

The positioning and inclusiveness of financial cooperation in BRICS countries - Perspective on International Financial public products

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Abstract: The financial cooperation of BRICS countries is essentially the supply of international financial public goods . International Financial public products have their own body traits , through its supply incentives and " Containment triangle " to analyze the positioning and promotion of financial cooperation in the BRICS countries measures . Brics in the supply of international financial public products , need to pay more attention to the ownership of products and the existing system tolerance . The BRICS bank is required to extend the loan in the destination country , Actively invite other emerging economies to join and maintain post-accession benefits to promote the package compliance and contingency reserve arrangements can increase inclusiveness by absorbing more Member States ,and can regulate macroeconomic risk in emerging economies enhance cooperation , Setting up a permanent secretariat in due course , pushing BRICS countries to set up the IMF .

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1. Introduction

There is still a lot of debate about the positioning of the BRICS countries ' financial cooperation , If some scholars believe that the establishment of the new Development Bank will be the United States-led global gold Rong Governance system challenges (Horace • Campbell , 2014, There are also scholars who believe that it is complementary to and perfect for existing systems (Zhu Jie into , 2015 . around BRICS countries financial cooperation , All governments and different scholars in the world have their own knowledge . In fact , BRICS countries International Finance The essence of cooperation is the supply of public goods for international finance , International financial public goods as a specific area of international public goods has its own characteristics of the , So we can refine the international financial public goods from the international public products , and look at the BRICS countries ' financial cooperation in this perspective bit with inclusive elevation .

2. public goods and their nature in the international financial Field () non

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-exclusive of the International financial Field : International Financial stability and international financial efficiency

International financial Stability and international financial efficiency is the final stage of international financial public goods , is completely non-exclusive and non-competitive , They also is the goal of global financial governance , the Two are mutually reinforcing , International financial efficiency cannot be achieved without international financial stability , also has no international Financial efficiency , International Financial stability loses its value . International Financial stability , to effectively regulate balance-of-payments imbalances , stabilize the international exchange rate body Department , providing international liquidity support . International Financial efficiency ,_ Aspect refers to the promotion of international trade , Investment Development and international transaction facilitation , another

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The aspect refers to the optimal configuration of international capital resources with lower intermediary costs , enable demand countries to obtain scarce funds to promote their economic development , Can also be used to compensate for lack of mobility , But the efficiency here is just the former. , and the latter into international financial stability consider ,, and Also means that international financial efficiency is primarily about economic development issues . The efficiency here can be divided into two points ,The first is absorbing and configuring international funds to be Efficient in the source procedure , The second is the efficiency of the economic development of the _ after the implementation of international capital allocation , Whether the project entered by the, which is the lead-capital, has effectively promoted the economic development of the country .

BRICS Financial cooperation has a BRICS national Contingency Reserve Arrangement in the maintenance of international financial stability . BRIC National Contingency reserve arrangements including flow dynamic tools and preventative tools , Its borrowing amount and IMF hook ratio is 70%, Initial Commitment Fund total size is 1000billion \$, where Country committed to contribution 410 billion \$, Brazil , India and Russia are 180 billion \$, South Africa is billion \$. in maintaining international financial efficiency , To promote bilateral trade , Investment development , China and BRICS countries have embarked on financial cooperation such as bilateral currency swaps and bilateral currency direct trading . in the optimization Financial resource configuration , BRICS New Development Bank in 2015 year 7 Month is officially operational ,Headquartered in Shanghai , Initial capital is 1000 billion USD , initial paid-up capital to billion \$, by China , Russia , Brazil , India , Average contribution of five founding Member States such as South Africa . plus , The Brics are also working on the securities market .,* year Ten The five-country exchange signed an agreement to form an alliance , % Year 3 Monthly exchange of five countries Benchmark stock index derivatives traded on respective trading platforms , Investment and financing channels began to diversify (Lin Yue service, 2015) .

These are the BRICS countries ' practice of improving the governance of the current global financial system by incremental reform , The BRICS countries are also actively using the BRICS to close the as a mechanism for coordinating positions , co-push IMF and World Bank reform .

2.1 International Financial sector provision mechanism : Supply incentives for international financial public goods

2.1.1 linked products in the supply of international financial public goods (Joint goods) Incentive

International financial public goods supply tends to bring the country a product a International political influence , This influence includes autonomy and impact rights „without the ability of other countries to influence and influence others , This makes supply more competitive . International public Goods divided by non-competitive and non- , exclusive principles , can be divided into pure international public products and non-pure international public products , There is also a joint product , is more specific ,refers to the when supplying an international public product , produces two or more products at the same time , These products can be different in public , It can be a pureInternational public product , Non-pure international public products or private products (kauletal., 2003 . This kind of joint product is particularly prominent in the more powerful international finance Public Goods supply , It generally brings to the supplier the private products that can only be enjoyed by the country (International political Influence), This benefit is have exclusive , Other countries that do not bear the cost are not allowed to get the by hitchhiking , and The existence of the products is the international financial public goods power External response , It also makes the supply of international financial public goods more competitive than other international public goods supply . For example US-led country Inter-IMF , _ aspects of international financial stability are the international financial public goods it brings , on the other hand, the United States obtains an international financial body One of the controls in the system is a joint product .

2.1.2 International financial power structure Incentives

International Financial public goods are generally supplied by large countries , and these public products tend to be small countries , Large countries can also benefit from it , but its Marginal revenue is decremented , and its incremental provisioning is dependent on the resulting associated product , but great powers can lock through international mechanisms this Political influence , so its supply incentive is extremely weakened. , At this point the international financial power structure becomes a big power international financial public Goods supply Incentive The important impact of . when the international financial power structure is unipolar , No other country can compete or restrict with hegemonic powers , So at this time the supremacy state's the provisioning will be minimal , It tends to abuse its obtained associated products (International political Influence) , and to maintain the enjoyment of the product , It also suppresses the competitive power of potential international financial public goods . when the international financial power structure is bipolar or multipolar ,, due to major powers saving between under competition and Restrictions , so big countries will enhance their willingness to supply international financial public goods , and will refrain from using the resulting international political influence . simple , Hegemonic powers tend to gain influence in the associated product , Other countries tend to gain autonomy in the associated product .

2.1.3 incentives for great powers to change their own power

When the power of a Big country changes, , This also prompts it to change the supply behavior of international financial public goods . Under normal circumstances hegemonic powers focus on The absolute revenue and the legitimacy of the global financial governance system , tends to pass the delegate - Proxy International Organization to supply international financial public products , and when hegemonic power declines , It starts focusing on relative gains , At this point it tends to supply international financial public products by means of a bilateral agreement network , because Add exclusivity to bilateral agreements , make international public products fine Configuration , to provide international public to countries that meet their own interests Total Products , consolidate hegemony with limited resources - International political base . For example, United States in order to maintain international financial stability , Select in the daily phase Select through IMF as lender of last Resort , But when in a global financial crisis , U.S. economy weakens , It will choose to swap networks through bilateral currency to act as lender of last resort , Enable the Fed to use limited resources to help countries that have coverage of U.S. financial interests and strategic values (Liu wei & Chu Chen Sunrise, 2015). overall , Joint products for international financial public goods supply countries bring significant benefits to the international financial public goods supply more power competitive , and the changes in international financial power structure and great power influence the supply and power competitiveness of

international financial public goods .

2.2 inclusive Triangular structure of international financial public products

We can learn from the English-Kyrgyzstan • Kaul (2006) proposed by ' public Triangle to examine the inclusiveness of international financial public goods , The Multi-angle review of also reveals the non-neutral of public products . as shown 1, at the top of the triangle is the public nature of consumption , is what we often say non-exclusive ,, But that alone is not enough to determine exactly _ Public nature of commodity , A country's domestic financial stability requires that country's central Bank maintains sufficient foreign exchange reserves , But very expensive , and poor farmers in the country can benefit from it , But they are far less profitable than the rich margin ,and they didn't put financial stability on the map. , Agricultural subsidy policy may be more important to them , so although This commodity has a public nature for consumption (non exclusive), But the revenue distribution does not have the corresponding public nature . The is in the corner of the triangle. is public in decision making and distribution of revenue , the former refers to whether all parties in a decision have a right to say , A specific is the country in which the product's benefits and costs are covered to participate in the decision making process , This helps policy in politics , economy and Technical feasibility , and often an international public product involves interference in a country's internal policies and rules , If previously in decision system All parties have a say in the order , then this interference has the corresponding legitimacy . at the same time , This commonality is also referred to as product Division , Output , whether the general equivalence principle is adhered to in the decisions of the existing forms and distribution of income, and so on . the latter better understand the , The public nature of the revenue distribution is the Fairness of the extent to which the parties are granted , to Achieve the average distribution of revenue between parties . of course , in Use this _ public three corner structure to examine the public nature of international public products , Clear Indicator , It is critical to establish reliable measurement methods . from the above you can see , When judging the inclusiveness of a public product, you cannot simply see if it has a non-exclusive consumption , because a public product might make certain Group Benefit , Also causes some groups to be compromised, or different groups benefit from or suffer from the same extent , International public products with non-neutral , so The examines the inclusiveness of the product in conjunction with the decision making process and revenue distribution .

3. positioning of the BRICS countries ' international financial cooperation

3.1 Inclusion of the BRICS countries and the United States-led international financial order

The two most important international financial public products of the BRICS countries in incremental reform are the new development banks and contingency reserve arrangements , corresponds to the The US-led mechanism is the World Bank and International Monetary Fund (IMF). Scholars examine the competition of China-US international financial system from dominant state tolerance , member compatibility and rule compatibility to determine compatibility between the international financial system , that is, when the two international financial systems The respective dominant countries exist in each other's mechanisms , The more members of the two systems overlap, the more the , , Basic rules are consistent , two International financial system compatibility (Li wei , 2016). Although we do not deny the value of the above in determining whether there is a compatibility between international financial public goods . , But we have different opinions , We believe that the goal of two international financial public goods is to determine whether the two are compatible. standard , The target is compatible if it does not conflict or overlap , and vice versa , especially in international financial public product requirements saturation , The mutual exclusion competition is difficult to avoid , Therefore, it is better to determine whether the two have a tolerance. such as the BRICS New Development Bank and the World Bank overlap in Member States , Basic rule consistency , on the dominant state no overlap , it 's hard for us to judge whether the two are compatible ., The objective of the two studies can be more directly to determine whether the two have a compatibility of . again such as BRICS Contingency Reserve mechanism and European Stability Mechanism although in the dominant country , member there is little

overlap between, basic rules, and so on ., But because the target is different , They obviously do not produce mutually exclusive competition .

Review of the International Financial public goods supply to BRICS countries and the objective of the United States-led international financial public products , We consider two has compatibility . first _ , New Development Bank compatibility with World Bank . The current World Bank to eliminate extreme poverty , promoting common prosperity as the goal , specifically to 2030 The reduces the proportion of people with extreme poverty to the global population by the year 3%, and increase the national population 40% The poorest people in revenue level . and the purpose of the new Development Bank is to build and sustain the infrastructure and sustainability of BRICS and other emerging economies and developing countries. Show Project mobilization Resources , as an existing multilateral and regional financial institution supplement ,promote global growth and development . to see a difference between the two purposes , before focus on poverty reduction , the latter focus on infrastructure and sustainable development projects in emerging economies , and make it clear that it is for existing multilateral and area Organization's supplemental , which means the new development Bank is compatible with the existing system , Its positioning conforms to the current strength base of the BRICS countries . second , on BRICS contingency Reserve Arrangement , short term with IMF is compatible . The goal of the contingency reserve Arrangement is to provide support through the liquidity tools and preventive tools _ frames , To deal with actual or potential short-term balance-of-payments pressures , This is with IMF features overlap , has _ overrides sex , But on their borrowings there are 70% is the same as IMF Hook , in IMF only 7500 billion dollar pool is not enough to respond to a crisis , Contingency Reserve Security Row is supplemental to it , is an important part of the global financial safety net . at the same time , Emergency reserve arrangement belongs to the self-managed foreign exchange reserve repository , is not To aggregate funds _ funds Pool , No permanent Secretariat , Its operational efficiency remains to be seen ., But in the long run , If additional secretariat , in - steps to improve the economic regulatory regime in BRICS countries , is very likely to develop into a BRICS monetary Fund , The for the vast emerging economies IMF will make aSubstantive challenge to IMF , but short term , The above implementation possibilities are lower . overall , Contingency Reserve Schedule _ The aspect satisfies the BRICS countries ' autonomy , , on the other hand, is part of the existing system , Its positioning is also consistent with the current strength of the BRICS countries .

3.2 Inclusion of international financial cooperation in BRICS countries

This section attempts to from the ' public Triangle to analyze the inclusion of financial cooperation in BRICS countries .

3.2.1 BRICS New Development Bank

First , On the commonality of consumption . Although the agreement of the New Development Bank stipulates its purpose is to provide loans to developing countries in the BRICS and BRICS countries , But so far all loans have been invested in BRICS countries . that is to say, although in the name of the BRICS New development silver Line has the public nature of consumption , But do not have public consumption in practice , It's a typical club product exclusivity feature , Of course, it may not be a long time to put into operation is the cause of this situation . second , on the public of decision making . reach the public in decision making the commonality requires both the beneficiary countries and the cost-bearing countries to participate in the decision making process , The service object for the purpose of the New Development Bank agreement is the BRICS countries and their He emerging economies and developing countries , It is clear that currently in the decision-making process only the BRICS and no other emerging economies are participating , This affects the Loan Investment and policy in politics , Economic and technical feasibility etc. . also , New Development Bank as delegate -Proxy International Financial organization , - The best time to achieve control over such organizations is when you start , the founders passed the initial design of the international financial organization to protect their interests . Good , Implementing control of the organization , And the participant is not involved in the initial design process , It is difficult to ensure that the organization does not deviate from its interest preferences , because of the How this protects the interests of the latter is also the for maintaining the public nature of

decision making . and in the New Development Bank agreement, chapter II , 8 , for shares, purchase , The percentage of voting rights of the founding member shall not be less than 55%, any _ The vote of a non-founding member is the total vote does not have the right to exceed 7%, Obviously this is also detrimental to the maintenance of the latter's interests . last , on the public of revenue distribution . This is more difficult . to Judge , But because the service object is the vast emerging economies and developing countries , They have a total of on infrastructure and sustainability projects , so , In this respect, the new development Bank can achieve the commonality of income distribution .

3.2.2. BRICS National emergency Repository

you can see from its contract that this is a typical club product , The service object is only a member State , So when we examine it, we focus on The is placed on the join of other countries . on the public of consumption , only contributor can borrow , The maximum amount of borrowing is equal to one country's committed contribution.number , The borrowing multiples for the parties are China 0.5, Brazil , Russia , India is 1, South Africa is 2, The shows that this takes care of the interests of relatively small countries , in favor of the successor to the last . in the public of decision making , the current contingency Reserve arrangement has the right to vote 5% Basic voting rights by BRICS average assignment , where All Voting rights are prorated according to pledged contributions , The voting right after the total is China account All , Russia , BarWest , India accounts 18.1%, South Africa accounts for 5. 75%. After, the acceding person can obtain the voting rights by its contribution , and no explicit limit . on the revenue assigned public sex , Current economies are closely linked , International financial crisis contagious , is difficult for any one of the countries to be immune , and Emerging economy countries in similar stages of development , External threats are similar , so it's in the interests of Member States , also complies with the post-joinbenefits .

To summarize , viewed from the public triangle structure of international financial public goods , New Development Bank exclusivity features are strong , and BRICS countries emergency Reserve Arrangement is a typical club product , So in examining its inclusiveness, it focuses on the addition of other countries . , from this point of view, should Emergency reserve arrangement with better inclusiveness , protects the benefit of the successor in the consumer , decision making and revenue distribution .

3.3.3 The positioning of the BRICS international Financial public goods

by the supply incentives of international financial public goods , Joint products occupy an important position , enables the supplier country to gain autonomy and impact rights , So in the more power in supply process , And the change of international power structure and national power, in turn, affects the supply behavior of a country. , that is more focused autonomy or affect rights .

BRIC countries are the champions of emerging economies , The rapid development of its own power base , diagram 2 The Middle line in the is the BRICS and the worldGDP The ratio of , visible Bric countries from 2001 year or so national strength began to accelerate the rise , to 2013 year has slowed down , The is relative to this moment period America's national strength is declining . , even in 2013 nearly surpassed by BRIC countries , But then America's strength bottomed out and rebounded . from it 's not hard to understand. Emerging economies have been demanding to elevate their position in global financial governance over the past decade , also exactly the United States ' demand for emerging economies The negative attitude prompted the BRICS countries to improve the governance of the global financial system through incremental reforms . diagram 2 The bottom line is in addition to Sino-foreign BRIC countries and the world bound GDP margin visible The rise of emerging economies is far less rosy. ,though from 2001 year or so its strength begins to grow , but Enter stasis year about , even decreased , far from challenging us . last , open between two lines is China and the world GDP ratio The can see that China's strength has exceeded the total of the other four countries .

Data Source : World Bank WDI Database .

more than just a comparison of economic power , If you consider military , Technology , Financial Strength , The United States still accounts for in comparison with the Brics has an absolute advantage , And it is difficult for emerging

economies to pose a substantial challenge to the United States without China's accession .. at the same time the BRICS countries have a "" "" But internal competition is also very fierce ., This performance is in : _ , China's rapid growth has not only attracted the attention of the United States , and makes the other four states starts to worry about China's leading position in the BRICS system , For example, in determining the contribution of the new Development Bank of the BRICS countries , Although China occupies an absolute advantage , But India and Russia strongly oppose China's contribution to greater contributions , Final Five countries ' average contribution ; Second , boundary dispute issues between India and China long time not resolved ; Third , past Long term undervaluation of the value of the renminbi , make China export to India , Brazil , Manufacturing sector in South Africa brings greater damage , They have repeatedly expressed dissatisfaction with some of China's economic policies . , such as Brazil and the United States call for a revaluation of the renminbi , India even anti-dumping actions against China ; Fourth , current Low-cost manufacturing of India to China World Factory status poses a threat , appears the trend towards foreign direct investment from China to India .

To summarize , _ The BRICS countries should have a higher position in the current global financial governance system , but another _ Aspect , BRIC countries are notability to challenge the United States-led global financial governance system , that is,, When BRICS countries supply international Financial public goods , should More attention to autonomy in the product that is being linked to, than to impact , More attention should be paid to the compatibility of the supply of international financial public goods with the United States leading mechanism and the non-competitive .

4. measures to enhance the inclusiveness of financial cooperation in BRICS countries

4.1 Perfecting the new development banking mechanism of BRICS countries

First , to improve the reality that the current new development Bank has only nominal consumer commonality , needs to extend the loan scope to in future operations outside the Brics , providing loans to the wider emerging economies and developing countries as stated in its purpose , weakening the exclusivity of the new Development Bank sign . second , to promote the inclusion of new development banks in decision-making , requires the decision making mechanism to cover as many beneficiary countries as possible and This undertaking country , That means actively inviting other emerging economies and developing countries to join the . last , New Development Bank decision-making containment is also reflected in its mechanism elasticity , to follow the changes in the international economic and political situation and adjust accordingly , effectively reflect strength among Member States , To encourage and to join a country after maintenance , To do this requires the founding Member States to revise and relax the new Development Bank agreement chapter II, 8 bar restrictions on voting rights , Mitigation Initiator to delegate - The original sins of the international financial organization controlled by proxy , to add the after the actual maintenance National Benefits , At the same time, in the face of the imbalance between the development of countries will inevitably bring the strength of the various countries of this extinction long time , The flexibility of this mechanism in the future Avoid conflicts like the current IMF and the World Bank's lack of strength and status in emerging economies .

4.2 perfecting the BRICS emergency reserve mechanism

BRICS National Contingency Reserve mechanism as a club product that serves only member States , Good inclusiveness for other countries to join , To protect the benefit of The successor in the consumption , decision making and revenue distribution benefits , But it still has a distinct exclusivity feature . Promote this club product inclusiveness is the way to absorb more emerging economies and developing countries , But as club members expand , will increase the club product competitive , This requires the economic size of new Member States when absorbing new members , Financial risk , make a comprehensive consideration of the amount of borrowing and contributions . also , To better serve the interests of Member States , can be improved under the global financial safety net goal , start in the short term to strengthen emerging economies macros The Economic Risk regulation mechanism cooperation , monitoring

economic and financial risks in emerging economies , on this basis, the ratio of borrowings to the IMF off Hook , and Then set up permanent secretariat in the medium to long term , to Promote the establishment of the BRICS IMF .

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