th century, when it overtook Britain as the largest economy in the world.

The rapid economic growth of China and the ability of Chinese firms to ascend the global value chains (GVCs) came as a surprise to Western governments in the late 2000s. The internationalisation of Chinese firms and their acquisition of major Western enterprises, the overt industrial policy of the Chinese state and the postponement of certain WTO commitments precipitated a swift transformation in the attitudes of the United States, the European Union and Japan. The issue of trade friction and the imposition of restrictions on overseas acquisitions by Chinese firms assumed greater significance in the wake of the global economic crisis of 2008. The Bush administration designated China as a "strategic competitor." Subsequently, the Obama administration implemented a policy shift towards Asia, with the objective of containing the growing economic influence of China in the region.

From the perspective of Beijing, the situation was difficult in the early 2010s. The Chinese growth This growth was largely driven by significant capital investment, the export of manufactured products and the adoption of advanced manufacturing production methods from leading global economies. China's economy had successfully attracted foreign direct investment (FDI) and become a highly competitive export platform, largely due to its vast pool of qualified workers and relatively low land costs. However, by the 2010s, this type of extensive growth was reaching its limits. The Chinese population is ageing, which is reducing the number of available workers. Furthermore, the rapid growth of the economy has had a detrimental impact on the environment, with pollution affecting air, land and water. This has also led to increased healthcare costs. The scarcity of labour, land and certain natural resources necessitated a transition towards a more intensive growth model based on technological innovations that could conserve human and natural resources while maintaining China's export competitiveness. This new type of growth proved more challenging for Chinese enterprises and the government to generate than the growth driven by imitation industrialisation in the 1980s, 1990s and 2000s. Moreover, approximately one-quarter of China's economic growth was driven by exports. However, with the emergence of trade tensions, the reliance of the Chinese economy on overseas markets became increasingly vulnerable.

The pivot to Asia, the TTIP and TPP negotiations, and the increasing assertive trade and security diplomacy of the US and their allies vis-à-vis the PRC have served to highlight the dependency of the domestic economy on overseas markets and sources of energy and technology. A significant concern was the "Malacca dilemma," which emerged as a result of China's growing energy and raw material requirements during the 1990s and 2000s, driven by the expansion of its manufacturing sector.

2.1.3. BRI, an economic corridor to break the US encirclement

In late 2013, shortly after the inception of the Transatlantic Trade and Investment Partnership (TTIP), Xi Jinping unveiled the One Belt, One Road (OBOR) initiative in Astana and Jakarta (Rolland 2017). In 2010, Wang Jisi, an influential professor of international relations at Beida, proposed that China should "march toward the West" to counteract Obama's "pivot to Asia" and rebuild the historical Silk Road routes that linked China to Asia (Griffiths, 2017). The OBOR initiative was subsequently rebranded as the Belt and Road Initiative (BRI), with the objective of reinforcing commercial relations between China and the Eurasian continent. This initiative was subsequently extended to Africa and Latin America. It can be argued that the BRI represents a defensive strategy on the part of Beijing, designed to counter the increasingly assertive economic diplomacy of Washington vis-à-vis Beijing. By deepening economic integration across the Eurasian continent and creating economic corridors to Southeast Asia, South Asia, Central Asia, Europe, the Middle East, and Africa, Beijing was attempting to escape being sidelined in a US-centric world economy. It is conceivable that the strategy was devised with the intention of enabling China to isolate the United States from the Eurasian continent, thereby establishing itself as the new global economic centre (Carai et al. 2020).

In order to maintain their primary objective of political control and national sovereignty, the CCP leadership sought to preserve China's national industrial policy tools, which included the granting of privileged access to state procurement to Chinese firms and the implementation of specific technical and safety standards to protect national champions from foreign competition. As a result, the Chinese government was unable to engage in negotiations aimed at establishing comprehensive new-generation trade agreements that required non-discrimination in procurement access, mutual recognition, or harmonisation of technical standards, such as the Transatlantic Trade and Investment Partnership (TTIP), the Trans-Pacific Partnership (TPP), the EU-Japan agreement, and other bilateral agreements pursued by the United States, the European Union, and Japan. In contrast to the United States' pursuit of formal de jure economic integration with BRI partners through the TPP and TTIP, China's objective is to achieve de facto economic integration across the Eurasian continent. This entails the preservation of national sovereignty over key industrial policy tools, including privileged procurement access, indirect subsidies through cheap credit from state-owned banks, specific technical trade barriers, restrictive lists for foreign direct investment (FDI), and discretionary enforcement of intellectual property rights in strategic sectors where Chinese firms lag behind technologically advanced competitors.

The BRI thus prioritises de facto economic integration through the development of extensive infrastructure projects, primarily financed through commercial loans and aid, with the objective of enhancing connectivity between each economic corridor and China. In order to counter the US diplomacy of containment, which has sought to restrict China's access to overseas markets and raw materials, the Chinese government initiated this large-scale aid and investment programme with the objective of improving connectivity between China, Europe, Africa, and later the MENA region and Latin America (Carai et al. 2020). The BRI has involved a substantial investment of one trillion dollars and encompasses over 60 countries over a 36-year period (2013-2049). The BRI has been developing economic corridors by constructing transport, energy, and telecommunications infrastructure, which has resulted in a reduction in the costs of transporting goods, energy products, and raw materials between China and seven economic corridors that traverse Central Asia, Russia, Eastern Europe, South Asia, the MENA region, East Africa, and ASEAN countries (Rolland 2017). This initiative was subsequently extended to Latin America (Wintgens & Defraigne 2023).

This initiative has markedly augmented China's economic and geopolitical sway in the developing world, giving rise to mounting concerns in the United States and its allies. A substantial corpus of literature has been produced by analysts from think tanks and academic institutions, which presents a range of contradictory perspectives on the potential effects of the BRI. Some commentators have emphasised the positive impact of the BRI in terms of transport and energy infrastructure, while others have adopted a more critical stance, highlighting potential debt traps, so-called "white elephants" and the increasing dependency of some developing countries on Chinese finance and technology (Goh 2016, Hillman 2020, Carai 2020). Although the issue of debt entrapment remains a topic of considerable debate, there is little evidence to suggest that BRI funds and projects have had a significant impact on the role of recipient countries in the international division of labour. The BRI has facilitated trade flows and some tradable services (i.e. transport, finance, telecoms, tourism), but there is little evidence of a structural transformation in the export structure or technological evolution, and thus no significant link between BRI projects and a substantial reconfiguration of GVCs. Some Chinese efficiency-seeking foreign direct investment (FDI) can be found in a handful of countries, including Cambodia, Myanmar, and Malaysia. However, these flows remain limited in quantity compared to the level experienced in the 1980s and 1990s, when global value chains (GVCs) extended massively across the developing world (Carai, 2020).

The development of economic corridors between China and BRI recipient countries has prompted a range of responses from the US and its allies. In 2018, the European Union (EU) initiated its Connectivity Strategy, which was subsequently renamed the Global Gateway in 2021. This policy placed an emphasis on the importance of transparency in the procurement of goods and services, as well as the implementation of aid programmes, in order to ensure the sustainability of connectivity projects. This approach was designed to prevent the occurrence of corruption, the development of substandard infrastructure, and the creation of unsustainable economic structures within the global economy. In 2019, the EU and Japan entered into an agreement on "sustainable connectivity and high-quality infrastructure," which implicitly critiqued the methods of China's Belt and Road Initiative (BRI) (Okano-Heijmans, 2024). Furthermore, in 2019, the United States established the Blue Dot Network (BDN) agreement with Japan and Australia, with Taiwan joining in 2020. In June 2021, the G7 launched the Build Back Better World (B3W) initiative, which aimed to mobilise $600 billion by 2027 for global infrastructure investments (White House 2022).

Despite the ambitious rhetoric, the budgets of these connectivity strategies from the US, the EU, and Japan were significantly lower than those of China's BRI. Furthermore, no major new agencies or significant additional staff were established as a result. These initiatives were largely characterised by a lack of implementation and coordination between the U.S. and its allies (Okano-Heijmans 2024, Garlick 2023). These initiatives appear to be diplomatic responses that critique the methods of the BRI, rather than representing a significant departure from previous aid and infrastructure programmes, as they are built on pre-existing policies and practices.

A significant challenge concerning the long-term trajectory of China's economic corridors is the impact of rising US protectionism against Chinese imports and Washington's policy objectives to promote reshoring, friendshoring, derisking and decoupling since 2017. These developments are likely to reshape global value chains (GVCs) in the medium term. The intensification of trade and geopolitical tensions between China and the United States (and their respective allies) since the administrations of Donald Trump and Joe Biden (as well as the von der Leyen European Commission and the Abe and Kishida governments in Japan) has led to a substantial reshaping of investments and trade flows between China and the rest of the world. There are indications that US, European and Japanese firms are beginning to engage in decoupling, while Western high-tech capital ventures in China appear to have slowed down (Born et al. 2022, Freund et al. 2023)). Some developing countries are playing host to certain sensitive activities within global value chains (GVCs) that are controlled either by Chinese or Western multinational enterprises (MNEs), including Vietnam, Malaysia, India and Mexico (Ruehl 2024 & Shambaugh 2023). Should these hitherto limited transformations persist due to rising geopolitical tensions, it is plausible that the economic corridors established by the BRI could facilitate a geographical restructuring of GVCs. The development of economic corridors has afforded Beijing greater flexibility in circumventing US strategies of containment and derisking.

2.2. Russia and Economic Corridors: A Primarily Geopolitical Objective

2.2.1. A regional power seeking to forestall the diminution of its influence in its neighbourhood. 1991-2000

Russia and China follow divergent trajectories. The Russian Federation was established following the dissolution of the Soviet Union, a vast territory encompassing 15 republics that are contiguous with Russia. The territories encompassing these 15 republics had been integrated into the Tsarist Empire over the course of a lengthy process, which commenced in the Middle Ages for Ukraine and concluded in the 19th century for the Central Asian republics. The USSR was one of the superpowers that contested US hegemony during the Cold War and a major economic power that generated significant scientific breakthroughs in aerospace and nuclear energy.

Following the dissolution of the USSR and the centrally planned economy, Russia, along with numerous other Soviet republics, witnessed a significant decline in economic output and living standards, a notable reduction in the population, a substantial outmigration of highly skilled former Soviet citizens to Western countries and Israel, and an unparalleled surge in inequality and corruption (Judah 2013). Following a period of approximately ten years, a new economic and political structure emerged, characterised by a mixed economy with new capitalists, labelled oligarchs, assuming control of former state-owned enterprises (SOEs) through cronyism, opaque privatisation and corporate governance schemes (Aslund 2019). As a result, the technological capabilities of the Russian economy were significantly diminished. Russia's export structure was primarily comprised of energy products, energy technology, defence and raw materials, resulting in a heightened reliance on foreign high technology. A multitude of economic indicators, including

R&D intensity, royalties from IPRs, life expectancy, the proportion of high-tech services and manufacturing in total exports, and others, collectively indicate that Russia exhibits the hallmarks of a developing economy rather than a developed one (Defraigne 2021).

During this challenging period of transition, the United States and its allies in the west capitalised on the domestic difficulties experienced by Russia to extend their geopolitical influence across Eastern Europe. On 9 February 1990, US State Secretary James Baker stated that the consultations and discussions within the framework of the 2+4 mechanism should guarantee that the reunification of Germany would not result in the enlargement of NATO's military organisation to the east. Chancellor Kohl, NATO Secretary General Manfred Woerner and Mitterrand expressed similar views, yet this did not prevent all Warsaw Pact members from joining NATO, including the former Baltic Soviet republics, over the following two decades. However, the governments of NATO member states chose to disregard Yeltsin's proposal that Russia should join NATO, citing the numerous obstacles that would be posed by the political instability of the Russian Federation. Western countries have provided support to numerous pro-Western political movements and uprisings in former Soviet republics that advocated closer political and economic ties with the West. Examples of such movements include the Rose Revolution in Georgia, the Orange Revolution in Ukraine in 2004, and the Tulip Revolution in Kyrgyzstan. In the context of the "Global War on Terror" initiated by the Bush administration in the aftermath of 9/11, the United States also succeeded in enhancing its military presence in South and Central Asia.

From an economic standpoint, the European Union (EU) emerged as a significant economic attractor for the western former Soviet republics during the 1990s and 2000s. The Baltic states became members of the EU in 2004, while the governments of Moldova, Georgia and Ukraine considered entering into association agreements with the EU. These would facilitate trade, investment and the movement of workers between the parties involved. Over the course of the past two decades, the trade, investment, and migration patterns of the Western former Soviet republics (including Russia's closest ally in this region, Belarus) have demonstrated a growing economic integration with the EU (Defraigne 2021). These developments have given rise to mounting concerns within the Kremlin, which perceive these Western interests as a significant challenge to Russia's traditional geopolitical sphere of influence.

In order to counter the economic shift towards the West, the Putin administration has increased political interference and military interventions with the objective of maintaining the former Soviet republics within the sphere of Moscow's influence. Notably, instances of political interference in domestic politics have been particularly prevalent in the cases of Kazakhstan, Georgia, Ukraine, Armenia, and Moldova. Furthermore, the threat of sanctions or economic support has been employed. When Moldova commenced negotiations with the EU regarding a bilateral association agreement with the objective of reducing economic barriers, Russia issued a threat to Moldova, indicating that it would impose a ban on the importation of Moldovan wines. However, the Russian government's efforts were ultimately counterproductive, as they inadvertently led to an increase in wine trade with the EU (Nastoll, 2014). Moscow has frequently leveraged the cost and delivery of energy to its partners as a means of advancing its geopolitical agenda. The most extensively analysed example of this phenomenon was the deal proposed by Putin to Ukraine's president, Yanukovych, in 2013. The Kremlin exploited the difficulties resulting from the 2008 crisis and the decline in commodity prices, which had a significant adverse impact on Ukraine's macroeconomic stability. By proposing a $15 billion rebate on Ukraine's energy bill, Putin lured Yanukovych's government to reject the Association Agreement between Ukraine and the EU that was being negotiated. The result was similarly counterproductive in this instance, as it precipitated the "Maidan revolution," which resulted in a change of power that brought Ukraine closer to the EU (the agreement was ratified in 2017) and to NATO and the US (Defraigne 2022a). In other instances, Moscow has resorted to the use of military force, as evidenced by its actions in the conflict with Georgia in 2008 and in Ukraine in 2014.

Furthermore, the Kremlin has employed commercial diplomacy as a means of maintaining its geopolitical influence. This has entailed an effort to preserve the economic ties that were established during the Soviet era and to foster a greater degree of economic interdependence between the former Soviet republics through the implementation of preferential trade agreements. Following the failure of various initiatives, Putin adopted the Eurasian Economic Union (EAEU) project in 2011 with the objective of enhancing economic integration in the former Soviet Union (Dragneva & Wolczuk 2013). This may also be interpreted as a reaction to the bilateral trade policies of the most developed economies, namely the United States, the European Union and Japan. Nevertheless, over a decade after its inception, the EAEU has only five members (Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia) and three observers (Cuba, Moldova and Uzbekistan) out of the former 15 republics of the USSR. Although the EAEU has succeeded in slowing the relative decline of Russia's trade with these four partners, it has not been able to recover the level of trade that would have been expected had the Soviet Union still been in existence. Nevertheless, in 2022 Russia re-established itself as the primary trade partner of three of the four member states of the EAEU. The EAEU countries of Armenia, Belarus and Kyrgyzstan collectively account for only approximately 10% of Russia's total trade, a figure that is comparable to Germany's pre-war trade levels but significantly lower than China's 25% share in 2022 (OEC 2024).

2.2.2. Russia is confronted with significant challenges in the development of economically advantageous economic corridors.

The EAEU has a relatively limited impact and attractiveness from an economic perspective for a number of reasons. Furthermore, Russia encounters greater difficulty than China in developing economic corridors and policy responses to the US's assertive economic diplomacy, which could potentially generate economic gains for the Russian economy.

Firstly, Russia is a middle-income economy with a gross domestic product (GDP) that is comparable to that of Italy. This implies that it constitutes a market that in 2022 accounted for less than 2% of the global economy, compared to 17% for the EU, 18% for China and 25% for the US (World Bank Open Data 2024). Consequently, it offers a limited trade gravity.

Secondly, Russia's technological capabilities are comparatively limited in comparison to those of the most technologically advanced countries, including the United States, Japan, South Korea, and Northwestern Europe (Defraigne 2021). Russia is unable to fulfil the role of principal supplier of technology, given that it relies on foreign technology for the operation of key economic sectors. With the exception of the gas and oil industries, few Russian firms have developed global production and distribution networks that could be considered as global value chains (GVCs).

Thirdly, as a consequence of the aforementioned characteristics, the Russian export structure is highly complementary with the majority of the former Soviet Republics. With the exception of the Baltic countries (which are EU member states) and Belarus, the other former Soviet republics are similarly oriented towards exporting primary products, as is Russia. This is why the former Soviet republics, including those that are members of the Eurasian Economic Union (EAEU), engage in more trade with the rest of the world than with each other (Defraigne 2021).

Fourthly, Russia does not possess the same level of hard currency reserves as China[2] (in 2024, Rusd, nor does it have the capacity to develop large-scale infrastructure projects with the same

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[2] In 2024 Russia's international reserve stood at less than $600 billion, less than 20% of China's, Bank of Russia statistics, accessed on August 1st 2024 at https://www.cbr.ru/eng/hd_base/mrrf/mrrf_m/ & China state council 2024, accessed on August 1st 2024 at http://english.scio.gov.cn/m/pressroom/2024-

level of funding and loans. Given the already low level of investment in infrastructure for its own domestic economy and the limited budget, Russia is unable to finance large regional infrastructure projects to build economic corridors comparable to those designed by China, the EU, the US or Japan through ODA and loans.

The Kremlin has been aware of the technological weaknesses of Russia. In response, the Putin and Medvedev administrations developed R&D policies in the 2000s and 2010s with the goal of reducing foreign dependency on technology. Nevertheless, an examination of Russia's technology and innovation indicators reveals that these policies have had a relatively limited impact on enhancing the technological capabilities of the Russian economy (Defraigne 2021). Furthermore, there is a paucity of Russian companies that have engaged in the construction of global value chains (GVCs) in comparison to their Western or East Asian counterparts. This suggests that they possess limited international management expertise and technological know-how.

These difficulties must be contextualised within the path dependency generated by the collapse of the Soviet economy, the transition towards capitalism and the rise of the oligarchs. In contrast to China, where the economic reforms and the progressive opening of the economy were closely monitored by the CCP, Russia experienced a chaotic transition characterised by coups d'état, internal war and terrorism, as well as an opaque privatisation of SOEs and state assets. In this process, a new economic elite emerged, largely comprising former Soviet bureaucrats who have been labelled "oligarchs". This new elite may be characterised by reference to the international political economy concepts of comprador, ersatz or rent-seeking capitalists (Harvey 2005; Yoshihara 1988; Mandel 1997). In less developed economies, local capitalists frequently perceive themselves to be inadequately equipped to compete on the global stage, due to the limitations of their technology and managerial expertise. Consequently, they concentrate on local services or industries that are insulated from global competition through the formation of special relationships, such as those based on family ties, with local political elites. These capitalists evince no ambition to challenge the existing international division of labour. Such actors do not typically advocate for their state to implement industrial or technological policies aimed at developing multinational enterprises (MNEs) in high-tech or capital-intensive industries. Such actors typically evince little interest in promoting regional integration, as this could prove detrimental to their rent-seeking positions, which are sustained by their close connections with national political elites. Rather than reinvesting the profits from their rent-seeking activities into the local economy, these capitalists frequently transfer funds to offshore financial centres with the objective of evading taxes and laundering money (Defraigne and Villalobos 2021; Gunder Franck 1979). Subsequently, the capital is invested in real estate or financial portfolios abroad, particularly in developed economies that are more susceptible to such investment.

The Russian oligarchs (and those from most of the former Soviet republics) represent an illustrative example of these comprador rent-seekers with limited global ambitions. The majority of Russian billionaires (and other billionaires born out of the former USSR) can be classified as Schumpeterian innovative entrepreneurs. However, they are also well-connected members of the former Soviet nomenklatura who benefited from connections and insider information during the

07/08/content_117296742.htm#:~:text=China's%20foreign%20exchange%20reserves%20stood,2024%2C%20official%20data%20showed%20Sunday.

privatisation process that occurred in the 1990s. This enabled them to embezzle billions of dollars' worth of Soviet state property, thereby capturing their oligopolistic rents for key industries such as energy, mining, agribusiness, media, telecoms, metallurgy, defence, and finance (Aslund 2019, Defraigne 2021, Marie 2016). The majority of these oligarchs endorsed the Yeltsin presidency in opposition to more conservative factions with regard to economic reforms. Moreover, they played a pivotal role in establishing Putin as the successor to Yeltsin in the late 1990s.

The Putin administration sought to reclaim political power and impose restrictions on the liberalisation of the Russian economy. The confrontation between Khodorkovski and the government of Putin served to illustrate the constraints that were imposed on the political and economic choices of the oligarchs. Khodorkovski contested Putin's political position and, in order to secure more favourable terms for the protection of his property rights on the energy company Youkos, he was prepared to enter into an alliance with Exxon Mobil and Chevron by allowing them to invest $20 billion in his company's share. Following a period of confrontation, Khodorkovski was prosecuted, sentenced to jail and private shareholders lost control of Yukos, while foreign investors were prevented from investing in the company. This event gave rise to a tacit division of labour. From the perspective of the oligarchs, there was a clear understanding that contesting the political power of the Putin government would not be a productive avenue. Instead, they were willing to allow the state to obtain sufficient financial resources from energy and mineral production, while limiting their alliance with foreign-based MNEs for the exploitation of Russia's energy resources (Judah 2013). In return, the Russian state would guarantee the protection of their economic rents from foreign competition. This enabled Putin to reinforce the executive branch of the state and to recentralise power in Russia (the so-called 'vertical of power'). However, despite the tacit division of power, Putin did not challenge the rent-seeking behaviour of the oligarchs, who exhibited similar industrial and technological ambitions to other compradors in developing economies. Russia benefited from enhanced political stability and a more favourable economic situation in the 2000s, which was attributable to the rise in global commodity and energy prices (the 'commodity supercycle'). Nevertheless, the Russian economy remained vulnerable to capital outflows as oligarchs sought to safeguard their assets in jurisdictions with more robust property rights and lower tax rates.

A multitude of indicators indicate that Russia and the former Soviet republics exhibited a paucity of constraints on corruption, capital flight, and money laundering during the 2000s and 2010s. These nations frequently experienced substantial, unregulated capital outflows, as evidenced by their balance of payments (Aslund 2019; Vercueil 2019; Boulatov 2020). Additionally, international institutions and NGOs have consistently ranked these countries among the lowest in terms of good governance and anti-corruption practices (Batsaikhan & Dabrowski 2017). Notable scandals, such as the 2019 incident involving Danske Bank in Estonia, have brought to light the laundering of hundreds of billions of US dollars from former Soviet states through Western banks (Milne 2019). These outflows are notably high in comparison to domestic GDP, even when considered within the context of developing nations, and are comparable to the most severe cases observed in sub-Saharan Africa and Middle East and North Africa (MENA) countries (Cooley, A., and J. Heathershaw. 2017). Analyses of the Russian economy, particularly its consistent capital outflows from the post-Soviet transition through the 2010s, highlight the dominance of rent-seeking capitalists among Russian capital holders (Vercueil 2019; Schimpfössel 2018; Radu 2019; Marie 2016; Judah 2013; US Department of State 2019).

This differs from the experiences of China and other developing countries in Pacific Asia, which have also been characterised by a high level of corruption and cronyism. However, in these countries, the scale of the phenomenon has been limited by political purges and prosecutions (Ang 2020; Chaponnière and Lautier 2014). The consequence of this is that Russia has been experiencing chronic capital outflows and a relatively low level of investment, which has prevented Russian firms from advancing in the global division of labour and narrowing the gap in innovation capabilities with the most advanced economies. The majority of oligarchs and rent-seekers are disinclined to invest in the domestic economy in order to pursue such ambitious initiatives. Russia remains an economy with a number of significant and well-established companies in the energy, mining and defence sectors. However, there is a paucity of multinational enterprises (MNEs) that are capable of or willing to engage in international competition.

Russia's trajectory differs entirely from that of China in this regard. These economic weaknesses constrain its capacity to develop international economic corridors outside its immediate vicinity. Russia's economic vulnerability has been exemplified by the slowdown of its economy following the conclusion of the commodity supercycle in 2012, which was characterised by a significant reliance on revenue derived from the export of primary goods.

2.3. Brazil: the superfluousness of economic corridors for a global commodity provider

As a significant emerging economy, Brazil is the sole Latin American nation to host major multinational enterprises (MNEs) with a global strategy, including prominent companies such as Petrobras, Embraer, and Odebrecht. Nevertheless, the overwhelming majority of Brazilian capital holders behave in a manner akin to comprador rent-seekers, content with their role of providing raw materials and agricultural products to the most advanced economies of Asia, Europe and the United States.

Since their independence, Latin American societies have been ruled by traditional big landlords, the latifundia owners in Brazil, who accepted the Ricardian international division of labour. This entailed Europe (mostly Britain until the late 19th century, then joined by other Western European countries and the US) providing manufactured products and Latin American primary goods. This changed only with the global economic depression of the 1930s and 1940s, which forced a radical change of development strategy as exports of primary goods plummeted and failed to cover the costs of the necessary imports. The largest Latin American economies (notably Brazil, Mexico and Argentina) adopted import substitution industrialisation strategies and initiated the development of more capital-intensive manufacturing. In pursuing active Listian industrial policies, developmentalist governments such as those of Vargas in Brazil, Perón in Mexico and Cardenas in Mexico sought to protect nascent national industries (Bulmer-Thomas 2003).

The Second World War enabled Brazil to obtain technological and financial assistance from the United States in exchange for forming an alliance with Washington against Nazi Germany. By the late 1940s, Brazil had developed an industrial base that underwent further development during the administrations of Kubitschek, Goulart and the military. The size of the country and the domestic market enabled the state to support national champions in industries where state procurement constituted an essential market and where state regulation was decisive in providing market access. Examples of such industries include telecommunications (Odebrecht), construction (Odebrecht), aircraft manufacturing (Embraer) and informatics (COBRA and CAPRE) (Wintgens & Defraigne 2023).

However, apart from this important but small manufacturing sector, most of the capital of Brazil's economic elites remained in agribusiness, mining, local real estate and local services. When the debt crisis hit Brazil in the 1980s and neo-liberal governments such as Color and Cardoso adopted the IMF SAPs and the Washington Consensus, most ISI policies were abandoned (Bulmer-Thomas 2003). Brazil began a long process of relative deindustrialisation, which some South American scholars have called reprimarisation, emphasising the increasing role of primary goods in the trade balance of South America, and Brazil in particular (Defraigne & Villalobos 2021). This was not seen as problematic in the 2000s as the Brazilian economy, like Russia, benefited from the global commodity supercycle. However, South America's reliance on commodity exports led to a regional recession after 2012, which hit Brazil particularly hard.

President Lula, who came to power in 2003, was part of this new generation of leaders across Latin America (Chavez, Correa, Morales, Nestor and Cristina Kirchner) who had criticised the Washington Consensus and its neoliberal policies. He pursued a multipolar and Global South diplomacy that challenged existing economic governance. His contribution to the creation of BRICS was part of this new Brazilian diplomacy. However, even under the Lula administration, agribusiness lobbies continued to dominate Brazilian trade diplomacy and industrial policy. The Lula government did not stop the process of reprimarisation that had been affecting South American economies since the late 1980s, and Brazil's trade patterns with the West and East Asia were a classic North-South exchange of Brazilian raw materials for advanced manufactured goods and services from its most developed trading partners. While Lula adopted an industrial policy rhetoric, his administration was unable to counter the lobbying of agribusinesses opposed to an ambitious and potentially costly industrial policy and other Brazilian economic comprador elites who did not want to challenge the existing international division of labour in which Brazil was essentially a commodity supplier (Wintgens & Defraigne 2023).

The economic recession and the scandals exploited by the conservative elites weakened Lula's successor, Dilma Roussef, who was defeated in the next elections by the far-right candidate Bolsonaro. The new far-right government appointed Paulo Guedes as Minister of the Brazilian Economy (including Industry, Finance and Budget), a highly ideological neo-liberal economist who had helped apply neo-liberal policies with the infamous "Chicago Boys" (from the Chicago School of Economics) who advised the dictator Pinochet, a precocious Latin American adept of the Washington Consensus. Shortly after taking office, he declared that he was in favour of a market economy, not a "dirigiste" one. This minister had no objection to the takeover by Boeing of Brazil's most technologically advanced industrial flagship, the aircraft manufacturer Embraer. Bolsonaro's government was clearly abandoning any Listian support for national industrial champions. The takeover ultimately failed in the spring of 2020, not because of opposition from the Brazilian government, but because of Boeing's difficulties in the context of the sector's crisis following the Covid-19 crisis (Hollinger, Bushey and Schipani 2020). Bolsonaro's government reembraced the Washington Consensus and toned down Lula's multipolar rhetoric to claim ideological proximity with US President Donald Trump. He also supported the negotiation of a free trade agreement between the EU and Mercosur, which increases trade liberalisation and incorporates some of the Singapore issues into a Global South and BRICS diplomacy (Wintgens & Defraigne 2023).

However, despite the differences in their respective ideological rhetoric, Bolsonaro and the Lula administration have not fundamentally changed Brazil's economic role in the global economy, and traditional agribusiness lobbies continue to play a decisive role in shaping Brazil's trade diplomacy and its ability to challenge existing economic governance.

As in the case of Russia, the weight of rent-seeking compradors or investors in the primary sector explains the limited support for an active industrial policy to move up the value chain and transform Brazil's role in the international division of labour. The Brazilian manufacturing sector would be willing to lobby for an industrial and trade policy that guarantees some privileged access for Brazilian-made products. They have supported the regional integration process launched in the early 1990s with their South American partners in Mercosul (Mercosur). While Brazil exports primary products and imports manufactured goods when it trades with Asia, Europe or the US, it exports more manufactured goods to its Mercosur partners. This common market offers preferential treatment to Brazilian producers and is an important outlet for the secondary sector. However, intra-regional trade within Mercosul has lagged behind Brazil's trade with the northern countries of Asia, Europe and the Americas, and this regional integration process has been relatively stagnant compared to counterparts such as ASEAN, NAFTA (now USMCA) or the EU. Like the EAEU, Mercosul suffers from limited complementarity between its largest member, Brazil, and its regional partners; from Brazil's limited financial capacity to finance regional infrastructure and development projects; and from the low level of technology and international management expertise of Brazilian firms. The dominant lobby in shaping Brazil's trade diplomacy remains agribusiness and mining, for which Mercosul is not a priority compared to trade with the most industrialised nations of Asia, North America and Europe.

Like Putin for Russia, Lula has developed a defiant rhetoric and diplomacy to challenge the Washington Consensus and Western hegemony in global governance. However, like Russia, Brazil's weak economic base and traditional role as a commodity supplier limit the coherence of its foreign policy, the room for manoeuvre and the impact of its Global South rhetoric. But Lula does not have Putin's ability to control the domestic political system. His political position is much weaker, and there are important pro-Washington neoliberal political currents in the country that have managed to hold executive power, such as Collor de Mello or Bolsonaro. This means that Brazil's diplomacy is more volatile. Brasilia's interests in embracing the Washington consensus and supporting the BRICS, or its desire to develop its own economic corridors, are not consistent enough to allow Brazil to play a major role in global economic governance.

2.4. South Africa: the weakest link of the BRICS building economic corridors to the periphery

Although South Africa remains the most developed economy in sub-Saharan Africa, with a declining GDP approaching the level of Romania, one of the poorest countries in Europe, it can only play the role of a regional power with very limited financial and technological capabilities. It has experienced a phenomenon of deindustrialisation similar to that of Russia and Brazil, particularly in terms of high-tech exports (World Bank data). It is also suffering from a major brain drain as the political and social situation deteriorates with the rise of violent crime and corruption. The inability to improve infrastructure (especially electricity and telecommunications) seriously hampers the competitiveness of domestic industry.

Widespread corruption among senior officials of the African National Congress (ANC), the party in power for the past three decades, has also created a group of rent-seeking compradors; as in Russia, this group has benefited from opaque privatisation schemes, but also from political reforms and, in particular, black economic empowerment programmes, which have mostly benefited a relatively small non-white political elite while leaving the vast majority of the non-white population in poverty and insecurity with limited access to public goods. Most analysts are pessimistic about the country's future economic and political stability, which is likely to undermine its geopolitical position.

Invited to join the BRICs at the behest of China, which developed an ambitious African diplomacy in the mid-2000s to gain access to markets and raw materials, South Africa remains the weakest link in the group. It shares characteristics with Brazil. It plays the dual role of a regional leader in manufacturing for its neighbourhood within a regional trade arrangement, the Southern African Development Community (SADC), while remaining essentially a primary goods supplier at the global level, exporting far more to the northern developed economies of Asia, Europe and North America (OEC 2024). Like Brazil, its trade diplomacy remains dominated by primary sector interests (mining and agriculture) and it has a free trade agreement with the EU (the Trade, Development and Cooperation Agreement (TDCA), which came into force in 2004). This agreement includes some of the Singapore issues (notably on rules for foreign direct investment) and other points that the developed Western economies have been pushing in their trade diplomacy. Even more than Brazil, the South African economy is an important host for EU and UK FDI, particularly in mining, services and manufacturing. The importance of European investors in capital- and technology-intensive sectors of the economy reinforces the comprador behaviour of local rent-seekers, mostly politically linked to the ANC, who lock the country into its traditional role in the international division of labour as a supplier of raw materials. There is no coherent policy to enable South African firms to move up the value chain, let alone control their own GVCs as Chinese multinationals have done.

The small size and structural weaknesses of the South African economy that have been highlighted make it the weakest member of the BRICS, unable to play a global role similar to Russia, let alone China. South Africa remains a declining regional power in the world's least developed region and can only play a marginal role in BRICS strategies and in shaping global governance and economic corridors.

2.5. India: a potential future giant prioritizing the domestic economy and its insertion its economy in the GVC over building economic corridors

With a GDP per capita five times smaller than China or Russia and thirty times smaller than the US, India remains a developing country. It is the most heterogeneous BRICS member in terms of geographic economic disparities, with some very advanced industrial clusters in ICT, medical devices and services and pharmaceuticals around Mumbai, Vadodara or Bangalore, while states such as Bihar, Jharkhand, Uttar Pradesh, Manipur and Madhya Pradesh have development indicators close to those of sub-Saharan Africa (HDI 2024).

India is still essentially a rural economy based on agriculture, and while capital-intensive agribusiness is growing in importance, labour-intensive small family farms remain more important than in other BRICS countries. Nevertheless, since independence, a domestic industry has been developed under heavy state protection (with the Licence Raj system limiting the presence of foreign firms) and subsidies, as India pursued a state-led ISI strategy from the 1950s to the late 1980s. The balance of payments problems that India faced in the 1980s and early 1990s and the collapse of the Soviet model forced the government to adopt neoliberal policies. However, like China and Russia, national sovereignty and a long tradition of state intervention meant that India did not simply adopt the policies of the Washington Consensus. In the early 1990s, Economic Affairs Minister Mahoman Sing abolished the licence raj to facilitate the entry of Western investors, but successive Indian governments continued to support national industrial champions (Sharma 2009).

The importance of the domestic market allowed some Indian investors to create large conglomerates with the financial resources to engage in capital and technology intensive industries such as pharmaceuticals, medical equipment, medical services or ICT. The English language and historical links with Britain facilitated the creation of a large pool of English-speaking professionals, many with UK or US education and university degrees. As MNCs built international production networks or GVCs, they could rely on Indian firms using this English-speaking workforce to outsource many services (medical, legal, accounting, ICT, engineering, call centres). This enabled India to integrate into the global economy in the 2000s and 2010s. Indian workers increasingly went overseas to work in the Gulf, but also to the US and Western Europe. This diaspora, which will reach 18 million by 2024, provides remittances that help boost domestic demand (Sharma 2024). With a significant proportion of highly skilled workers, this emigration to the US and Europe has created important scientific and technological links between the Indian diaspora and the Indian economy, facilitating outsourcing and the integration of Indian firms into the GVCs of Western-based MNCs. This has contributed to the development of high-tech business clusters in different regions of India and accelerated the rise of the Indian middle class, which could afford durable consumer goods and services, thereby boosting domestic demand and economic growth (Sharma 2016).

This development has created a very heterogeneous economy, with pockets of high-tech business clusters and some urban areas with an increasingly affluent middle class, scattered across a vast subcontinent that remains inward-looking, rural and underdeveloped. Unlike China or the Soviet Union, the executive government in New Delhi has never succeeded in creating a highly centralised state capable of economically integrating its vast territory. Traditional landowners' control of the Congress Party, which had been in power for decades since independence, limited the possibility of creating a strong centralised state that could develop the capacity to tax the traditional elites and finance large infrastructure projects, let alone undertake land reform and rural modernisation. Compared to China and even Russia, India's transport and energy infrastructure has remained modest, creating frequent bottlenecks and hampering the progress of economic integration and industrialisation of the Indian economy. Successive infrastructure development plans by the Singh and Modi governments have yielded modest results. Because of this lack of an integrated domestic market and bottlenecks in energy and transport, India has not yet been able to develop manufacturing export platforms on the scale of China and other Asia-Pacific economies. This is reflected in the contribution of Indian manufacturing to GDP, which, unlike in China and the Asian tigers, has always been lower than that of services. The result is the creation of national champions, often conglomerates. Some firms or divisions of conglomerates are geared to the domestic market and lobby for protectionist policies, while others provide niche services (e.g. ICT, medical or accounting services) or products (e.g. chemical or pharmaceutical components) and participate in the GVCs of global MNEs without controlling them.

As a result, despite the rise of outward-looking industries, India remains highly protectionist in others. Moreover, as with China, some Indian managers and investors in some technology sectors feel that they can move up the GVC or remain competitive only if they can access technology at low cost. This explains why India remains lax in enforcing intellectual property rights in ICT or pharmaceuticals. These elements should not be confused with the long nationalist tradition of the Indian state apparatus, senior civil servants and politicians, who are highly sensitive to economic sovereignty. For these reasons, the Indian government cannot adopt the policies of the Washington Consensus and has had to resist the liberalisation agenda of the Western powers at the multilateral level, notably in the Doha Development Agenda.

Indian governments have also adopted various strategies to take advantage of US-China tensions to benefit from technology transfer and spillovers from the US and its allies. It has managed to develop cooperation with US nuclear technology. As the US administrations (Trump and Biden) and some of its allies, especially Japan since Abe, encourage friendshoring by MNCs to reduce their economic dependence on China, the Indian government is trying to attract Asian and Western MNCs to move part of their GVCs to India. If successful, this could significantly boost the manufacturing capacity and technological sophistication of the Indian economy. New Delhi's uneasy diplomatic relations with China since the 1950s and the collapse of the USSR in 1991, which had been an important economic partner of India in the 1970s and 1980s, brought China closer to the Western powers and Japan. Washington and Tokyo have increasingly seen India as a natural partner to counter China's growing influence in Asia in the 2000s, and have included New Delhi in what they have relabelled "Indo-Pacific" strategies, such as the Quadrilateral Security Dialogue or the "Arc of Freedom and Prosperity”.

Given these specificities, India's diplomacy is very balanced and complex. On the one hand, it often sides with the BRICS and some other emerging economies when it comes to challenging the hegemonic position of the US and other most developed economies in global governance; on the other hand, it adopts a closer position to the US and its allies when it comes to containing the rising geopolitical influence of China in the Indo-Pacific and participating in potential friendshoring policies of US multinationals and their European and Asian allies.

In terms of developing its own economic corridors, India has more limited options than China or Russia. First, few Indian MNCs have the capacity or the will to build their own GVCs in the short term. Therefore, regional economic integration or other economic corridors are not a priority for them and they will not actively lobby New Delhi for such economic diplomacy. Second, many local rent-seekers or infant national champions still seek a high degree of state protection and support, which prevents China from developing new-generation bilateral FTAs, as evidenced by the long and uncertain negotiations for a trade agreement with the UK or the EU, or the difficult progress in implementing the South Asian Free Trade Area within the South Asian Association for Regional Cooperation (SAARC) (Parkin 2024). This means that the capacity to build preferential economic corridors through bilateralist or regionalist trade diplomacy has so far been limited. Third, India's military capabilities are not insignificant, as it has a nuclear arsenal and an aircraft carrier, but this does not compare with Russia or China. It has played an important geopolitical role in the South Asian region by weakening Pakistan's hold on Kashmir and helping to break Bangladesh away from Karachi's control, but it has been defeated by China, which remains influential in the Himalayan neighbourhood. Pakistan's status as a nuclear power and China's capabilities prevent India from considering a military course of action similar to Russia's in its neighbourhood. Fourth, even more than Russia or Brazil, let alone China, India has a much more limited financial capacity to finance large international infrastructure projects.

Like Brazil, it is already struggling with underinvestment in its own domestic infrastructure and cannot, even in the medium term, play a similar role to China in promoting large transport and energy infrastructure projects through policies such as the BRI. While India participates in the capital and governance of the New Development Bank (NDB) on an equal footing with the other BRICs, with almost 19% of the shares, the Chinese economic giant is involved in far more financing through the AIIB and national institutions. In July 2024, India's hard currency reserves stood at 666 billion dollars, compared to 3222 for China (IMF 2024). In September 2023 Modi's government has announced at the G20 meeting the project of building a new ship and rail corridor aimed at connecting India with the Middle East and the Mediterranean Sea by traversing the Arabian Sea from India to the United Arab Emirates, then pass through Saudi Arabia, Jordan, and Israel before reaching Europe (Polity & Foy 2023). This could facilitate economic flows, notably labour and energy, between the two areas. The United States and the European Union have thrown their support behind this initiative as way to contain China's rising influence in the area (Rizzi 2024). This initiative was unveiled on the sidelines of the G20 summit in New Delhi on Saturday, following the signing of a memorandum of understanding by U.S. President Joe Biden, Indian Prime Minister Narendra Modi, and Saudi Crown Prince Mohammed bin Salman. However, the financial foundations and the implementation of this giant project are not clearly defined and Israel's war in Gaza has considerably slowed down the project (Rizzi 2024). India would have to rely on foreign financing from the EU and Gulf economies, highlighting the structural weaknesses of India as a initiator of economic corridor.

3. Conclusions

Table 1. economic characteristics of the BRICS

Table 2. geopolitical characteristics of the BRICS

Table 3. Attitudes on economic corridors and global economic governance of the BRICS

The summary tables above can serve to illustrate the constraints on the convergence of the BRICS in the context of commercial diplomacy, as well as the varying levels of motivation and capacity to establish economic corridors among the member countries.

As might be expected, China is the economy that displays the greatest level of motivation and the best capacity to engage in the construction of an economic corridor. It is imperative for China to extricate itself from the US-led commercial and geopolitical encirclement, and to establish alternative avenues for the export of its manufactured goods and access to essential raw materials and energy resources. In light of these developments, China has identified economic corridors as a priority since the US pivot to Asia and Obama's efforts to advance the TTIP and the TPP. As the Chinese authorities seek to maintain the capacity to pursue an ambitious industrial policy aimed at fostering national champions and safeguarding economic and technological autonomy, they are constrained from replicating the commercial diplomacy strategies of more developed economies, such as the United States, Europe, and Japan. These developed economies have pursued bilateral new generation agreements that encompass select Singaporean issues. Economic corridors represent an effective means of fostering de facto economic integration with partners while maintaining state control over protectionist instruments. China's capacity to construct such corridors is particularly pronounced given its advanced financial and technological capabilities. The scale of the BRI is a testament to this high level of motivation and capacity.

The development of economic corridors in Russia is driven by geopolitical considerations rather than purely economic factors. These corridors serve as a means of maintaining Russia's geopolitical influence in the region. Nevertheless, it is evident that Russia's economic motivation and capacity to construct such corridors are not on par with those of China. This can be attributed to the comparatively smaller size of the Russian economy, the limited economic complementarity with neighbouring countries and the rent-seeking attitude of oligarchs, which constrains Russia's capacity to act as a regional provider of technology and funds. Furthermore, the absence of firms developing GVCs represents an additional challenge. Despite the proactive economic diplomacy of Russia, the limited attractiveness of its economic corridors for neighbouring countries has resulted in a growing interest in larger markets and technology providers, namely the EU for the western former Soviet republics and China for those in Central Asia. This compels Russia to turn to non-economic means, most notably military intervention or invasion, in an attempt to maintain its level of geopolitical influence across its neighbourhood.

The remaining three BRICS countries lack the requisite will, financial and technological capacity, and military coercion to develop economic corridors under their control. While Brazil and South Africa appear to be constrained by a path dependency that maintains their role as commodity providers within the global division of labour, the situation is more nuanced for India. India has the potential to move up the value chain and transform its role in the international division of labour in the future. This is due to a number of factors, including a long political nationalist tradition focusing on ensuring economic sovereignty, a growing huge domestic market, a significant technological base with international links, a large highly skilled and English-speaking labour force, and an insertion in global value chains (GVCs). This would necessitate the overcoming of numerous obstacles in terms of the modernisation of the rural economy and the infrastructure, which would entail a more centralised executive power. Furthermore, the potential for the Indian economy to capitalise on the consequences of the US-China geopolitical tensions, particularly the phenomenon of friendshoring, which could result in considerable spillovers for the Indian technological base, will also be a determining factor.

With regard to the global economic governance, the BRICS have demonstrated a convergence of views on the issue of Western hegemony on global governance, whether in economic or geopolitical terms. The Washington Consensus, the Singapore Issues, Western Bilateralism and US Conservatism on modernising the Bretton Woods Institutions have all encouraged the BRICS to unite in a resistance to promote a multipolar governance, rejecting the one-size-fits-all policy package inspired by the Washington Consensus and Western Political and Economic Liberalism. Furthermore, unilateralist US military intervention, such as the war in Iraq or US support for the Israeli government's bloody war in Gaza in 2023-2024, can also generate convergence among BRICS, as they could attempt to restrain Washington and their allies from abusing their dominant military capacity. Nevertheless, the economic heterogeneity of the BRICS constricts their capacity to influence global governance. The discrepancies in their respective traditional roles within the international division of labour, technological trajectories, social structures with their distinct types of economic elites, geopolitical relations with the West and with China all elucidate the challenges inherent in attaining a consensus beyond the opposition to the Washington consensus and the Western neoliberal political and economic model.

To illustrate, Brazil and South Africa are able to ratify new generation free trade agreements with a highly developed country such as the EU, whereas this has never been a possibility for China or Russia and is proving challenging for India. Furthermore, while India did not impose sanctions on Russia following its invasion of Ukraine, it was unable to take any overt action against Western investors, as Russia or China might have done, due to the crucial but still vulnerable nature of its connections with Western technology hubs and the necessity of Western backing in the event of a conflict with China in South Asia. These discrepancies illustrate the fragility and constraints of the BRICS alliance.

In conclusion, the most significant development among the BRICS and other emerging economies has been China. Its remarkable economic growth has positioned it as a formidable competitor to the United States. This evolution has had a significant impact on the commercial and geopolitical diplomacy of the United States and its partners. While the United States, the European Union, and Japan have developed strategies to contain the influence of the BRICS, their primary objective is to limit China's growing global economic influence. The economic and technological strength of China gives rise to a significant degree of asymmetry within the BRICS. Should US-China tensions reach a point of military confrontation, a possibility that has been raised by an increasing number of analysts since the mid-2010s, this could result in a geopolitical bipolarisation that would exert pressure on the other BRICS countries to choose between Washington and Beijing (Beckley 2022, Bergsten 2022; Allison 2017). This could potentially lead to the paralysis or disintegration of the BRICS. In the longer term, the potential ascendance of India could prove a significant game-changer, with concomitant shifts in economic power that would also impact the capacity of the BRICS to converge on global economic governance.

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