



INTERNATIONAL AFFAIRS

МЕЖДУНАРОДНАЯ ЖИЗНЬ

Special issue



BRICS in the World Information Environment

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The conflict between the political and economic interests in West and East, both hit by the latest global crisis, is intensifying, rather than waning. The governments and businesses of the Golden Billion of the fortunate minority of the world's population are building up economic pressure on developing countries in the political games on international playgrounds and putting the blame, time and again, for the situation in one region or another coming to a head on countries inconvenient to manhandle by the First World, and in the "globalizers'" information policy – it is so much out of the ordinary indeed that mention of it has provoked me into discussing it in greater detail here.

An expert will tell you from the rising pitch of the enemy's "psychological offensive" in a modern war (other than where it is taken metaphorically) that the enemy is about to launch an attack – his aircraft are showering your side of the front line with leaflets, his psychological operations officers are blaring from loudspeakers in their trenches urging your troops in the first line of defense to surrender to save their lives, and his radio channels can broadcast calls for sabotage.

Add to these traditional softening-up preliminaries the public networks that can spread rumors sapping your soldiers' fighting spirit and do lots of other things through the enemy's information networks.

Much the same thing happens in the economic tussle between the world's powers. Browsing the Western countries' information environment, with prestigious publications as kind of centers, brings you around to wondering about the sort of future their governments are leading their nations into, assessing the magnitude of threats looming across the board, and taking a measure of the "adversary's" intentions – is he that serious or just kidding?

You can turn to the Hostility Index (HI) to size up the negative impact of the information tenor. The HI is the ratio of negatively biased items to neutral publications and is a clue to realizing how far our country's "international partners" have gone in their propaganda zeal and what is the outlook they are indoctrinating their public with.

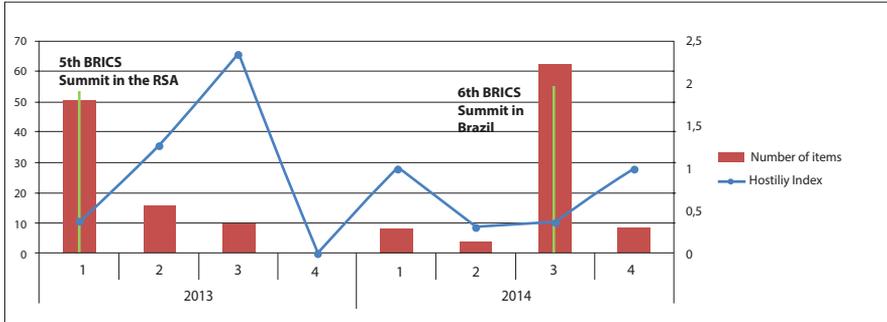
A ratio of up to one (at one negative item to more than one neutral one) is thought to suggest a favorable information background posing no threat to a country's security, it is tense within the range of one to five, and nothing short of information war beyond that.

We must say here right away that the Western countries' press is at least lukewarm to BRICS as a subject to write much about. In 2013 and 2014, Russia in the BRICS Context was covered in just 150 items. Too few indeed, in comparison with, for example, more than a thousand items published over the same period on relationships between Russia and Ukraine, and upward of two thousand items discussing the internal political situation in Russia.

Graph 1 shows, quarter by quarter, the peaks in the number of items covering the group's annual summits over the two years. Surprisingly, not a single feature or even a news item, was published on the subject in the Western press over months during some quarters. This graph alone is enough to draw the preliminary conclusion that the West still takes BRICS as an international meeting place only.

Graph 1.

Number of items published in the Western press each quarter and the ups and downs of the Hostility Index in 2013 and 2014

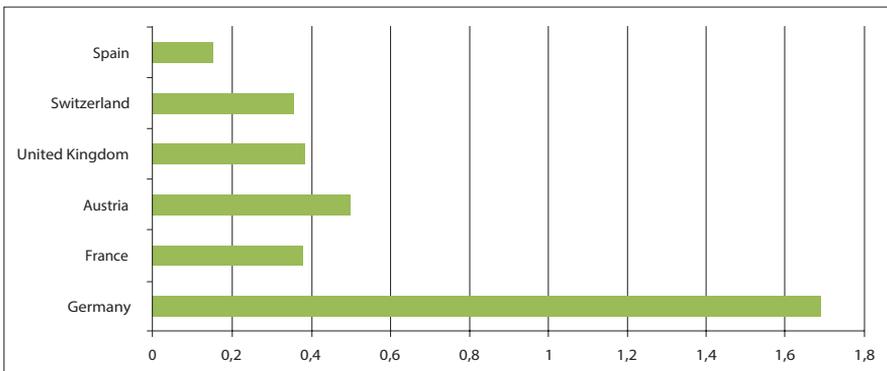


Predictably, the Hostility Index climbs up and slides down, too. At summit time inevitably, it drops to negligibly low levels of 0.5 (neutral news items outweigh the negative ones appearing simultaneously), and past the summit peaks, it rises predictably as well to two or more.

WHICH COUNTRIES ARE WORST DISPOSED TOWARD BRICS?

Graph 2.

Hostility Index of Western countries' press on Russia in the BRICS Context in 2013 and 2014



A look at the color bars in Graph 2 shows beyond a doubt that the worst BRICS “haters” live in Germany who put their country well ahead of other Western countries over a subject so low in media interest. Aside from Germany, the other countries

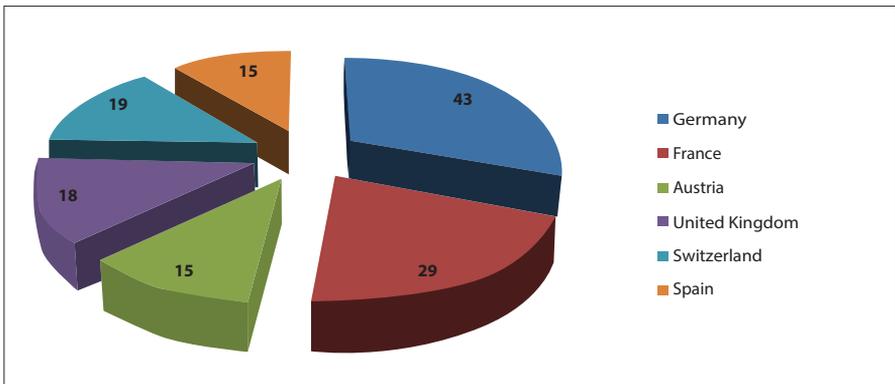
register an HI (0.5, which is a sign of generally calm and peaceful environment. Given, though, that Austria (its HI=0.5), a member of a sort of Pax Germanica, is second in “hostility,” we are dead certain that Germans can’t stand BRICS more than any other nation. Significantly, the U.S., Russia’s “dyed-in-the-wool” contender, has missed the rankings altogether, with six items, one written in distinctly negative hues, published over the two years covered here.

To give them their due, the economic subject does not give free rein to the journalists’ “negative” feelings in the press – numbers and figures force them on stay on no-man’s ground, even where they are boiling over with critical emotions, and Germany’s high HI ranking is a significant fact indeed.

The number of news items in its press puts Germany also far ahead, even of France, the runner-up in the European Union, with more than a third fewer items from its journalists as is colorfully shown in circular Graph 3.

Graph 3.

Number of items on Russia in the BRICS Context in the Western press by country in 2013 and 2014



This pattern of the subject coverage is probably explained by the possibility of the international agencies set up within the BRICS framework wresting Russia from the European Union’s economic pull and giving an unpalatable alternative to smaller countries that are members of the EU or depend on it in one way or another. Characteristically, Germany tops the list of Russia’s ill-wishers on yet another problem, the Ukrainian crisis, for the same reasons – Russia’s interests in this crisis run counter to the

European Union's desire (or more exactly, that of Germany, its implicit economic leader) to establish as full control over Ukraine as possible and turn it into a new market for its exports and a supplier of mineral resources for it.

Interestingly, what BRICS-related subjects did the Western countries' press raise most often and where it put accents on?

First, it was a rare paper feature (even if done in neutral hues), with analytical pretensions however slim, that danced around the fact that "BRICS is a major economic force, its member countries, though, looking in different directions for cementing it into a strategic bloc."

Second, the prospect of a BRICS bank cropping up was another significant subject discussed back and forth in the Western press. The journalists writing on it dismissed it typically outright. It was to *The Financial Times* like a bunch of buds agreeing to build a country house, yet disagreeing over how much it will cost, its location, and who will pick up the check. What you look down with disgust, we agree, you won't discuss much. It was not the BRICS bank, which was covered in dozens of paper features.

And third, sanctions imposed on Russia and the onset of a general slump in the world economy. Journalists mulling over these newsy subjects singled out Asia as a future engine of global growth and gushed forth their disappointment with countries that used to be investment beneficiaries before. "The question is still isn't the BRICS concept outdated?", *Frankfurter Allgemeine Zeitung* asked its readers. "The world today has other developing countries as well, such as Indonesia, that can offer, from the investor's viewpoint, more promise in the longer term than Russia that does not look like a place to pump your money into any more."

ALL EACH BY ONESELF

The association's countries each caring for its own interests is a subject frequently discussed by Western experts and journalists in whatever they say or write about BRICS, focusing on economic and political differences. "BRICS is also a group of countries having major social and economic differences. China and India are predominantly consumers, while Russia, Brazil, and the Republic of South Africa are producers," wrote Spain's *El Mundo* early in 2013.

Admittedly, journalists commonly point to the role of China (the size of its economy casting a shadow over its partners) and the complexities of South Africa that is “small fish” in the club of powers, as Gideon Rachman of *The Financial Times* wrote, adding that each member country of the association had something that made it an odd one out in the club of, in his view, too different countries to be together in the same group. Moreover, the only BRIC that truly belongs in the group, Brazil is an anomaly (against the background of the other countries), he said.

The French *La Tribune*, too, paraded the differences between the club members’ interests to its readers, such as, in one example, that “Russia in particular obstructs the process [establishment of a BRICS bank] by asking each member to pitch in \$2 billion for a start.”

German journalists zeroed in on differences in the political systems of the association members – “India, Brazil, and South Africa are democracies, China is a Communist dictatorship, and Russia is something in between.”

The assessment of differences between the BRICS “components” has experienced a noticeable evolution over the two years. In early 2013, the doubts voiced in the press about the impending coordination of the club members’ policies were traced directly to Russia’s initiative to establish a bank for the association. “There are many reasons for conflicts arising between the [BRICS] countries, for example, between China and India ... Russia’s active reorientation to the East looks fairly illusory as well,” wrote *Wirtschaftsblatt* in a feature on the Russian initiative.

A year on, the reasons for doubting the economic sense of BRICS and blowing up the differences tearing the association apart were based on different grounds. First, a new world economic crisis was raging at full blast and, second, Russia and the Western countries had a new Cold War, even if different in a way from the first Cold War, on their hands, complete with information warfare, pressure of sanctions, and attempts at mutual economic strangulation. Against this background, economist David Hauner writing for the Austrian *Die Presse* sounded compellingly logical when he claimed that “the developing countries’ fast growth” was no more than a historical stroke of luck.” Curiously, the economist said, against all predictions, that the fledgling BRICS bank was not of much use – “the BRICS bank is a good idea, but it is one too many –

there are lots of banks like it around, and none will change the world” was his verdict.

To say in passing, realization that economic growth is probably not that good and that political arm-twisting and consolidation are certainly in evidence has finally come to European observers as well. But, strangely, not in Germany: “The world at large is coming to an understanding that international institutions born after World War II are beginning to rot for the simple reason that countries like Brazil and India wielding much influence today can only sign up as ‘third-class’ members,” we read in the article *The Game Putin Played in Brazil*.

In all probability, Western journalists were nudged to these thoughts by the Crimean crisis and the fact that Russia’s BRICS “partner rivals” or any other “more promising” developing countries did not hurry to join the sanctions warfare against this country. Moreover, it is probably safe to say that the BRICS disunity theme in the Western media had its sharp edge blunted during the Crimean crisis by the simultaneous hit of the successful operation Russia pulled off in the Crimea and the opening of the BRICS bank that had gone on stream contrary to experts’ auguries.

Drummed out of G8 and confronted by Western sanctions, Russian President Vladimir Putin did not feel abandoned to his own fate; he was still welcome to a notorious club – BRICS, *The Globe and Mail* of Canada wrote in March 2014. “When the Crimean crisis rolled in, the BRICS countries landed on Russian President Vladimir Putin’s side of the fence,” an article in *Handelsblatt* paper picked up the theme. A day after the *Handelsblatt* article, the German *Die Welt* carried a caustic critique of the potential BRICS as a whole, and Brazil in particular, could fall back on: “Over the recent years, BRICS stocks have already lost 50 percent of their par value, and now all is sliding fast down the hill: Brazil’s huge sovereign debt can kill investor confidence.”

The successful launch of the organization’s common bank project was another event that wowed the Western press and surprised Western journalists writing on economic affairs. We might even say that, looking at the world from the vantage point of international economic associations, Russia scored high on two counts in 2014 – the successful reunion with the Crimea and the spectacular launch of the BRICS club’s bank.

THE BANK THAT BRICS BUILT

We will not go back to the early 2013 when the idea of initiating a financial institution to serve the club's purposes was given a rough time in the Western mass media. Actually, lack of unity and strikingly wide diversity of the association members was the only valid argument the journalists offered against the bank. You had to stretch your imagination indeed to conceive that BRICS could have a bank of its own. "These countries' economies don't grow fast enough, some of them stagnating even," the Lithuanian *Lietuvos žinios* poured out scorn at the peak of the 2013 summit in an article titled *BRICS the Powerless Giant*.

In the end, power, though, was not what the giant lacked, as Jim O'Neill, the acronym's more farsighted inventor, wrote in the Spanish *La Voz de Cadiz* in those memorable days. In his judgment, it was the beginnings of an institution that had the potential to become a new World Bank exercising still greater influence than the one we have now.

The 2013 BRICS Summit was a windfall for Western propaganda – the member countries failed in clinching a final agreement. "Establishing a common bank is too difficult a step for a group that has got together the first time in the last four years," the newscasters of the Spanish Canal 24 Horas TV conceded on March 28, 2013. *What BRICS Has at the Output Is a Bank of Intentions* was the title of an article in *El Mundo*, and the Austrian *Der Standard* outsmarted them calling the financial institution in the works 'stillborn.' On the other side of the issue, a few experts realized already at the time of the 2013 summit that 'the global power is shifting.'"

A year later, it was clear to all that shifted it had. The developments in the Crimea were followed up by the Russian government's unambiguous statements on the bank in the pipeline that put the press in a more sober mood over the bank project. The French *Le Monde* headlined an article *The BRICS Countries Challenge the IMF for Hegemony*, and the Italian *Corriere della Sera* made a guess that "the compromise over the BRICS bank is probably the first brick in confidence building" and noted the positive breaks in the diplomatic relations between India and China against the background of general arrangements on the bank.

It is a bad journalist who does not pick holes in anything that looks fine to everybody else, and so it was in the BRICS bank story. When it was plainly certain that the development bank idea had

worked, journalists started piping a different tune – the China threat – on the pretext that the bank was, by general consensus, to have its head office in Shanghai. A scare story in *The Financial Times* suggested that there was a danger for the BRICS countries' democratic leaders that they would have China in place of the two power centers, the US and the EU, that control the World Bank and the IMF. *The Independent's* newswriter was clearly surprised – could the BRICS countries cooperate effectively or would the development bank be an effective institution if they launched it?

On the bottom line, the club's countries gave the green light to their own development bank at the 2014 summit, finally persuading the world at large, and probably themselves, too, that they are “something more than just an acronym.”

THE WORLD DIVIDED

The obvious headway in cooperation within the association's framework regardless, the stark reality today is that a new world economic crisis is waiting in the wings, and the new round of the Cold War does little to keep it off stage. The Western press, the subject of this author's study, first turned its sights on the upcoming calamity in real earnest nearer the end of 2014. No denying, news reports and feature stories carried by the Western media anticipated the crisis a while before it struck (for example, *Frankfurter Allgemeine Zeitung* wrote about “the developing countries' slow economic growth” in August 2013), and yet the Western mass media took a genuine interest in the prospect of a crisis only when the problems plaguing the world markets started raiding their own turf (largely because of the sanctions slapped on Russia).

American journalists writing about the club members in 2013 admitted that even though some political observers who indulged in conspiracy theories as a hobby might tag the association as an anti-American cartel, this was nowhere near the truth; really, they were little less than political and economic speculators. Their carefree attitude actually played into the association's hand. It could have been far worse had the US seen BRICS as its economic rival.

“Countries, not developing countries,” *Frankfurter Allgemeine Zeitung* changed accent a year to the day after, during the Crimean crisis. “Of the foursome, China alone was not a disappointment in the economic sense ... economic growth in Brazil, India, and Russia sobered up many Western investors,” the journalist made the point.

These arguments were repeated, in a more expanded form, by the German journalist's French counterpart as the historic summit got underway in summer 2014. "Brazil is threatened with stagnation and inflation growth, BRICS is not in its best shape. The Ukrainian crisis threatens economic growth in Russia, the hopes inspired by Narendra Modi's election in India have yet to go far to fulfillment, and the RSA is wrestling with miners' strikes and its currency instability," the French journalist wrote. Little surprise then that the selfsame David Hauner viewed the developing economies' growth against this pessimistic background as a unique event, a historical stroke of luck, never to be repeated.

Come September, more somber notes were sounded: "The huge size and concentration of fund-managed assets that are centered on relatively small and illiquid markets in developing countries is probably a serious cause for concern," *Süddeutsche Zeitung* wrote in September 2014.

Still, Western analysts could not afford to pass up the truth that developing countries were not generally faring that badly. *Le Monde* wrote in an article headlined *It's Asia's Time* that "the dynamics registered by Asia is less gloomy" next to the problems facing the US mired in the Middle East and the European Union that forfeited, because of the Ukrainian mess, an opportunity to cooperate effectively with Russia.

Meanwhile, the German publications went on drawing a very pessimistic picture. "Within a few years, BRICS will be swept off the scene," *Die Welt* prophesied. Its pessimism is easy to understand – consumption of expensive European goods is shrinking in the association's countries. "The sturdy growth in China alone warms the industry's heart," the journal strikes a lively note. "The developing countries' weak economies are dragging Germany back," *Frankfurter Allgemeine Zeitung* sounded apologetic.

"The political situation is uncertain in Brazil, Russia is still in the grip of the Ukrainian crisis, and China has overstrained its capacity and needs a break to take a breather. It all adds up to a double-digit plunge in German exports to these countries," *Handelsblatt* was disappointed. In sum, Frederick the Great's successors had more worries than disunity in BRICS – disunity and economic weakness of their own empire have gradually lodged in the back of their minds.