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Reimagining Global Economic Governance: African and Global Perspectives

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Contents

Introduction

In June 2024, the Carnegie Endowment for International Peace and the South African Institute of International Affairs gathered an international group of experts and practitioners in Johannesburg, South Africa, to discuss the global economic governance system's capacity to address today's most pressing concerns, particularly in Africa. Around the world, many citizens and governments have become disillusioned with the neoliberal policies of Washington Consensus-era global governance. They are seeking greater autonomy and flexibility to advance nationally defined preferences, ranging from social welfare objectives to industrial policies, ecological goals, national security priorities, and development imperatives. This disillusionment with global economic governance is felt acutely in low- and middle-income and formerly colonized countries, including in Africa. Demand is growing for more representative and equitable global institutions that are capable of managing the risks and opportunities of interdependence—such as accelerating climate change and rapid technological innovation.

With a special focus on African perspectives and an eye toward South Africa's G20 presidency in 2025, the conference sought to craft a new narrative and to consider a new institutional framework for global economic governance that is better tailored to the current moment. The goal was to identify the desirable core principles of such an order and to think about how to inject these into policy debates to help promote a world economy that is more equitable, inclusive, resilient, and sustainable.

The conference began by considering the legacy of the neoliberal model in Africa, and the successes and failures of efforts to move out of its ideological shadow. The discussion then turned to how institutions of global economic governance will need to adapt to address some of today's crises and destabilizing trends. Participants debated proposals aimed at unlocking the financing required to adapt to and to mitigate climate change, at combating illicit financial flows, at aligning global migration policy with economic needs, and at ensuring that technological development unfolds equitably. Building on these sessions, participants explored possibilities for a unified African agenda for global economic reform and the goals African leaders should prioritize in advancing such an agenda. The conference concluded with a stimulating discussion of efforts to move the global economy beyond Western hegemony and their prospects.

Africa: New Economic Paradigms

The once dominant development narrative of structural adjustment has fallen out of favor but the legacy of neoliberalism still looms over Africa. Meanwhile, dramatic changes are afoot: the continent's youth boom continues; technology, particularly artificial intelligence (AI), is likely to help services displace manufacturing as the main driver of development; and Africa has the greatest potential of any region for renewable energy, but also is at risk of catastrophe from unmitigated climate change. How can African leaders ensure that Africa benefits from these changes and manages their risks?

The Road to the Present

Participants began by assessing the path to the present, identifying a confluence of factors that contributed to the decline of structural adjustment since the turn of the century. These factors include popular discontent with the Washington Consensus, as expressed through mass mobilization against sovereign debt; new formulations of "development," from the Millennium Development Goals to an increasing focus on sustainable development; and critiques of structural adjustment within the International Monetary Fund (IMF), the World Bank, and other international financial institutions (IFIs).

Declining support for structural adjustment created policy space for African governments to adopt approaches beyond the Washington Consensus. In the early 2000s, a new narrative emerged of "Lions on the Move" as many African economies experienced strong growth, buoyed by the commodity super cycle, the fiscal expansion made possible by improved taxation, and the youth boom that rapidly expanded their workforce.

This wave of optimism was dampened by the 2008–2009 financial crisis, the 2013 Ebola epidemic (which, although it affected only three countries directly, increased risk perceptions regarding Africa), and new international laws, such as those raising capital requirements for lenders and requiring more stress tests, that stemmed the flow of financing available to Africa apart from overseas development assistance (ODA). These trends, along with the decentering of concessional lending as the primary form of development financing and the emergence of nontraditional donor nations such as China, India, and the United Arab Emirates, have shifted Africa's external relations and prospects for development finance.

Africa the Price Taker?

In discussing why African countries had been subjected to structural adjustment policies that ran counter to their national interest, participants pointed to their relative disempowerment in the global economy. In effect, Africa had been a "price taker." Had anything changed since the 1980s to ensure that this dynamic will not repeat itself?

Participants agreed that African countries remain marginalized in the global economy in several ways. Voting weights in the IFIs continue to disfavor them. The maintenance of neocolonial economic structures, in which African countries remain highly dependent of commodity exports, makes it difficult to access development financing since the value of such country's exports fluctuate dramatically, hindering their ability to service their debts. Furthermore, exaggerated and subjective risk assessments inflate the cost of capital, forcing African countries to pay exorbitant interest rates for loans in global capital markets. According to the United Nations Development Programme this risk premium costs Africa more than $74 billion annually.

Consequently, African countries remain unable to access the same level of financing that was available to other countries when they developed. To make matters worse, the Global North's repeated promises of generous financing have remained unfulfilled. Climate funds are especially difficult for low-income countries to access, with more than $1 trillion in promised climate financing yet to be disbursed. The extent to which low-income countries have been cut off from traditional concessional financing is obscured by the inclusion of massive financing for Ukraine in the International Development Association, the World Bank's fund for the poorest countries, creating the appearance of robust concessional financing that, in reality, is not flowing beyond Ukraine.

Navigating Battling Jurisdictions

To meet their financing needs, African countries are increasingly looking beyond the IFIs and traditional bilateral lenders to new ones, including China. Participants noted that this diversification of development financing had opened space for African countries to buck the wishes of the likes of the United States.

Meanwhile, global economic governance is fragmenting, as countries and blocs turn away from multilateral decisionmaking and undertake unilateral initiatives, from the European Union's Carbon Border Adjustment Mechanism (CBAM) to the United States' efforts to persuade other countries to ban the Chinese telecom giant Huawei from their telecommunications infrastructure. This shift away from multilateralism poses risks. For example, the IMF no longer has the funds to provide enough emergency liquidity to meet needs, as shown in Zambia's recent debt default and subsequent restructuring negotiations. Conference participants advocated cautious support for the multilateral system and pondered how African countries could exercise sovereign agency amid intensifying geopolitical competition and battling jurisdictions.

New Economic Thought for Resource Mobilization

Participants identified several shifts that African countries needed to make to move further away from the neoliberal mindset. Their leaders must be ambitious, identifying realistic niches and opportunities, and then developing coherent national policies to take advantage of these. This, in part, will require abandoning the neoliberal shibboleths held by traditional technocrats; for example, by moving away from judging policies by how stock markets respond to them, while acknowledging the importance of stability in financial markets, and letting go of the idea that Africa is primarily a commodity exporter due to the logic of comparative advantage.

Several proposals for how Africa might unlock new sources of financing surfaced during the discussion. Strengthening domestic and regional financial institutions could lessen the impact of external risk assessments. African countries could also more effectively leverage remittances as a source of revenue. However, domestic resource mobilization (DRM) remains challenging, as more than 70 percent of African businesses are in the informal sector and tax compliance remains difficult in settings where government services can be erratic. African countries must also invest more in gathering data on their economy to get a better understanding of their national accounts. Finally, technology, particularly AI, could also open space for Africa to export services beyond low-wage ones such as those provided via call centers—although the emergence of AI also risks labor-substitution effects, endangering employment in some sectors.

Managing Climate Change and the Energy Transition

The global climate crisis also makes it imperative for Africa to secure a higher quality and quantity of development financing. Although global warming is a problem that developing countries did not cause, they are especially endangered by its effects. Africa's annual losses from climate change are predicted to rise from $7 billion in 2022 to $50 billion by 2030. Even as the continent confronts inflation and a debt crisis, it needs to mobilize massive public and private financing for mitigation and adaptation.

First-Best or Second-Best Solutions

Several participants attributed African countries' lack of climate financing to a bigger structural problem: inequality in the global economy that subordinates them in international institutions and forces them to manage greater obstacles in their development path than those the rest of the world confronted earlier. Climate change is compounding this structural inequality as African countries are discouraged from using fossil fuels to develop, even as green-transition measures by rich countries such as the European Union's CBAM hurt African economies.

Many participants argued that climate financing is a debt that the wealthy world owes to Africa and the rest of the developing world on moral grounds. Obtaining sufficient financing for adaptation and mitigation, however, is likely to require reform of the international financial system. As long as that system remains unchanged, African countries must formulate a second-best solution—a path for progress within a context that is hardly ideal.

Formulating a Strategy to Increase Climate Financing

Securing increased financing will require a strategic approach. Participants proposed steps to reduce the costs of financing in capital markets, including by encouraging more realistic risk assessments, as well as to free more resources through debt cancellation and increased use of blended or concessional finance that facilitates private funding. They also advocated increasing DRM by, among other things, widening the tax base and fighting illicit financial flows. Still, some participants were skeptical that domestic resources would be sufficient to finance the climate transition.

One untapped source of climate financing is Africa's huge natural-capital endowment. Its massive carbon sinks provide a planet-saving service to the rest of the world by absorbing huge quantities of carbon dioxide, but the continent receives no compensation in return for these ecosystem services. That needs to change. A precise carbon-pricing system, accompanied by a credible system of natural-capital accounting, would allow Africa to get financial rewards for its ecological stewardship and also to improve the credit ratings of its countries. However, achieving this result would require overcoming deep suspicion across the continent about carbon markets. In the meantime, increased use of debt-for-nature swaps, green bonds, and similar agreements can help Africa leverage its natural resources for financial gain. African countries should also prioritize other measures aimed at improving risk assessments regarding Africa. The African Union should use its new G20 seat to platform such proposals. African policymakers can also collaborate with international nongovernmental organizations on strategies for engaging wealthy donor countries on this agenda.

Beyond Financing: Renewable Energy and Critical Minerals

Beyond securing financing for mitigation and adaptation, African countries can pursue climate-friendly development in other ways. The continent is well positioned to develop a renewable-energy industry, for example, provided that it can boost domestic demand to make such development profitable. In the meantime, African countries will continue to use natural gas as a transitional energy source. The continent is also well placed to create a "blue economy" and pursue ocean-based climate mitigation, with thirty-eight of its fifty-four countries having coastlines. To develop renewable energy and meet mitigation and adaptation goals, however, Africa will need accelerated technology transfer from other parts of the world, as well as the removal of overly cumbersome intellectual property rights impediments, while also rediscovering its ability to innovate in manufacturing and other sectors to reduce dependency.

Africa's mineral resources also offer opportunities and potential international leverage as the United States, the European Union, and others compete with China for access to the continent's critical minerals that will power the world's clean-energy future. At the same time, African countries must ensure that any international deals regarding the development of their mineral resources involve some processing and finishing of these locally to ensure that the continent's minerals industry does not fall into the traditional commodity trap. The development of the industry could also generate demand for domestic energy sources.

Combating Illicit Financial Flows

Reducing illicit financial flows (IFFs) has the potential to greatly increase DRM in Africa. These can take several forms, including: trade mispricing; tax avoidance or evasion; and the transfer and laundering of proceeds of corruption, embezzlement, bribery, and criminal activities. In any given year, the scale of IFFs in Africa often exceeds the magnitude of ODA or foreign direct investment there. The UN Conference on Trade and Development estimates that Africa loses $88.6 billion annually, equivalent to nearly 2.9 percent of the continent's $3.1 trillion GDP, through IFFs. Stemming these could substantially decrease the continent's dependence on external sources of finance and help to close development and climate financing gaps.

Two major impediments to combating IFFs are a lack of agreement on what they encompass and a dearth of mechanisms to measure and counter them. The definition of IFFs remains contested and transactions that break the spirit but not the letter of the law, such as the use of tax havens, are hard to combat. Many IFFs are connected to trade, emerging from customs misinvoicing or false transfer pricing, yet customs enforcement is lax (for example, very few containers are searched for illicit commodities). Advances in technology, meanwhile, cut both ways. They have made it easier to conceal IFFs through the use of cryptocurrencies, but they have also created new enforcement tools, including the use of AI to detect patterns and anomalies. Unfortunately, such advanced technology remains out of reach for the poorest countries, limiting its potential as a law-enforcement and regulatory tool.

As a fundamentally transnational problem, IFFs can only be countered through effective multilateral cooperation. The international community has implemented important initiatives to help combat IFFs, such as the Financial Action Task Force (FATF). More recently, the successful advocacy by African countries to begin negotiations on a UN Framework Convention on International Tax Cooperation that would shift the locus of decisionmaking on international tax rules from the Organization for Economic Co-operation and Development's (OECD) Inclusive Framework on Base Erosion Profit Shifting to the UN was a positive development. The OECD has traditionally led international efforts against IFFs but it has simultaneously sought to protect the interests of Western corporations, shying away from closing tax loopholes in OECD countries that facilitate IFFs. Other international organizations working on IFFs too often work in silos or lack the resources to be effective.

Participants discussed promising initiatives to measure and expose IFFs, and to facilitate greater transnational collaboration to crack down on them. These include improved global data collection, automatic exchanges of information, greater transparency concerning the ownership of assets and corporations, and new international agreements, such as the establishment of regional FATFs, stolen asset recovery agreements, and anti-bribery conventions. Participants emphasized the importance of calling out Western complicity in enabling IFFs. They also cautioned against new initiatives that reinvent the wheel so as to avoid even greater fragmentation of international cooperation efforts.

Finally, participants underscored the importance of tackling corruption in Africa, noting that IFFs are frequently enabled by complicit officials who lack incentives to crack down on them. They highlighted the publication of the Panama Papers as an example of how increasing transparency can make enforcement against IFFs not only popular but also more politically feasible by revealing the magnitude of the problem and its costs to national economies. Linking the fight against IFFs to the realization of other important goals, such as development financing, could help overcome lack of political will by catalyzing greater public calls to action.

Managing Migration in the Global Economy

Improved global management of migration could similarly advance shared global prosperity, but it also requires new international governance institutions.

Lack of Global Migration Governance

Management of migration is hindered by the lack of a truly global system to govern cross-border movements of people. Existing international agreements and institutions—such as the 1951 Refugee Convention, the 2018 Global Compact on Migration, and the International Organization for Migration—are limited in scope and face declining support in much of the world. The possibility to leave one's country is enshrined as a human right in the Universal Declaration on Human Rights, but no country is obliged to accept migrants, except for asylum seekers covered by the Refugee Convention. What is more, most migrants are not traditional refugees while in the West public support for admitting even those with refugee status is declining.

Misunderstanding the Dynamics of Migration

Popular discourse surrounding migration, particularly involving Africans, paints a distorted picture of the actual magnitude and dynamics of the phenomenon, contributing to popular skepticism about migration. This is particularly true in the West, where the discourse tends to focus on undocumented migration from the Global South. Further, this discourse tends to be alarmist, seeing migration as a crisis rather than a source of opportunity. In reality, the share of the world's population that resides outside their country of birth today is close to the average over the past 150 years. Moreover, eight out of ten African migrants remain within Africa, and only two out of ten migrate "irregularly"—that is, informally and without documentation.

Migration can be economically beneficial to migrants, to their countries of origin, and to destination countries alike. Although some participants raised concerns around brain drain, others noted that the establishment of diasporas can help channel resources and skills back to countries of origin, compensating for any loss. In 2022, for instance, Africa received $100 billion in remittances from migrant workers abroad (19 percent of which were intra-African transactions)—a sum greater than what the continent received in ODA or foreign direct investment that year. One priority should be to reduce remittance transfer charges to sub-Saharan Africa, which at 7.8 percent are the highest in the world. Many countries of the Global North, including those that put up barriers to immigration, tend to have aging populations, whereas sending countries, including in Africa, are experiencing population booms. Wealthy countries must choose between maintaining economic growth through immigration or shutting out migrants at the cost of their economy stagnating.

How to Build a New Migration Order

The challenge is how to shift the narrative to generate the political will to create a global regime that allows for mutually beneficial migration. In much of the West, mainstream political parties have been tempted to shift to the right in response to the anti-migrant backlash fomented by far-right parties. Participants argued that this strategy would ultimately weaken center and left parties and legitimate nativist narratives. They added that Western policymakers must instead find a way to ease the concerns of citizens and to sell the economic benefits of migration. This goal will become increasingly important, especially as climate change seems likely to increase the number of migrants globally.

Some participants focused on the need to better facilitate the integration of migrants in destination countries and to ease concerns about cultural identity and economic dislocation. Technology could also allow for new "virtual" migration models that are less likely to provoke backlash and that also mitigate concerns about brain drain, such as by allowing foreign workers to fill jobs remotely. Participants also called for adapting and increasing global migration research funding, which tends to be dominated by Global North sources (and thus perspectives), to produce a more nuanced picture of global migration.

Filling regulatory gaps could also help to make migration more palatable to skeptics. Well-conceived bilateral labor agreements, for instance, could ease concerns about labor replacement. Further, many migrants today are neither traditional economic migrants nor refugees, leaving processes to facilitate their movement inadequate. "Climate migrants" are a case in point—resolving their status would bring order to international migration and help move away from the crisis narrative.

The Digital Usage Gap and Global Inequality

Emerging digital technologies offer solutions to long-standing problems in global economic governance, but they also create new challenges. Of greatest concern, they threaten to exacerbate economic inequality by enriching those with access and punishing those without. Multilateral institutions must help ensure that emerging technologies do not heighten inequalities, but rather serve as a leveler.

What Does Digital Equality Entail for Africa and Beyond?

Inclusivity in technological development involves investment on several levels. The digital universe includes infrastructure, particularly electricity; wireless connectivity; devices; services; applications; and skills. Interventions at all these levels are necessary to ensure that technology is accessible and capable of meeting people's needs.

Participants pointed to "digital sovereignty" as a particular area of concern, including in Africa. This involves questions of where data is stored and used, where technology is deployed and created, who has access to data and technology, who creates and designs technology, and what regulations apply to data and technology. The discussion made clear that the digital universe, in which national boundaries have eroded, challenges traditional conceptions of sovereignty.

Participants also highlighted specific obstacles to African countries enjoying digital sovereignty. These include vulnerability to cable sabotage, the dearth of super computers (there is only one in the continent, in Morocco), the lack of an enabling environment for innovation, the relative disempowerment of African countries in negotiations over the UN's Global Digital Compact initiative, and algorithmic bias in the training of AI models (commonly used ones are largely trained in the West, with insufficient international data, which leads to implicit biases).

How African countries should pursue digital sovereignty remains a matter of debate. Participants questioned whether they should seek inclusion in currently existing exclusive technological systems or instead seek to build new ones capable of meeting African needs. Pursuing higher employment through jobs created by emerging technologies, in the current context of inequity, could result in African countries "playing for scraps" in a global race to the bottom, if certain countries accept lower labor standards and wages in a bid to secure jobs for their own citizens. At the same time, participants noted that critiques of exclusive systems tend to be co-opted, blunting their ability to lead to reshaping those systems. As a case in point, concerns raised by African scholars about colonial dynamics in digital spaces were long dismissed; today, however, "digital colonialism" has become a trendy phrase in Western policy circles without accompanying progress to reduce such dynamics. Participants also debated the extent to which non-sovereign entities, including civil society and corporations, should be involved alongside governments in shaping global technology policy, especially as big U.S. tech companies already dominate the conversation.

To promote African digital sovereignty, participants suggested, African governments and stakeholders should focus on nurturing talent, gathering data, constructing a regional market, building a strong regulatory system, and establishing regional computing capacity. Certain African countries are ahead of the curve on some aspects of digitization, such as mobile telecommunications utilization, leaving many participants optimistic about the continent's digital future.

An African Agenda for Global Economic Reform?

Building on reform proposals generated over the previous sessions, participants considered the strategic value of formulating a unified African agenda for global economic reform and discussed what priorities for such an agenda might be.

Diagnosing the Ills of Global Economic Governance

The institutional infrastructure of the world economy is in need of dramatic reform. It is not representative and it struggles to respond to major world crises, demographic shifts, and changes in geopolitics and global economic power.

Africa is struggling to obtain the financing needed for its development as ODA decreases and borrowing costs increase. Despite having generally low default rates for infrastructure projects, African countries face higher capital costs due to poor sovereign credit ratings and a high-risk perception. DRM is hindered by the fact that a significant proportion of economic activity in Africa takes place in the informal economy.

These financing challenges are compounded by uneven governance, recurrent political conflict, poor economic growth, IFFs, extreme inequality, high youth unemployment, and more frequent droughts and disasters resulting from climate change. Many African countries are primarily commodity exporters, making them vulnerable to commodity super cycles. As a result, there are significant gaps in financing needed for climate adaptation and mitigation, infrastructure investment, and progress toward the Sustainable Development Goals.

Why a Common Agenda?

A common African position, while recognizing the heterogeneity of the continent, would pool resources and influence behind key reforms. The G20 meetings later this year will take place in the context of a Global South Troika, with Brazil's presidency being bookended by India and South Africa, presenting an unprecedented opportunity for African and other Global South countries to put their reform priorities on the table.

Participants proposed short-, medium-, and long-term priorities for reform as part of a unified African agenda on global economic governance.

Short-Term Reforms

Access to Special Drawing Rights (SDRs) and increased concessional ODA would have a substantial impact on Africa in the short term. The African Development Fund is due for replenishment in 2025 and is seeking $25 billion in financing. The International Development Association's replenishment that will be finalized in December 2024 should be a priority as well. SDRs are a particularly promising source of financing as transferring them to the African Development Bank would have no impact on the budgets of SDR holders while allowing it to leverage them four times over. In May 2024, the IMF board for the first time approved this innovative form of hybrid capital in a hopeful step for Africa.

To use trade as a driver of development, African countries must focus on implementing and strengthening the African Continental Free Trade Agreement. They should also target opportunities to move beyond commodity exports and to export value-added goods (some goods currently exported, such as nuts, require minimal processing to become a finished product, yet they are still processed abroad).

As future efforts to reduce the cost of borrowing will have no effect on the debt crisis, another short-term priority must be debt cancellation and restructuring. The establishment of a "cost of capital commission" through the G20 would be a major step forward in formulating an international plan to reduce the cost of capital for developing countries, not least in Africa.

Medium-Term Reforms

To ensure that debt crises do not recur, Africa must improve its credit ratings. Poor credit ratings are, in part, the result of poor data quality as rating agencies lack adequate information to assess risk in the continent. Accordingly, African countries should prioritize resources for collecting data used in credit rating. They should also share more information with one another on the terms of financing contracts to improve transparency.

To reduce reliance on foreign financing, African countries should also improve DRM. Tackling IFFs is essential to this effort. The creation of an African Payments Union could help to facilitate intra-regional trade and to source financing regionally.

Removing obstacles to intra-regional trade would also improve African financial integration. A continent-wide visa would make regional travel easier. Customs procedures must also be streamlined.

Long-Term Reforms

In the longer term, African countries should prioritize either gaining greater influence in IFIs or building alternative ones that are more responsive to and representative of their needs. They should aim to gain greater representation on governing bodies of the IFIs, building on the October 2023 decision at the IMF/World Bank meetings in Marrakech to add a third African seat on the IMF board.

The global financial system must also be transformed to price carbon accurately. The value of carbon, natural capital, and ecosystem services should be priced into macroeconomic measurements, and carbon credits that are accurately priced and bankable must be established.

The Global Economic Order Beyond Western Hegemony

To some of the participants, many of the problems of the global economic order are grounded in the fact that the West continues to hold outsized power in global affairs and that many of the rules and institutions that structure the international economy were made by the West for the West. Does building a more responsive and representative system of global economic governance, then, require realignment? How plausible is such a shift?

Global South vs. Global North

Participants identified a divergence between the Global South (countries that share experiences of colonialism and neocolonialism) and the Global North (the primarily Western advanced market economies that continue to hold outsized power in the international system). Frustrated by the perceived ignorance and inattention of the Global North during the 2008–2009 financial crisis and the COVID-19 pandemic, and alienated by its response to the wars in Gaza and Ukraine, countries in the Global South are increasingly questioning the value of their relationships with it and looking to diversify. As cooperation within the Global South and cooperation between the Global South and China increases, the Global North is losing leverage.

Proposals aimed at moving away from Western-dominated global governance have been made, such as calls to end the tradition that the United States appoints the head of the World Bank and the European Union that of the IMF; to reweight voting shares in the

Bretton Woods institutions; to reduce dependency on Western currencies, especially the U.S. dollar; and to consolidate non-Western multilateral fora such as the BRICS group of countries.

Participants cautioned against labeling increased cooperation within the Global South or moves to decenter the United States and the West as inherently anti-Western. They portrayed such moves as motivated by a desire for agency rather than for realigning against the West. The post-Cold War unipolar moment was a historical anomaly, and the United States and the West could benefit from a shift to a more plural world. The continued frustrations with the global order risk conflagration as a means of forcing change.

Is There Any Mortar in BRICS?

Some participants saw the emergence of BRICS, and its recent expansion into BRICS+, as a promising move toward an economic order beyond Western hegemony. They argued that BRICS has—by virtue of its population size, share of oil production, and control of trade routes—power that is underestimated by the West. BRICS could also serve as a hedge against the West, allowing other countries more diplomatic flexibility and autonomy.

Others were more skeptical, arguing that massive differences among BRICS (and BRICS+) countries—including when it comes to regime types, strategic rivalries, and economic interests—will likely deprive the group of the coherence and solidarity necessary to provide a true alternative to the current order. Further, BRICS risks prioritizing the perspectives of emerging powers while continuing to marginalize poorer and less powerful countries, which may find the G77 and UN General Assembly to be more promising fora.

Others also cautioned against overreliance on China—warning that Global South countries should not enter a new relationship of dependency that mirrors long-standing unequal dynamics with the Global North. Participants emphasized that the Global South does not need to rely on China to exert its own voice and agency. They argued that middle powers must seize the moment to truly move toward a multipolar order, rather than reinforce bipolar tension between the United States and China, to build an international economic system beyond hegemony. Proposals such as reweighting control of the Bretton Woods institutions would help advance these aspirations.

A New Ideology for Global Governance

For some participants, a core contradiction in the ideology underlying the liberal view of world order is at the root of the current disillusionment. The West has expected that the world will converge on a single set of liberal values and modes of governance. However, this runs counter to another supposed liberal value—appreciation for diversity. There must be a path that allows for cooperation around shared goals across countries with divergent values, representing the true diversity and pluralism of the world.

Further, the Western expectation of unified values has not extended to equal enforcement of international law, equal opportunity, or equal access to resources. There is an obvious tension between support for international law and traditional understandings of sovereignty, on the one hand, and potentially interventionist norms such as the responsibility to protect, on the other. The challenge is to formulate a new conception of sovereignty that can navigate these tensions, balancing the sovereign rights of states with the reality that the consequences of national actions are often unconstrained by national borders.

Beyond Western Hegemony?

Participants perceived the shift away from complete Western hegemony to be well underway and recognized that the global majority will not accept rule by a small minority. What remains to be seen, however, is how this realignment happens, and whether it creates a more equitable world order.

They cautioned that a shift away from Western hegemony need not and must not be portrayed as anti-American or anti-Western. The United States should be encouraged to take on a more "normal," less "exceptional" role in the emerging global order to ensure that the ongoing evolution away from the unipolar moment is orderly, rather than stimulating bipolar conflict with China, encouraging U.S. isolationism, or producing global chaos.

Further, participants warned that the Global South countries should avoid getting caught up in the conflict between China and the United States or aligning too closely with either superpower so as to preserve their autonomy and flexibility. Middle powers must band together to articulate an agenda for reform that addresses the reality that current global economic governance is not fit for purpose.

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